

Swiss federal SME support scheme & Credit Suisse



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CREDIT SUISSE 

Swiss federal SME support package

Context & timeline

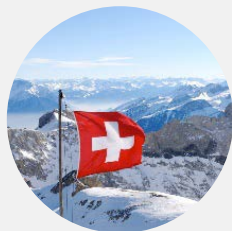
March 16th 2020

Credit Suisse unveils plan for a CHF 40bn fund to support SMEs



March 20th 2020

Swiss government presents CHF 40bn support scheme



March 26th 2020

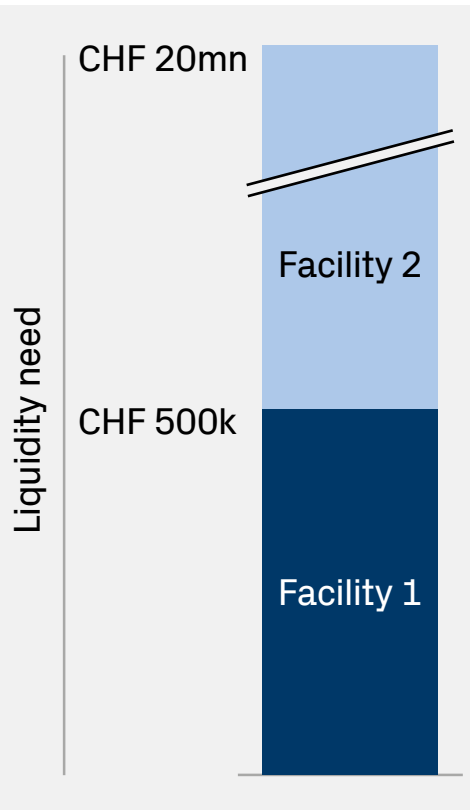
Swiss SMEs support scheme goes live



- As the **bank for entrepreneurs**, we are here for our clients even in difficult times, to find **solutions** for their **individual situation** together.
- We have worked with the **Swiss federal government** and **other banks** to develop **measures** to provide rapid and uncomplicated **support** for Swiss **businesses** affected by the coronavirus crisis.
- The **support scheme** is defined at the **federal level**, it is approved by the Finance Delegation of the Federal Assembly & contains in particular a **bridging loan mechanism**
- As a bank, we are thus **living up** to our **responsibility** as a provider of credit to the Swiss economy, even in these times.
- In addition to the federal support package, we are also participating in **guarantee programs** at the **cantonal level**. We also offer **additional support** to businesses with the possibility of temporarily **suspending** amortization **payments**, mortgage or leasing **installments**.

Swiss federal SME support package

Two credit facilities to bridge liquidity shortages



- **85%** of overall credit volume (up to CHF 20m) will be **guaranteed** by the Swiss federal government
 - The remaining **15%** of credit volume will be granted by the bank as an **unsecured** loan
 - Loan is subject to **full credit review** by the bank, however in an accelerated process
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- **100%** of overall credit volume (up to CHF 500k) will be **guaranteed** by the Swiss federal government
 - Credit review limited to **plausibility check**, particularly
 - Verification of **company name & signature**
 - Confirmation that **no legal & compliance warnings** exist
 - Check that recipient is **not domiciliary company**

Swiss business banks act as **distribution channel** for both credit facilities



- Overall **funding** from both **facilities limited** to **10% of company turnover**
- **Guarantee activation** via **submission** of application form to central repository¹

Swiss federal SME support scheme

Structure of available lending facilities

Covid 19 credit

Up to CHF 0.5 Mio.



Covid 19 credit plus

CHF 0.5 Mio. – CHF 20 Mio.



Purpose	<ul style="list-style-type: none"> ▪ Goal is to bridge SME liquidity constraints ▪ May not be used for capital investments, dividends or merger & acquisition financing 	<ul style="list-style-type: none"> ▪ Goal is to bridge liquidity constraints ▪ May not be used for capital investments or merger & acquisition financing
Target Group	<ul style="list-style-type: none"> ▪ Swiss domiciled sole proprietorships, partnerships or legal entities ("companies"), founded¹ before March 1st ▪ No more than CHF 500 Mio. turnover 	<ul style="list-style-type: none"> ▪ Swiss domiciled sole proprietorships, partnerships or legal entities ("companies"), founded before March 1st ▪ No more than CHF 500 Mio. turnover
Structure	<ul style="list-style-type: none"> ▪ Credit fully guaranteed from CH government (Nominal credit amount + 1 year interest) 	<ul style="list-style-type: none"> ▪ 85% of credit guaranteed from CH government (Nominal credit amount + 1 year interest) ▪ Remaining unsecured 15% of credit remains with the Bank
Pricing	<ul style="list-style-type: none"> ▪ Interest rate fixed at 0% p.a. guaranteed for the next 12 months 	<ul style="list-style-type: none"> ▪ CH government guaranteed credit amount interest rate fixed at 0.5% p.a. for the next 12 months ▪ Based on credit rating, up to 2.5% p.a. for the unsecured part of the credit
Amount	<ul style="list-style-type: none"> ▪ Up to 10% of yearly turnover ▪ Max. CHF 0.5 Mio. 	<ul style="list-style-type: none"> ▪ Up to 10% of yearly turnover ▪ CHF 0.5 Mio. – max CHF 20 Mio. per counterparty (amount from Facility 1 included)
Process	<ul style="list-style-type: none"> ▪ Credit request plausibility checks (front) 	<ul style="list-style-type: none"> ▪ Full credit process

Credit Suisse planned, designed and implemented fully digital client journey and internal processes in < 1 week

< 1 week

*to build, implement
& launch program*

< 48 h

*to create & deliver training
materials in 4 languages*

50+

*number of employees
Involved in task force*

Key success factors

- Highly committed project **task force** with **50+ people** drove **implementation & communication** via dedicated working groups & work streams – **100+ colleagues** involved in **delivering solution** to our clients
- **New & fully digital** credit **process** developed & implemented within less than **one week** enabled **quickest processing time** among peers – significantly **fast tracked** credit review process for **facility 2** established
- **Easy-to-use & self-explanatory** support & **training materials** in four languages **created & delivered** to front staff **within less than 48 hours** leveraging targeted communication & dedicated SharePoint website

Very positive client feedback on both response & processing time, as well as user journey...



Wow, that was **really fast!** (...) I have never before seen such efficient cooperation between government and the banking sector. (...) this measure is a **huge relief** to our business at this time.



Ich bin **stolz** auf euch und den Finanzplatz Schweiz, der uns in diesen Zeiten zur Seite steht. Da können sich andere Länder mal ein **Beispiel** nehmen.



(...) Ich bin **stolz** auf meine Hausbank und "mini" SKA. (...) Wir wissen das sehr zu **schätzen**.



Merci auch an Eure ganze **Organisation!** Es ist der **Wahnsinn**, was Ihr auf die Beine gestellt habt!

