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EUROPEAN ASSOCIATION OF MUTUAL GUARANTEE SOCIETIES

Growing together

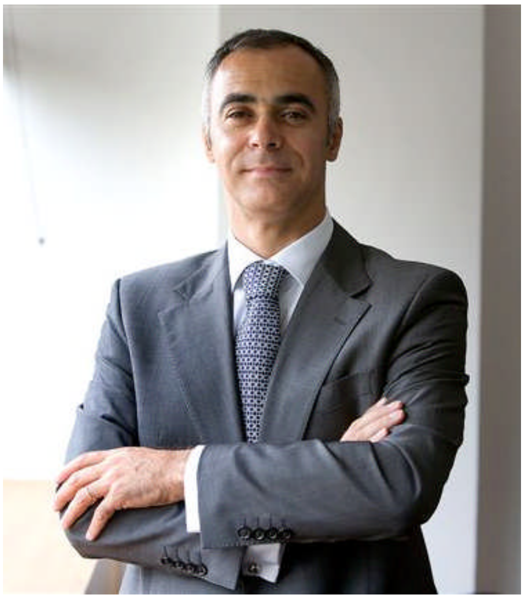
Fighting the Financial Crisis:

Measures undertaken by AECM's Member organisations

August 2009

Foreword by the Chairman and the Secretary General

Dear Reader,



The European Association of Mutual Guarantee Schemes (AECM) is pleased to provide you with an overview of the measures that have been undertaken by our members to fight the financial and economic crisis that has started to impact the European economy in the last quarter of the year 2009.

While the crisis has originated from the real estate bubble and the financial sector, very quickly, industry and trade and especially small and medium sized companies have one on hand faced difficulties in accessing traditional loan finance and on the other experienced a pressing need for working capital due to longer payment delays from their customers. In some sectors, SMEs have run into problems due to their exclusive dependence on one or a few larger clients, who, as in the automotive industry, had themselves to struggle.

Leaving SME entrepreneurs without support in this particular crisis could have led to large-scale failures in the economic tissue as well as to unpredictable social consequences at the macroeconomic level. At company level, it would have meant sacrificing otherwise healthy undertakings that have been built painstakingly over the years.

In this context, AECM's member organisations have naturally assumed their responsibility. Even before the crisis, their role has been to support SMEs, that have an economically healthy project but lack bankable collateral, by issuing a guarantee that will allow the customer to access loan finance.

This commitment has been intensified during the last months and in many cases, where needed, guarantee institutions, both mutual and public, have adapted their policies and product offer to address specific financing needs, such as guarantees for working capital. In doing so, many organisations have made use of the *"Temporary Framework for state aid measures to support access to finance in the current financial and economic crisis"* issued by the European Commission in December 2008. In addition, they have also engaged in other support measures, such as mezzanine finance, etc.

In this effort, it has to be underlined that guarantee institutions have been able to rely on the assistance of their governments, counterguarantors, the European Commission and / or the instruments managed by the European Investment Fund and the European Investment Banks.

We hope that this reading will be of interest to all parties concerned.

José Fernando Figueiredo
AECM Chairman

Marcel Roy
Secretary General

Fighting the Financial Crisis:

Measures undertaken by AECM’s Member organisations

Austria:

Austria Wirtschaftsservice (aws)

The Austrian Parliament recently adopted an economic stimulation package of € 1 billion, that includes far-ranging support measures for the Austrian economy and in particular for SMEs.

The austria wirtschaftsservice (aws) participates in the implementation of a number of these important measures.

First of all, the guarantee capacity of aws has been extended by sufficient funding to provide additional loan guarantees of a total of € 400 million per year. These funds are channeled through existing aws guarantee products for SME loans, for the promotion of SME-innovation, for microcredit and for investments in Austria.

Aws also modified a certain number of its products to further facilitate SME access to finance in the financial crisis (aws makes use of the temporary state aid framework, therefore, the changes are valid until 31st October 2010):

⇒ Aws now offers guarantees for bridge-financing of SMEs. The beneficiary company has to show proof of an own funds' ratio of at least 8% for the years 2006 and 2007 as well as of a debt repayment period of maximum 15 years. The amount of the guarantee is directly linked to the number of employees. For each employee, a guarantee fraction of € 15.000 applies up to a maximum of € 2,5 million. The guarantee covers up to 80% of the loan with a maximum term of 5 years.

⇒ The maximal individual guarantee amount for working capital loans for SMEs has been increased to € 2 million (i.e. 80 % of € 2,5 million. Previously, the maximum loan amount was limited to € 1 million) with a maximum term of 5 years.

⇒ The maximal individual guarantee amount for working capital loans for young entrepreneurs / start-ups has been increased to € 480.000 (i.e. 80 % of € 600.000. Previously, the maximum loan amount was limited to € 300.000)

⇒ More flexibility with regard to guarantees for micro loans

⇒ Double equity – guarantee fund: the limit for the own funds that can doubled has been raised from € 1,875 million to € 2,5 million

⇒ Own funds funding guarantee: The coverage rate for the own funds guarantee has been raised from 50% to 75%. The total own funds funding that the company receives from one or more investors cannot exceed € 2,5 million over a twelve-months period as compared to previously € 1,5 million.

Aside from its pure guarantee activity, aws' other support products also benefit from the stimulus package. Among these are

⇒ the SME-participation fund, aimed at SMEs with growth projects. The fund will receive an additional € 80 million to make investments in form of silent partnerships to improve the own funds position and support the sustainability of target companies.

⇒ Loans at reduced interest rates for investment loans. The disposable volume will be increased by € 200 million to allow providing a total of € 600 million of such loans per annum.

Finally, aws is negotiating € 100 million from the European Investment Bank for R&D projects

Belgium:

Sowalfin

In the last quarter of 2008, the Walloon government has decided on a number of public initiatives to provide SMEs with an additional financial support to face the current crisis. Many of these measures are channeled through Sowalfin and related companies such as Sofinex (export and import facilitation) and the Invests (investment participation companies).

The measures aim at maintaining a stable and responsible relationship between Sowalfin and the banking sector, and to avoid any risk of credit crunch towards SMEs who have a particularly great need for working capital, due to longer payment delays in particular. Among the measures to fight the crisis are:

⇒ The increase by the Walloon government of the total admissible guarantee volume of Sowalfin (and indirectly of Sofinex and the Invests) from € 450 million to € 500 million.

