

20  
years  
of



**aecm**

EUROPEAN ASSOCIATION OF MUTUAL GUARANTEE SOCIETIES

Growing together

**AECEM: 20 years  
of facilitating  
growth**

**August 2012**



## Foreword by the Chairman and the Secretary General

Dear Reader,



*On the occasion of its General Assembly meeting and Annual Seminar held from the 7<sup>th</sup> – 9<sup>th</sup> June 2012 in Bucharest, AECM celebrated 20 years of existence and achievements.*

*Founded in 1992 by Mutual Guarantee Societies from 5 Member States, the Association has since grown to represent 38 member organisations from 20 Member States as well as from Turkey, Russia and Montenegro. Starting as a platform for exchange of best practices, it has aimed at strengthening the guarantee intermediaries in the different countries, most prominently by starting a large scale cooperation programme with guarantee entities from the candidate countries at the end of the '90s, supported and financed via an EU Tender.*

*AECM has also progressively become involved in EU policy matters with relevance to the guarantee business and has positioned itself as a key partner towards the European Institutions. In order to ensure proper framework conditions for the guarantee business in Europe, AECM has notably defended the interests of guarantee institutions on such topics as the own funds regulatory requirements (Basel), EU SME financial instruments and EU state aid regulation.*

*In accordance with its statutory mission statement, the Association has also assumed a crucial role in disseminating information on guarantees, with a view of promoting this SME financing instrument, both in the EU and beyond. In this spirit, AECM has cooperated with the World Bank, the IFC and more recently with the OECD as well as intensified its links with other regional guarantee associations around the world, in particular with REGAR (Latin America) and ACSIC (Asia). To be able to fulfil this role optimally, the Association has improved its capacity to provide information on key sector indicators and to draft studies on selected technical topics.*

*In this brochure, you will find a short description of this activity as well as an overview of the evolution of the guarantee business over the recent years. The strong growth trend vindicates our perception that the guarantee is a highly efficient SME support instrument that addresses crucial market failure in access to finance. This has been demonstrated even more dramatically by the performance of the anti-crisis measures launched by our members during the recent financial and economic crisis.*

*We are looking forward to continuing our excellent cooperation with our partners from the public authorities, both national and EU, from the banking sector as well as from the SME organizations.*

Best regards,

A handwritten signature in black ink, appearing to read 'José Fernando Figueiredo'.

**José Fernando Figueiredo**  
**AECM Chairman**

A handwritten signature in black ink, appearing to read 'Marcel Roy'.

**Marcel Roy**  
**AECM Secretary General**



## Contents

<u>SECTION</u>	<u>CHAPTER</u>	<u>PAGE</u>
<b><i>I. AECM: General Overview</i></b>		<b>1</b>
	AECM: Today	1
	AECM: Achievements	5
<b><i>II. AECM: Global Figures on European Guarantees</i></b>		<b>11</b>
	AECM: General evolution of guarantee activity	11
<b><i>III. AECM Members: Country Profiles</i></b>		
	AECM: Definitions setting	1
	Austria	3
	Belgium	5
	Bulgaria	7
	The Czech Republic	9
	Estonia	11
	France	13
	Germany	15
	Greece	17
	Hungary	19
	Italy	21
	Latvia	23
	Lithuania	25
	Luxembourg	27
	Montenegro	29
	The Netherlands	31

Poland	33
Portugal	35
Romania	37
Spain	39
Slovakia	41
Slovenia	43
Turkey	45
<i>IV. AECM: Welcomes new member</i>	<b>47</b>

**Section I:**  
**AECM: General Overview**



**AECM: Today**

**A**fter a first European Congress of Mutual Guarantee Societies on 28<sup>th</sup> – 29<sup>th</sup> November 1991 in Madrid, the European Association of Mutual Guarantee Societies (AECM) was created in 1992 on the occasion of a conference in Paris, counting on the support by the European Commission in its first years.

It has since known a fast growth to become the one and only organization for the guarantee sector at the EU-level, representing 38 member organizations operating in 20 EU countries, Montenegro, Turkey and, starting from 2012, Russia (see section IV). Its members are mutual, private sector guarantee schemes as well as public institutions, which are either guarantee funds, development

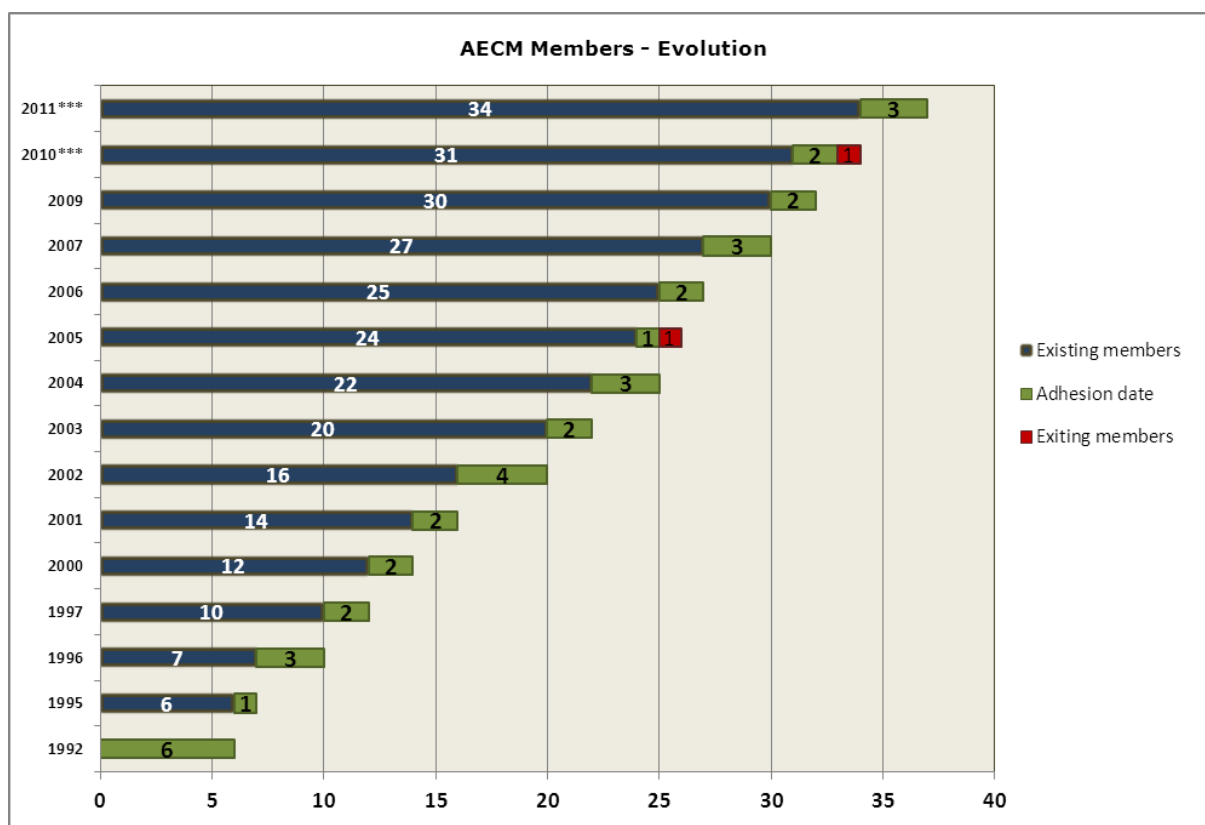
banks or public agencies with a guarantee department. They all have in common the mission of providing loan guarantees for SMEs who have an economically sound project but do not dispose of sufficient bankable collateral.

By granting a guarantee, guarantee societies provide a substitute for the missing collateral and allow the credit institution to grant the loan by sharing in the default risk. Given the economic importance of SMEs, guarantee organizations have been set up in nearly all European countries. In addition, guarantee schemes also exist beyond Europe, e.g. in the US, Latin America, Asia and the Mediterranean region.



The number of AECM members has experienced a steady growth since the founding of

the association as European sectoral association twenty years ago.



Source: AECM statistics

AECM pursues the following three main aims:

**Political Representation:** AECM represents the political interest of its member organisations both towards the European Institutions, such as the European Commission, the European Parliament and Council, as well as to-

wards other, multilateral bodies, among which the European Investment Bank (EIB), the European Investment Fund (EIF), the Bank for International Settlement (BIS), the World Bank, etc.

It deals primarily with issues related to state



aid regulation relevant for guarantee schemes. within the internal market, to European support programmes and to prudential supervision. It has also dealt with the policy response to the financial crisis.

**Exchange of Best Practices and Training:**

AECM serves as platform for exchange of best practices on a variety of operational issues. For this purpose, AECM has set up working groups and organises annual seminars, operational training sessions as well as specific ad-

hoc events on selected issues.

**Promotion of Guarantee Instrument:**

AECM undertakes surveys on the guarantee sector, provides relevant technical information, statistics, newsletters as well as other publications to promote the guarantee instrument. It cooperates with multilateral bodies (e.g. OECD and IFC) and takes part a sector representative in events both in Europe as well as beyond.



## AECM: Achievements

In keeping with its general mission statement above, over the years, AECM has progressively extended its scope of activities to specific fields that are relevant to its member organizations. Please find below a short overview of the main AECM achievements:

- **Communication and statistics**

In the interest of fulfilling its role in the field of exchange of best practices, the representation of political interests and the promotion and cooperation outside the EU, AECM has first launched its annual seminars, dedicated to selected operational topics, followed soon by the establishment of ad-hoc or permanent thematic Working Groups (State Aid, Structural Funds, Banking Legislation and Agriculture). The Association has also drafted a number of technical studies and since 2000 compiles sectorial key figures. A major effort has been undertaken in recent years to overhaul the website and streamline the Association's image and communication tools.

Recognizing the importance of its communication on statistics and technical matters, AECM formally set up a Statistics Working Group in 2011, which has undertaken its first technical study on pricing, soon to be followed by other publications.

- **Exchange of best practices**

From the beginning, the exchange of best practices has been a key concern to AECM members striving to improve their operational procedures, as well as the service to their clients, by benchmarking themselves to other members and integrating useful ideas in their own business models.

Aside from the formal events by AECM, bilateral contacts and events have been facilitated on demand by different member organizations. Also, AECM engaged in a large-scale cooperation project with guarantee organizations from EU membership candidate countries in the year 2004, supported financially via an EU Tender. The project included 17 already existing guarantee organizations active in 10 eligible countries. It was composed of an assessment study to analyse the strengths and weaknesses of the participating guarantee systems. This was followed by a Dissemination Conference to introduce best practices with the goal of maximizing the commercial impact of the participating guarantee schemes. Nearly all of the participating guarantee schemes have joined AECM as members afterwards.

More recently, on 5<sup>th</sup> – 6<sup>th</sup> May 2011, AECM started a series of Operational Training Sessions, the first being focused on Credit risk appraisal and rating.

- **Political topics**

- Basel

Basel II and the current Basel III proposal by the BIS have been a major concern for SME guarantee societies. They are concerned on one side as a financially supervised intermediary, on the other hand, the impact of changes in the framework for prudential regulation on the final beneficiaries of AECM member organizations is not neutral.

As regards financial intermediaries, AECM has obtained the inclusion of a zero risk weighting for publicly guaranteed / counter-guaranteed loan amounts under the CRD, transposing Basel II in the EU. This has been a central element convincing many banks to maintain SME access to finance during the recent crisis. Regarding the current proposal for the CRD IV, implementing Basel III, AECM has insisted that guarantee societies must continue to be considered as providers of unfunded credit risk protection in the future to ensure such a positive effect of guarantees on capital requirements for SME loans.

From the point of view of its SME beneficiaries, AECM has voiced concern about the possible effects of the new rules on SME loan activities by banks. Therefore, the Association supports a more favourable weighting for the retail portfolio to counterbalance the negative effects to be expected by the implementation of the rules.

- Growth and Employment, MAP, CIP, Structural Funds

Since its creation, AECM has argued for strong EU support in form of counter-guarantees to address specific market failure in SME access to loan finance across the EU. As a result, the Commission first launched the Growth and Employment Programme, followed by the Multiannual Programme (MAP) and finally the current programme called the Competitiveness and Innovation Framework Programme (CIP).

AECM member organizations, having participated as financial intermediaries in all of these initiatives, have been able to demonstrate a strong performance. Indeed, as of March this year, AECM members have issued over € 5,3 billion in guarantees to over 130.000 SMEs in Europe under the CIP. These concern loan operations with high risk profiles, such as e.g. business transfers, which are of crucial importance and which would under normal conditions not have been undertaken by credit institutions. They could only be realized thanks to the risk sharing agreement between guarantee institutions and the CIP funds.

Among others due to the leverage factor obtained through the use of CIP funds, AECM considers the current CIP to be highly relevant in terms of European Added Value. AECM is strongly arguing for a continuation of this type of support loan guarantee facility under the follow-up programmes COSME and Horizon 2020. These should be accessible to all potential guarantee intermediaries.

Another important area of activity of AECM members is the intermediation of structural funds. Indeed, about a third of AECM members and about half the number of countries represented in the Association are active in the field of structural funds.

An AECM survey has shown that the EU counter-guarantee and equity instruments are the most efficient to support the activity of SME guarantee schemes. Also, AECM considers that “financial engineering instruments” offer the best leverage for the public funds.

AECM members are currently running a total of 26 programmes involving Structural Funds, for a total number of over 104,000 SME beneficiaries.

Some guarantee programmes have thousands of beneficiaries, which clearly demonstrate the capacity of guarantee institutions to reach many more SMEs than any alternative financing programme of a comparable size.

#### ° EU state aid regulation

Due to the fact that SME guarantees, provided on a non-profit basis, generally benefit from a state aid element in form of a public guarantee / counter-guarantee, EU State Aid rules have a direct relevance for the activity of AECM member organizations.

Over the last 20 years, the rules with regard to state aid for guarantees have been increasingly defined by the European Commission. AECM, whose members mostly use the De-minimis Regulation for their guarantee

operations, has continually contributed to the review process by the Commission.

Although the rules have become more and more complex and demanding in terms of administrative effort over time, the Association has managed to obtain a number of positive changes in the rules.

This relates for example to a simplified approach under the De-minimis Regulation, providing a lump-sum state aid equivalent for guarantees of € 1.500.000 over three years.

The Commission is currently in the process of starting a new review of the state aid regulations (De-minimis, Guarantee notice, General Block Exemption Regulation, etc.), which will be in place for the new financial programming period of 2014 – 2020.

AECM will be closely involved in the consultation processes.

#### **• Promotion of the guarantee instrument and Cooperation**

In the interest of promoting the guarantee instrument at the international level, AECM has over the last years intensified its relations with multilateral bodies.

Thus, on 13<sup>th</sup> – 14<sup>th</sup> March 2008, AECM participated in a high-level workshop on partial credit guarantees organized by the World Bank.

The workshop was aimed at shaping the World Bank’s thinking and possible future development policies with regard to initiatives in developing countries.

On 8<sup>th</sup> June 2011 in Tallinn, AECM, together with the IFC and with the support of the Dutch government, organized a Global Conference on Guarantees, which was attended by over 100 participants from 34 countries from Europe, the Americas, Africa and Asia. IFC, a member of the World Bank Group, focuses on the private sector to promote growth, reduce poverty, and improve people's lives in developing countries. The objective of the conference was to share different approaches on public policy, financing schemes, challenges, and key success factors of credit guarantees schemes to promote SME Finance with a special focus on developing/emerging countries.

Furthermore, since an OECD Round Table on the Impact of the Global Crisis on SME and Entrepreneurship Financing and Policy Responses on 26<sup>th</sup> – 27<sup>th</sup> March 2009 in Turin, Italy, AECM has been involved in the OECD's Working Party on SMEs and Entrepreneurship (WPSMEE). It has attended the WPSMEE biannually and has feed into the process of reporting on the anti-crisis measures undertaken by AECM members. Since the end of 2011, AECM has been recognized as an official observer at the WPSMEE. It will in this function continue to provide concrete guarantee data and studies to the Working Party and to the currently discussed Study on guarantee schemes.

In addition to contacts with multilateral institutions, AECM also pursued close ties with REGAR, (the Latin-American Guarantee Network), ALIDE (Latin-American Association of Development Banks), ACSIC (the Asian Credit

Supplementation Institution Confederation) as well as with individual Guarantee institutions in the Mediterranean region.

Finally, AECM member organizations have been active in cooperation conferences and projects (with GIZ, FAO, etc.) in Mongolia, Viet-Nam, Armenia, Cape Verde, Angola, Mozambique, etc. with the view of helping to develop sustainable SME support structures in these countries.

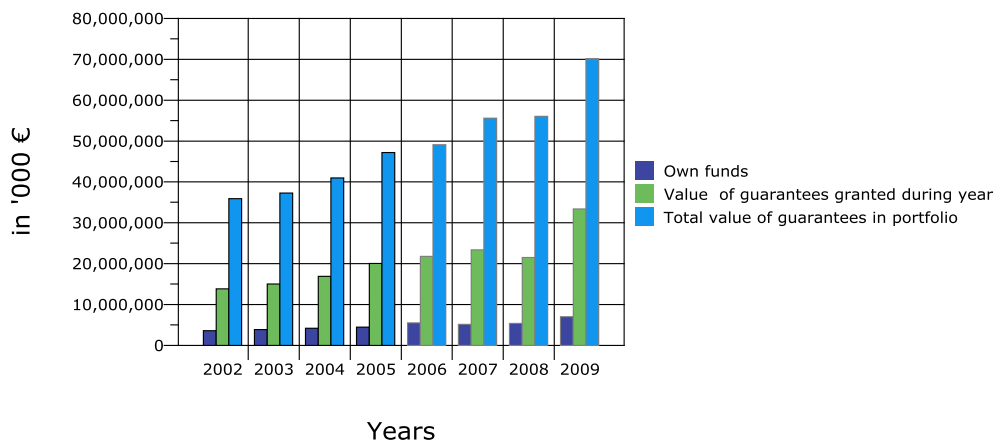
- **Special focus: Anti-Crisis measures**

AECM members made an extraordinary effort to ease the impact of the recent financial and economic crisis on the access to loan finance by European SMEs. Overall, in 2009, they issued over 855.000 guarantees with a value of over € 34 billion.

On 31<sup>st</sup> December 2009, AECM members held in their portfolios more than 2 million guarantees for a value of € 70,4 billion to over 1,8 million customers, which represent about 8% of all SMEs in the European Union. The vast majority of the beneficiaries were small companies.

After a solid 8,13 % average growth rate for total guarantee volumes in portfolio over the period from 2002 to 2008, volumes have expanded by 25,7 % from 2008 to 2009. The volumes of new guarantees issued per annum have increased even more by 58 % from 2008 to 2009, as compared to the average growth rate of 8,18 % for the previous seven years (see graph on the next page).

Progression of guarantee activity 2002 - 2009



This extraordinary increase in guarantee activity also reflects in part the impact of the specific anti-crisis instruments, which have been launched by AECM member organisations towards the end of 2008 and the beginning of 2009 as new products or modified existing products.

Indeed, with a total volume of € 11,2 billion, guarantees issued under the specific crisis pro-

grammes make up about a third of the total guarantee activity in 2009. 90 % of the total volume of these specific crisis guarantees has been dedicated to short term, working capital loans.

The specific crisis guarantee instruments have provided over 120.000 SMEs with crucial access to finance and thus contributed to maintaining more than 851.000 jobs.





**Section II:**  
**AECM: Global Figures on European Guarantees**



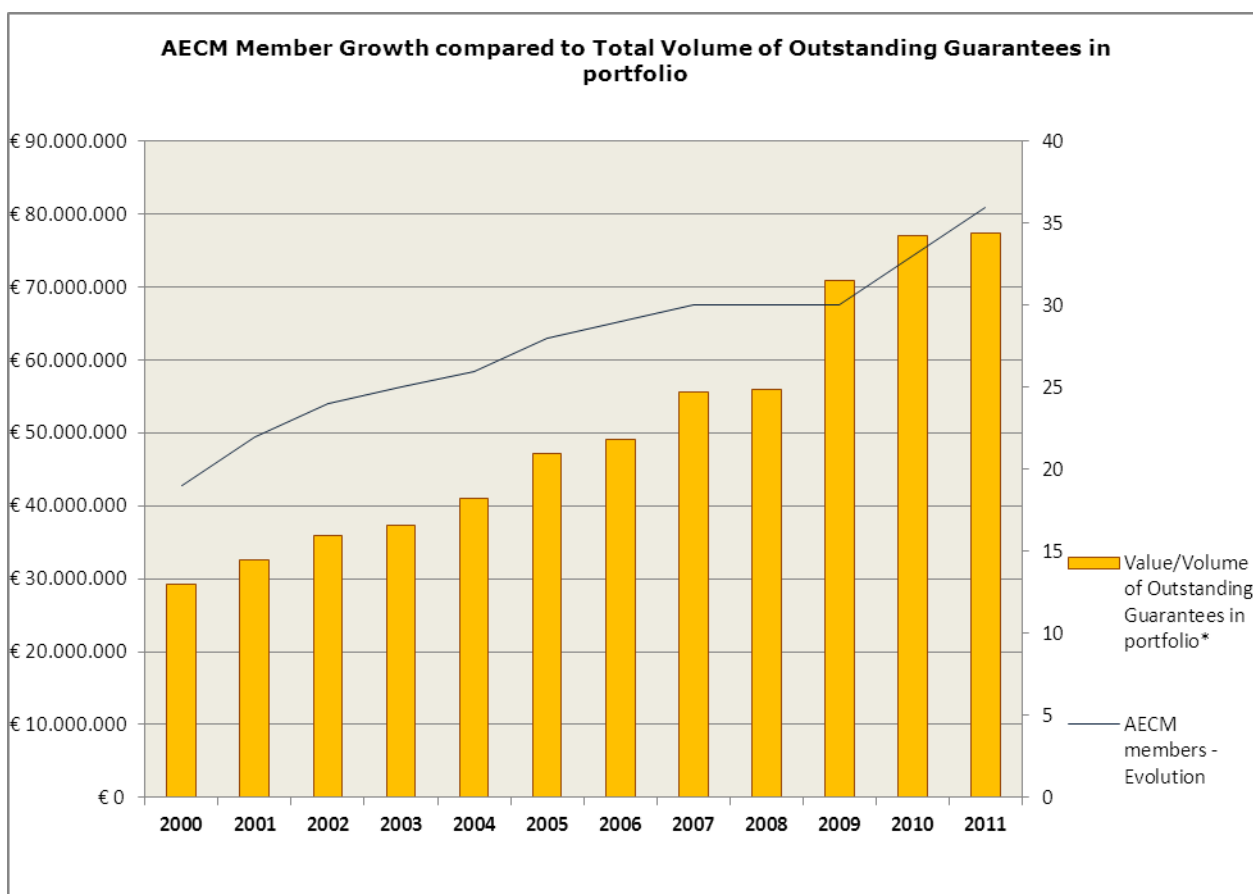
**AECM: General evolution of guarantee activity**

**A**ECM started collecting key figures about the guarantee activities of its members' organisation since the year 2000 allowing a statistical timeline over 12 years.

The chart below shows the general trend both of the growth of AECM membership as well as the volume of outstanding guarantees in portfolio.

Both trends show a steady growth and are closely correlated.

There is less correlation in the last three years as most potential candidates have joined AECM as members and at the same time guarantee volumes have undergone a strong boost due to anti-crisis measures.



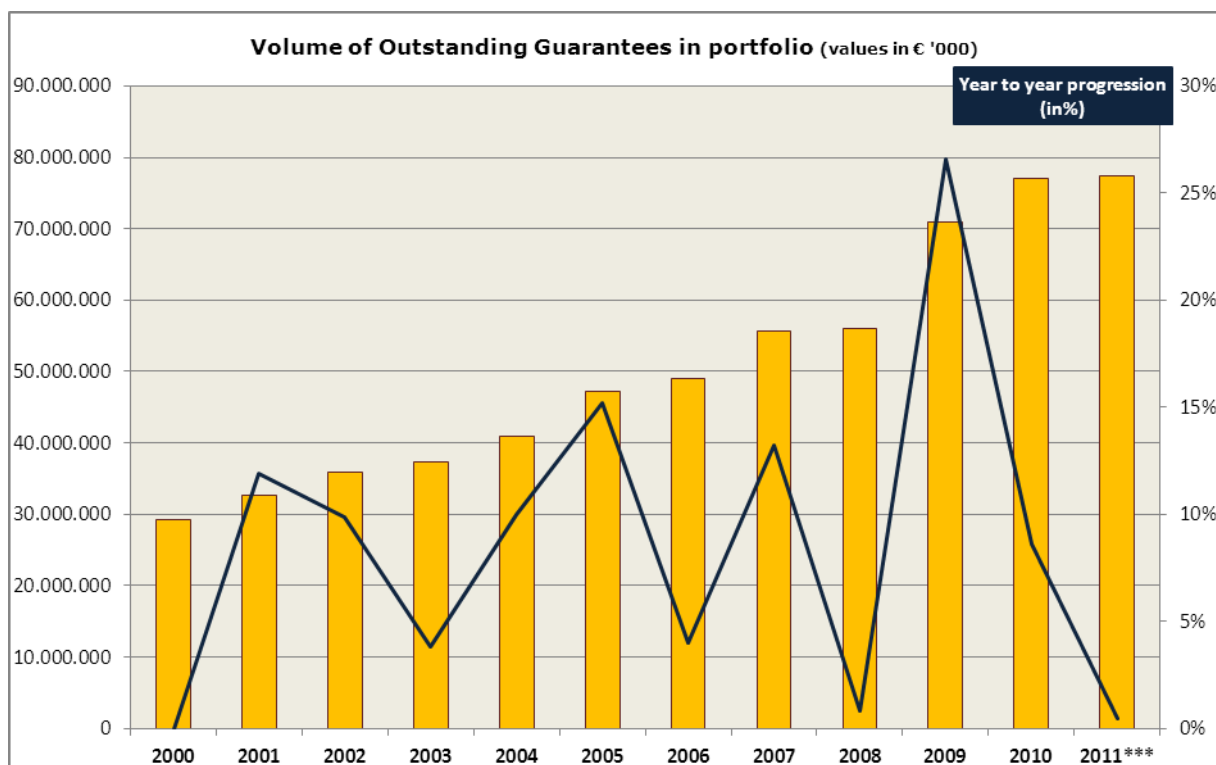
The **total volume of active guarantees in portfolio**, also called the **total value/volume of outstanding guarantees in portfolio** is defined as the total monetary outstanding amount of guarantee commitments, in the off-balance records of the financial statements by 31.12.

