EUROPEAN ASSOCIATION OF GUARANTEE INSTITUTIONS

REPRESENTATIVE OF GUARANTEE INSTITUTIONS IN EUROPE

– fostering SMEs’ growth

aecm

As the European umbrella organization and sector representative, we aim at promoting the guarantee instrument, a powerful tool for innovation, economic growth and job creation.

Our members have the common mission of providing guarantees to SMEs who have an economically sound project but cannot provide sufficient bankable collateral.

3 MAIN AIMS

1/ Political representation

2/ Exchange of best practices

3/ Promotion of the guarantee instrument

AECM IN NUMBERS

OVER
€125 BN
of guarantee volume in portfolio per end of 2017

47
MEMBERS

OVER **€74 BN**
of new guarantees granted in 2017

MORE THAN
2,9 M
SMEs benefit
from a guarantee

28
European
countries

MORE THAN
700.000
new SMEs supported in 2017

HOW DOES A GUARANTEE WORK?

INDIRECT APPLICATION

1

ENTREPRENEUR

- sound project
- needs capital
- not enough collateral

Entrepreneur tries to obtain a loan from the bank

2

BANK

The risk is too high

Bank contacts guarantee institution

3

GUARANTEE INSTITUTION (GI)

- reviews business plan
- decides if to grant the guarantee

4

COUNTERGUARANTEE

The GI receives a Counterguarantee from:

Funds | **EU/EIF** | **Member State**

GI grants guarantee

5

BANK

6

Bank carries on average **30%** of the risk

GI covers on average **70%** of the loan

7

ENTREPRENEUR

- puts business project in action
- stays liable

DIRECT APPLICATION

1

ENTREPRENEUR

- sound project
- needs capital
- not enough collateral

Applies for a guarantee

2

GUARANTEE INSTITUTION (GI)

Confirms the guarantee committment

3

ENTREPRENEUR

Applies for a loan

4

BANK

Provides the loan

5

ENTREPRENEUR

- puts business project in action
- stays liable

GROWING TOGETHER

Added value by aecm

FOR SMEs

- **Access to finance** for economically sound projects
- Additional **support** and **expertise**
- Recognition of qualitative factors in **risk analysis**
- Geographic **coverage of all SMEs**
- In some guarantee schemes, SMEs **participate in the management**

FOR BANKS

- **Reduction of its risk** exposure
- **Increase** of lending activity
- **Positive effect** of guarantees on the capital requirements in many countries
- Additional **expertise** results in **stronger decision**
- **High level of liquidity** of guarantee in case of default

FOR PUBLIC AUTHORITIES

- **Cost efficient** due to risk sharing
- **High leverage effect**
- Costs are **outweighed** by benefits
- **Efficient way** to implement policy objectives e.g. public support for specific sectors
- In times of financial downturns guarantees can be a **part of a counter-cyclical public policy** toolkit to support lending to SMEs

OUR 47 MEMBERS

AUSTRIA
- aws
- NÖBEG

BELGIUM
- Fonds Bruxellois de Garantie – Brussels Waarborgfonds
- PMV – Waarborgregeling
- SOWALFIN

BOSNIA AND HERZEGOVINA
- Guarantee Fund of the Republic of Srpska

BULGARIA
- National Guarantee Fund EAD
- Municipal Guarantee Fund for SMEs of Sofia

CROATIA
- HAMAG-BICRO

CZECH REPUBLIC
- CMZRB

ESTONIA
- KredEx

FINLAND
- Finnvera

FRANCE
- Bpifrance
- SIAGI
- La Fédération Nationale des SOCAMA
- Européenne de Cautionnement

GERMANY
- Verband Deutscher Bürgschaftsbanken

GREECE
- ETEAN SA
- TMEDE

HUNGARY
- AVHGA
- MVA
- Garantiqa

IRELAND
- SBCI

ITALY
- Assoconfidi
- ISMEA

KOSOVO
- Kosovo Credit Guarantee Fund

LATVIA
- ALTUM

LITHUANIA
- Garfondas
- INVEGA UAB

LUXEMBOURG
- Mutualité de Cautionnement
- Mutualité des p.m.e.

POLAND
- BGK

PORTUGAL
- IAPMEI
- SPGM

ROMANIA
- FGCR
- FNGCIMM
- FRC S.C. Fondul Roman de Contragarantare S.A.
- FRGC

RUSSIA
- FSECA

SERBIA
- Guarantee Fund of the Autonomous Province of Vojvodina

SLOVENIA
- Slovene Enterprise Fund
- Slovenian Regional Development Fund

SPAIN
- CESGAR

NETHERLANDS
- The Netherlands Enterprise Agency

TURKEY
- TESKOMB
- KGF

UNITED KINGDOM
- British Business Bank

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