⇒ Sowalfin is now entitled to guarantee existing credit lines when they have to be renewed, whereas before it could only guarantee new credit lines or increases on existing credit lines. This new instrument has a maximum guarantee coverage of 50%, and is limited to a maximum amount of € 500.000 in total value for any beneficiary (company group). This new guarantee instrument disposes of a total budget of € 25 million in guarantees (including similar counterguarantees issued by Socamut for very small companies with guarantee amounts of less than € 150.000). This measure is planned for a initial duration of 3 years and could be renewed after impact analysis of the tool.

⇒ In the framework of Sofinex, of which it is a 40%-shareholder, Sowalfin can issue guarantees for SMEs exporting or investing in foreign countries. The total admissible guarantee volume has now been raised by the Walloon government from € 20 million to € 50 million (included in the the global guarantee volume of € 500 million). Furthermore, Sofinex' credit committee is entitled to increase the guarantee coverage for export credit operations from 50% to 75%.

⇒ Up to now, the "Invests", SME participation companies, have been allowed to invest up to 50% of the investment financing needs of a company to give it a greater leverage effect to attract new financing, specifically via the banking sector. The new set-up foresees that the Invests can now cover up to 75% of the investment financing needs for the next 3 years. The additional 25% of new risk are automatically guaranteed to 50% by Sowalfin. While the Invests have always had the discretion of offering short term finance they now are authorized to increase their short term financing offer, over the next 3 years, by € 1 million, covering 100% of the working capital needs and at interest rates similar to those practiced in the banking sector. As for the investment participations, these short-term financing operations benefit from an automatic 50% guarantee by Sowalfin. Existing credit lines can also benefit from a guarantee, on the condition of being increased by at least 25%. This type of short term financing will be offered in priority to existing customers of the Invests, who encounter difficulties in accessing bank financing, or whose payment delays are increasing.

⇒ Aside from its guarantee business, Sowalfin is also active in the field of subordinated "cofinancing". In the context of the crisis, the cofinancing activity will be opened to sectors where Sowalfin has not been present so far, including liberal professions, retail, hotel, restauration, cafés, etc.

⇒ Finally, SOWALFIN has an active role as an intermediator. It gathers all concerned parties (SMEs, banks, Invests or other parties) when an SME cannot maintain a credit line or obtain a new one. This intermediation has started pragmatically on 1st January 2009. It will soon be formalized and communicated to all partners accordingly.

Belgium:

Waarborgregeling of ParticipatieMaatschappij Vlaanderen (PMV) nv

Waarborgregeling adapted its guarantee instruments in three ways to react to the financial crisis:

⇒ The maximum limit for an individual guarantee under the automatic (Portfolio) guarantee has been raised from € 500.000 to € 750.000

⇒ The requirement for personal guarantees has been abolished

⇒ The limitation for working capital has been lifted. This should make access to working capital loans easier, which is essential for the daily management of SMEs in the context of the current financial crisis

Waarborgregeling expects that the demand for additional collateral will rise due to the crisis of financial institutions, which will lead to more banks demanding more guarantees. To accommodate this evolution, Waarborgregeling's budget has been increased for both 2008 and 2009 (€ 170 million each).

Waarborgregeling has also developed new products and business fields. Independently from the crisis, it has been decided to issue guarantees for leasing contracts starting on 1st July 2009. In accordance with the Temporary State Aid Framework, it has also started issuing guarantees for larger companies.

ParticipatieMaatschappij Vlaanderen, the mother company of Waarborgregeling, also launched new products, such as the PMV-mezzanine, a subordinated loan regarded as quasi-equity; Innovatiemezzanine (innovation mezzanine) which is strictly limited to SMEs and Groeimezzanine (growth mezzanine) which is available for both SMEs and larger companies. SMEs must be 6 years old and have a strong track record. They cannot be companies in difficulties, i.e. they should not have had a loss before 1st July 2008.

In addition, PMV created Gigarant nv in April 2009. This daughter company issues individual guarantees to SMEs and larger companies. It is to be seen as complementary to the existing guarantee and deals with guarantee amounts beyond € 1,5 million. Gigarant can issue a guarantee coverage of 90 % of the underlying credit amount. The interest percentage and the premium are decided on a case-by-case basis. The measure is limited until December 2010.

Czech Republic:

Czech-Moravian Guarantee and Development Bank (CMRZB)

CMRZB, a public development bank, has received a large increase of funding for its guarantee activity over the time frame 2009 – 2010.

Indeed, In February 2009, the Government of the Czech Republic approved the National Anti-crises Plan stating as one of its measures the additional funding for guarantee schemes in support of improving SMEs' access to bank loans.

It was also decided to speed up the disbursement of money from Structural Funds, where there have been about €

60 million available to guarantee investment loans for financing projects mainly in manufacturing and building industry, and to focus this funds capacity on the critical years 2009 – 2010 support.

In March 2009, the Government also decided to relaunch the support in form of guarantees for working capital loans, which had been suspended in the last quarter of 2008, allocating an additional sum of about € 100 million to support SMEs operating in manufacturing and building industries.

The guarantee anti-crises measures are based on using standard guarantee products that were successfully employed for all kinds of industries before the adoption of the National Anti-crises Plan.

The increased funding of CZMRB guarantee activities has been channelled through its standard loan guarantee instruments, which have remained unchanged. These consist of two main product types:

⇒ Gradual guarantees, which have a guarantee with an increasing level of liability that depends on the time when the call for guarantee payment is submitted · (the later the crediting bank submits the call for repayment, the higher portion/percentage of guarantee payment will obtain, and vice-versa). The guarantee rate goes up to 80 % of the outstanding loan principal;

⇒ Portfolio guarantees, for which a simplified application process applies. The guarantee rate up to 70 % of the loan principal and the maximum guaranteed loan amount is limited to CZK 5 million for investment loans, and up to CZK 20 million for working capital loans

CMRZB also has a substantial activity in the field of subordinated loans for SMEs.

It has to be noted that the support is available for SMEs operating in manufacturing and building industries only. For other sectors, the assistance has been suspended.

Estonia:

Credit and Export Guarantee Fund KredEx (KredEx)

An Economic Support Package was adopted by the Government in March 2009 including raising the loan guarantee limits, establishing credit insurance company and allocating additional resources from European Structural funds for different direct financing instruments with an amount of € 76,7 million and additional funding from the European Investment Bank (EIB) of € 51,1 million.