In the chart below there is an overview of the evolution of the total volume of active guarantees in portfolio members with its year-to-year progression over the past 12 years.

Over the period from 2000 to 2011 the total volume of outstanding guarantees in portfolio increased by 165%, with an year-to-year average growth rate of 9,5%.

In the context of the anti-crisis measures, we experienced an increase of 26,59% of the AECM portfolio between 2008 and 2009. In 2010<sup>1</sup>, the volume of outstanding guarantee commitments amounted to over € 77 billion and the volume of guarantees granted that year was over € 30 billion, with a growth rate of 8,64% between 2009 and 2010. Between 2010 and 2011 a minor increase of 0,47% was noticed, which can be seen as a correction leading back to the predominant long-term trend after the crisis.

Consequently, the provisional figures for the year 2011 show that the volume of outstanding guarantees in portfolio is consistent with a steady growth perspective.



Source: AECM statistics

The **number of active guarantees in portfolio** is defined as the number of outstanding guarantee commitments, in the off-balance records of the financial statements by 31.12.

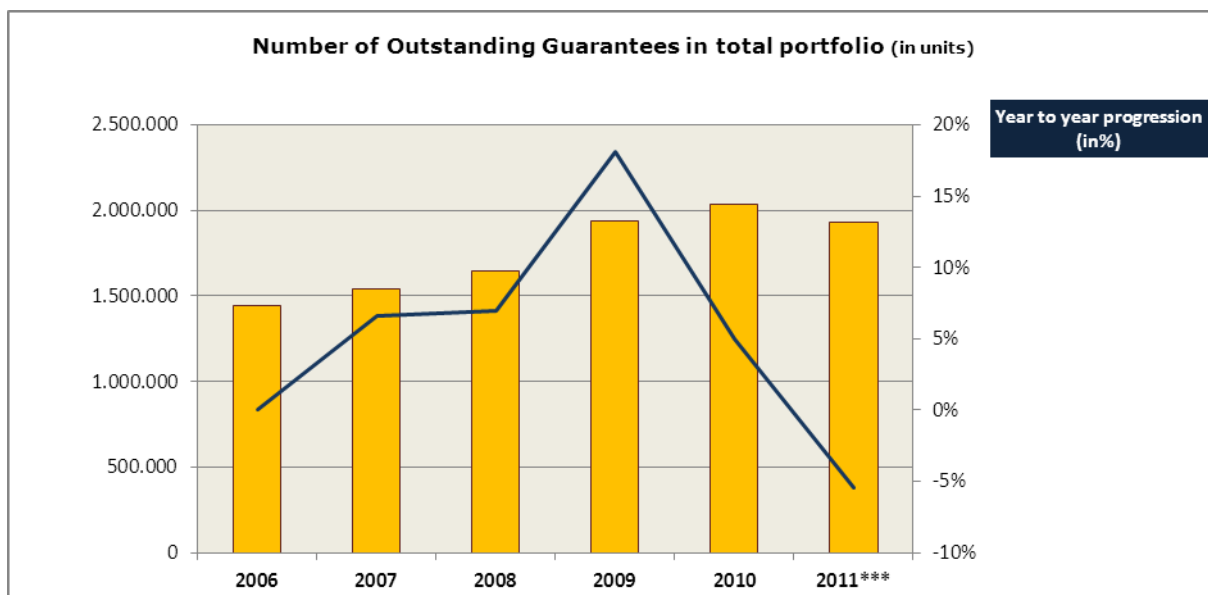
The chart below expresses the evolution of the number of guarantees in portfolio of AECM members since 2006, when AECM started to collect these figures.

Similarly to the growth of the volumes of the outstanding guarantees in portfolio, the number of operations has also sharply increased during the crisis. Between 2008 and 2009 the number of outstanding guarantees in portfolio rose by 18,09% to a total of over 1.940.000.

After a peak of over 2 million active guarantees in portfolio in 2010, there was a decrease to over 1.926.000 guarantees in 2011, which is almost the same level than in 2009.

This could be explained by the fact that in 2011 many AECM members have reduced their guarantee activity for working capital loans, which were mostly temporary anti-crisis measures. Guarantees for working capital loans tended to represent a large number of operations with relatively small amounts if compared to investment loans.

As shown on the graph on the previous page, this did however not entail a significant reduction of the guarantee volumes in portfolio.



Source: AECM statistics

**T**he *volume of guarantees granted in the year* is defined as the volume of the guarantees granted in the course of the year.

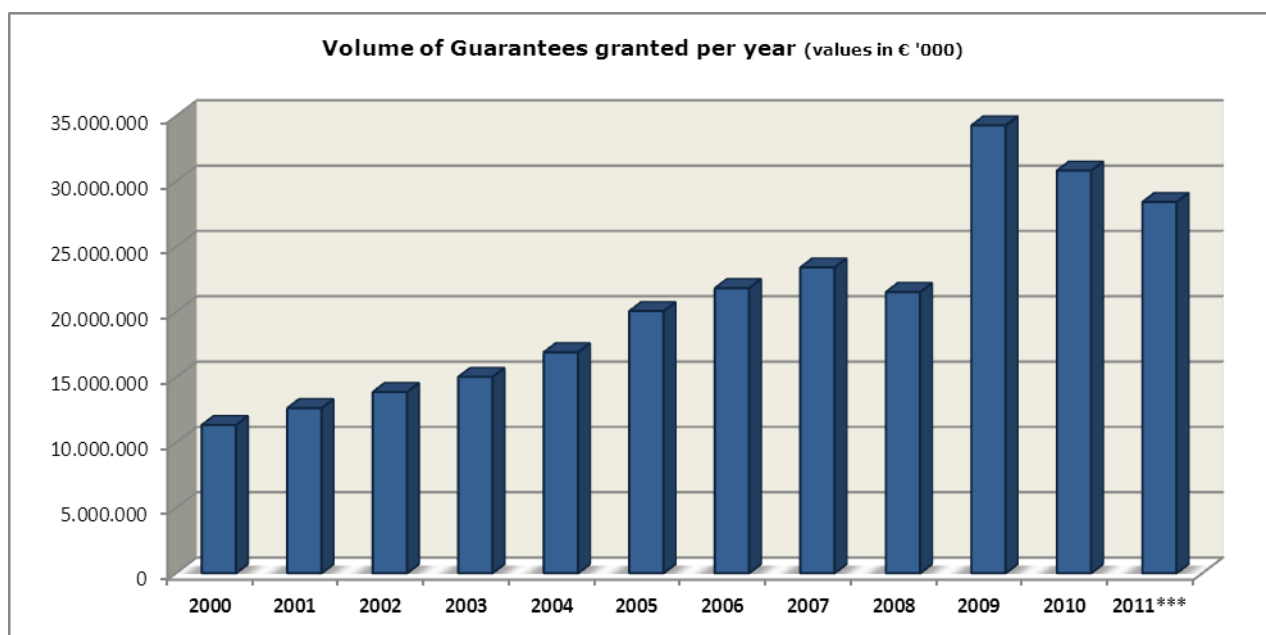
The chart below shows the evolution over the last 12 years.

Over the period from 2000 to 2011 the total volume of guarantees granted per year has increased by 151%, with an year-to-year average growth rate of 10,01%.

Regarding the overall volume of guarantees granted per year between 2008 and 2009, AECM members experienced a high increase of 59,29% of their new guarantee activity.

In the following two years 2010 and 2011 the new guarantee activity decreased but remained higher than before 2009. A decrease by 10,10% occurred in 2010 and the volume of active guarantees per year decreased once more by 7,80% in 2011. Again, this might be explained by the fact that the anti-crisis measures for the years 2008 and 2009 came to an end. Therefore, the guarantee purpose returned to long-term investments.

The provisional figures for 2011 of the volume of guarantees granted amount more than € 28 billion, in line with the long-term growth trend.



Source: AECM statistics

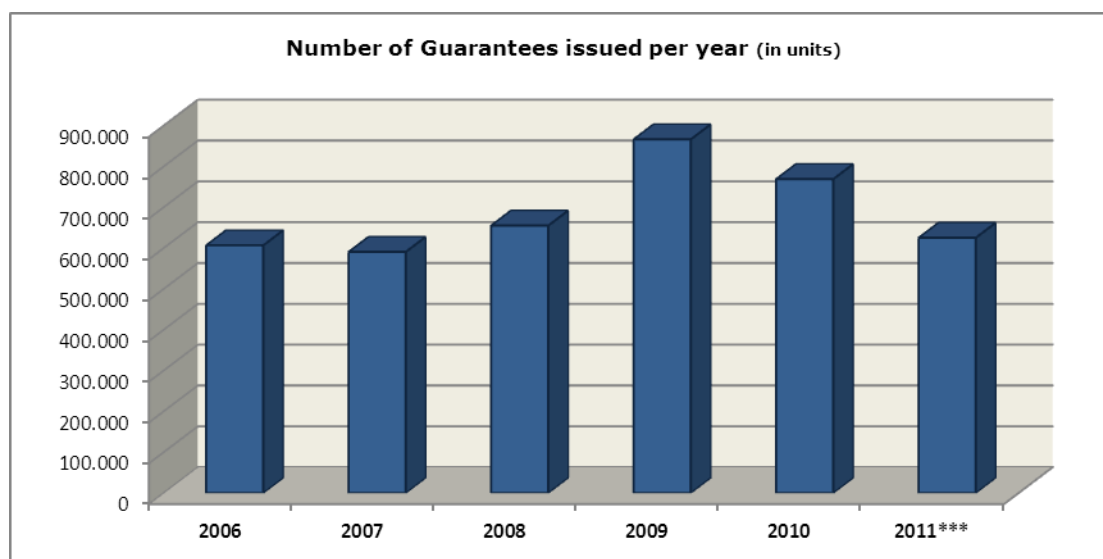
The **number of guarantees granted in the year** is defined as the number of the guarantees granted in the course a year.

Similar to the volume of guarantees granted per year, in 2009, the number of guarantees granted reached its peak. There were 866.484 guarantees granted in 2009.

The reason for this again is the fact that during 2009 anti-crisis measures were launched in almost all EU-member states and enabled

guarantee schemes to provide guarantee working capital loans and short-term commitments, thereby providing a solution for bridge-financing.

Between 2009 and 2010 the number of guarantees issued decreased by 11,23%, coming back in 2011 (625.299<sup>2</sup> guarantees) to a level consistent with the figures before 2009.



Source: AECM statistics

**A**ECM also computed the average size of guarantees in portfolio for the years 2006 till 2011.

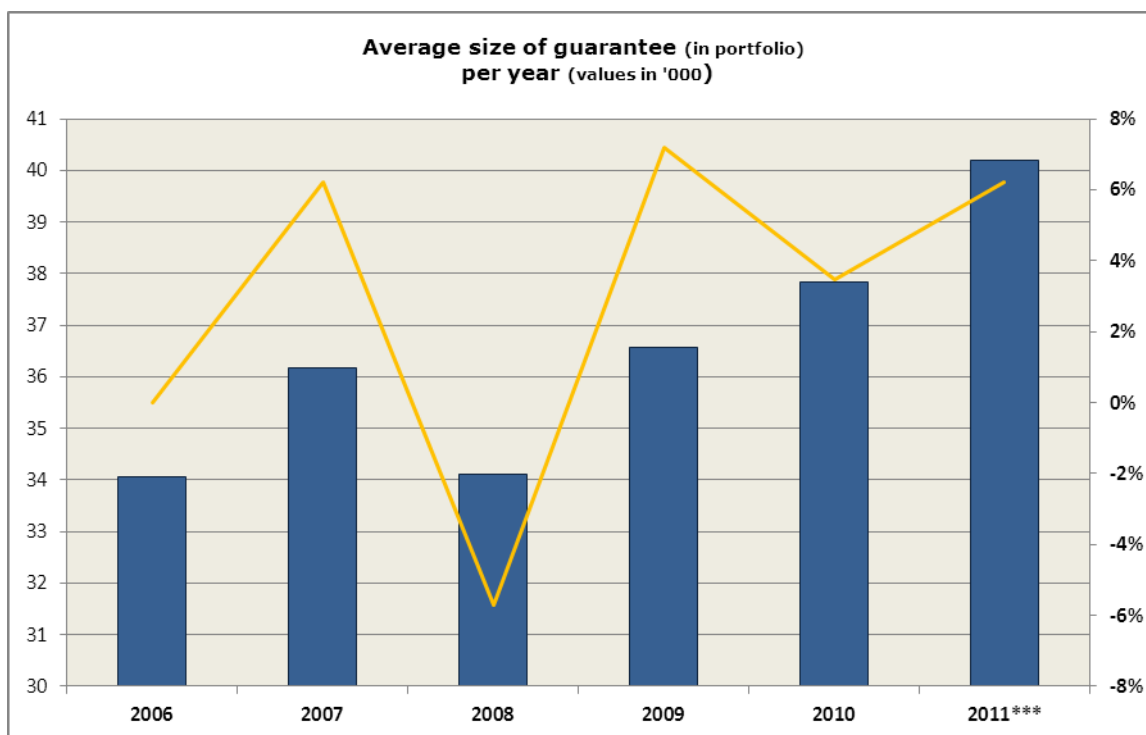
For the period 2006 until 2009 the average size of guarantees was quite steady, around €35.000, as shown in the graph below.

In 2010, AECM experienced an increase of the average guarantee size by 3,48% (in value:

€37.830) in comparison with 2009.

In 2011<sup>3</sup> the average size rose again by 6,22% and representing a value of €40.190.

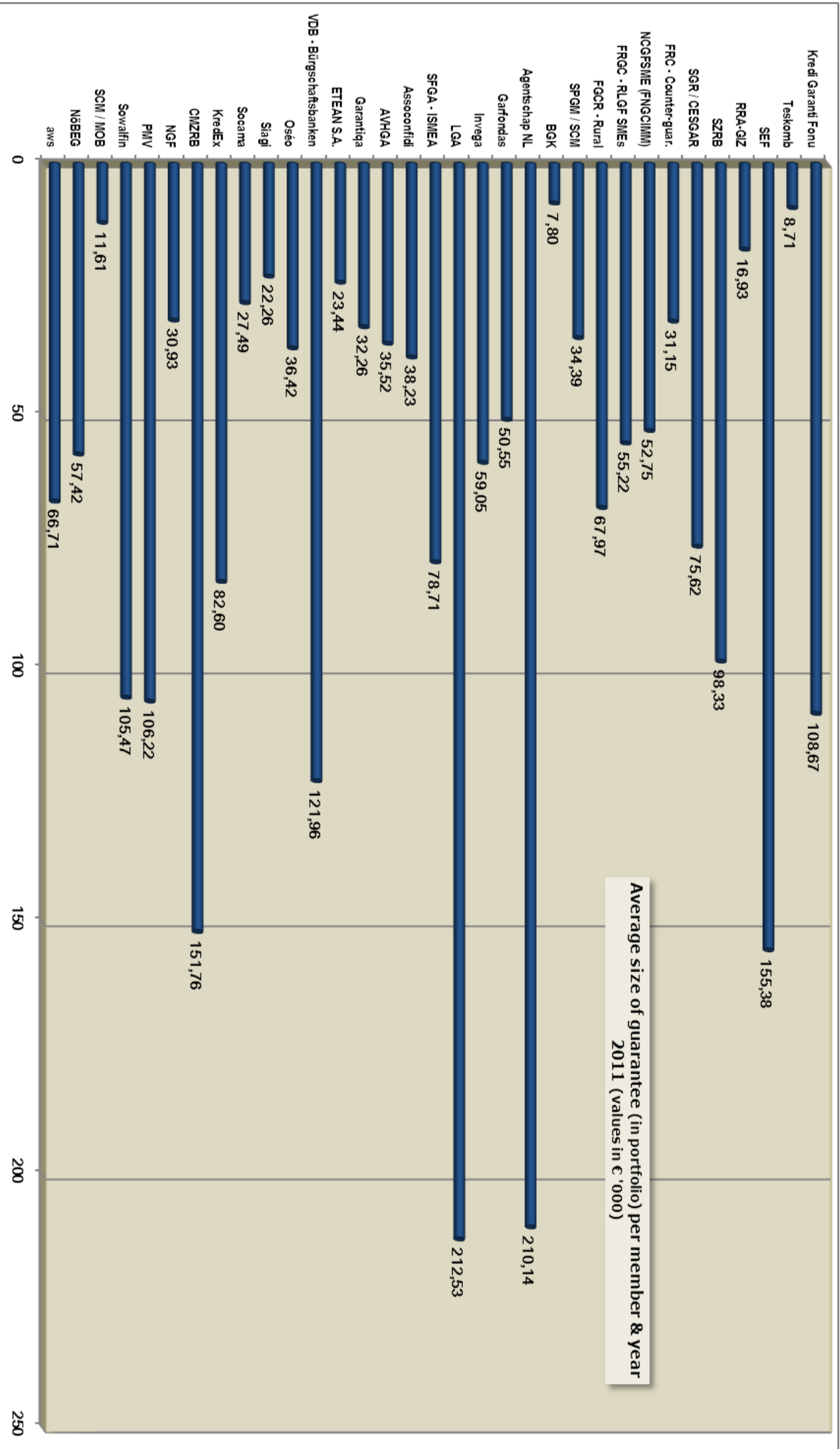
The increase of the last two years can be interpreted as an indication of renewed investment activity and less reliance on working capital loans.



Source: AECM statistics

**T**he chart on the next page illustrates the average guarantee size per member for 2011. The Latvian Guarantee Agency – LGA has the highest average guarantee size, which amounts €212.530, followed by

Agentschap-NL with €210.140, the Slovenian Enterprise Fund – SEF with €155.380 and the Czech-Moravian Guarantee and Development Bank – CMZRB with €151.760.

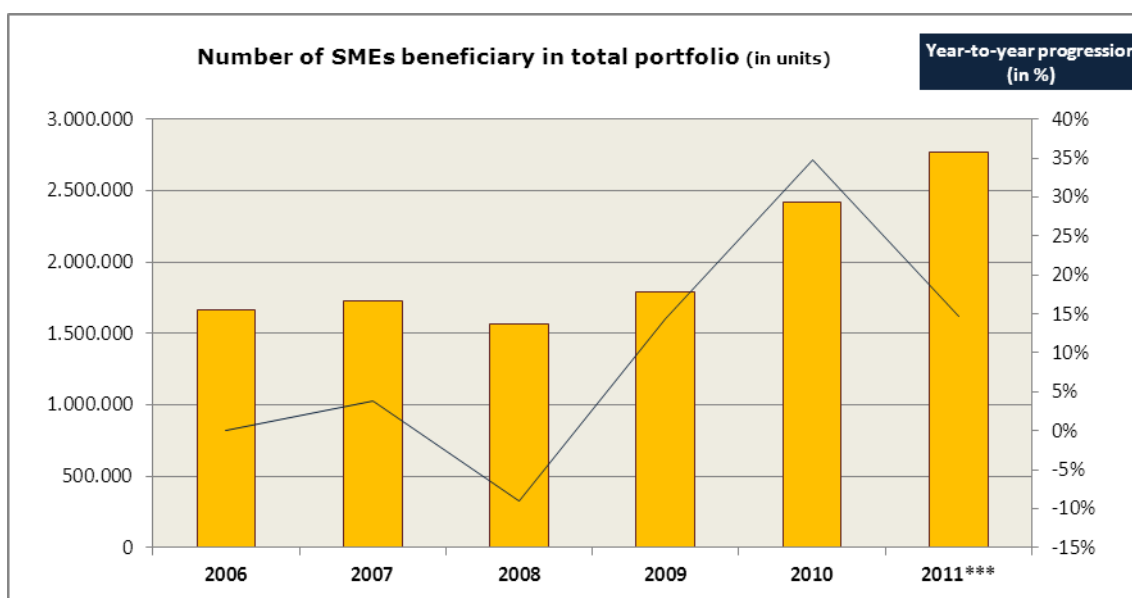


The **number of SMEs beneficiaries** is defined as the number of enterprises served having an active guarantee commitment with the guarantee institution.

The number of SMEs beneficiaries decreased slightly in 2008 by 8,99% and then increased in 2009 by 14,38%.

The chart below shows the evolution in units of the number of SMEs beneficiaries of AECM members' guarantees and its year-to-year progression.

The decrease of 2008 could be explained by the unstable economic situation and therefore, both by the reluctance of SMEs to undertake further investment projects and by relative credit shortage.



Source: AECM statistics

After 2008, guarantee institutions experienced a steady growth of the number of SMEs beneficiaries in total portfolio. In 2010, the number of SMEs' beneficiary of guarantees of AECM members reached 2.418.368 (+ 35%)

and in 2011 the number of SMEs was 2.772.799 (+15%).

All in all in 2011 AECM served about 12% of all SMEs in Europe.

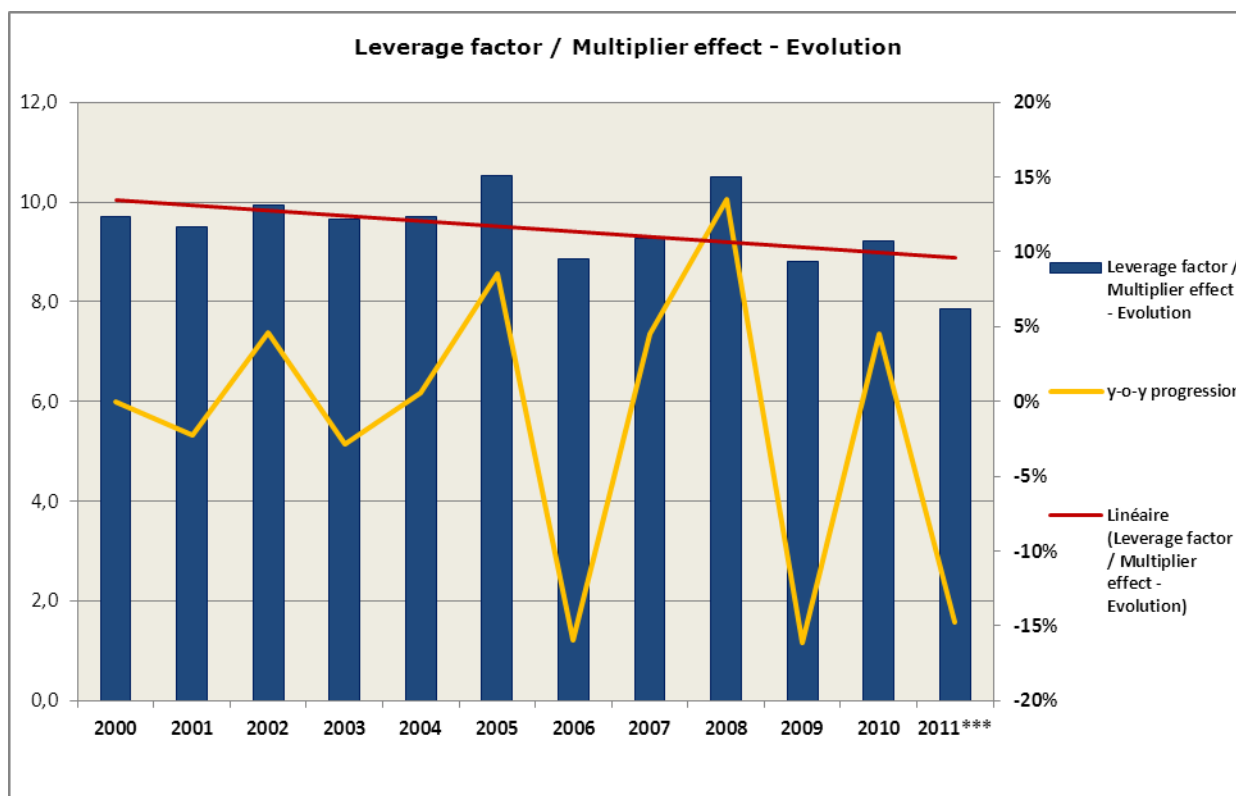


The **Leverage factor / Multiplier effect** is defined by AECM as the volume of guarantees in portfolio divided by the equity (in €'000)

The leverage factor makes the guarantee instrument a particularly interesting financing and policy instrument. Since guarantees are only paid out in case of insolvency of the SME customer, depending on the risk profile of the product only a fraction of the funds are actually paid out. This allows guarantee institutions

to issue a much higher amount of guarantees for a given amount of regulatory capital. As example a guarantee society, which works with a leverage factor of 10 and a coverage rate of 50% will be able to guarantee € 20 in approved loans for each euro of its own funds.

