REPRESENTATIVE OF GUARANTEE INSTITUTIONS IN EUROPE
- fostering SMEs’ growth
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 2018

OVER €45 BN of new guarantees granted in 2018

48 MEMBERS

MORE THAN 3,1 M SMEs benefit from a guarantee

MORE THAN 630,000 new SMEs supported in 2018

29 European countries
HOW DOES A GUARANTEE WORK?

INDIRECT APPLICATION

1. ENTREPRENEUR
   - sound project
   - needs capital
   - not enough collateral

2. BANK
   - The risk is too high

3. GUARANTEE INSTITUTION (GI)
   - reviews business plan
   - decides if to grant the guarantee
   - Bank contacts guarantee institution

4. COUNTERGUARANTEE
   - The GI receives a Counterguarantee from:
     - Funds
     - EU/EIF
     - Member State

5. BANK
   - Gi grants guarantee

6. BANK
   - 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

Entrepreneur tries to obtain a loan from the bank
1. **ENTREPRENEUR**
   - sound project
   - needs capital
   - not enough collateral

2. **GUARANTEE INSTITUTION (GI)**
   - Applies for a guarantee

3. **ENTREPRENEUR**
   - Confirms the guarantee commitment

4. **BANK**
   - Applies for a loan

5. **ENTREPRENEUR**
   - puts business project in action
   - stays liable

- Banks are enriched by risk diversification.
- GI’s operations are partly funded through risk-sharing mechanisms.
- Entrepreneur is faced with reduced costs associated with direct applications.
- GI’s actions include a mix of direct and guaranty applications.
- Entrepreneur remains liable for the business project.
- GI is responsible for the risk management of the guarantee.
- Bank provides the loan.
- Entrepreneur is committed to the terms of the loan.

- Specific application details vary according to the type of project.
- Entrepreneur’s personal and business details are verified.
- GI’s decision-making process is transparent.
- Entrepreneur receives government support for specific projects.
- GI’s role is crucial for successful applications.
- Entrepreneur’s commitment is key to the project’s success.
- GI’s involvement ensures the project’s viability.
- Entrepreneur’s experience and skills are leveraged.
- GI’s expertise is applied to ensure a successful outcome.
GROWING TOGETHER

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 countercyclical public policy toolkit to support lending to SMEs

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 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 added value by
OUR 48 MEMBERS

AUSTRIA
- aws
- NÖBEG

AZERBAIJAN
- Azerbaijan Mortgage and Credit Guarantee Fund

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