

General evolution of guarantee activity in 2009

The year 2009 has seen a substantial increase of guarantee activity, to a large part related to the need of additional guarantees to ensures SME access to finance during the crisis.

The year 2009 has seen a sharp increase in guarantee activity. This responds to the above-mentioned difficulties for SME access to finance and banks requests for additional collateral and guarantees.

Overall, in 2009, AECM members issued over 855.000 guarantees with a value of over ? 34 billion. On 31st December 2009, AECM members held in their portfolios about 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. 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 below).

This extraordinary increase in guarantee activity also reflects in part the impact of the specific crisis instruments, which have been launched by AECM member organisations towards the end of 2008 and the beginning of 2009, in form of new products or modified existing products. Indeed, with a total volume of € **11,2 billion**, guarantees issued under the specific crisis programmes make up about a third of the total guarantee activity in 2009. 67 % of the total volume of these specific crisis guarantees has been dedicated to short term, working capital loans. Keeping in mind that short term working capital guarantees had hardly been offered before the crisis as a stand-alone product, the massive demand shows the need to fill a crisis-related market gap.

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**