In 2000, the leverage factor was 9,7 times and in 2011 has reached 7,9 times. The red trend-line on the graph indicates a long term reduction of the leverage factor.



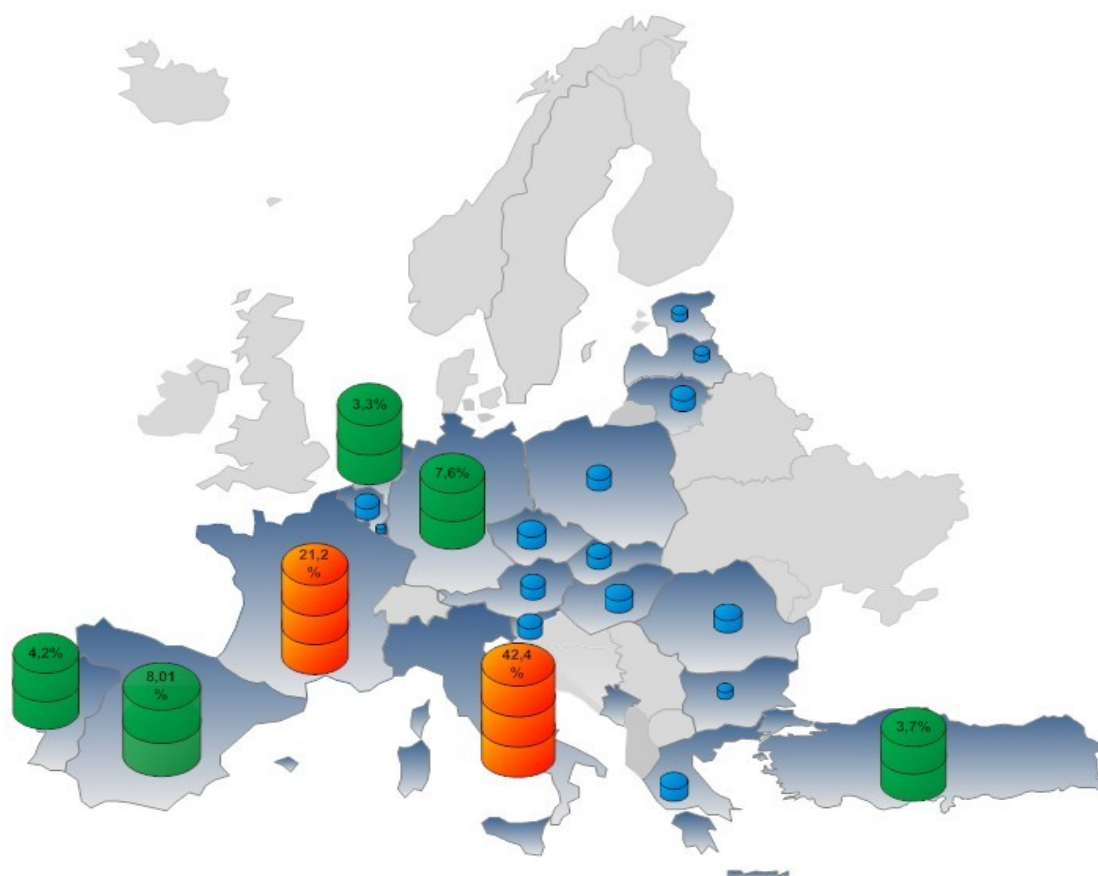
Source: AECM statistics

On the map below, the Association computed the proportion of the outstanding guarantees in portfolio of each country in relation to the AECM total. This represents the sum of the volumes of outstanding guarantees in portfolio per country towards the AECM total volume of outstanding guarantees in portfolio.

The figures calculated by AECM for 2011 cover all of the respective AECM members in each country.

Italy, France and Spain have the highest proportion of AECM outstanding portfolio, which in 2011 respectively account for 42,4%, 21,2% and 8,01%.

Overall, over the last 5 years the proportions have been quite stable. However, some countries such as Portugal, Romania and Slovenia experienced higher increases and therefore have a higher proportion of AECM total portfolio in 2011 .



Source: AECM statistics—figures 2011

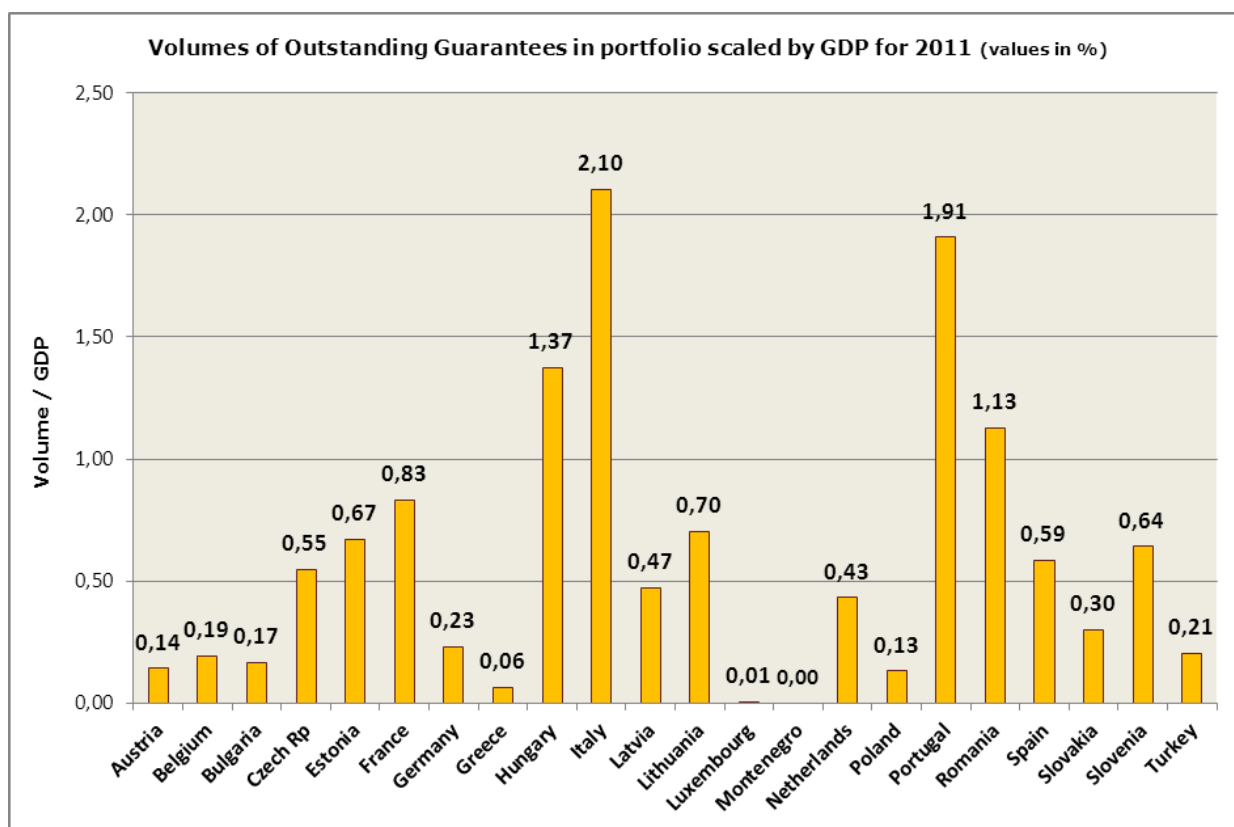
The graph on the following page represents the proportion of the outstanding guarantees in portfolio of each member compared to the AECM total. Assoconfidi<sup>4</sup>, Oséo – Garantie and SFGA-ISMEA<sup>5</sup> have the highest proportion of AECM total portfolio.

They represent respectively 28,11%, 16,70% and 14,27% of the AECM portfolio.

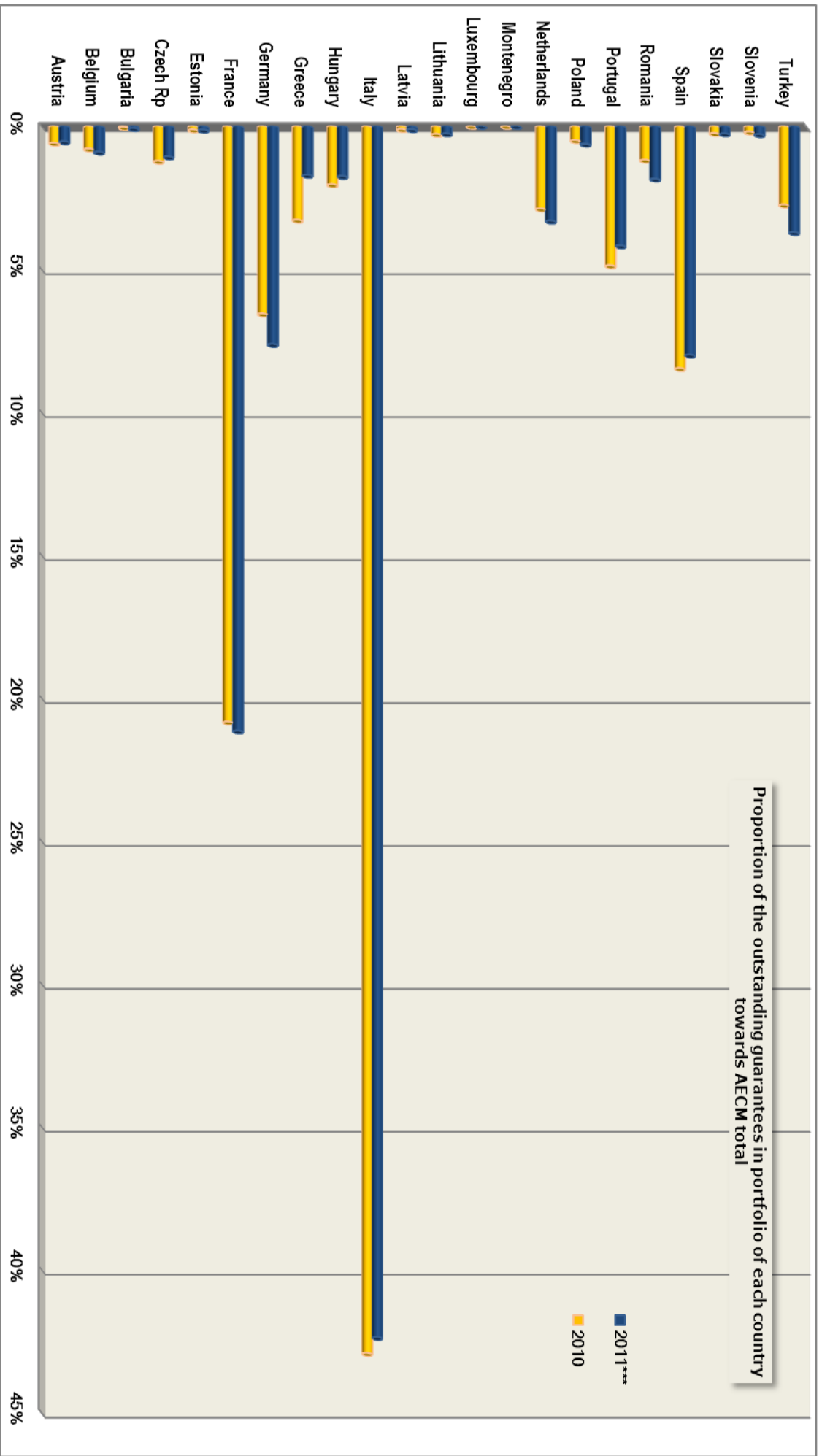
However, these results have to be placed in their context. Guarantee volumes are a func-

tion of the national situation regarding SME access to finance, which could be different from one country to the other. Secondly, the volumes have to be correlated to the relative GDP (as shown in the chart below) and market size.

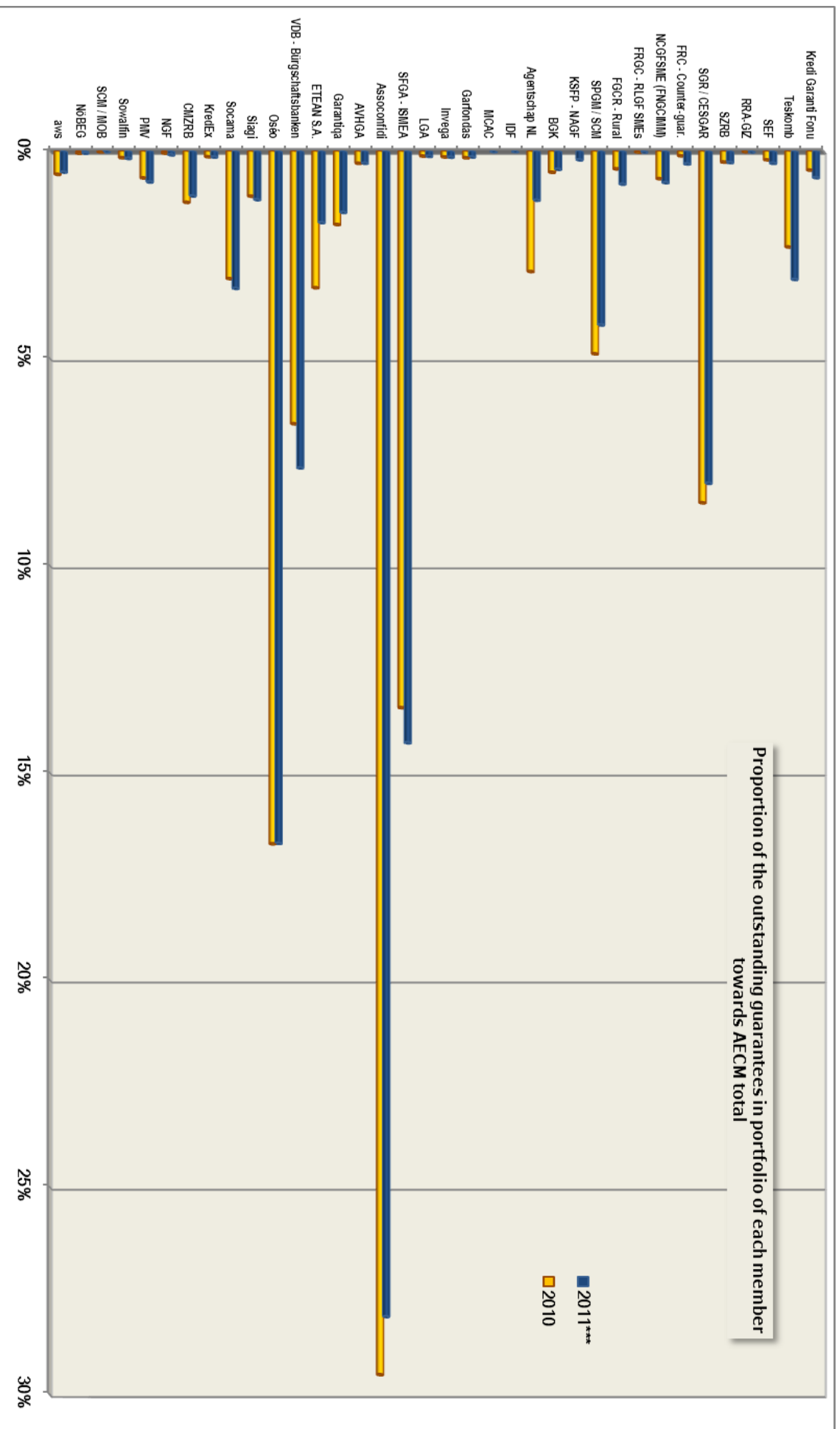
Finally, guarantee volumes also expand over the lifetime of each guarantee institution. This entails of course that younger institutions will have lower volumes in their start-up face.



Source: AECM statistics—figures 2011<sup>6</sup>



Proportion of the outstanding guarantees in portfolio of each member towards AECM total





## Section III: AECM Members: Country Profiles



### AECM: Definitions setting

This section<sup>7</sup> is an overview for AECM's – 20<sup>th</sup> anniversary, providing statistical material for its members' by country: volume of outstanding guarantee commitments in portfolio, its yearly evolution and the number of outstanding guarantees in portfolio. The figures which should give a general idea of the activities of guarantee schemes in the different member countries, rely on the annual key figures received from AECM member organisations

Every year, AECM gathers statistical information of their members which are defined below.

The definitions of the general figures collected are:

(1) Own Funds = capital, reserves, retained earnings, general provisions equivalent to reserves (= General Fund of Banking Risks) to the exclusion of provisions for defaulting and defaulted guarantees.

(2) Number of SMEs beneficiaries / members: number of enterprises relating to the outstanding amount of guarantees / or number of enterprises partners of mutual societies. If figure cannot be obtained, the number of guarantees in portfolio is used as proxy.

(3) Total volume / number of active guarantees in portfolio: total monetary outstanding / number of guarantee commitments, in the off-balance records of the financial statements by 31.12.

(4) Total volume / number of guarantees granted in the year: the monetary volume / number of the guarantees granted in the course of the year.

(5) Number of guarantee entities: Number of legally independent entities / societies within the network.

The figures for 2010 and 2011 still considered as provisional.

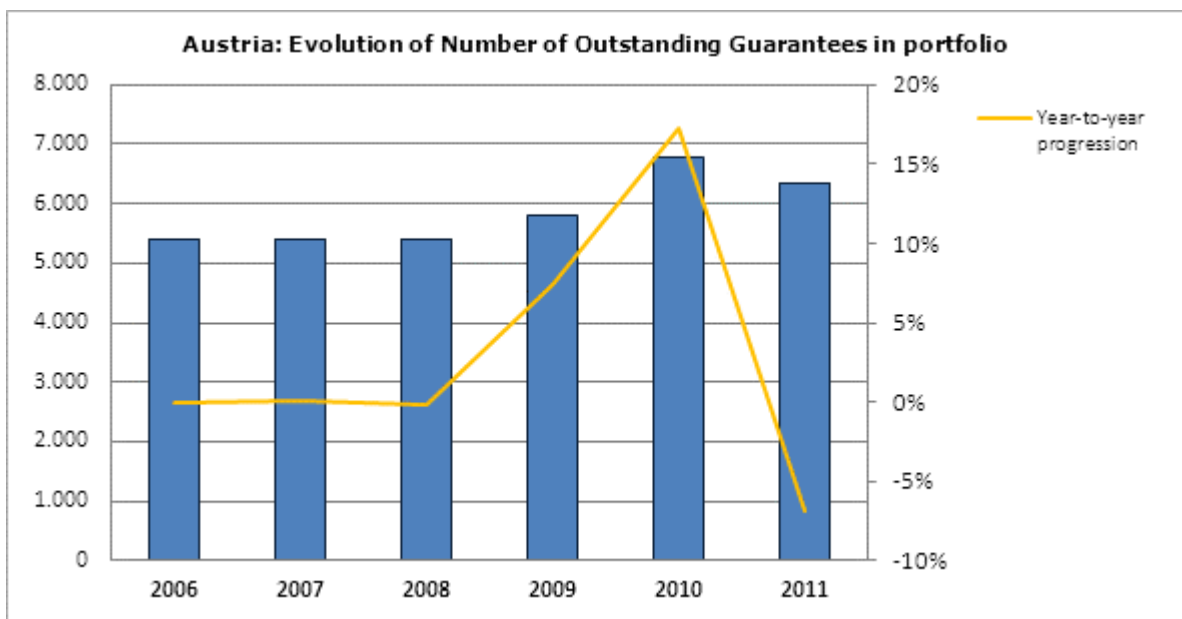
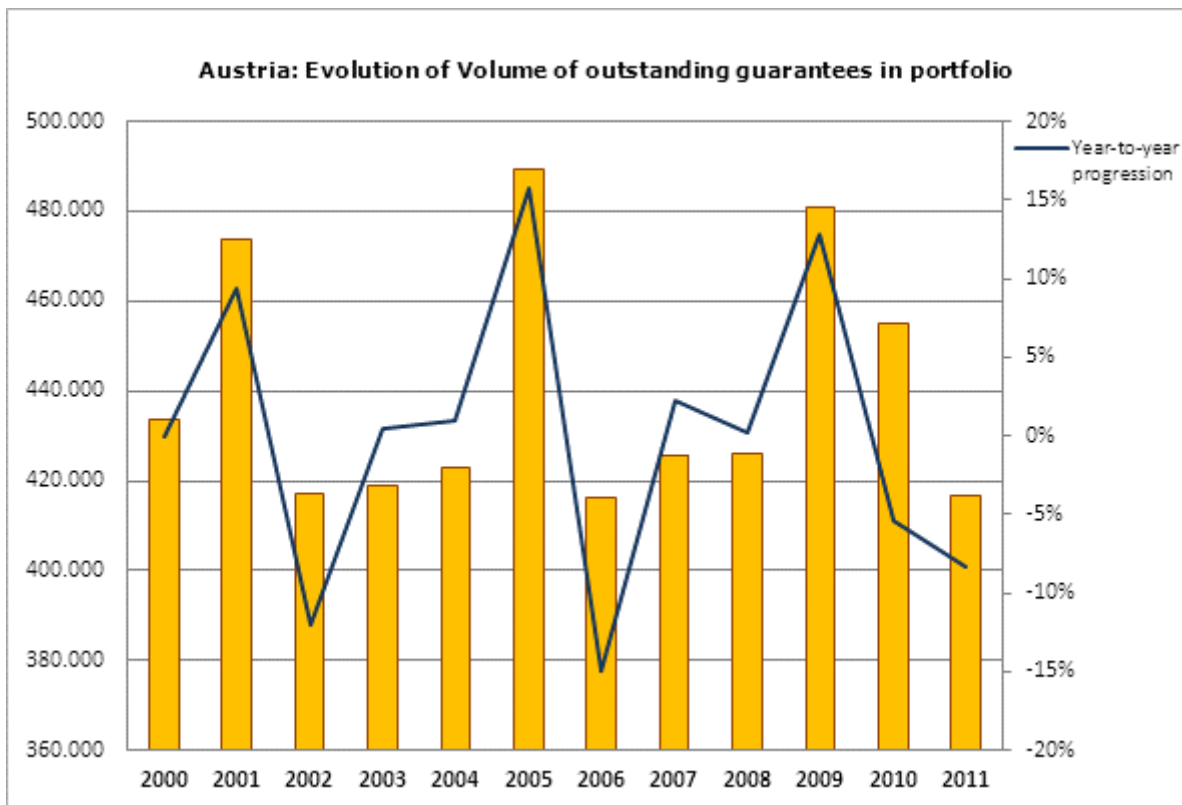






# Austria

## 1. General trend





## 2. AECM - Members



As a business development bank for the federal state, the Austria Wirtschaftsservice GmbH (aws) provides erp-loans, grants, guarantees and warranties for SME financing and the funding of their projects. Aws also offers information and know-how and consulting services. The range of financing projects targeted extends from (pre-) start-ups to internationalisation projects.