Changes regarding the loan guarantee instruments:

⇒ The refinancing of other loans is allowed to help companies get working capital loans, where the need has been rising

⇒ The overall state guarantee limit for KredEx has been raised to € 95,8 million from previously € 51,1 million

⇒ The maximum guarantee amount for the Start-Up guarantee will be raised from € 31.900 to € 47.900 in September 2009

⇒ The guarantee amount for loan, lease and bank guarantee - guarantees has been increased from € 1,02 million to the amount of € 1,9 million per company

Direct Financing:

⇒ Success Based Subordinated loan – in addition to existing mezzanine loans with fixed interest rate additional funding € 25,6 million for direct lending to companies was granted. Part of the interest is due to be paid only in case EBITDA reaches certain level and maximum total interest is caped to certain limit. The maximum loan amount is € 1,02 million, not exceeding equity of the enterprise. Success Based Subordinated loan was launched in April 2009.

⇒ Project Based Credit Limit - long-term loan resource offered to enterprises by single projects. The loan will be offered for investment projects finance through a bank. Conditions are similar to regular bank loan but mainly with longer repayment terms. Usual risk margins are applied, all the benefits will be forwarded to final beneficiaries (entrepreneurs). The maximum amount of the loan is € 1,9 million per company. Project Based Credit Limit was launched in May 2009, cooperation agreement is concluded with four Estonian banks so far.

⇒ Credit Limit for Commercial banks - Credit line for banks is the combination of resources from European structural funds and additional funding from financial markets to provide a credit with more favourable interest for lending to private banks.

As a main criterion eligible companies should have export turnover (€ 511 thousand and minimum 20% of the turnover) for using the direct financing measures. Thus, the support is not intended directly for export related activities, the criterions are set to exclude the companies oriented purely to internal market.

Aside from these measures, KredEx has also undertaken changes in its other business fields regarding Export guarantees, where a fully licensed Credit Insurance Company as a daughter company of KredEx was created, and regarding housing guarantees.

France:

Fédération Nationale des SOCAMA

On the occasion of the EU Finance Day in Paris on the 16th October 2008, the Fédération Nationale des SOCAMA, a mutual guarantee network, signed its contract for financial intermediation with the European Investment Fund (EIF) for the Guarantee window of the Competitiveness and Innovation Programme (CIP).

The SOCAMA had launched two new products with the counter-guarantee under the MAP, the “Prêt express” without personal guarantee requirement and the “Prêt express SOCAMA transmission - reprise”.

The “prêt express” is a loan by the Banques populaires, guaranteed by the SOCAMA for investments regarding the modernization of machinery, purchase of professional vehicles, and other business purposes, except for business transfers and start-ups. The maximum amount of the loan is fixed at € 30.000 over a minimum maturity of 36 months. The particular added value of the product is that no personal guarantees are asked from the entrepreneur.

The “Prêt SOCAMA transmission - reprise” is a loan that finances a business transfer while reducing the risks of the personal assets of the entrepreneur. Personal guarantees are limited to a maximum of 25% of the credit amount. All operations with the final aim of the purchase of the company are financed (purchase of the majority shareholdership, of leasing rights, of machinery, etc.) up to € 100.000 and over a period of 48 to 84 months.

Both products have been a success with over 45.000 small companies being assisted via the EU counterguarantees. Particularly the “Prêt Transmission” had shown great growth, corresponding to a real need on the market.

The SOCAMA network, relying on its banking relationship with the Banques Populaires, had launched an extensive advertisement effort for these products, which will be continued under the CIP.

The signature of the agreement and the relaunch of the two products has coincided with the beginning of the financial crisis and the heightened need for collateral and guarantees, especially for business transfers.

France:

SIAGI

The SIAGI has also signed their contract for financial intermediation for the guarantee window under the Competitiveness and Innovation Programme (CIP). The SIAGI’s shareholder structure is composed of the French Chambers of Crafts, several French banking networks as well as of Oséo, a public development institute, also member of AECM.

Through regional, national and EIF counterguarantees, SIAGI manages to achieve a substantial leverage effect. With regard to products, the SIAGI had chosen to specialize itself in the area of business transfers, which represent a relatively high risk for banks and make up 70% of the guarantee portfolio of the guarantee system.

Under the MAP, SIAGI had given guarantees to a product called “Prêt reprenneur” of Crédit Agricole, which gives up to € 120.000 in loan funds without a personal guarantee. 900 operations with a total loan value of € 72 million had been realized from May 2006 to December 2007.

This product will be continued under the CIP, with a higher individual loan ceiling of € 150.000. A total of € 139 million in loans are foreseen from November 2008 to December 2010.

A new product will focus on growth companies, with a loan ceiling of € 250.000 and a projected total volume of € 56 million over the same time horizon. In the case of both products, no personal guarantee of the business owner is needed.

Aside from this, SIAGI takes part in the Stimulation package for the French economy in three ways :

- ⇒ Providing short term guarantees: La SIAGI offers a Short Term Guarantee la Garantie, which covers the bank for the working capital needs of the companies. The total coverage can go up to 70% when the guarantee is provided with a co-guarantee from a local or regional authority.
- ⇒ Innovative product via “Rebound Guarantee”: SIAGI extends a guarantee for the shoring-up of existing credit lines or the issuing of new credit lines via a risk sharing agreement.
- ⇒ Participation in credit mediation: SIAGI has taken an active role in the credit mediation process, which is open to all entrepreneurs, craftsmen, retailers, liberal profession or other individual entrepreneur who encounter financing difficulties with their bank.

These activities should lead to an increase of 20% in turnover and partake in the allocation of the € 25 billion announced by the French Government.

France:

Oséo

On the 2nd October, and then on December 4th 2009, the French State approved a comprehensive package to improve SME access to finance.

Among others measures, some aim at boosting OSEO's SME guarantee activities and lending capacities.

Among the support measures are:

⇒ A 50 % increase of OSEO's lending capacity towards banks via a new € 2 billion refinancing facility from the Caisse de Dépôts et Consignations (CDC).

⇒ An additional guarantee volume for SME bank loans of € 2 billion for the period 2008-09, for loans related to the traditional activity of OSEO garantie, i.e. investment, start ups and LBO programs. To achieve this goal, the funding of guarantee funds will be raised to € 280 million for 2008 and for 2009.

The plan supporting SMEs financing needs related to crisis effects will give OSEO garantie the potential to cover € 6 billion banking loans, in the following categories:

⇒ The first component is a specialized guarantee fund aiming at maintaining the availability of financing previously granted to SMEs as short term loans. This facility should guarantee up to € 2 billion in SME loans, allowing to transform short term facilities into medium and long term loans.

⇒ Another guarantee fund will cover an extra € 2 billion of short term facilities when they are unconditionnally confirmed by the banks for a period of 18 months.

⇒ A guarantee line covering up to € 1 billion financing of the above types is opened for the Middle Size Enterprises (ETI), with a number of employees reaching from 250 to 5000.

