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
AECM represents the political interests of its members both towards the European Institutions, as well as towards other, multilateral bodies and financial institutions. It deals primarily with issues related to state aid regulation within the internal market, to European support programmes and to prudential supervision.

2/ Exchange of best practices
AECM serves as an extensive platform for exchange of best practices among its members on all guarantee related issues.
Key activities to this extent are the organization of different types of events as well as a comprehensive knowledge management within the organization.

3/ Promotion of the guarantee instrument
AECM undertakes numerous surveys on the guarantee sector, provides relevant technical information, detailed statistics, specialized newsletters and publications to promote the guarantee instrument at European but also at regional, national and international level making stakeholders aware of the positive economic impact which guarantee institutions achieve.
Entrepreneur tries to obtain a loan from the bank. GI grants guarantee. GI receives a Counterguarantee from Bank contacts. GI covers on average 7% of the loan. Bank carries on average 3% of the risk. GI pays a once-off processing and annual guarantee fee. The risk is too high. The GI receives a Counterguarantee from: Bank contacts guarantee institution Entrepreneur tries to obtain a loan from the bank GI grants guarantee ENTREPRENEUR BANK COUNTERGUARANTEE GUARANTEE INSTITUTION (GI) Bank carries on average 3% of the risk of new guarantees granted in 2016. GI covers on average 7% of the loan. Bank carries on average 3% of the risk of guarantee volume in portfolio per end of 2016.
HOW DOES A GUARANTEE WORK?

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

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

**Pays a once-off processing and annual guarantee fee**
GROWING TOGETHER

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 countercyclical public policy toolkit to support lending to SMEs
OUR 42 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

CROATIA
- HAMAG-BICRO

CZECH REPUBLIC
- CMZRB

ESTONIA
- KredEx

FRANCE
- Bpifrance
- SIAGI
- La Fédération Nationale des SOCAMA

GERMANY
- Verband Deutscher Bürgschaftsbanken

GREECE
- ETEAN SA

HUNGARY
- AVHGA
- MVA
- Garantiqa

IRELAND
- SBCI

ITALY
- ISMEA
- Assoconfidi

LATVIA
- ALTUM

LITHUANIA
- Garfondas
- INVEGA UAB

LUXEMBOURG
- MCAC

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
- RRA-GIZ
- Slovene Enterprise Fund
- Slovenian Regional Development Fund

SPAIN
- CESGAR

NETHERLANDS
- The Netherlands Enterprise Agency

TURKEY
- TESKOMB
- KGF

UNITED KINGDOM
- British Business Bank