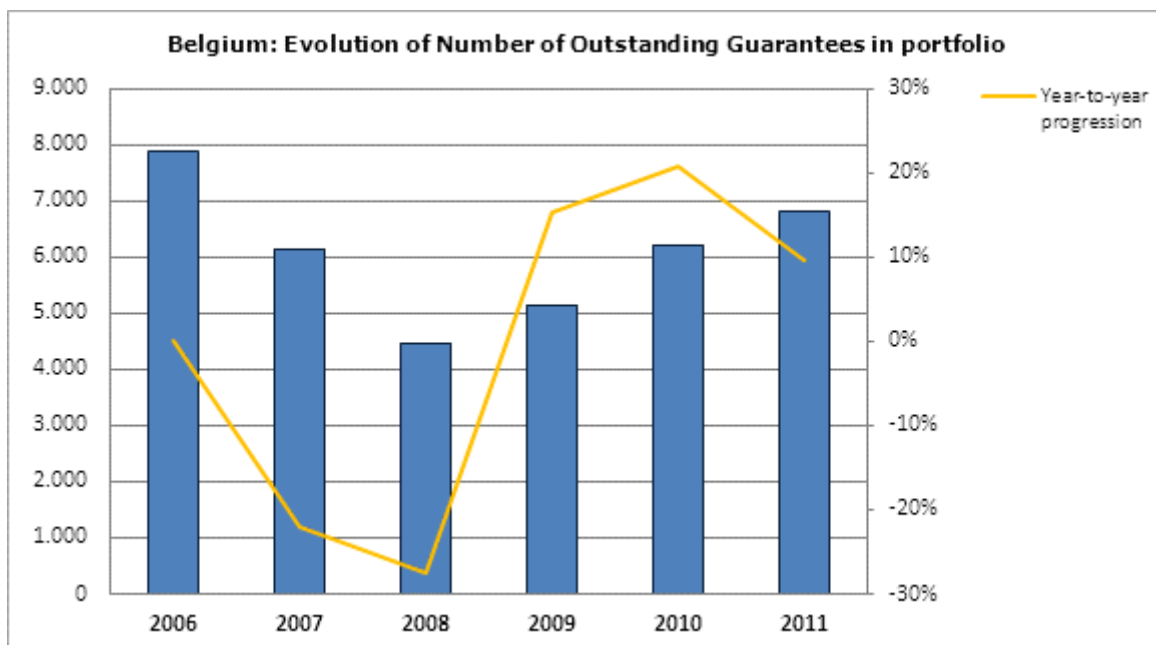
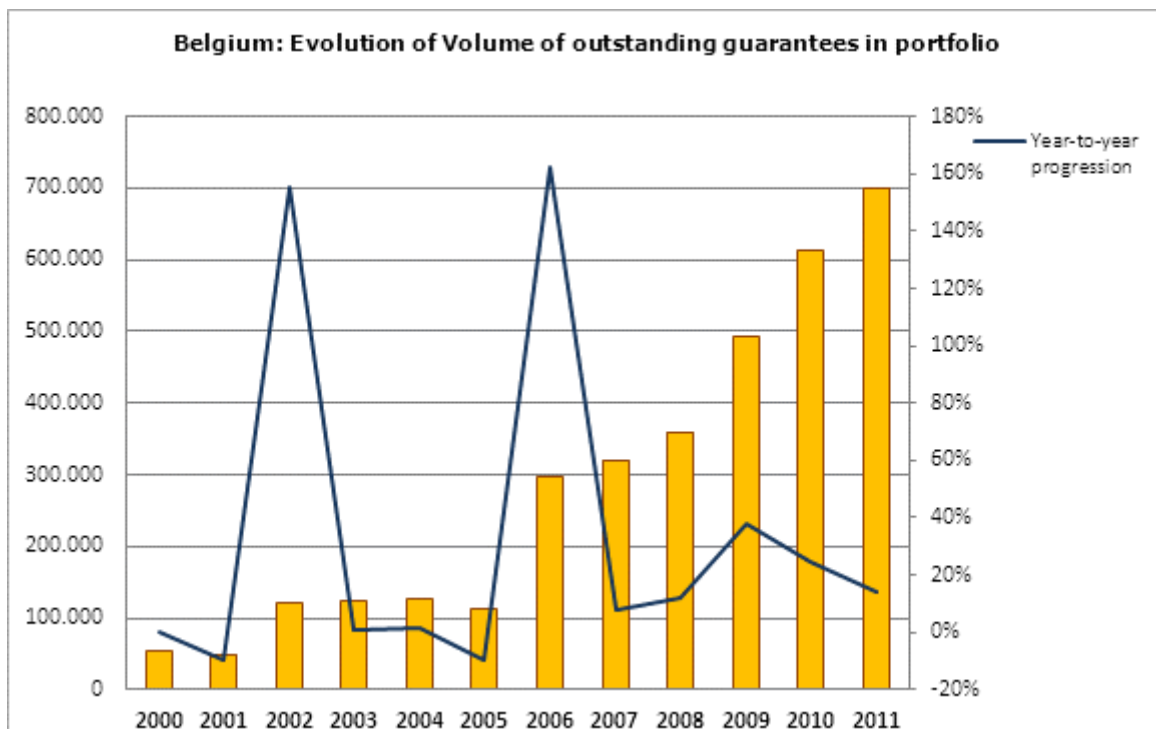


Two specialised banks work together under the joint brand NÖBEG, namely NÖBEG Guarantees Ltd. and NÖBEG Equity financing Ltd. It is their goal to provide effective support through risk sharing financing (e.g. guarantees) and equity financing in any significant financial events. Some of their main products offered by NÖBEG are guarantees for loans to finance start-ups, investments, growth, internationalisation and business transfer.



## Belgium

### 1. General trend





## 2. AECM - Members



SOWALFIN Plc. – Société Wallonne de Financement et de Garantie des Petites et Moyennes Entreprises - was created by the Walloon Government in 2002. The purpose of SOWALFIN is to ensure access to finance for the creation, development and transmission of SMEs in Wallonia, through subordinated loans, risk capital or guarantees.

SOWALFIN provides specific financial products where the market needs support and private initiatives are missing.



PMV nv is an independent investment company within Flanders. It provides financial levers if the market is in need of support and the necessary private initiatives are not forthcoming. PMV collaborates with private partners via funds and public-private partnerships. PMV manages a portfolio of EUR 900 million in assets. PMV acts on behalf of the Flemish Region.

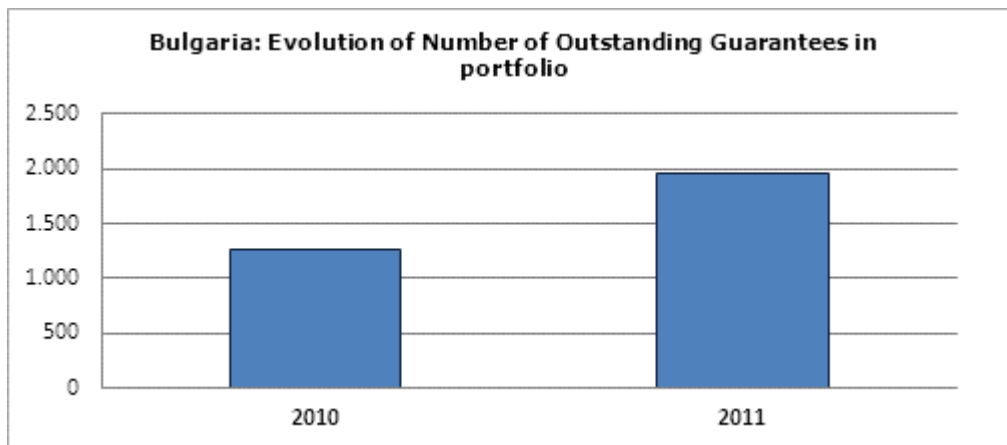
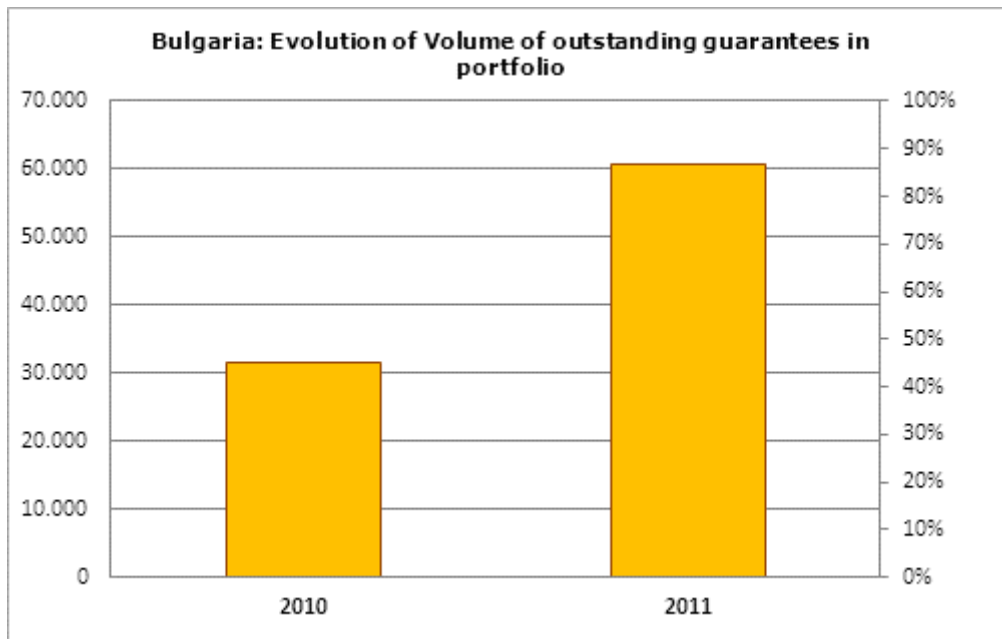
### MOB – SCM - Consultative Committee of Mutual guarantee societies

The MOB - SCM are cooperatives of mutual type, with SMEs as members. SME representatives and a few bankers make up the boards of directors. They service almost exclusively sole proprietorships and micro-enterprises, guaranteeing loans. In the past they were public lead institution and became private in the mid-'90s. Therefore, after the privatisation the number of the SCM quickly fell from 17 to 10. Today 6 guarantee schemes still exist, 4 of which are AECM members.



## Bulgaria

### 1. General trend





## 2. AECM - Members



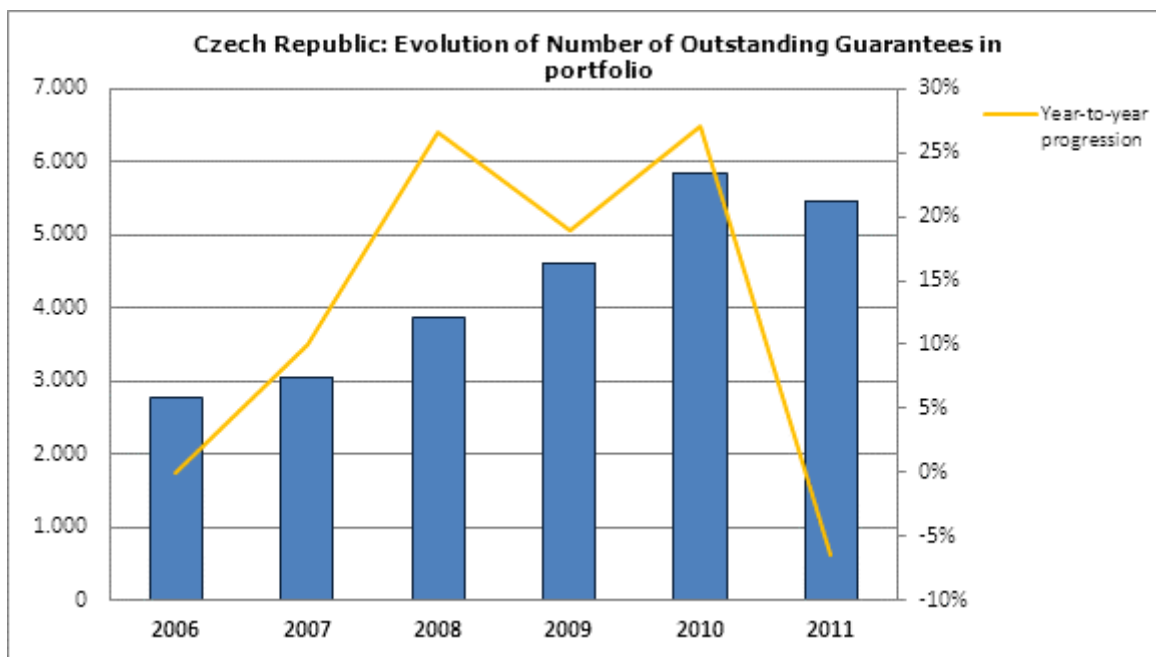
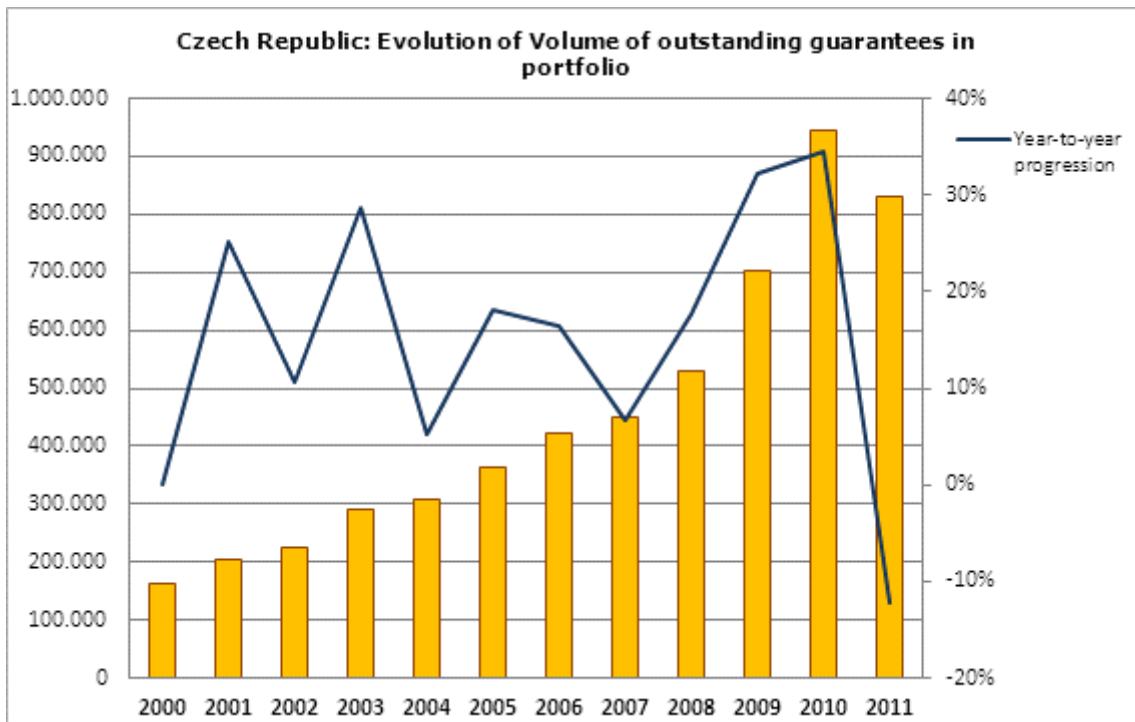
The National Guarantee Fund – NGF EAD – is to ensure guarantees for SME's so as to facilitate the access to financing for SMEs by compensating the lack of sufficient collateral when applying for loans. This helps to reduce the risk taken by commercial banks in the country which provide financing to SMEs.

It is a public fund where EAD is a single shareholder joint stock company, established on the basis of Art.15-18 of the Law on the Bulgarian Development Bank (BDB) and acts as subsidiary of BDB. NGF is constituted fully of public capital with the participation of federal, regional and local public entities in the Guarantee Scheme.



## The Czech Republic

### 1. General trend





## 2. AECM - Members



CMZR Bank is a specialized banking institution set up in 1992, on the initiative of the Ministry of Economy in cooperation with major Czech banks.

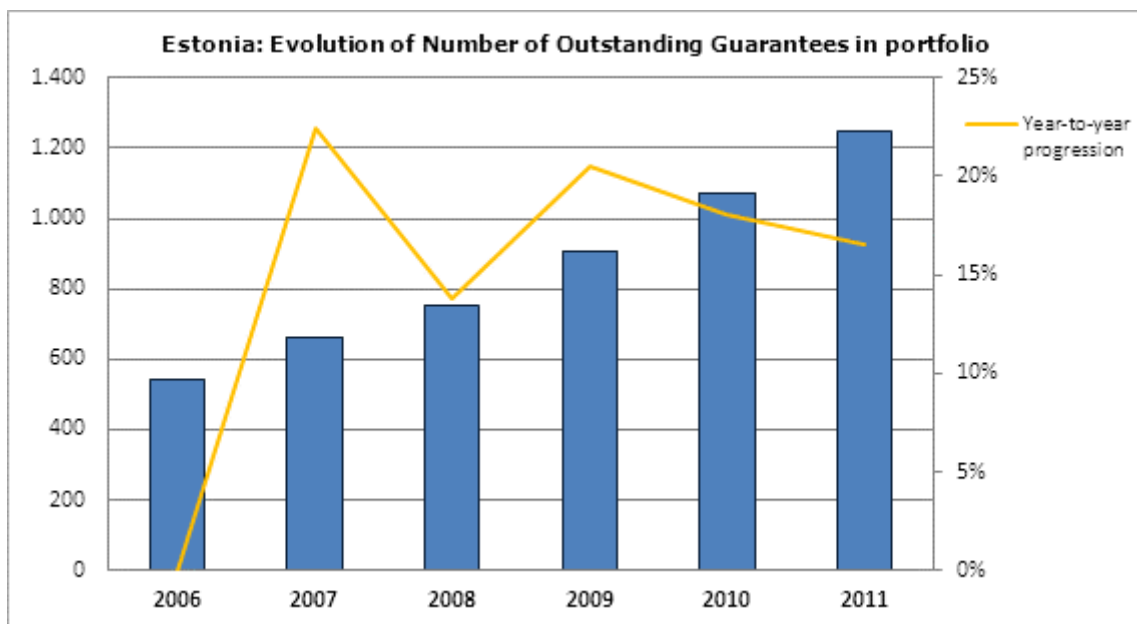
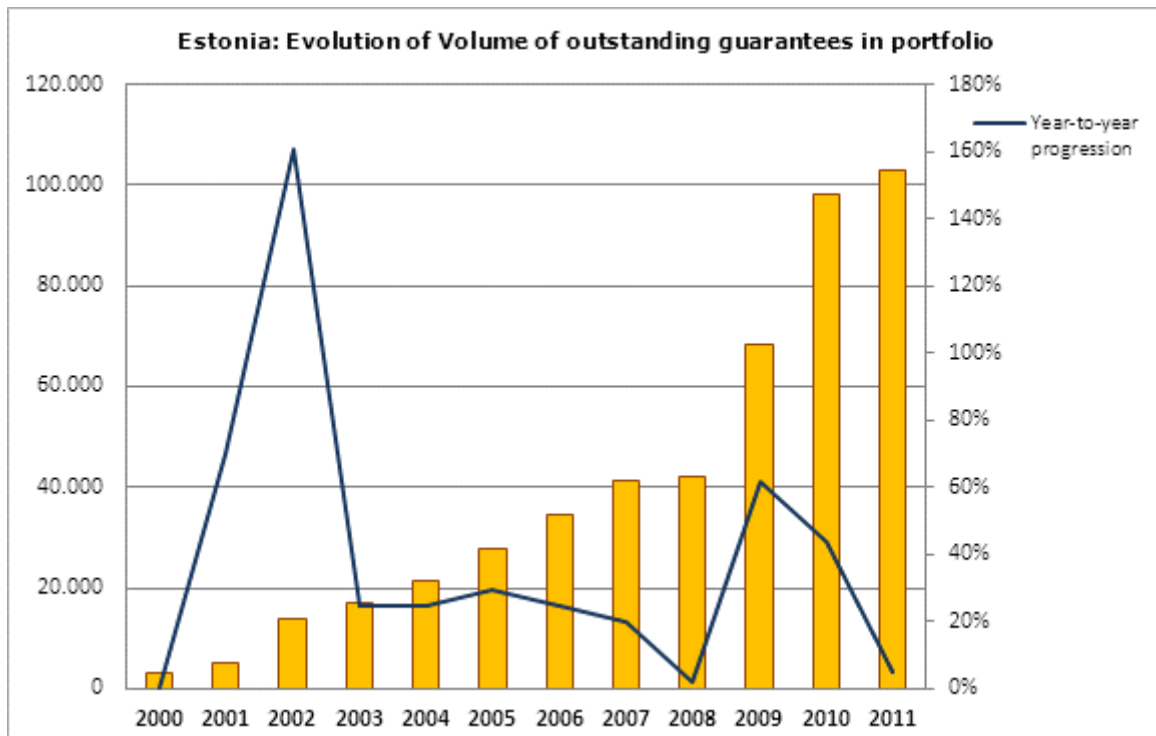
Since the beginning, CMZRB's activities have been primarily focused on providing support to small and medium-sized enterprises within programmes of assistance launched by the Government of the Czech Republic. Its long-term goals and primary business are focused on **providing assistance to small and medium-sized enterprises** (SMEs) with the aim to provide them an easier access to financial capital, to share their business risk and to reduce their project costs through different types of support tools such as loan guarantees, preferential loans and financial subsidies.





## Estonia

### 1. General trend





## 2. AECM - Members

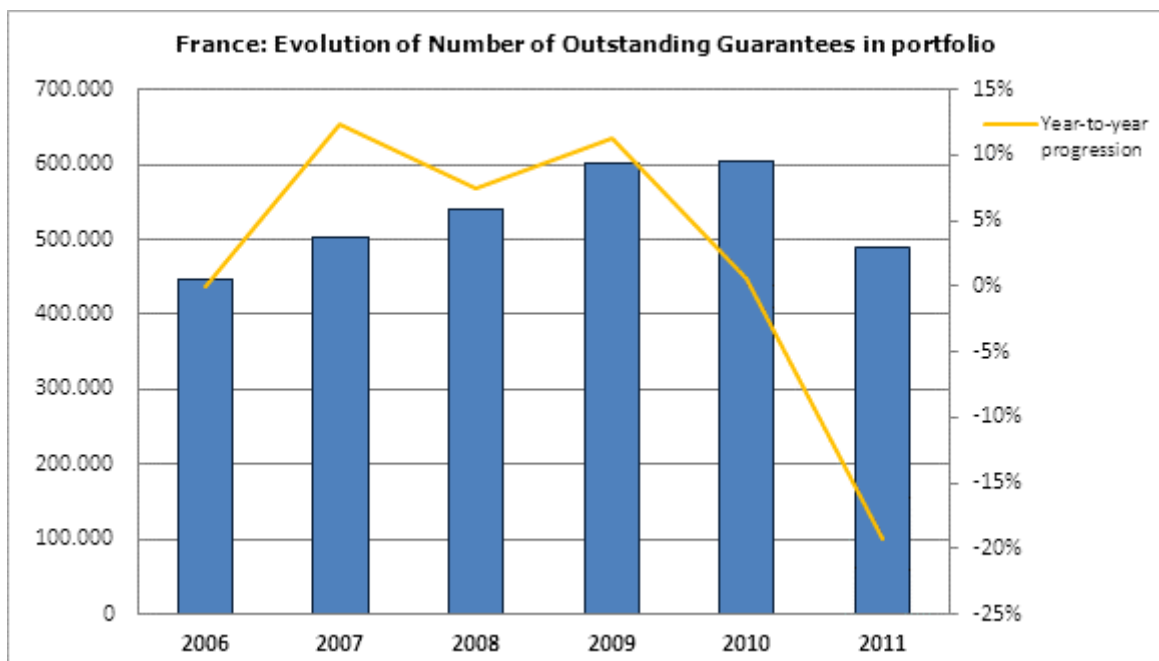
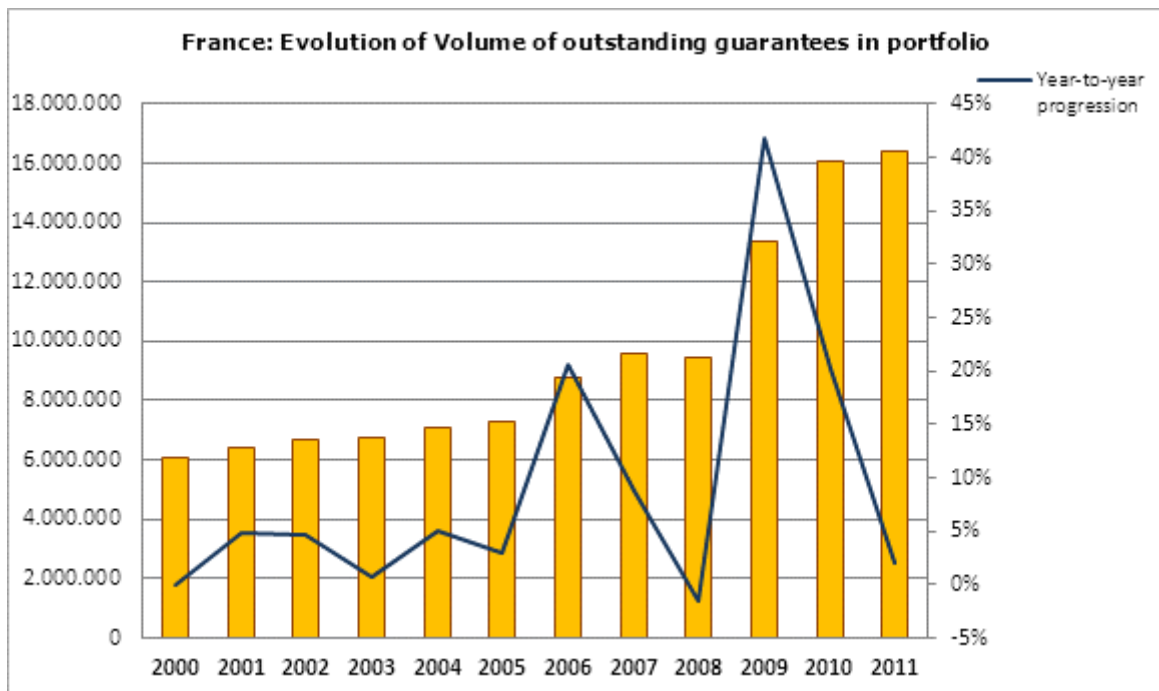


The mission of KredEx Fund is to strengthen the competitiveness of Estonian companies by improving the availability of financing and managing credit risks, and the improvement of the housing conditions of Estonian inhabitants by expanding financing possibilities and offering financing solutions aimed at energy efficiency.