⇒ Another line covering up to € 1 billion of financing is dedicated to enterprises in the automobile sector (manufacturers' subcontractors and distributors).

The possibility of granting a guarantee quota of up to 90 % of the risk on loans has been allowed to OSEO.

Besides this, the French government has launched two other initiatives:

⇒ Some proceeds from the regulated French savings books will be made available to banks for SME finance under specified conditions. Previously, these proceeds were centralized at the CDC. It is expected that banks would be able to mobilize up to € 17 billion for SME loans. The measure should have no prejudice for the savings books holders.

⇒ For companies in financial difficulties, a majority of the creditors of a specific company will be allowed to transform bank liabilities into shares to help turn around the entity.

Germany:

Association of German Guarantee Banks

Both the German Guarantee Banks and the public counter-guarantors reacted with a number of measures to the financial crisis:

- ⇒ The maximum guarantee amount per company has been increased to € 2 million. This again is an answer to more stringent collateralization requirements.
- ⇒ The counterguarantee coverage rates have been increased from 65% to 75% (old federal states) and from 80% to 90% (new federal states) for the period of 6 March 2009 to 2010. In the old federal states a further increase of 5 % is left in the discretion of the respective federal state. This allows Guarantee Banks to substantially step up their support activities with the same own funds levels.
- ⇒ In order to improve the availability of investment loans for SMEs, the maximum guarantee coverage rate has been raised from 80% to 90%. This also applies to business startup loans. The higher coverage ratio responds to the banks' greater need for collateral since the start of the crisis. Business start-ups in particular would be prejudiced by shortcomings on the financial markets.
- ⇒ Previously, the counterguarantee agreement restricted the content of working capital in any investment loan to maximum 35%. This percentage has now been brought up to 50%. This addresses the vital need of smaller companies for additional liquidity in the current crisis.
- ⇒ The counterguarantor's previous restriction regarding companies in difficulties is being adapted to the new relaxations of European state aid regulations.
- ⇒ Furthermore, additional clarifications are needed regarding a risk weight of 0 % of public counterguarantees in the context of the Capital Requirements Directive as well as the fast approval by the European Commission of the Notification of the Calculation methodology for the state aid equivalent.
- ⇒ In order to reduce the decision-making process, the German Guarantee Banks were granted an own decision-making powers for small amounts up to a threshold of € 150.000.

Beyond the classical loan guarantee product, the German Guarantee Banks also issue guarantees for silent partnerships of the Mittelständische Beteiligungsgesellschaften (MBG, SME participation companies) in SMEs with growth potential. They are also shareholders of the MBGs.

There have also been modifications in the product offer of the MBGs and the guarantees attached to the investments:

- ⇒ The participation thresholds for new investments have been increased from € 1 million to € 2,5 million. Additional injection of € 1 million own funds for existing investments in economically healthy companies who might get into liquidity problems due to the crisis.
- ⇒ In accordance to the Temporary State Aid Framework, this increase of own funds is available for companies who have been considered healthy up to the 1st July 2008. There has to be a sound business plan, shareholders and banks have to make reasonable contributions.

Greece:

TEMPME

In December 2008, TEMPME adopted a new program as a response to the financial crisis in order to strengthen the liquidity of small enterprises and help maintain jobs.

This innovative program offers 80% guarantee for working capital loans for a term of 3 years (no further collateral is required) and an interest rate subsidy for all financially viable SMEs with less than 50 employees.

More specifically during the first phase of the program that ended in April 2009, the maximum amount of the loan could reach the 30% of the average turnover of the last three financing years, capped at € 350.000.

Apart from the guarantee of 80% with no extra collateral required, TEMPME additionally fully subsidized the cost of financing of these loans, releasing the interest burden of the borrowers. More than 27.000 SMEs were benefited with approved loans exceeding € 3,2 billion (guarantees exceeded € 2,5 billion).

Currently the second phase of the program is being implemented for working capital loans of up to € 125.000 with a fixed privileged interest rate (Euribor + spread 2,1 points). This rate was a result of a negotiation procedure between TEMPME and the banking sector and it is still considered subsidized compared to high-cost business loans.

Additionally, during the second phase, the annual guarantee fee for TEMPME was reduced to 0,25% compared to 1% during the first phase. Until today (24/8/2009) nearly 20.000 SME's entered into the program and more than € 1 billion of guarantees were approved (loans about €1,4 billion).

The procedure for entering the program is simplified, thus reducing even more the total cost for the enterprise, which can apply for the loan to any bank branch all over the country.

Finally, within the framework of the program and in order to further diminish the negative effects of the financial crisis, TEMPME pays at first call upon a guarantee default.

The demand for loans under TEMPME's favourable terms remains very high, showing the need of Greek SMEs to overcome their liquidity problems worsened by the global financial crisis. It is estimated that about 80.000 small enterprises will benefit from the programme.

Hungary:

AVHGA

AVHGA made also use of the possibilities offered by existing European regulation in the field of State aid.

In accordance with the Commission Regulation (EC) No 1857/2006 (regarding the treatment of state aid for SMEs in agriculture), AVHGA has introduced a guarantee that can be granted for loans provided by commercial banks on market conditions (loans not funded by the state – loans without any state aid element)

The objectives of investment have to fulfill the criteria of Commission Regulation (EC) No 1857/2006. The guarantees are granted for investments in agricultural holdings and for aid for the setting up of young farmers.

The new product is an improvement over the previous situation. Guarantees can now be provided above the agricultural de minimis ceiling of € 7.500 over 3 years.

AVHGA also makes use of the Temporary State Aid Framework. The Framework allows aid that does not exceed a cash grant equivalent of € 500.000 per undertaking. Under this framework, guarantees can be provided for a reduced fee beyond and above the normal de minimis ceiling of € 200.000 over 3 years.

For SMEs in agricultural production sector AVHGA grants a reduction of 25% of the annual market fee (which is calculated through methodologies already accepted by the Commission). The guarantee does not exceed 90% of the loan in the agricultural production sector if the loan does not exceed HUF 50 million.

The improvements over the normal framework are that a guarantee fee is lower than the market fee and that the aid may be granted to firms that were not in difficulty on 1 July 2008 but entered in difficulty thereafter as a result of the global financial and economic crisis.

Finally, AVHGA has got engaged in dissemination activity on the guarantees for the final beneficiaries. The financial crisis has a hard impact on the access to finance for SMEs, therefore a number of investments already supported by the European Union can not be realized because of reduced lending activity of banks.