# France

## 1. General trend





## 2. AECM - Members



"La Fédération Nationale des SOCAMA" created by entrepreneurs and for entrepreneurs, and exclusive partners of Banque Populaire. The 26 regional implemented SOCAMAs (Sociétés de caution mutuelle artisanales) help to facilitate the access to medium-term loans issued by Banques Populaires (i.e. business development, creation and transfer) to entrepreneurs by providing guarantees. The SOCAMAs are run by professionals – elected representatives from Chambers of Trade and Business Associations – bringing their expertise into the local credit committees. Since late 2004, in partnership with the EIF (European Investment Fund), the SOCAMAs and Banques Populaires were particularly innovative by offering loans without personal collaterals and loans for business transfer with a maximum personal collateral requirement of 25% of the loan amount. Each year the SOCAMA guarantees between 30 000 and 35 000 loans which amount between € 800.000.000 and € 900.000.000 (1 billion euros in 2007).



SIAGI, established in 1966 by the "Chambres de métiers et de l'artisanat" which are public institutions in charge of the interests of craftsmanship and small firms of up to 15 employees, is the only multi-bank mutual guarantee company in France. Due to its pivotal position and its place as a leader, it is especially competent to solve the difficult question of financing a target which is both attractive and complicated for banks: very small businesses. At the end of March 2005, six major French banks (Crédit Agricole, LCL Le Crédit Lyonnais, BNP PARIBAS, Société Générale, Crédit Mutuel/CIC group, BPCE) and Oséo subscribed a 25% capital increase. Alongside the APCM "Assemblée Permanente des Chambres de métiers et de l'artisanat" and the 104 "Chambres de métiers et de l'artisanat", the participation of banks in SIAGI's capital shows their interest in taking part in the only autonomous and independent system for the mutualisation of loans to small businesses and local activities and provides SIAGI with the qualities of a true market-place guarantee.



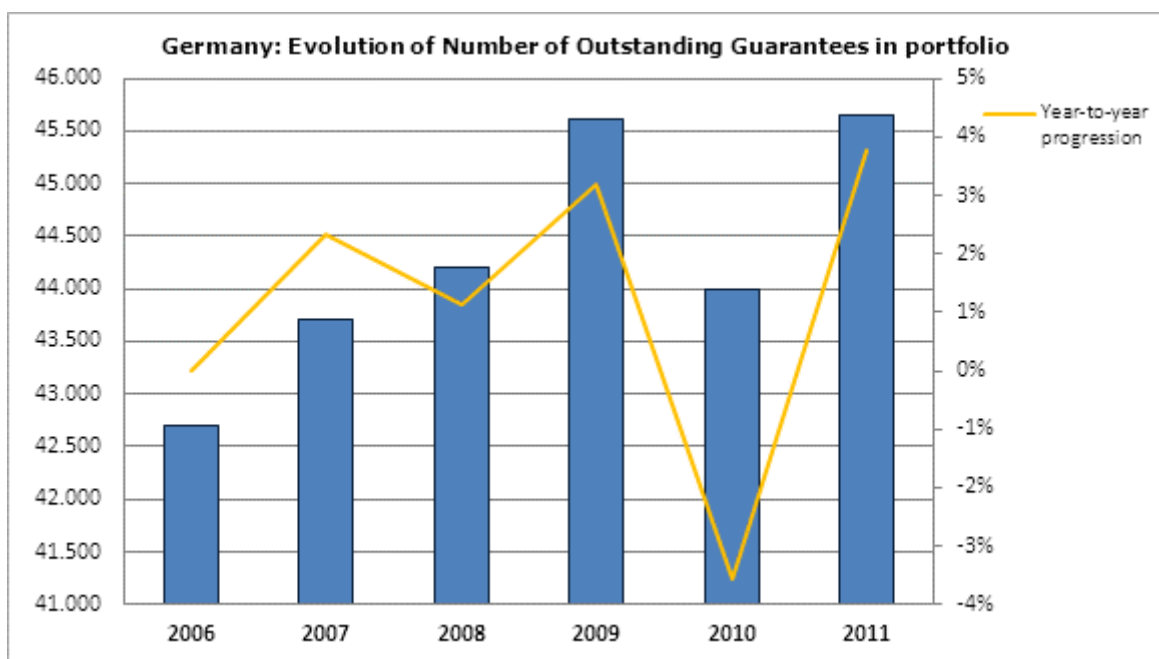
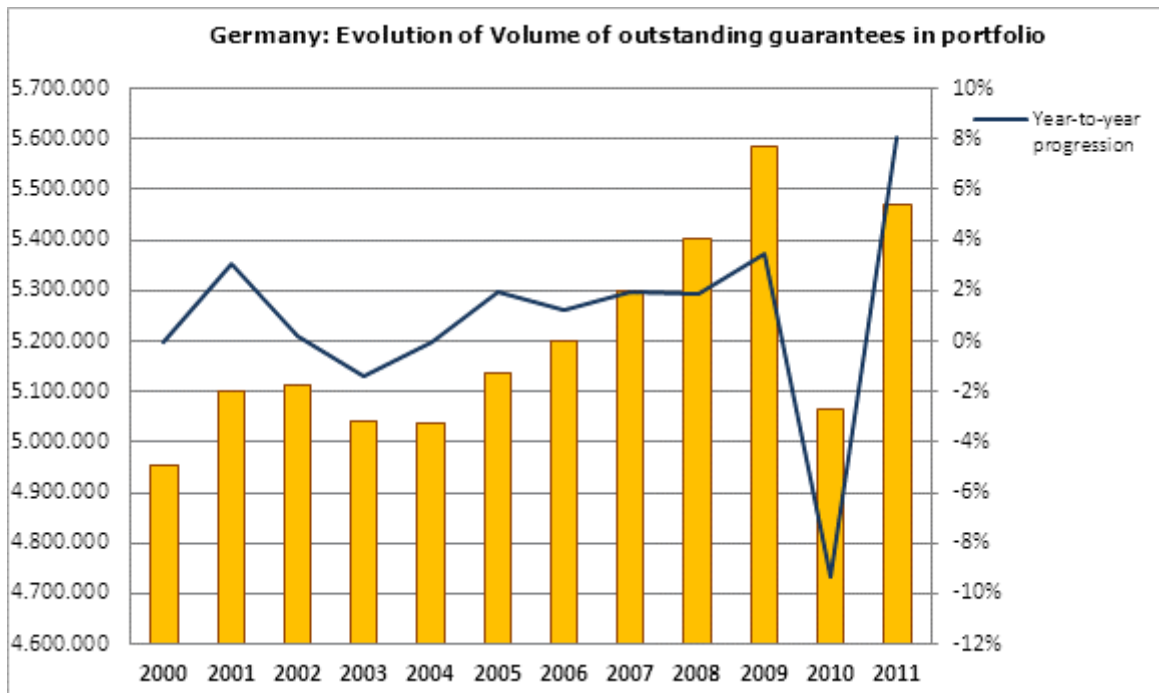
Oséo is a public company whose mission is to guarantee loans for investments, to be a financial partner for French businesses and to help promoting innovation. OSEO is active in three main areas of supporting innovation; providing guarantees for bank financing and equity interventions; providing financing of investments and operating cycle, in partnership with banks.

OSEO supports and finances each year, alongside its partners, tens of thousands of companies. The goal is always the same: to ensure our a maximum ripple effect on private initiative. Today, after playing a decisive role in the recovery plan the economy, the responsibility of OSEO is to help prepare for recovery through unprecedented response capabilities, at the service of strengthening business competitiveness, particularly through the investment program for the future.



## Germany

### 1. General trend





## 2. AECM - Members



The Association of German Guarantee Banks (Verband Deutscher Bürgschaftsbanken - VDB) is the joint representation of the legally and economically independent German Guarantee Banks and Participation Companies for SMEs in Germany, which are located in the individual federal states (Bundesländer).

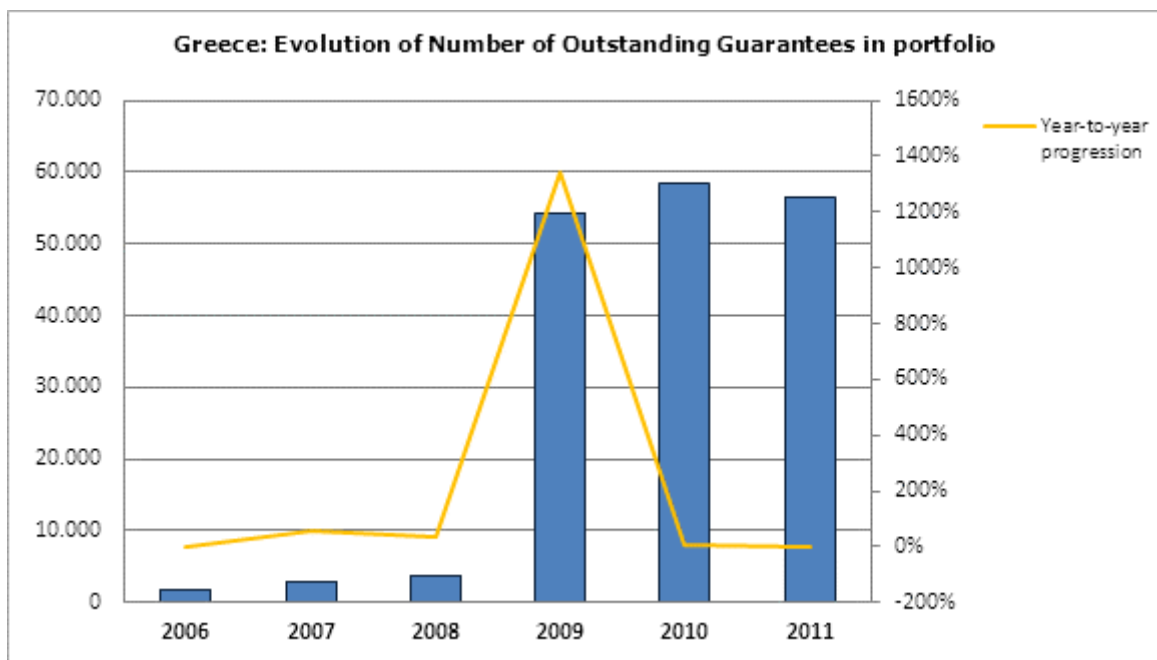
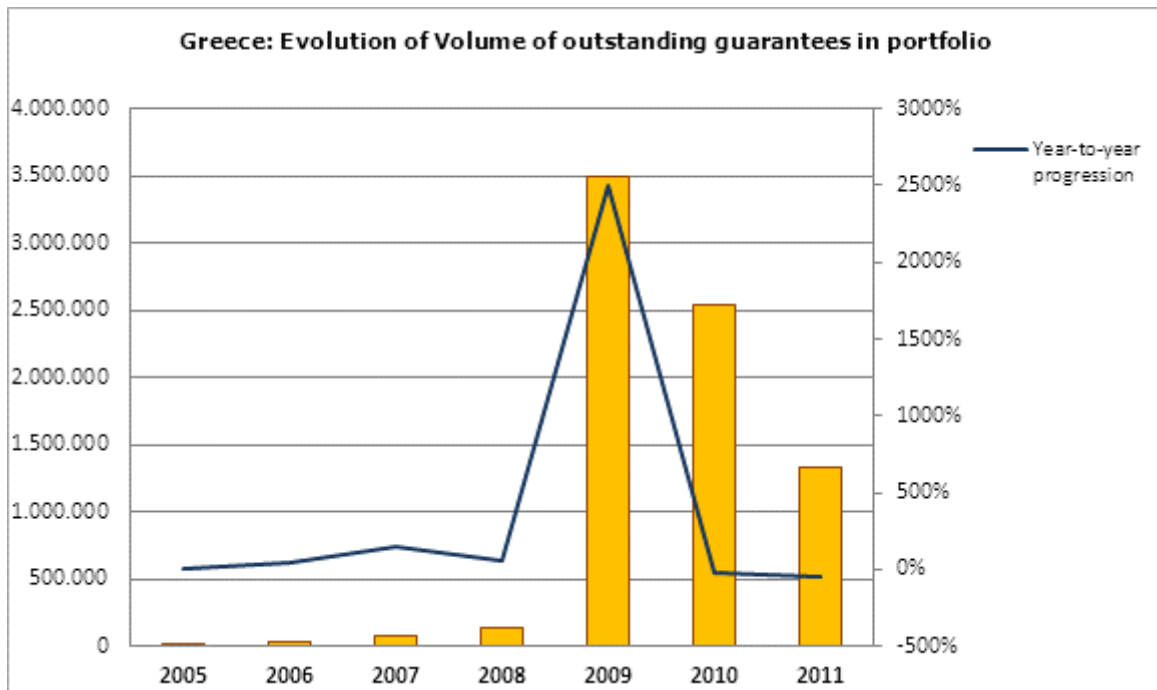
The 17 Guarantee Banks and Guarantee Participation Companies, as well as the 14 Participation Companies of the individual states are united in the VDB. The VDB represents the general interests of its members in all matters relating to banking policy and banking law, promoting cooperation between member banks and supporting them in the fulfilment of their missions towards the political authorities, the economy and the public.

The German Guarantee Banks are credit institutions within the meaning of the German Banking Legislation. Their purpose is to help SMEs and entrepreneurs of the liberal professions to access loan and/or equity financing. As a promotional institution the guarantees issued by them, since the past 60 years, are sureties for all house-banks.



## Greece

### 1. General trend





## 2. AECM - Members



The National Fund for Entrepreneurship and Development - SA ETEAN has been set-up by law and substitutes the SA Guarantee Fund for Small and Very Small Enterprises (TEMPME SA). ETEAN SA is the new public "financier" of Greece.

ETEAN SA serves as an additional financial mean and will help formulating and setting-up the new economic and political philosophy of Greece.

Its aim is to promote entrepreneurship and to help small and medium enterprises (SMEs) in accessing smart financial products primarily for the implementation of investment projects. ETEAN SA supports all types of businesses, regardless their age and sector (primary, secondary, tertiary).

A particular emphasis will be given to the support of viable and profitable businesses focusing on activities and products meeting 21<sup>st</sup> century demand. The structure of ETEAN SA is divided into functional organizational units called departments or sectors depending on the volume of work and number of employees.

ETEAN SA is an effective response to the changing market conditions, new financial developments and therefore, wants to promote and develop products and tools to support businesses and improve their access to finance.

The mission of ETEAN is:

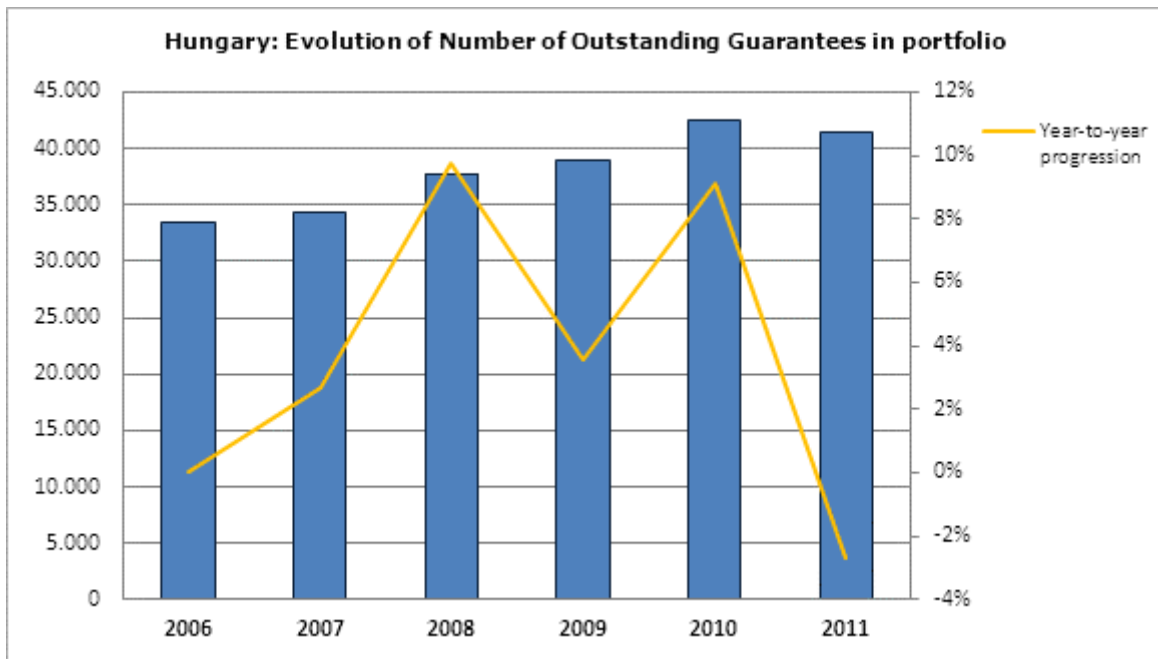
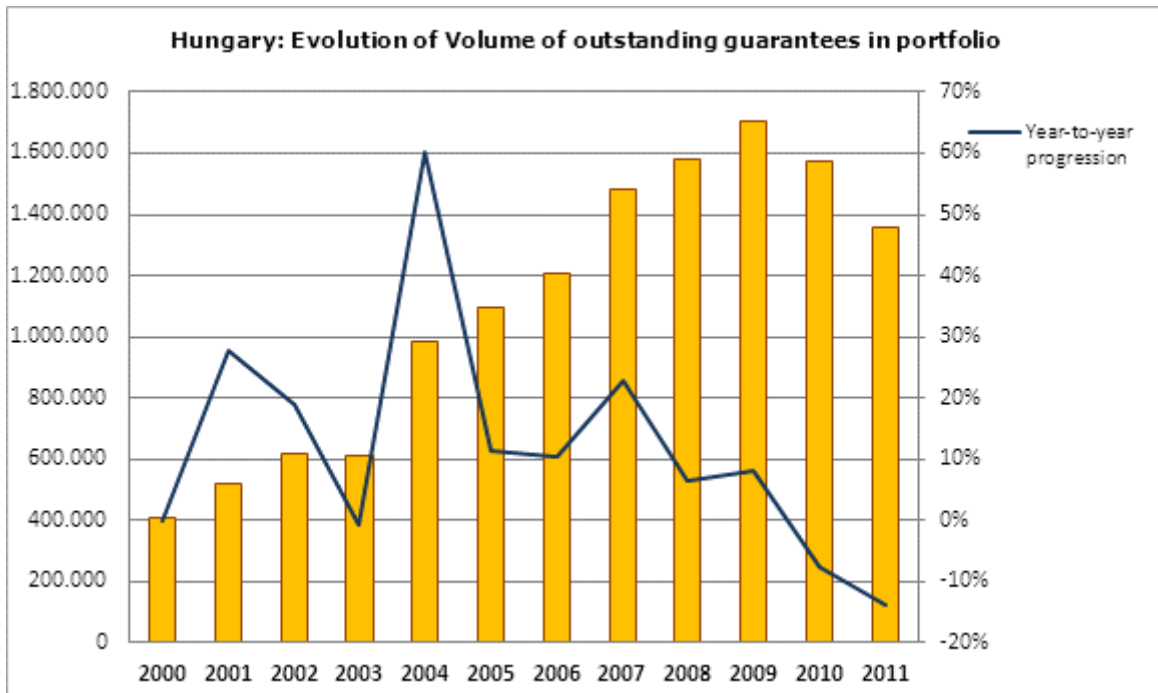
- The provision of guarantees in favour of Micro and Small and Medium-sized businesses so that they could meet their obligations towards financial institutions or private equity firms,
- The co-investment of funds administered by ETEAN SA with financial engineering, such as loan funds for businesses that operate either as a separate legal entity or as separate part of an existing financial institutions or guarantee funds, venture capital funds, seed funds to support young innovative companies.
- The co-investment of funds administered by ETEAN SA in investment funds, concession or PPP schemes or other suitable partnerships that invest in sustainable and environmentally friendly urban development or other areas, either to save energy or to promote activities utilising new and/or renewable energy.





# Hungary

## 1. General trend





## 2. AECM - Members

### Garantiqa Hitelgarancia Zrt.

Garantiqa Hitelgarancia Co. Ltd. (Garantiqa) was founded by the Hungarian State, Hungary's most significant commercial banks, co-operative savings associations and some enterprise interest group associations in 1992 with the aim of operating as a catalyser in the lending processes of national small- and medium-sized enterprises and organisations.

Its fundamental objective is fostering the development of the SME sector. Garantiqa issues guarantees for loans, bank guarantees and leasing/factoring deals.

Garantiqa Hitelgarancia Zrt. is part of the Hungarian Development Bank (MFB) Group, which is owned to 50.0249% by the Hungarian State.



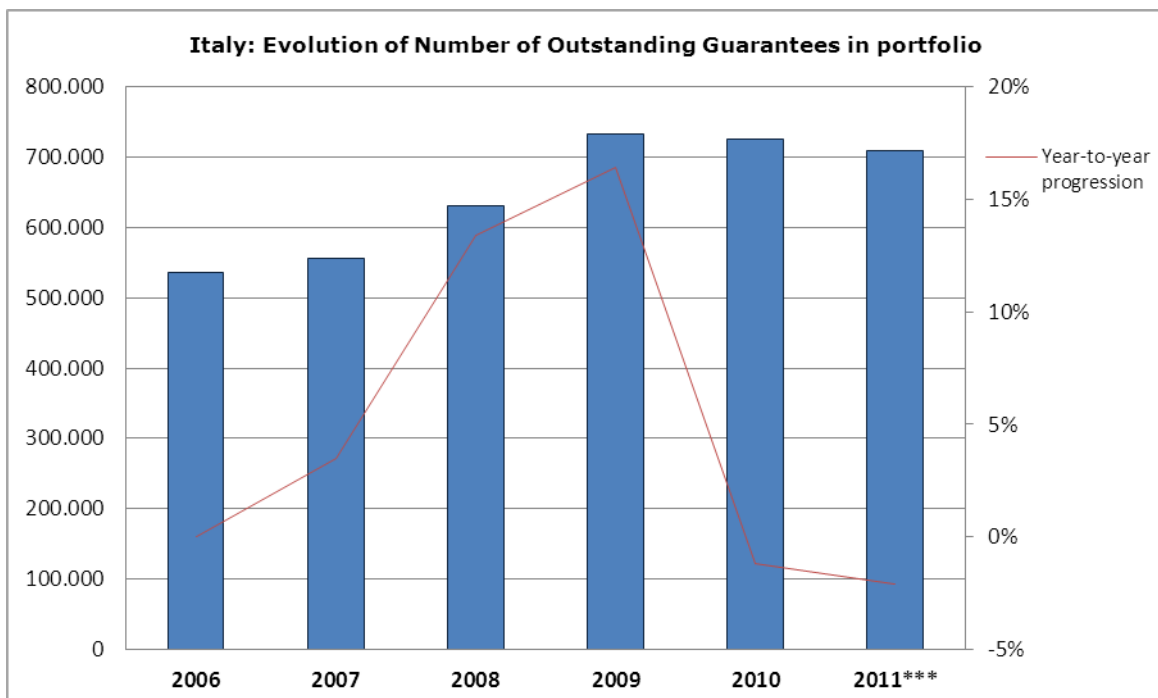
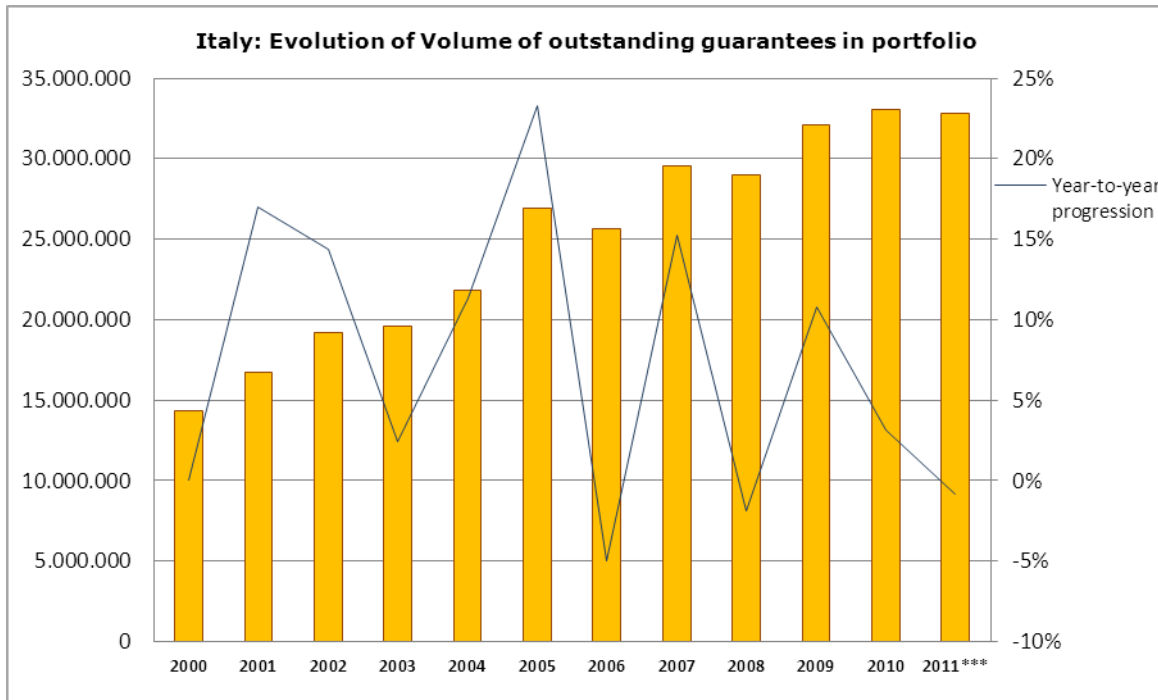
The Foundation was established – as the first Hungarian guarantee institution - by the Ministry of Agriculture and five banks in 1991, in accordance with the principles of a memorandum signed by the European Union and the Hungarian Government. The Foundation is aimed to issue on-demand guarantees to micro, small and medium-sized enterprises which are engaged in the agricultural sector or whose activity is related to a rural area.

The company acts in form of a foundation, as a financial enterprise equivalent to banks, whose status is unique in the Hungarian financing sector. This dual function enables the Foundation to achieve its mission – in particular, to improve the financial viability of the SME sector – to the maximum extent both for SME beneficiary and partner credit institution. In 2012, the Foundation has more than 150 financial partners, including banks, credit institutions, savings co-operatives, leasing and factoring companies.



# Italy

## 1. General trend





## 2. AECM - Members



AssoConfidi is the Italian umbrella organisation of the 6 national mutual guarantee federations: Fedartfidi, Federconfidi, Federascomfidi, Fincredit, Federfidi and Coldiretti. It is a platform for the exchange on joint interests and it represents the members both at national and at European level.

The federations of Confidi have been set up by a number of business associations, which with the guarantee have added an «access to finance «window to their other services to the entrepreneur (accounting, social legislation, legal and fiscal support, pension funds and insurance). The associations specifically represent entrepreneurs in crafts, industry, retail, service industry, etc. There is therefore also a sectorial specialization of the guarantee schemes and their respective subsidiaries, which is a distinct Italian feature.

The fact that the Italian Confidi have been set up by the associative world, explains why they are of private sector and mutual nature. They have been created spontaneously and over time (from 1957 until 1985, with even more recent developments) by entrepreneurs joining forces in order to :

- Improve their credit terms (by getting terms similar to those of larger companies) and to fight against usury.
- Obtain long-term credits.
- Give greater value to personal factors in the credit decision process.



SGFA has the legal status of a Limited Company. It has an autonomous management within the guidelines of support policies to farmers made by the Italian Ministry of Agriculture. Ismea, the Agency for Studies, Research and Information on Agri-markets has two operational arms: ISMEA Invest for capital risk operations (access to rural property and natural disasters) and SGFA (loans guarantees).

SGFA is the successor scheme of the previous Fondo Interbancario di Garanzia, setup in 1961 with the aim of compensating loan securities supplied by agricultural producers whose loans could not exceed 60% of the value of the real assets pledged in favour of the lender. In 2004, SGFA was created as a result of a restructuring of the institutional context, with effect on April 1st 2005.

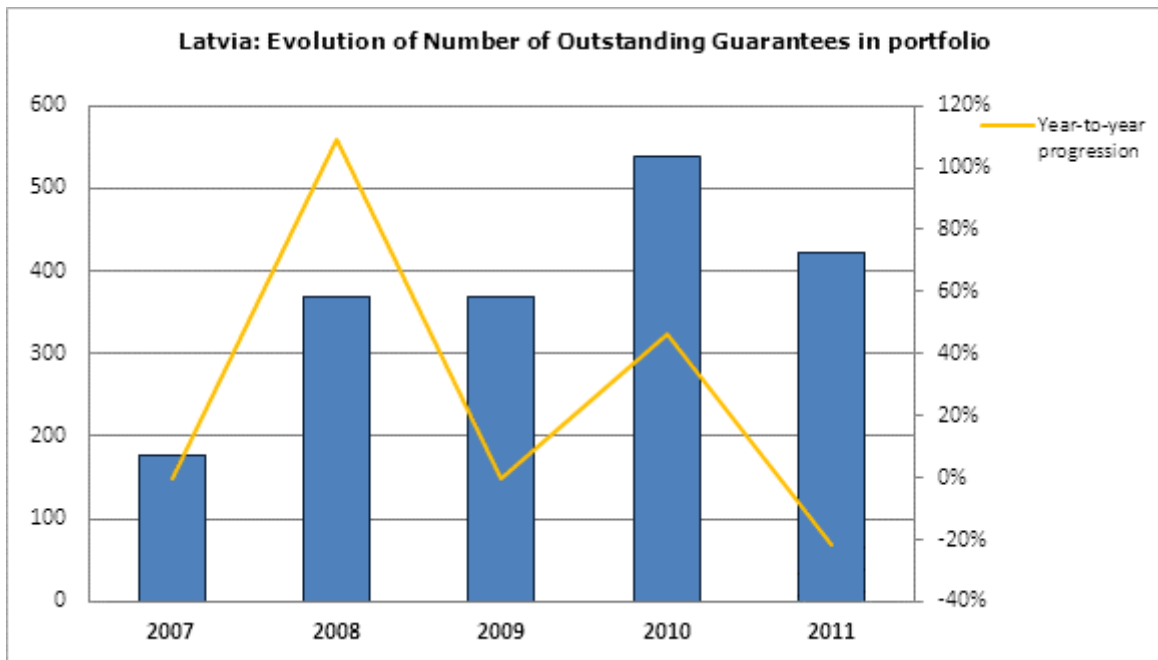
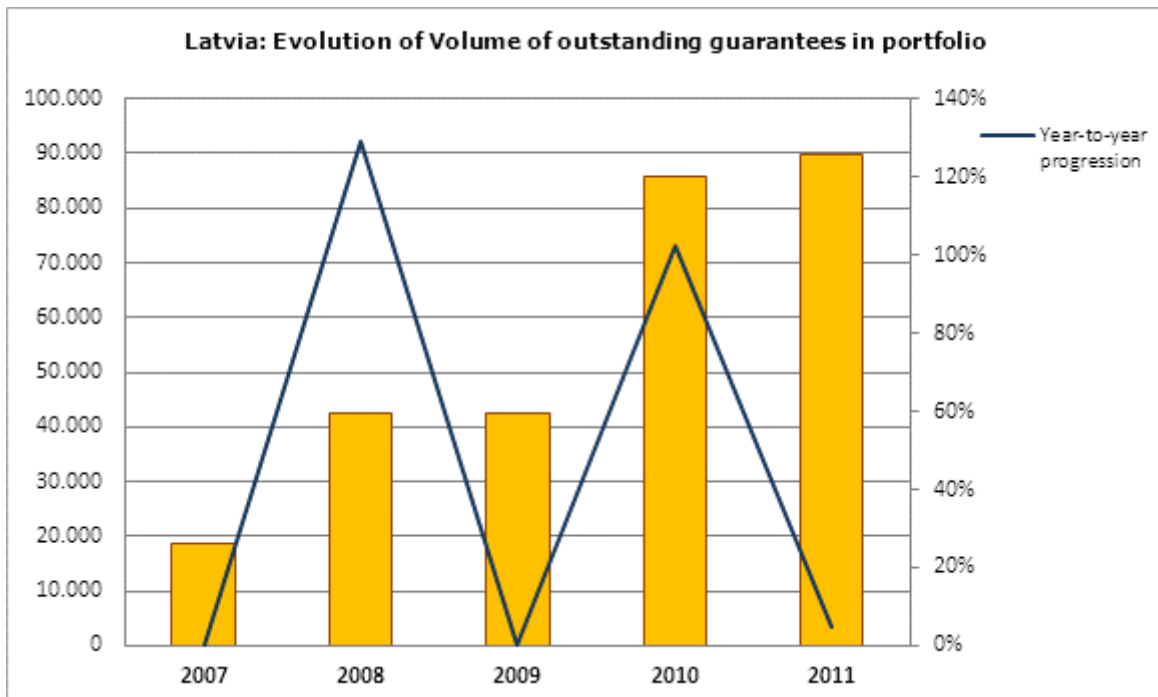
In terms of distribution channels, SGFA issues the direct guarantees and it is about to start with the indirect guarantee, a counter-guarantee mechanism to the benefit of the private Confidi of the agricultural federation.

Although SGFA is a state owned agency, it aims at covering its costs and potential losses by a adequate guarantee fee. In the track records of the Fund, 1992 and 1993 were the only two years in which incomes were not sufficient to cover the costs of guarantee payments. The fee is currently being analysed and revised. A new formula will take into account PD, LGD, operating expenses and a return on the equity invested by State.



# Latvia

## 1. General trend





## 2. AECM - Members



“Latvian Guarantee agency” (LGA) is state owned Limited Liability company with the Ministry of Economics of Republic of Latvia as a shareholder.

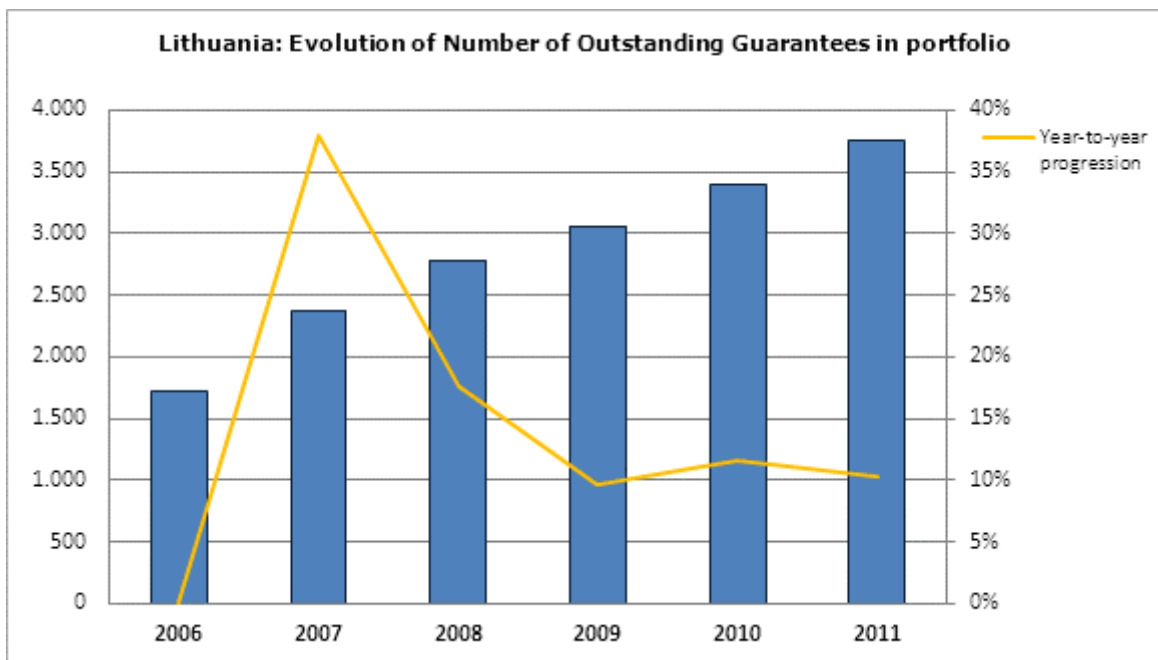
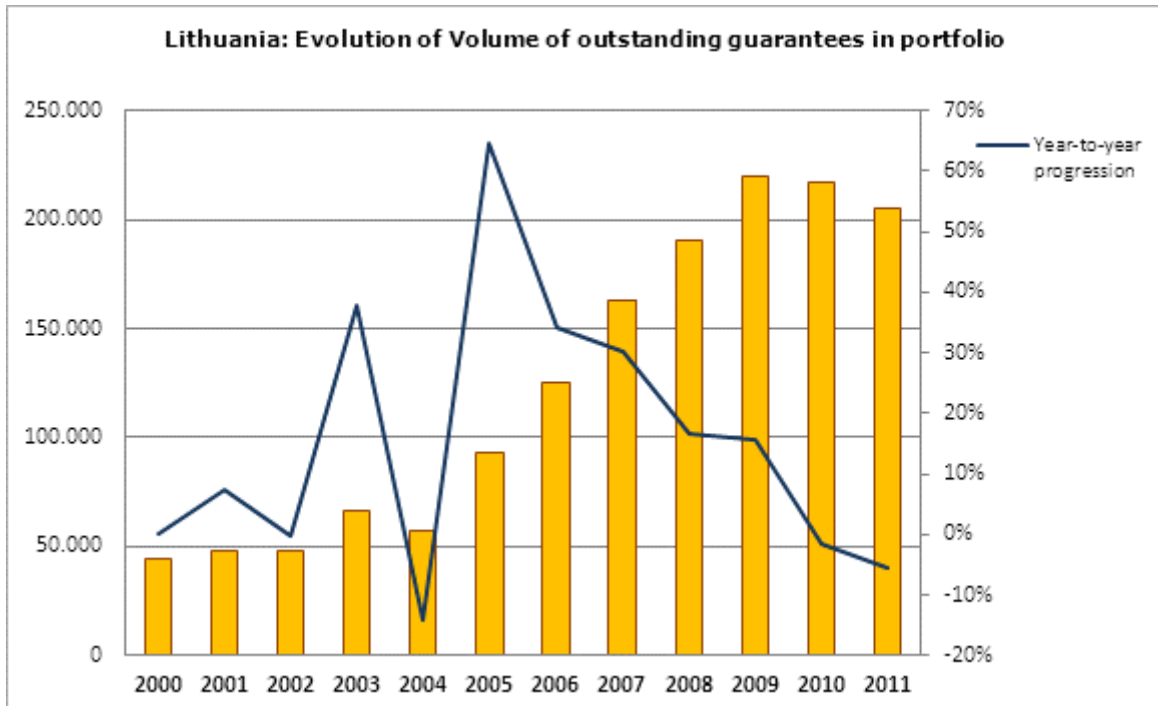
Since 2003, LGA enacts tasks defined by state economic policy and supports businesses in attracting new investments for further expansion.

The collateral guarantee provided by LGA allows the entrepreneurs to get financial support for innovative business ideas by receiving credit or leasing from commercial banks.



# Lithuania

## 1. General trend





## 2. AECM - Members



JSC Investicijų ir verslo garantijos - INVEGA (established in 2001) is a state owned guarantee institution with the Ministry of Economics of Republic of Lithuania as a shareholder.

The purpose of INVEGA activities' is to promote the development of small and medium-sized enterprises in Lithuania facilitating their access to financing sources. To do so, the main undertakings are the provision of:

- Guarantees;
- Small- and micro-loans;
- Venture capital investments;
- The European Union structural support;
- State property investments in collective investment entities and the administration of the investment;
- Implementation of financial engineering measures;



### **RURAL CREDIT GUARANTEE FUND**

The Rural Credit Guarantee Fund – Garfondas - is a financial institution established in 1997 by the Ministry of Agriculture of the Republic of Lithuania with a view of implementing state support to agriculture and an investment promotion programme.

The funds' mission is to promote the development of rural businesses and create favourable loan conditions for the agricultural sector.

The goal of Garfondas is to promote economic development of agriculture, by providing an opportunity for economic entities which do not have enough collateral to obtain credits from credit institutions.

The main functions are:

- issuing credit guarantees;
- issuing leasing guarantees;
- administrating state support for credit beneficiaries;
- implementation of financial engineering measures - administrating the Credit Fund;
- administrating licensed warehouses;

Garfondas issues guarantees to credit institutions for credits granted to:

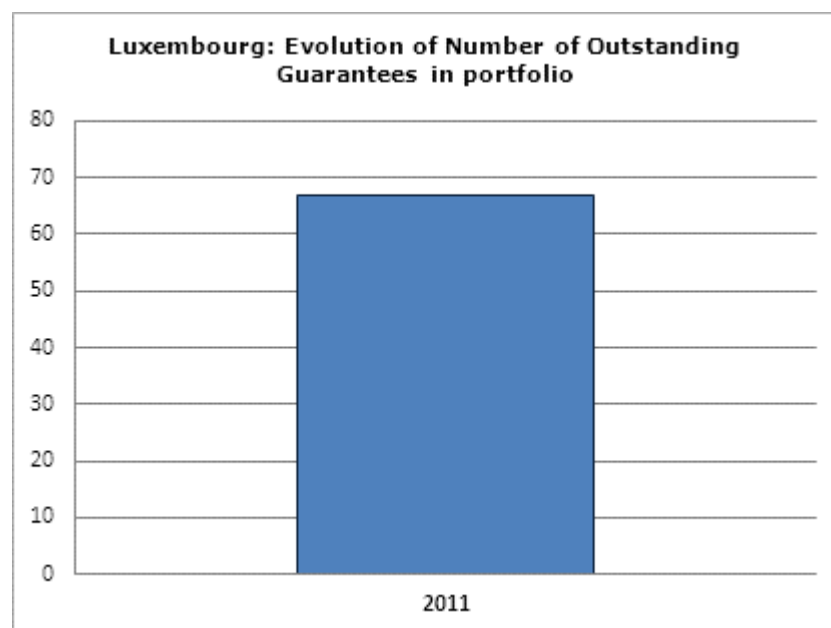
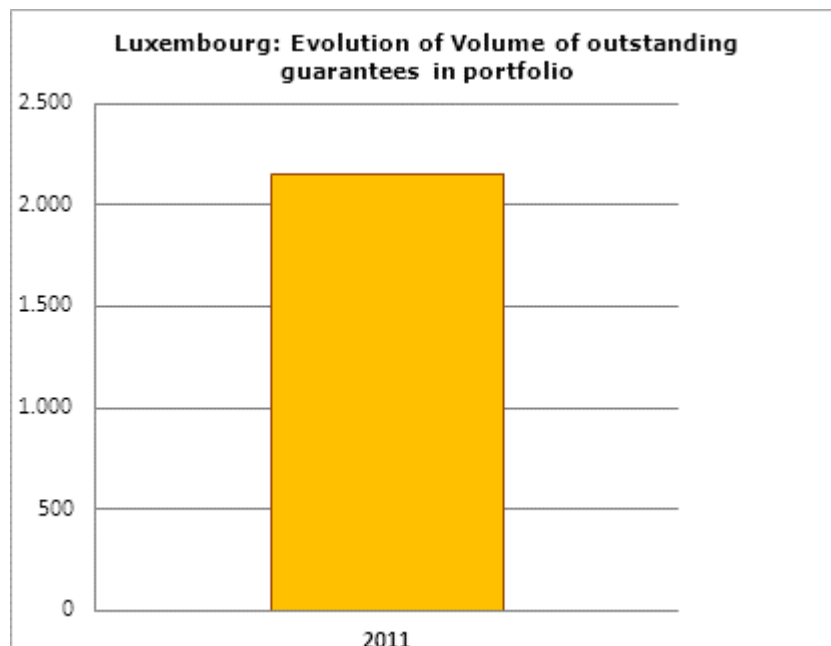
- farmers and agricultural entities,
- small and medium businesses, located in rural areas,
- enterprises which purchase, process and sell agricultural products





## Luxembourg

### 1. General trend





## 2. AECM - Members



MCAC - Mutualité de Cautionnement et d'Aide aux Commerçants (Luxembourg) was created in 1969 by clc, Horesca and the Luxembourgish Chamber of Commerce, as a cooperative corporation. Its mission is:

- Providing guarantees to SMEs to support access to finance
- Consulting and assistance regarding governmental financial incentives and public loans
- Contributing to enterprise creation and development in Luxembourg

In general, no projects or economic sector represented in the Chamber of Commerce are excluded for a possible guarantee. MCAC can even endorse projects without obtaining collateral, provided that the applicant has a recognized professional qualification and that his project has a real chance of economic viability as well as a clear economic interest.

In addition, MCAC can assist the entrepreneur in the identification of the different funding sources that exist. Thus, besides the traditional methods of financing such as self-financing or borrowing, MCAC is able to advise on public aids and loans, the conditions and formalities.

MCAC became member of AECM in 2011 this is the reason why we have only the figures for 2011.



## Montenegro

### 1. General trend

For the Investment and Development Fund of Montenegro no figures are available yet.

### 2. AECM - Members



IDF is founded by Law and became member of AECM in 2011.

The goal of establishing the institution is to accelerate the economic development of Montenegro. By establishing IDF, the Government of Montenegro has provided an efficient mechanism for economic development support, especially considering the current economic/financial crisis.

Activities of IDF include the provision of credits and guarantees, performing activities such as the sale IDF portfolio shares from, as well as other activities that support economic development.

Its goal is to support micro, small and medium-sized enterprises and entrepreneurs, infrastructure projects as well as water-supply projects, waste-water treatment projects and environment protection. They finance also projects of local, regional and national importance.

The broadly defined set of activities and mission of IDF enable their operation in many areas, such as:

- Support SMEs (credit and guarantee support, and non-financial measures of support);
- Support of infrastructure and ecology projects;
- Provision of incentives for export and employment;
- Privatization of the remaining public companies in IDF's portfolio;
- Efficient management of the securities and the credit portfolios as well as, SMEDD.

IDF provides financial support that can be divided in two categories:

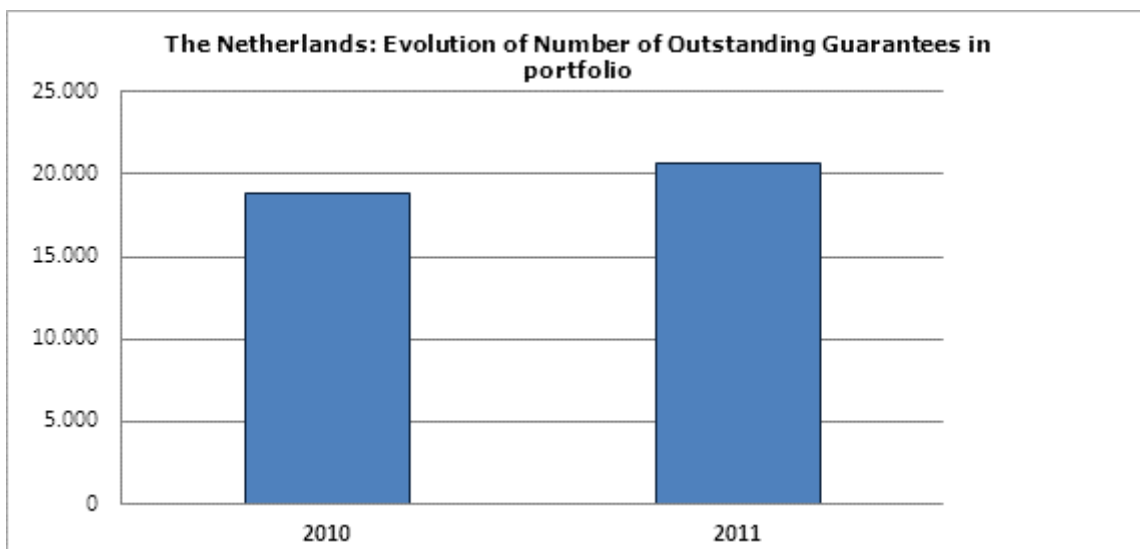
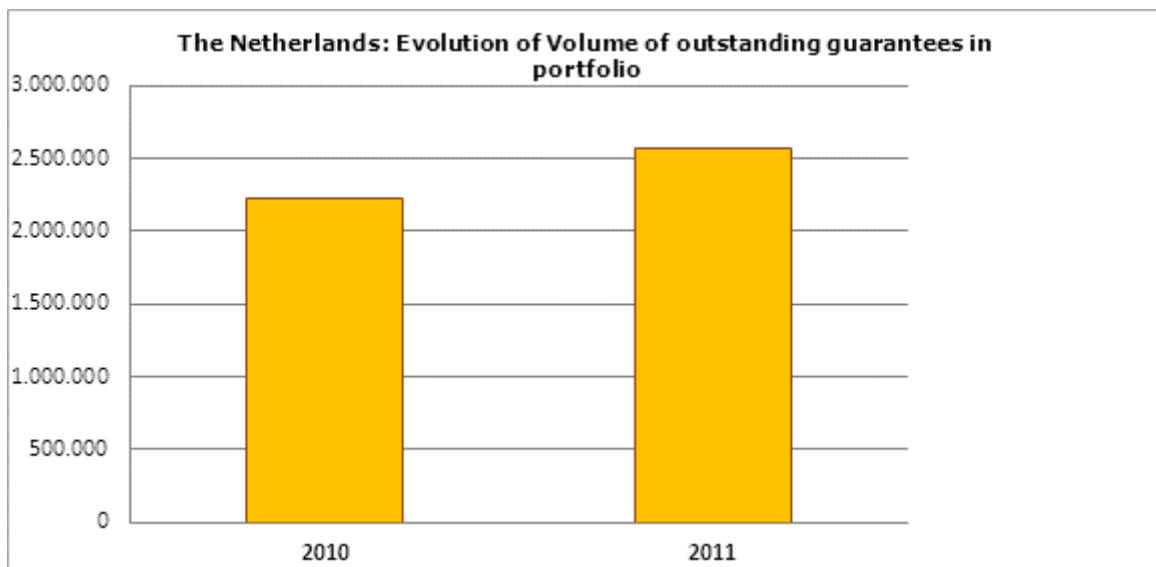
- Credit lines that will be undertaken in cooperation with banks or directly with credit applicants;
- Issuing all types of guarantees to economically sound projects in Montenegro.