Therefore AVHGA on one hand initiated negotiations with the Agricultural and Rural Development Agency in order to help SMEs to have information on the access to finance, on the other hand it intends to reach the final beneficiaries directly to familiarize them with the usage and advantages of guarantees (Before, AVHGA has been in direct relationship only with financial institutions and not with the final beneficiaries). Final negotiations with the Agricultural and Rural Development Agency are in process.

Hungary:

Garantiqa Hitelgarancia Zrt.

Since the beginning of the financial turmoil, Garantiqa Hitelgarancia Zrt. has initiated several steps to stabilize SME credit supply:

Garantiqa has launched and achieved the doubling of the portfolio volume covered by state counter-guarantee from HUF 450 billion to HUF 900 billion in 2009.

In 2008, the company increased its total guarantee volume by 23%. The new portfolio limit in the law on the central budget offers a sound basis for an even more dynamic increase.

At the same time, Garantiqa Hitelgarancia Zrt. has simplified its risk management process, by shortening the decision process and giving SMEs quicker access to finance. The modifications include an alleviation of the required values of financial indices, permission for repeated technical prolongations, provision of preliminary risk management opinion, provision of guarantee lines to banks on basis of Garantiqa eligibility conditions, modification of bilateral contracts with banks and greater flexibility regarding collateral types and guarantees for debt-rescheduling.

Garantiqa Hitelgarancia Zrt. makes full use of the opportunities offered to it under EU State aid regulations. The European Commission has authorized a Garantiqa scheme designed on the basis of the rules laid down in the Commission's Temporary Framework. The scheme allows Hungarian authorities to grant aid in the form of subsidized guarantees for investment and working capital loans and financial leasing concluded by 31 December 2010. It applies only to companies that were not in difficulty on 1 July 2008. During a period of up to two years, the market fee (as calculated by a methodology accepted by the Commission) can be reduced by max. 25%. The guarantee coverage can amount to 90% of the underlying loan or leasing provided that the financing does not exceed the average annual wage costs of the beneficiary. Guarantees can only be given under the scheme to small or medium sized enterprises up to a total of € 2.5 million per beneficiary.

The European Commission also authorized the aid measure of Hungary enabling aid of up to € 500.000 to be granted in 2009 and 2010 to businesses facing funding problems due to the credit squeeze. Garantiqa has notified a guarantee programme under this measure, which received approval on 23 April 2009.

The target is to help the construction of the different financing forms of capital and credit, to raise their mutually strengthening effect and to facilitate the access to EU grants. Within the framework of the program, an SME-supporting consulting network examines the plans and funding needs of the entrepreneurs, develops the best financing structure for the implementation, helps finding the funding partners and the preparation of suitable EU tenders. Garantiqa's surety guarantee stands behind every funding.

Two new entities have been created in order to make the Fund Union Program work. Garantiqa Risk Capital Management Ltd. has already been approved by the Hungarian Financial Supervisory Authority (PSZÁF). The company is raising funds and also acts as an investor. Garantiqa Point Consulting Plc's activity is business- and management consulting.

Finally, Garantiqa joined the MFB (Hungarian Development Bank) New Hungary Current Assets Loan program. The loan can be applied by Hungary-based producing and service provider entrepreneurs to finance temporary capital shortfall. It offers favourable interest rates compared to market level. Eligible clients are SMEs with the exception of trading companies. The tenor is 1 year + 1 day.

Italy:

AssoConfidi

With two provisions adopted in November 2008 and February 2009, the Italian State has prepared a package of measures to favour the access to credit of SMEs. Guarantee instruments, and in particular those for the SME Guarantee Fund, are prominent among those measures.

Cooperativa di garanzia collettiva fidi

The SME Guarantee Fund is a national public fund of guarantee set up with the aim of improving SME access to credit finance. It started operating from 2000 on and issues guarantees directed to financial institutions (covering 60% to 80% of the financial transactions) as well as counterguarantees to the Confidi, the Italian mutual guarantee societies, and to other guarantee funds (covering 90% of the guarantees issued by these entities to financial institutions).

In the detail the governmental provisions have:

⇒ helped extend the activity of the SME Guarantee Fund to crafts enterprises (previously the activity was exclusively directed at enterprises from the industrial, commerce, tourism, services and agriculture sectors);

⇒ raised the maximum amount the SME Guarantee Fund can guarantee per enterprise from € 0,5 million to € 1,5 million;

⇒ refinanced the SME Guarantee Fund with approximately € 1.500 million for the period from 2008-2012: approximately € 240 million of this budget are destined for the years 2008 and 2009;

⇒ foreseen that the SME Guarantee Fund will benefit from the last resort guarantee of the State. The presence of such a last resort guarantee allows to activate the so-called "weighting zero" effect that will permit the banks not to have to set aside regulatory capital for the part of the credit guaranteed by the Fund. This will both facilitate SME access to finance and diminish costs.

The confidi have been highlighted and supported in many ways by various regions and local authorities as a fundamental instrument in order to help Italian SMEs in the current phase of crisis. One of these measures includes the concession of additional funding to the guarantee funds.

The main Italian confidi, moreover, have signed agreements with European Investment Fund (FEI) in order to manage the guarantees foreseen by the "CIP-Competitiveness and Innovation Framework Programme".

Lithuania:

INVEGA

In February 2009 INVEGA has increased its guarantee coverage rate for working capital loans from 50% to 80% to facilitate SME financing and improve business development conditions for SMEs.

Also the new guarantee measure for SMEs in difficulties and large companies was launched under the Temporary Framework. The scheme notified to the European Commission allows INVEGA to grand up to 80 percent guarantees totalling to LTL 5 million (€ 1,44 million).

Aside from guarantees, INVEGA also offers additional funds for small-credits, which are issued in two stages. The total amount allocated for this measure is LTL 120 million (€ 34,75 million): LTL 20 million (€ 5,79 million) were allocated for the first stage from the national budget, LTL 100 million (€ 28,96 million) were allocated for the second stage from the EU structural funds (under the JEREMIE rules). An INVEGA fund was established for this purpose.

This fund will grant loans through banks to micro-companies, small and medium-sized companies. Small-credit is granted under more favourable conditions and at lower interest rates than those applicable in the market. In the first stage, the maximum amount of a micro-loan is LTL 175.000 (€ 50.683), whereas, in the second stage, it totals to LTL 350.000 (€ 101.367). Besides that, the INVEGA fund offers an Open Credit Fund (OCF) facility (LTL 100 million or € 28,96 million).