## The Netherlands

### 1. General trend





## 2. AECM - Members



Agentschap NL  
Ministerie van Economische Zaken,  
Landbouw en Innovatie

Focusing on sustainability, innovation, international business and cooperation, Agentschap NL is the number one contact point, in the Netherlands, for businesses, knowledge institutions and government bodies. Agentschap NL ensures that government policy is realised quickly, properly and effectively: through clear contact points, first-rate services, sound advice and support. One collective focus, with one customer support desk, coherent programmes, better coordinated financing programmes and clear, short procedures will contribute to this.

Agentschap NL also handles monitoring and impact assessment of policy implementation. This organisation picks up signals of the effects of policy implementation and passes these on to the policy makers. Furthermore, Agentschap NL acts as the eyes and ears for the various contracting ministries, providing advice on the current state of society. This should lead to a closer correlation between policy and implementation in the future.

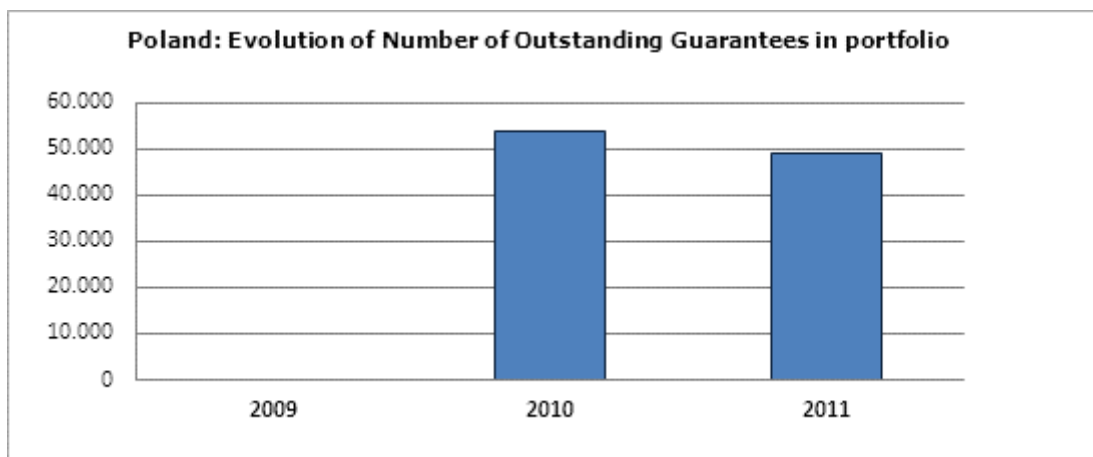
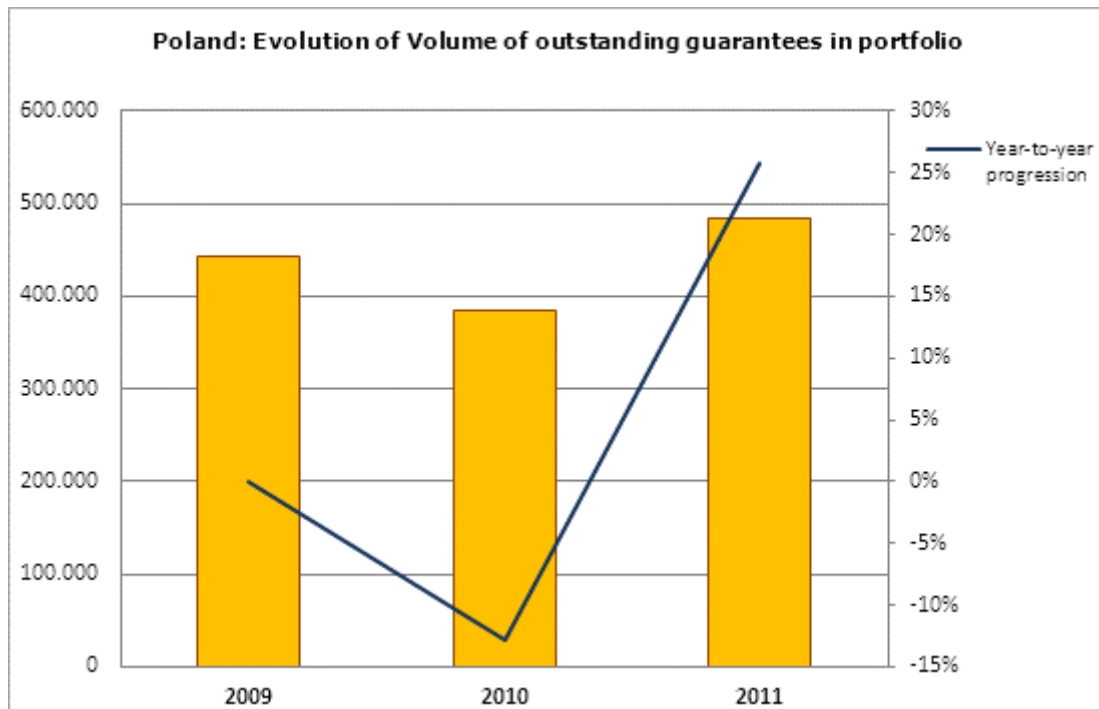
The mission of Agentschap NL is: *the excellent implementation of international, innovation and sustainability policy*. Agentschap NL uses the following core values for the implementation of its mission: *involvement, reliability and ambition*.

Agentschap NL falls under the Dutch Ministry of Economic Affairs, Agriculture and Innovation. The organisation implements programmes, regulations and laws for 11 departments and 17 clients outside the government.



## Poland

### 1. General trend





## 2. AECM - Members



Bank Gospodarstwa Krajowego (BGK) is Poland's only state-owned bank. BGK was established in 1924 during the monetary reforms of Władysław Grabski. The primary business objective of BGK is to provide banking services for the public finance sector, in particular through the support of the government's economic programs, as well as local government and regional development programs implemented with the use of public funds, including those of the European Union.

BGK's primary task is to support government economic programs, as well as local government and regional development projects.

The Bank also pursues in its own activity, which mainly consists of the provision of banking services to local government entities and to a group of strategic enterprises.

Apart from carrying out activities commissioned by the state, BGK is engaged in institutional banking activities. In addition, BGK offers term deposits to individual customers.



### **Krajowe Stowarzyszenie Funduszy Poręczeńiowych**

The main objectives of the National Association of the Guarantee Funds:

- Supporting the development of the credit guarantee system in Poland
- Diffusion of knowledge and exchange of experience in the field of loan guarantee business
- Cooperation, among others with governmental bodies, local governments, financial institutions carrying out similar objectives than KSFP for the development of credit guarantee systems
- Promotion of loan guarantees

The Association currently has 56 employees and covers 19 member institutions.

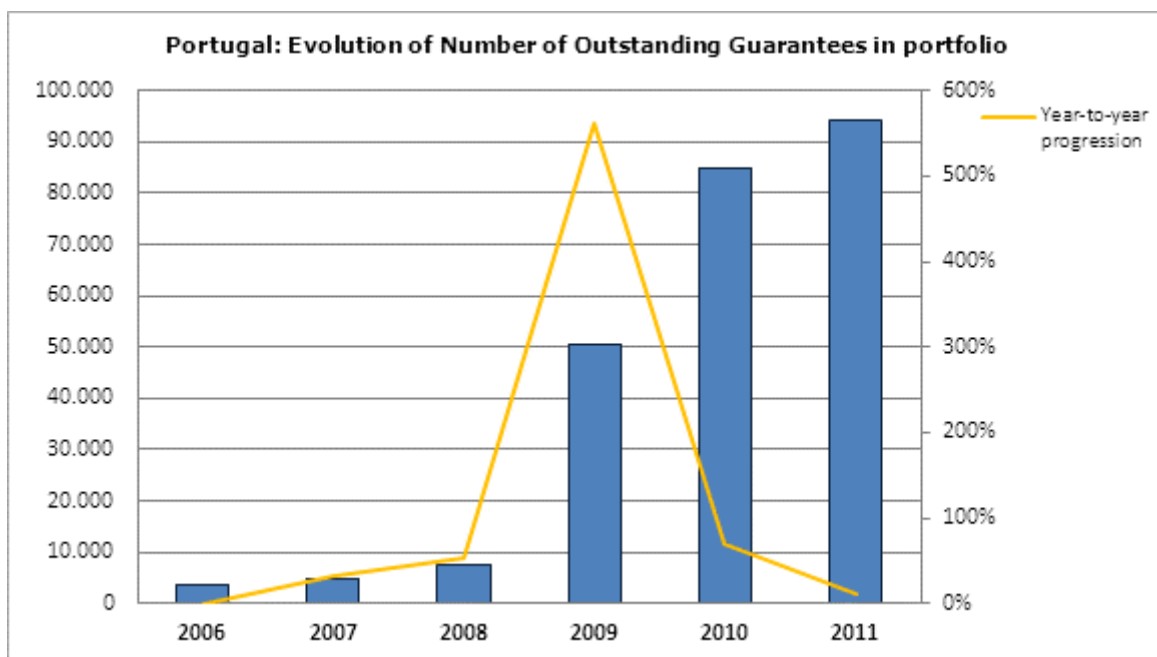
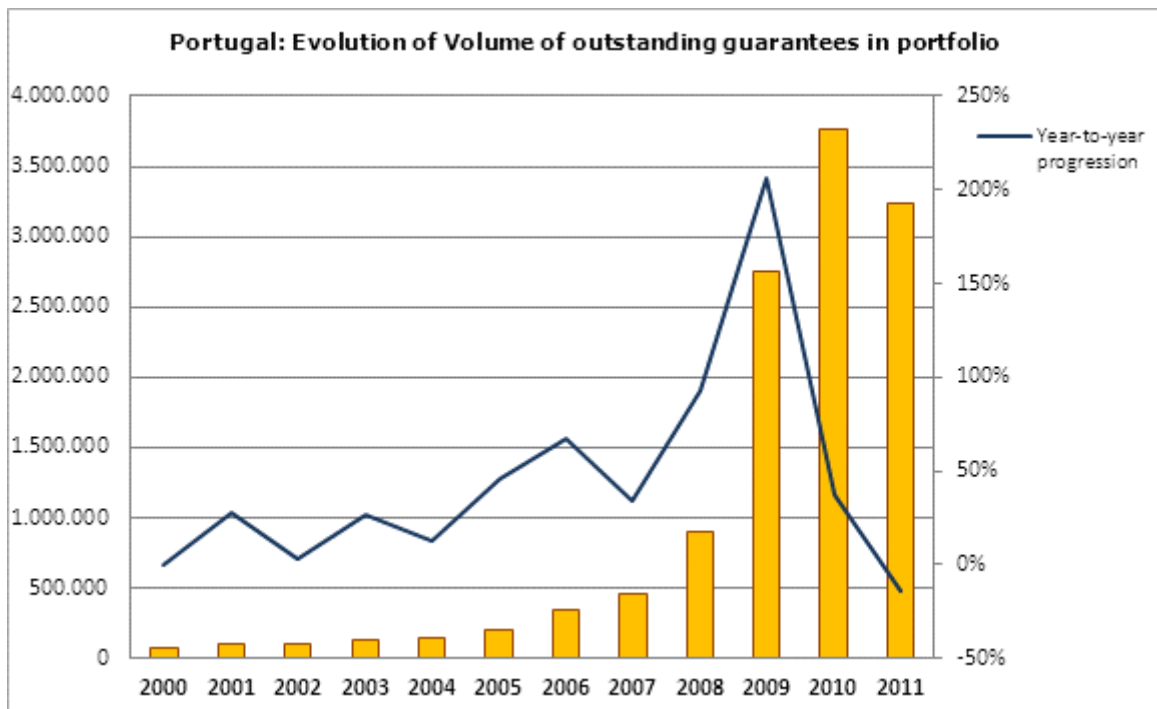
At the moment our members participate in the implementation of projects within the framework of the Regional Operation Programs ensuring the development of 11 regions and through the JEREMIE project the development in 5 other regions of Poland.





## Portugal

### 1. General trend





## 2. AECM - Members



The launch of a Mutual Guarantee System in Portugal aimed of creating the conditions necessary to reduce the costs of financing for companies, especially SMEs, as well as a better balance of their financial structure. In particular, the acquisition of guarantees, which allow them access to loans with suitable terms - easily adapted to the different phases of their life cycles and to the types of investments these enterprises have to make in order to develop themselves.

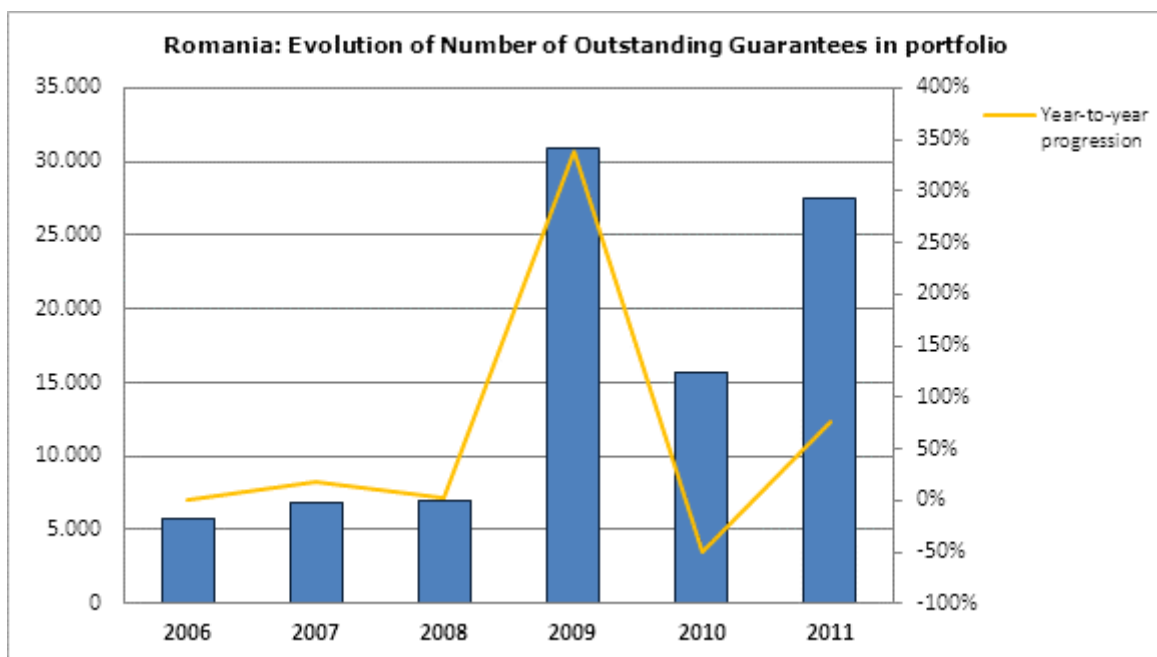
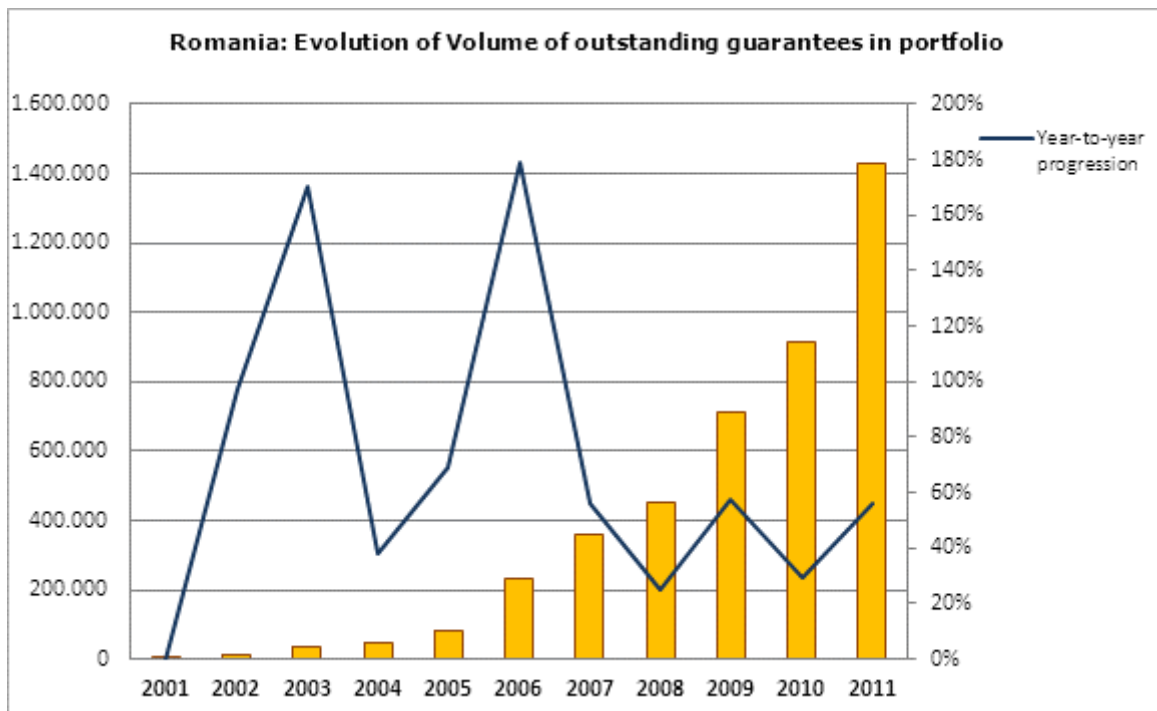
The Portuguese Mutual Guarantee Scheme is based on a private – public partnership with two levels interacting automatically:

- A first layer of private Mutual Guarantee Societies (MGS). These are financial institutions supervised by the central bank and working with a specific law but respecting all the banking and Basel III regulations and capital and provisions requirements. The MGS are held by SME, Banks, SME Organisations and Public authorities, the last both through SPGM, the SME Agency (IAPMEI), the Tourism Agency (TP) and the Agriculture Agency (IFAP). The majority of the share capital is held by beneficiary SME. These MGS contact with the banks and clients, do commercial approach, through a small network of branches and do risk analysis. They provide first demand guarantees, normally on an individual basis, from 50% to 80% of the loans, but issue also portfolio guarantees for very special situations, like microcredits or students loans. The Portuguese MGS issue guarantees not only for bank loans but also to all other needs of the SME, like performance guarantees. The total equity of the 4 MGS existing in Portugal is currently around 210 million euro;
- A second layer includes the so called “public part” of the scheme. It is the national public Counter-guarantee mechanism, called Fundo de Contragarantia Mútuo (FCGM). This fund is managed by SPGM and provides automatic coverage from 50% to 90% to all guarantees issued by the private MGS. SPGM also acts as shared services centre to all entities of the Portuguese Mutual Guarantee Scheme (both the FCGM and the MGS have the Accounting services, Financial Department, IT & Communications, Legal Department and Recoveries, as well as payroll services and institutional marketing based at SPGM). The current share capital of the FCGM is around 850 million euro, being available for guarantee coverage around 650 million (April 2012).




## Romania

### 1. General trend





## 2. AECM - Members

 The National Credit Guarantee Fund for SMEs (NCGFSME/FNGCIMM) was established as a commercial (joint-stock) company in December 2001 by a governmental decision in order to stimulate small- and medium-sized enterprises' creation and development. The FNGCIMM is a financial institution (non-bank), operating as a national SME credit guarantee scheme. The Ministry of Economy, Trade, and Business Environment is acting as sole shareholder (representing the Romanian State). FNGCIMM strategy, risk policy, and annual activity programs are harmonized with the priorities and targets of Romanian governmental policies. By the end of 2011, the FNGCIMM nationwide network has 8 local offices, 4 territorial branches, and 3 regional subsidiaries - autonomous Local Guarantee Funds (affiliated companies also registered as non-bank financial institutions).



FONDUL DE GARANTARE A CREDITULUI RURAL - IFN S.A.

The Rural Credit Guarantee Fund - NFI SA provides guarantees to enable access to financing. The scope of activity of RCGF consists exclusively in guaranteeing credits for natural and legal persons - agricultural producers and agro-food producers. RCGF can guarantee the loans granted by banks to the local councils for the development of rural infrastructure, as well as other financial instruments issued by the lending institutions to the beneficiaries of the programs EFARD, EFF and EFAG financed from European funds with a view to the provision of finance necessary for the achievement of the projects included in the National Program for Rural Development for the foreseen period 2007-2013.



FONDUL ROMÂN DE GARANTARE A CREDITELOR

The Romanian Loan Guarantee Fund for Private Entrepreneurs- NBF (RLGF) is a financial institution that was founded in 1992 at the initiative of the Romanian state, in order to support the private sector by facilitating the access to financing. Privatized in year 1999 in response to government policies, RLGF has been continuing so far its role of risk sharing with banks and providing economic support to private entrepreneurs, including SMEs. Being the first guarantee fund set up in Romania, RLGF undertakes an active management of guarantee portfolio based on the principle of quality and not quantity. With a low level of capitalization compared with similar institutions in the market, RLGF managed to maintain a high standard of competence and expertise in its field, and therefore has been representative as a successful model for the guarantee activity in Romania.



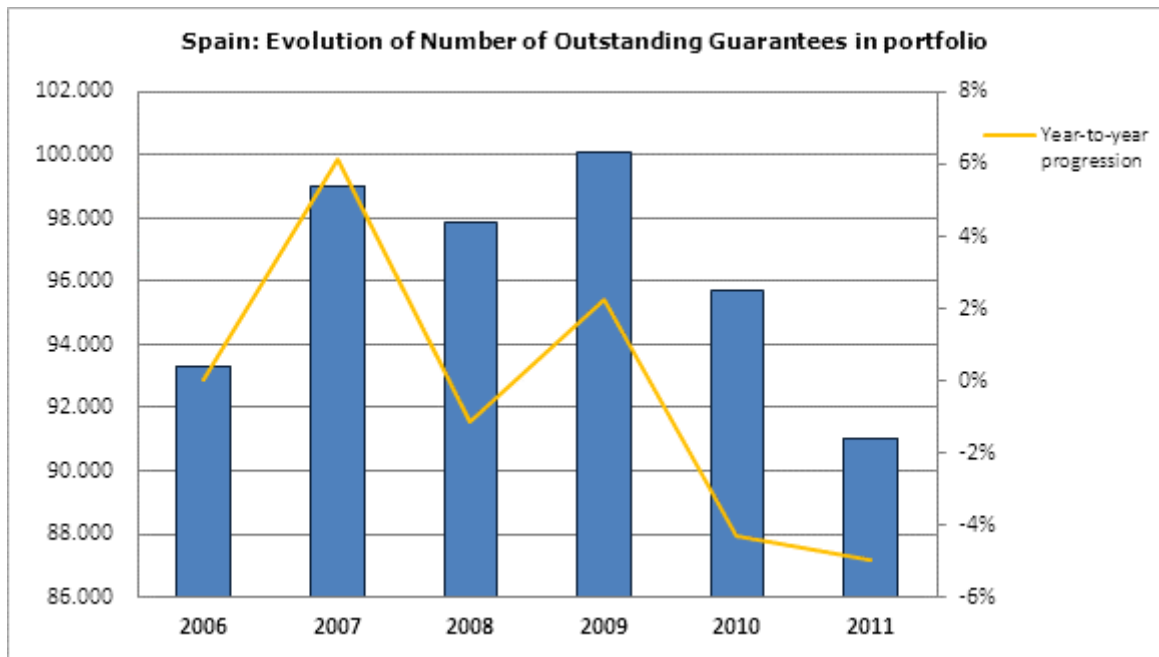
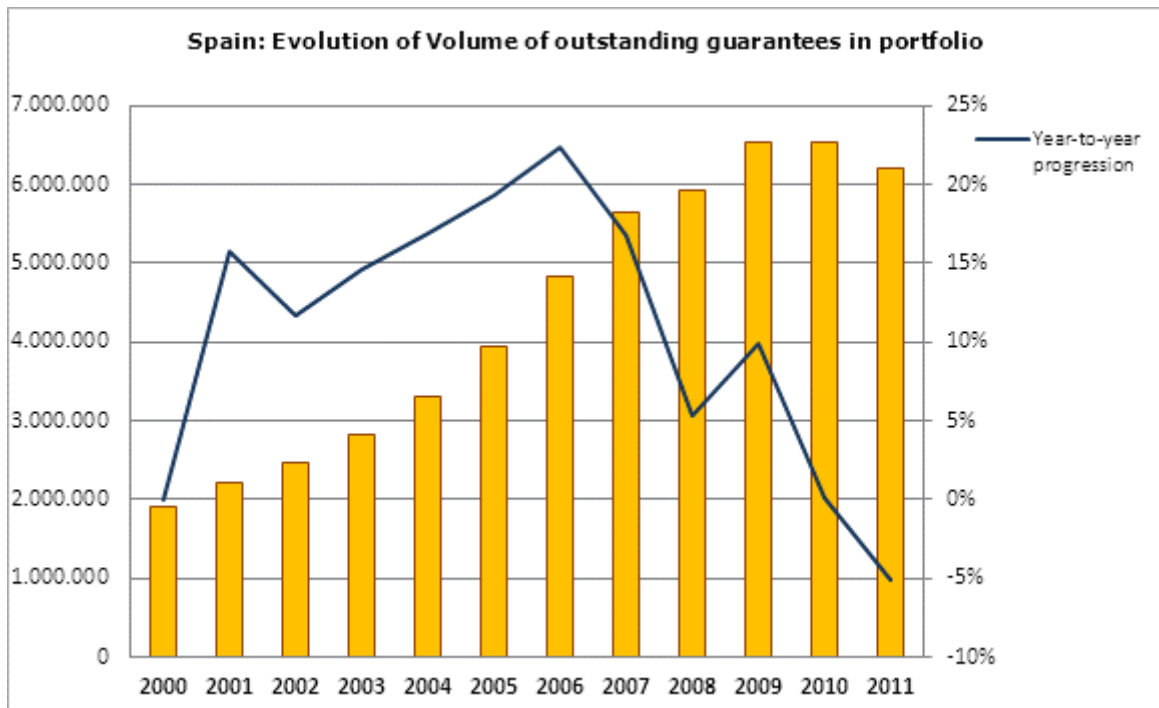
FONDUL ROMÂN DE CONTRAGARANTARE S.A.