This facility is implemented as an open credit fund up to 75 percent co-finance financial intermediaries' loans granted to SMEs. Credits to SMEs may be granted for investments and for working capital. The amount which may be co-financed from the OCF for one credit shall not exceed LTL 1 500 000 (€ 434.430). When taking out a small-loan, the SME may also obtain an INVEGA guarantee if it lacks collateral.

Based on the initial estimations there will be around 700 companies which will use preferential loans after the initial lending period. At the end of the measures the total amount of the benefited companies will be to 1.400.

INVEGA also applies Partial Loan Interest Compensation as another financial engineering measure. This measure is aimed at relieving the financial burden on companies of long-term obligations to credit institutions. Funds from the EU Structural Funds as the Global Grant to INVEGA are allocated for this measure, which is available to companies that already have INVEGA guarantees on loans. For SME, 50% of interests paid to the credit institutions will be compensated on all loans but not exceeding 5% of annual interest. Interest on working capital loans will be compensated during the validity period of the guarantee but not longer than for 24 months, and interest on investments loans - not longer than for 36 months.

Lithuania:

Lithuanian Rural Credit Guarantee Fund (Garfondas)

To react to the financial and economic crisis, the Lithuanian Rural Credit Guarantee Fund (Garfondas) has started a mediation for customers in difficulties. It is seeking to have an open dialogue with banks and clients facing difficulties. "Closer-to client" tactics are being used seeking to find the best financial solutions concerning the restructuring of credit and guarantee agreements, making amendments to guarantee agreements.

The Ministry of Agriculture has also initiated a new financial measure under the European Agriculture Fund for Regional Development (EAFRD) funds, called „Credit Fund”. The total amount allocated for this measure amounts to € 130,33 million. The “Credit Fund” is being established as a separate block of finance within Lithuanian Rural Credit Guarantee Fund. Preferential credits (with more favorable interest rate) shall be issued to economic entities engaged in agricultural activities and enterprises engaged in production, processing and realization of agricultural produce. The “Credit Fund” shall invest in economic entities on their establishment, during their early stages or expansion and only in activities that the Credit Fund considers potentially viable. The economic entities may also obtain the Lithuanian Rural Credit Guarantee Fund guarantee if it lacks collateral.

The Lithuanian Rural Credit Guarantee Fund will carry out the administrative functions of “Credit Fund”, perform the selection and supervision of financial intermediaries and control the credit issuance and proper use. Banks are being selected in the process of an open and transparent tender, ensuring free competition, equal and honest treatment.

Portugal:

SPGM and Mutual Guarantee Societies

From July 2008 on, the Ministry of the Economy and Innovation launched four credit lines as support measures for companies with a view of minimizing the impact of the financial crisis on SME access to finance. This initiative involved both the banking sector and the National Mutual Guarantee System. These lines are called “PME Investe” and represent a total value of about € 4 billion.

The following general characteristics were agreed upon for the “PME Investes” by the Government, the Banks, the Guarantee societies and the Counterguarantor:

- ⇒ Interest rates negotiated with the Banks and partially subsidized
- ⇒ Mutual guarantee with a coverage of 50% or 75% for each operation, the guarantee premiums being fully subsidized by the State
- ⇒ Long-term maturities (up to 7 years)
- ⇒ Very short decision period (between 3 and 10 working days)
- ⇒ Automatization of the circulation and information cycle for the decision-making process between the parties

The conditions of these credit lines took into account:

- ⇒ The current situation of the economy and of the financial markets with regards to the funding of the financing cycle of the companies (working capital needs)
- ⇒ The dimension of the companies, privileging the access of micro- and small companies. The guarantee coverage rate for these operations is 75% as compared to a coverage of 50% for all other beneficiaries
- ⇒ A wide range of investment typologies that can be financed, going from investments in assets to working capital and, in the case of the hotel sector, even permitting the restructuring of existing investments. The support is segmented along different sectors (cork, textile and clothes, automobile, tourism) as well as provided for public development policies (exportation).

As part of the global package of the SME credit lines, the State proceeded to the adequate recapitalization of the Mutual Counterguarantee Fund, allowing the Mutual Guarantee Societies to benefit from public counter guarantee levels going to 80% or in some cases to 90%, higher than usual.

Similar credit lines have been launched for the regional authorities of the Madeira and Açores islands, amounting to a total of about € 100 million. By mid-August 2009, 45.000 operations had been approved under these measures, corresponding to a total of € 4,5 billion in accessed financing and about € 2,5 billion in guarantees.

To date, 25.000 of these operations have been signed amounting to € 2,5 billion of financing and € 1,5 billion in guarantees.

Aside from the general credit lines, Portugal also introduced some highly specialized instruments, such as a credit insurance for exports with a value of € 1 billion as well as a special line for the cork industry, both guaranteed by the Mutual Guarantee Societies, respectively with 50% and 75%.

Romania:

National Credit Guarantee Fund for SMEs (NCGFSME)

Initiation of a Romanian Counter- Guarantee Fund:

NCGFSME has developed, drafted and promoted the concept for a Romanian counterguarantee fund for the last couple of years. The concept was first developed in 2007. By the end of January 2009, "the establishment of the Romanian Counter-Guarantee Fund for SMEs" was approved by the Romanian Government as one of the anti-crisis measures. The Romanian Counter-Guarantee Fund is expected to be operational by autumn 2009 with two founding shareholders: the Ministry for SMEs, Trade, and Business Environment and the (Romanian) Post-Privatisation Foundation. The Romanian Counter-Guarantee Fund will be able to share the guarantee risk with - by issuing counter-guarantees (*i.e.* level 2 guarantees) to - the Romanian credit guarantee funds at a counter-guarantee rate of up to 80% of the value of guarantee for SME financing.

Adjustment of the FNGCIMM's Risk Policy:

Adjustments were made to balance the Fund's long term mission to support the SME access to finance with the swift changes in the structure of the SME funding demand and the bank credit cost and availability, as well as an overall increasingly risky business environment due to the financial and economic crisis:

⇒ An increase of the maximum leverage factor to 9 (the average in AECM statistics; from 5 previously, i.e. a 80% increase of the prudential ceiling for the total guarantee exposure, taking into account the estimated pace of growth in demand for SME credit guarantees during 2009 - 2010, and the prospect that, before the end of 2009, the Fund will have access to at least one counter-guarantee instrument);

⇒ An increase in the ceiling for the riskier (third) SME category, as a share in the total outstanding guarantee portfolio, to mitigate the structural shift in SME bank ratings, following the cumulated effect of the temporary reduced SME activity - due to specific market conditions - and the increased severity of the bank credit rules - especially regarding size and valuation of collateral requirements.

Launch of new guarantee products and adjustment of the whole range of guarantee instruments:

By April 2009, in order to increase the flexibility of choice for a borrower-SME and to diversify its own distribution channels, the Fund has launched a new credit guarantee instrument for small businesses, "the guarantee commitment". An entrepreneur/SME representative can ask it directly from the Fund's local agent, but the guarantee is valid only after endorsement from a partner bank, i.e. a standard form completed with the bank branch identification and the actual loan details. It is a simplified individual guarantee product, with the shortest guarantee analysis and approval period (of maximum 3 days). The commitment is valid for a three month period since the issue date and it is distributed by the Fund's nationwide network, other Fund's agents (chambers of commerce at county level, local associations of entrepreneurs) as well as by the partner banks' branches.

Since the SME credit market structure has strongly switched in favour of short-term financing from both the demand and supply side, the guarantee offer was adjusted accordingly, by simplification and harmonisation across the whole range of instruments:

⇒ the guaranteee rate ceiling was increased to 80% for all guarantee instruments (previously the maximum guarantee rate was used mainly to stimulate SME investments and startup financing);

⇒ the guarantee commission policy was simplified for all guarantee instruments by the introduction of only two ranges of fees: a lower level for SMEs participating in the EU co-financed projects, and another for all the rest of SME loans. Within each range, the fee is in proportion with the risk classification of the final beneficiary - SME.

Moreover, during this product adjustment period since early 2009, the partner lenders were provoked, by customized specific inducements, to lower the average value for an individual guarantee, either by using a lower guarantee rate, or by increasing the number of smaller SME loans, and, by all means, to avoid the temptation of over-collateralisation (which had some tradition in the Romanian banking market, even before the crisis).

This approach is intended to maximise the number of guarantees, i.e. the number of assisted small businesses during the crisis, as well as to spread the risk of the guarantee portfolio. In a few cases, the result was the launch of a new, simplified (and small) credit product (with the NCGFSME guarantee attached), which can be accessed within days (not weeks), and is aimed specifically to small businesses which were disproportionately upset by the credit squeeze.

Romania:

Romanian Loan Guarantee Fund for Private Entrepreneurs

The Romanian Loan Guarantee Fund for Private Entrepreneurs (RLGF) has undertaken the following measures undertaken in the context of the financial and economic crisis:

First, RLGF has implemented a reduction of the cost of its guarantees, regarding the charges for analysis and the premium, by 10 - 18%, depending on the type of guarantee and associated risk.

Secondly, RLGF has intensified the monitoring of its clients, proceeding to a monthly analysis rather than a quarterly one.

It also has established a closer cooperation with clients and banks in order to detect in early stages possible causes for default and consequently to seek and propose solutions.

RLGF has also renegotiated credit conditions with the banks on behalf of the clients, including the extension of the guarantee period.

It has furthermore introduced a number of new products:

⇒ A guarantee for pre-financing and co-financing of projects funded from the European Fund for Regional Development (EFRD), European Social Fund (ESF) and the European Agricultural Fund for Regional Development (EAFRD);

⇒ A "future possession" guarantee, covering a certain period of the credit contract, up to the moment the client becomes the actual owner of a collateral;

⇒ A "supplementary" guarantee, given at the request of the bank that wishes to compensate the loss of value of real estate collateral (it is given if the file analysis confirms the fact that the client has the potential of reimbursing the loan when supporting also the additional cost of the guarantee)

Romania:

Rural Credit Guarantee Funds NFI (FGCR)

FGCR's anti-crisis measures fall within two categories:

Adjusting the rules and products to the banks anti-crisis measures. These include:

⇒ To accept loan restructuring, meaning to grant guarantees after the bank re-scheduled the whole debt (loan + interest);

⇒ To simplify granting procedures for some guarantee categories, such as guarantees for bank letters of guarantee granted to local councils for investments co-financed from European funds;

⇒ To design new guarantee procedures, such as securing the global guarantee ceilings the banks granted to their clients for longer periods than 3 years;

⇒ To increase the guarantee percentage for short term loans from 50% to 80%.

Support of anti-crisis measures of the government and EU by designing new guarantee schemes supported from public funds, that is:

⇒ Setting up the guarantee scheme of deposit certificates for cereals by FGCR guarantee for the payment of those certificates value. Consequently, they become payment instruments, which in their turn, can be taken both as guarantees, and as payment source of the debts. FGCR fully guarantees the value of a deposit certificate. This scheme has been allocated public funds;

⇒ FGCR direct guarantee of the letters of guarantee for local councils so that they can receive the 50% advance payment from the non-refundable aid granted for rural infrastructure works from EFARD. It has ot be highlighted that this advance payment was initially of 20%, but the European Commission increased it during this year, as an anti-crisis measure.

Slovakia:

Slovak Guarantee and Development Bank (SGDB)

As a reaction to the financial crisis the Slovak Guarantee and Development Bank (SGDB) introduced a "fast bank guarantee" for loans granted by lending banks to support SMEs. The measure was adopted in line with the Memorandum concluded between the Ministry of Finance, Slovak banking association, SGDB and Eximbank on January 15th, 2009.

The product has a fast approval procedure, where the guarantee is approved automatically after a loan is approved by the lending bank (SGDB accepts the pre-approved rating of the lending bank). The client communicates only with the lending bank (no need to visit SGDB). The guarantee features both a lower guarantee fee than the traditional products as well as a higher guarantee coverage rate of 55% of the loan principal. The underlying loan amount can range from a minimum amount of € 16.600 to a maximum amount of € 340.000. The loan's maturity cannot exceed 7 years.

SGDB has so far signed cooperation agreements with 4 lending banks and has ongoing negotiations with other banks. It expects to issue € 113 million in "fast guarantees" for the year 2009.

Slovenia:

Slovene Enterprise Fund (SEF)

SLOVENSKI PODJETNIŠKI SKLAD

Slovenian SMEs are being faced with decrease of orders and stricter loan terms, caused by the credit crunch in the banking sector.

In this respect, with the beginning of January 2009, Slovene Enterprise Fund (hereinafter: The Fund) performed an online survey about the influence of financial crisis on SMEs in Slovenia. The survey's results showed that the majority of Slovene SMEs are facing difficulties with prolonged payment periods and applying for financial resources which will cover financing of investments, especially for working capital purposes.

To respond to the current crisis situation, the Fund, as an implementing body of Ministry of Economy, offered favourable financial sources adapted to the SMEs needs and current economic situation.