The Romanian Counter-guarantee Fund was funded, by a governmental decision, as an independent institution with a commercial statutory status, having as main shareholders the state with 68%, represented by the Ministry of Economy and Business Environment and by the Post privatization Foundation, with 32%. The sole and main activity of the institution is the counter-guarantee of the guarantees issued by the guarantee funds to SMEs for loans and other financial instruments offered by loan institutions.



# Spain

## 1. General trend





## 2. AECM - Members



CESGAR is the national umbrella organisation of 23 Mutual Guarantee Societies. CESGAR has been created in 1979, following political changes in Spain, which lead to economic reforms concentrating on competitiveness and internationalisation.

After a long legislative process made of trials and errors, the key date was the promulgation of the law 1/1994. It fixed the legal framework including the banking character of the entities, their functional and operational characteristics and the system of public protection by a specialist company, CERSA. Spain has probably the most developed legal framework in the EU that nonetheless leaves societies with a great flexibility in their management.

SGR are founded as a specific type of Ltd Liability societies with variable capital that counts two types of shareholders: "participatory" members (85.744 SMEs that subscribe some shares against the guarantee service and that hold 62% of the capital) and "protective" members (local authorities-23%-, banks-11%-, chambers of commerce and other entities -4%- that are involved in SME development). Public support is based on certain limited tax exemptions and mainly on counter-guarantees granted by CERSA at a rate (30 to 75%) that depends of political priorities (innovation...) and types of operations (investments...).

As CESGAR is a joint association of several independent entities, a global overview of CESGAR members' procedures is given here.

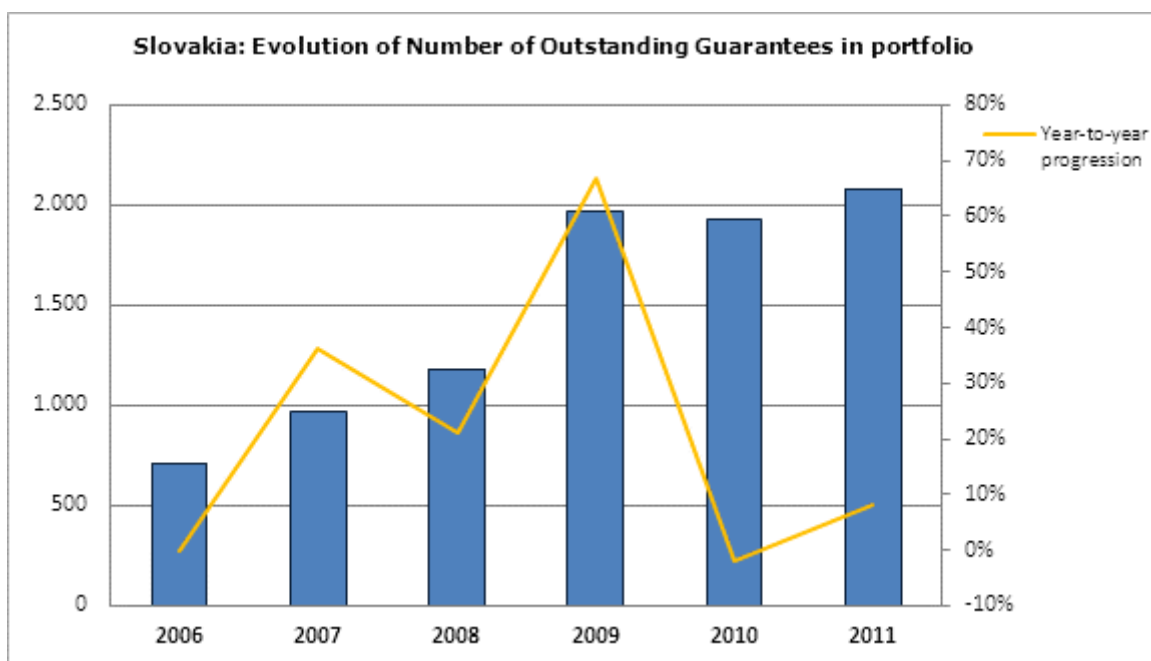
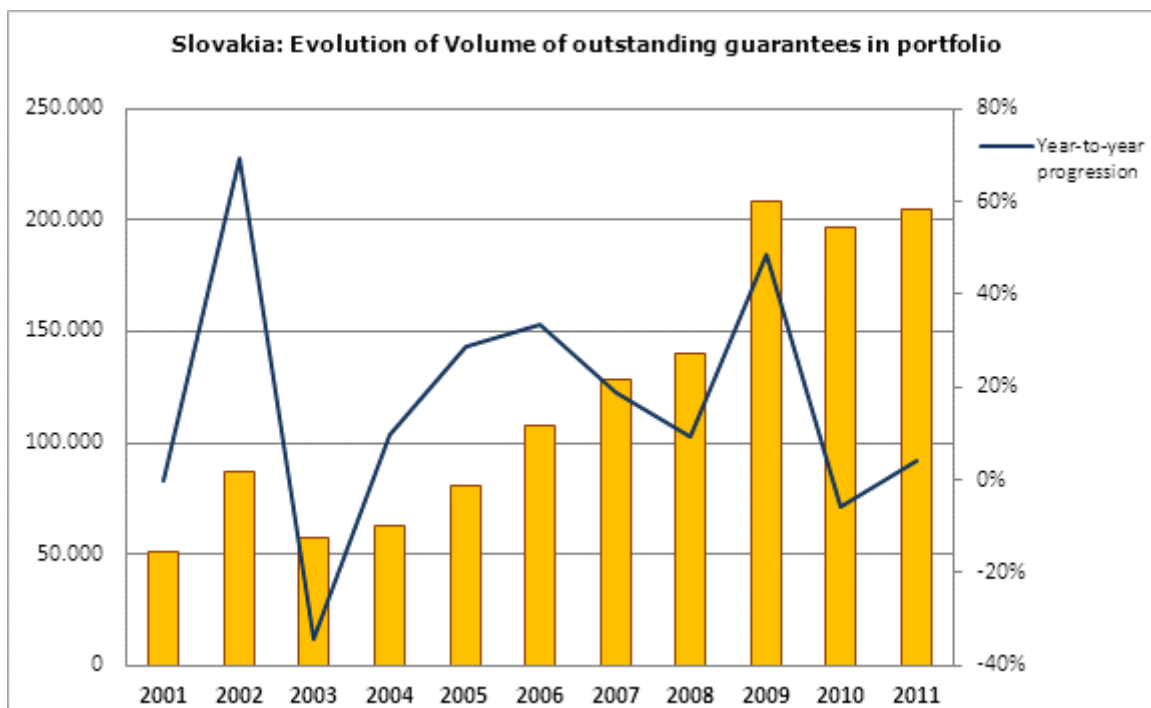
CESGAR plays a central role in the activity of the different *Sociedades de Garantía Recíproca* (SGR, the Mutual Guarantee Societies) by being that central negotiator with the Government, the Central Bank and with competition authorities.

CESGAR also organises periodical training sessions.



## Slovakia

### 1. General trend





## 2. AECM - Members



The Slovak Guarantee and Development Bank (Slovenská záručná a rozvojová banka, a. s –SZRB) was established in 1991 by the Ministry of Finance of the Slovak Republic.

They established their business model on mechanisms of similar institutions, such as the Austrian BÜR-GES Förderungsbank and Austria Wirtschaftsservice GmbH and French Sofaris bank. Furthermore, the Bank developed a cooperation within the PHARE project and with foreign support banks, such as the German Kreditanstalt für Wiederaufbau (KfW) and the Council of Europe Development Bank (CEB).

In 2002 the Bank's legal form changed from a state-owned financial institution to a joint stock company as a result of which the Bank had to introduce extensive changes. In 2003/2004 the system of providing bank guarantees was significantly modified. The SZRB started providing two types of bank guarantees - with direct and indirect security. The new guarantee mechanism allowed a better risk distribution between the SZRB, the client and the partner.

The portfolio of products they directly offer to their clients were extended to new products, namely MIKROúver (MICROLoan) and PODNIKATEĽKA (ENTERPRENEUR) loan in order to facilitate access to finance to both existing and newly-established small entrepreneurs.

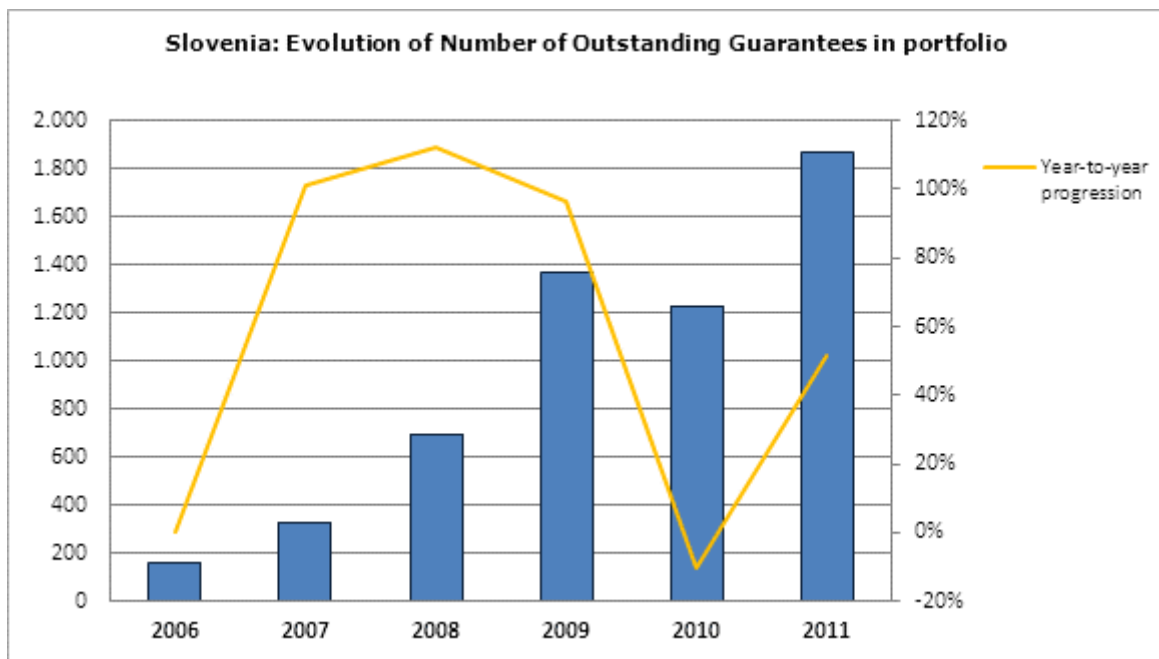
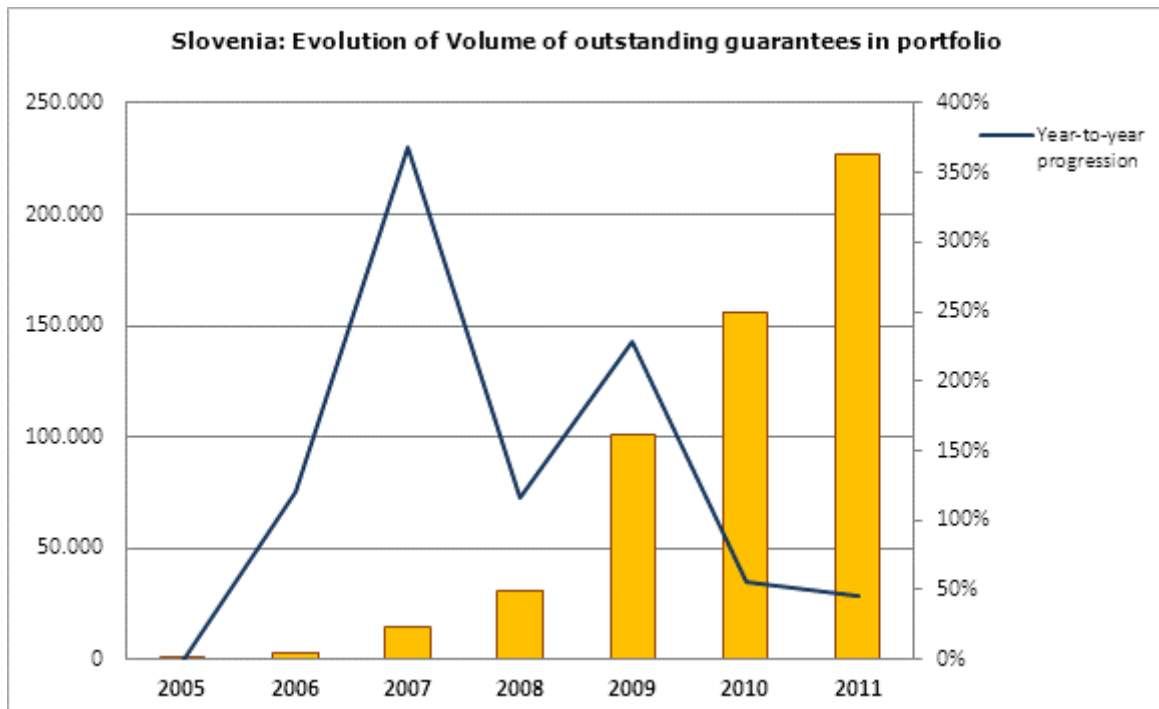
SZRB – the Slovak Guarantee and Development Bank, in co-operation with the AECM, has organized in year 2006, in accordance with the agreement on technical assistance for financial institutions and guarantee organs providing guarantees for small and medium-sized enterprises, two conferences under the title *Guarantees as an effective financial instrument for development of small and medium-sized enterprises and enterprising*.





## Slovenia

### 1. General trend





## 2. AECM - Members



The Public Fund of Republic of Slovenia for Entrepreneurship or shortly the Slovene Enterprise Fund (SEF) is established with purpose of improving the access to financial resources for different development – business investments of micro, small and medium-sized enterprises (SMEs) including with financial resources for SMEs start-up and micro financing in the Republic of Slovenia.

One of the Fund's objectives is to ensure the effective financial instruments for the whole life cycle of an enterprise, which means from the seed stage/start-up stage to the development stage/growth stage by:

- Improving the access to financial sources which includes state aid for different businesses – development investments for SMEs, financial sources for start-ups and microfinancing, which allow growth and development of the corporative sector in the Republic of Slovenia.
- Creating visible effects of state aid in the economic sector, therefore the state aid is oriented towards support of development investments which ensure increasing growth of the company, creating higher added value per employee and to ensure the successful transfer of entrepreneurial development ideas into successful market undertakings.



The Network of Slovene Regional Development Agencies - RRA-GIZ is a non-profit and non-governmental business organisation whose main objective is to achieve an overall development of the Zasavje region.

RRA-GIZ contributes to an acceleration of regional development, economy. They established an efficient network of contacts within and beyond the region's borders. Their aim is to enable the modernization of the Zasavje region.

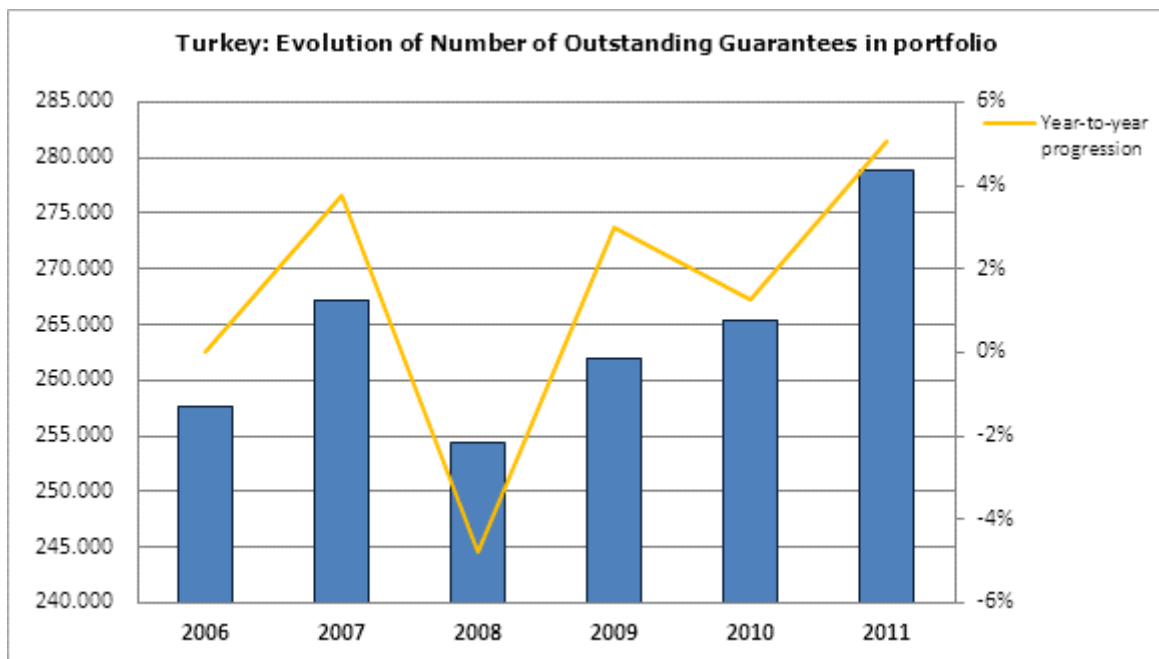
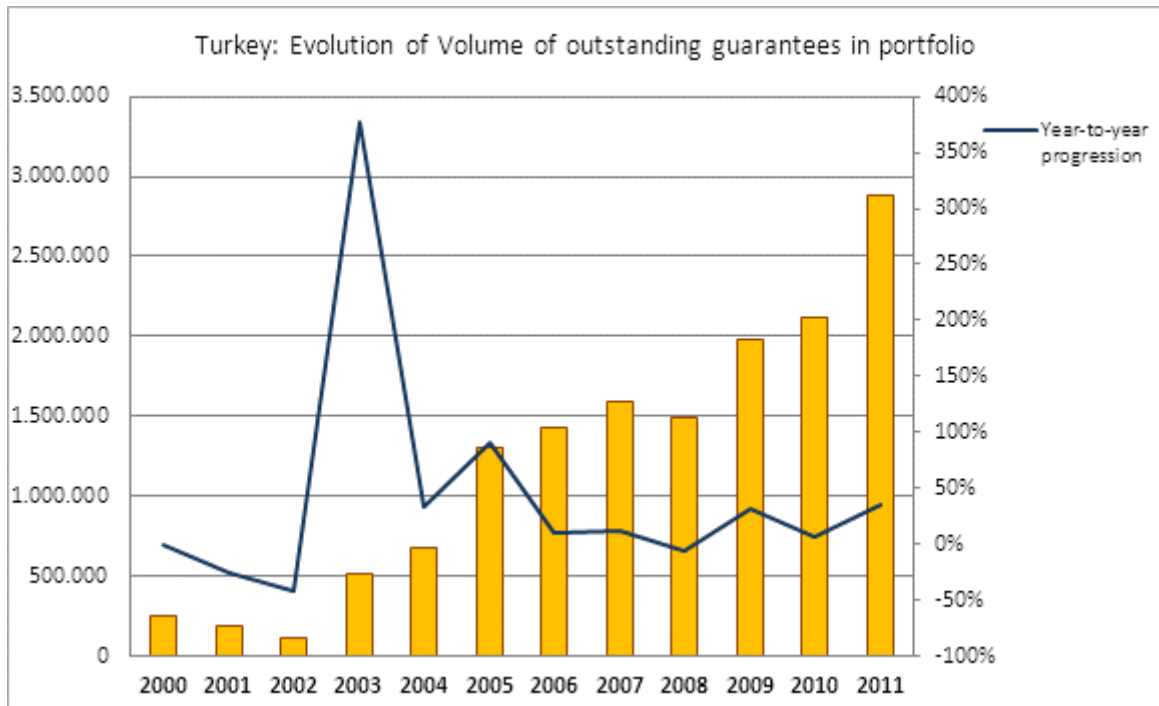
RRA-GIZ was founded in 1996. It has been based on conclusions of the 1995 Phare technical assistance project aimed at the acceleration of regional development. A first step forward in regional cooperation within the region of Zasavje represents A Memorandum on Regional Cooperation signed by the mayors of five municipalities: Litija, hrastnik, Radeče, Trbovlje and Zagorje ob Savi.

In cooperation, they set up several mechanisms and tools such as guarantee schemes, business incubator, technology centre, labour fund, different types of trainings and consultancy for human development, entrepreneurship and rational use of the environment.



# Turkey

## 1. General trend





## 2. AECM - Members



Kredi Garanti Fonu A.Ş.-KGF was established in 1993. It is composed of TOBB (The Union of Chambers and Commodity Exchanges of Turkey); KOSGEB (Small and Medium Industry Development Organization) as major shareholders and by 20 Turkish banks, as well as some minority shareholders, such as TESK (The Confederation of Tradesmen and Artisans of Turkey); TOSYÖV (Turkish Foundation for Small and Medium Business) and MEKSA (The Foundation of Vocational Training and Small Industries). KGF is acting through its nation-wide 28 branches network, in 2011, in Turkey which makes it unique.

They launched the "One SME for Every Village" CIP product and "Greater Anatolia Guarantee Facility" programme through the provision of Micro-Loan guarantees under the EIF's CIP-programme. KGF has actually been broadening its product range. Due to the 2008 global-crisis and by virtue of a Decree, KGF has taken the charge to support the maritime and SME sector.



TESKOMB was established in 1970 as an umbrella organization bringing together all the cooperatives established throughout Turkey.

Today there are 32 Regional Unions and 910 cooperatives with 1.100.000 members under TESKOMB.

Halk Bank has been given the duty of making available the resources allocated by the State to support tradesmen and craftsmen. In the existing system, the tradesmen and craftsmen can get credit with low interest rates from Halk Bank with the guarantee they obtain from the cooperatives that they belong to. In this system the cooperative only provides guarantee to its members. The difference between the interest rate of these types of credits and commercial credits is compensated by the State.

## **Section IV:** **AECM: Welcomes new Member**



The Fund of Small Business Credit Assistance of Moscow was founded by the Government of Moscow (represented by the Department of Support and Development of Small Enterprises of the city of Moscow) on 13<sup>th</sup> March 2006. The Fund of Small Business Credit Assistance of Moscow was formed in order to develop a guarantee system for loans for small and medium enterprises of Moscow. The main activity of the Fund is providing sureties on obligations and guarantees to SMEs based on credit agreements and bank guarantee agreements.

Today, the Fund can provide guarantees for a SME registered in Moscow, recorded in the Register of SMEs of Moscow, carrying out its economic activity for at least 6 months, having no tax or duty debts, repayment delays on credits provided earlier, and providing personal collateral of at least 30% of the loan amount. The guarantee fee is 1.75% per year of the guaranteed amount depending on the loan duration and amount. Since June 2009, the Fund provides guarantees for bank guarantee agreements. The Fund's guarantees for bank guarantee agreements cannot exceed 70%, with a maximum guarantee amount of 50 Mio. Rubles (€1,27 Mio.).

Banks are selected for participation in the Fund's Program on the competitive basis. A surety can be provided by the Fund to small and medium companies which have submitted the application to a bank which is a partner of the Fund, that is, a bank, which is a partner (participant) of the program of provision of sureties to small and medium companies carried out by the Fund of Small Business Credit Assistance. At the beginning, the Fund worked only with 10 banks and at present the Fund has agreements signed with 40 banks operating in the Russian Federation.



AECM represents now 38 member organizations operating in 20 EU Member States, Montenegro, Turkey and Russia.



Endnotes:

<sup>1</sup>Provisional figures 2010\*\*\*

<sup>2</sup>Provisional figures 2011\*\*\*

<sup>3</sup>Provisional figures 2011\*\*\*

<sup>4</sup>Assoconfidi is the umbrella organisation for Federconfidi – Confindustria, Federascomfidi – Confcommercio, FEDART, FEDERFIDI – Confesercenti, FINCREDIT – Confapi and Coldiretti.

<sup>5</sup>SGFA - Society for the management of funds for the agricultural and food sector – Ismea

<sup>6</sup>Figures 2011 Volume of Outstanding Guarantees in Portfolio per country (source AECM figures – values in '000 euros) divided by GDP at market prices (Eurostat figures – latest update 11/08/2012 – values in '000 euros at prices of the previous year)

<sup>7</sup>**All figures are neither proportional to members' evolution, nor weighted to members' importance (in case there are more than one member per country).**





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