Regarding the Fund's Guarantee financial line, the Fund published first public tender on 6th March 2009 for bank loan guarantees with subsidized interest rate. As the guarantees of the Fund for 2009 are also solely intended for working capital, the interest of the entrepreneurs was extraordinary. The amount of € 9 million, put on tender, was already used up in the first month of tendering.

Until 20th March SEF received 106 applications for guarantees and already approved 65 of them, which was already more than a half of approved applications compared with the previous year (96 approved in 2008). In this respect, 90% of the applications represented demands for providing guarantees for bank loans that provide financing exclusively for working capital purposes, only 10 % demanded guarantees represented the investments which will not cover financing exclusively for working capital.

On the basis of the decision of the Ministry of the Economy and the extraordinary interest of SMEs for SEF's guarantees, an additional capacity for € 43 million in bank loan guarantees (total amount of € 52 million for tenders through 2009) was approved. Consequently, until 15th July 2009 SEF received a total of 657 applications, out of which 490 were complete and 289 approved representing a total amount of € 42,7 million with € 7,1 million in terms of subsidized interest rate (137 applications are still in the standard examination procedure).

SEF expects the rest of the € 52 million for 2009 tenders, to be used already in September's public tender opening, due to the continuing demand of SMEs. In this respect SEF reached an agreement with the Ministry of Economy to increase the existing amount of € 52 million by an additional 20 € million and also to increase the amount of subsidized interest rate by € 2,75 million in 2009.A

s a result of new agreement with Ministry of higher education, science and technology, SEF will be able to publish an additional € 10 million for tender guarantees for high technology projects. The estimated number of supported projects for 2010 is ca. 62.

Spain:

CESGAR

Due to the financial crisis, small and medium-sized enterprises in Spain also face important difficulties in accessing bank financing for reasons of scarcity or lack of guarantees.

Cesgar has started negotiations with the Government's Ministry of Industry to increase the funding of the Compañía Española de Reafianzamiento (CERSA), the Spanish public counterguarantor, in order to be able to raise the number of beneficiary SMEs and increase the guarantee coverage rate to 75% in general. This would address the existing financing needs and allow the Mutual Guarantee Societies to assume greater risks towards the SMEs.

On the other hand, CERSA has increased its counterguarantee coverage for working capital operations from 30% to 50%. The total risk volume for working capital now represents 60%, whereas in the past it was only 10%. Also, within the Framework of the European Competitiveness and Innovation Programme (CIP), CERSA benefits from a counterguarantee managed by the European Investment Fund. This however excludes pure working capital operations.

In addition, besides the coverage from the State via the counterguarantee from CERSA, a number of Mutual Guarantee Societies receive counterguarantees from the Regional autonomous communities. These have created dedicated funding products for working capital and financial restructuring. Funds have been set up to support the sectors most impacted by the crisis. In some cases, the Autonomous regions subsidize the costs for the guarantee for these working capital and restructuring operations.

Turkey:

Teskomb

The Union of Credit and Guarantee Cooperatives For Tradesmen and Craftsmen Of Turkey (TESKOMB) is a far-reaching mutual system with a long tradition. Teskomb has a three-tired structure, including a national union, regional unions and local cooperatives.

After the second half of 2008, the Turkish economy has also been affected by the global financial crisis as much as the rest of the world. As a result of this crisis, Turkish tradesmen and craftsmen (which are Teskomb's cooperatives' partners) have faced considerable financial difficulties. Teskomb provides both loan guarantees and interest subsidies.

Consequently, TESKOMB has taken some solutions for TESKOMB's cooperatives' partners to ride out a global financial crisis.

⇒ Firstly, Teskomb has reduced the interest rate offered via the guarantee scheme from 14,3 % to 9 %, making loans more accessible to their members.

⇒ Secondly, Teskomb allows for default credits to be re-structured for a 48 months term.

Furthermore, Teskomb obtained that previously defaulted credits who have been negatively registered in the records of Central Bank of Turkey are forgiven,

Finally, TESKOMB conducted a study on a subsidized credit tool (for a one year term and zero interest rate for the tradesmen and craftsmen) which is provided by the State and guaranteed by the TESKOMB's cooperatives.

Turkey:

KGF

Beginning from September 2008, KGF has adopted financial policies in an effort to adjust the repayments of new loans in line with the reduced operating income of companies and thus preventing the companies from defaulting. Also, KGF gave importance to diminishing SMEs need for working capital, to increase the collateral diversification and maturity facilities in its guarantee transactions:

⇒ As a result of the financial crisis, KGFs guarantee policy was changed and banks were oriented in loan allocations with minimum 3 years maturity with 1 year grace period under our guarantee, instead of short term (1 year and less) loans. The demands from banks not agreeing to these conditions were not treated and importance was given to rescheduling / restructuring the loans according to the guarantee conditions.

⇒ Another step taken by KGF was to stimulate the appetite of banks who are unwilling to extend credit to SMEs during the crisis period even avoiding accepting tangible collaterals including mortgage. To this aim, SMEs were allowed to access bank loans with a KGF guarantee which was collateralized on a pro-rata basis between the banks and KGF and giving the priority to the bank in case of liquidation of the collateral. This allowed KGF to have been collateralized in a way to share the risk of the Bank. On the other hand, another issue on which the Banks are reluctant was the pledge of immovables as collateral. KGF, by taking over the immovables shown as collateral in compliance with the maturity of the loan and under its preemption right, has tried to also collateralize the bank's risk.

⇒ Emphasis was given to collateral diversification. Some collateral types were neglected by the banking system for a long time such as pledge of commodities, pledge of commercial enterprise etc. These have been treated again as collateral in order to facilitate the access to finance of SMEs with otherwise insufficient collateral. Apart from this, by ensuring that the companies' receivables with high collectability were included in insurance coverage, the bills of exchange were also treated as collateral for the loan transactions.

⇒ A special protocol was signed with the International Transporters Association aiming at enabling the transporters to be directly access credit via the Turkish Eximbank with KGF's guarantee and their transportation vehicles as pledged collateral. Until now, the exporter was making advance payment to the transporters before they collected the export proceeds. Thus by promoting Eximbank loans under KGF's guarantee, the working capital needs of export companies should be reduced.

⇒ KOSGEB (Small and Medium Industry development Organisation) launched a new interest-free loan aimed at supporting SMEs. KGF, being one of the parties to the protocol signed between banks and KOSGEB enabled SMEs lacking collateral to benefit from the KOSGEB Cansuyu loans under its guarantee. To this end, the commodities (machinery and equipment) to be financed with the said loan were treated and accepted as collateral by KGF in an attempt to address the collateral needs of SMEs.

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