



aecm
EUROPEAN ASSOCIATION OF GUARANTEE INSTITUTIONS

Statistical Yearbook 2019

Brussels, July 2020





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I

Foreword »»





Foreword

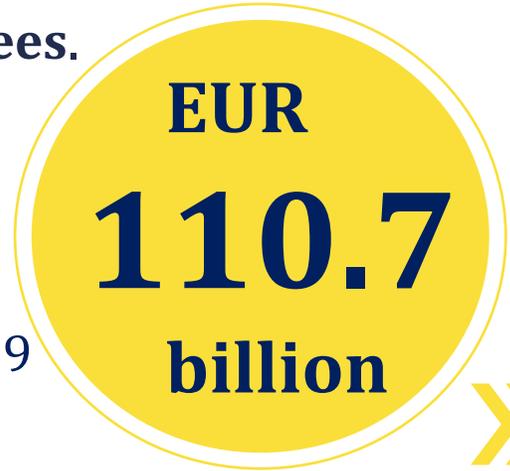


The publication of this year's edition of the AECM Statistical Yearbook falls into turbulent times. The coronavirus struck Europe and the whole world completely unexpectedly. Since SMEs are in first line to suffer from the economic consequences of the pandemic and the lockdown measures, guarantee institutions adopted exceptional measures in order to mitigate these consequences ([more info on our members anti-crisis measures](#)). The data presented in this edition, however, represent the situation just before the

outbreak of the pandemic.

According to our Scoreboard survey, AECM members were doing quite well. **The development of the guarantee activity was stable.** In a number: all members together were supporting SMEs with a **total amount of EUR 110.7 billion of guarantees.**

Outstanding
guarantee
volume in 2019



EUR
110.7
billion





Foreword



Compared to the year 2018, however, the **total volume decreased by 3.1%**. This decrease was mainly due to the depreciation of the Turkish lira vis-à-vis the euro, strongly impacting the outstanding guarantee volume of one of AECM's Turkish members.

The new guarantee production continued its decrease since its peak in 2017 but remained with a **new volume of EUR 38.8 billion** significantly above the level in the years before 2017.



-3.1%

Growth rate
2019

New guarantee
volume in 2019



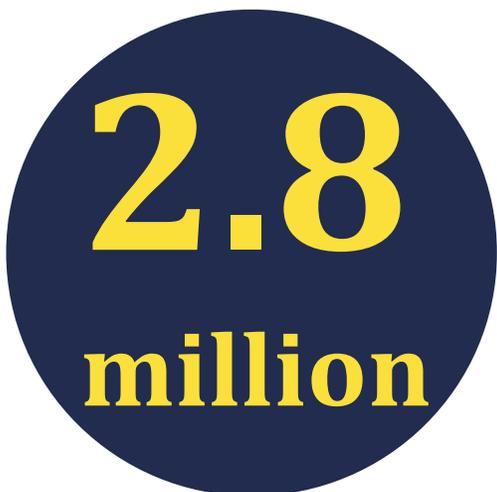
**EUR
38.8
billion**



Foreword



««« The number of **SMEs supported by AECM** members in contrast, increased by 8.4%, reaching a level of more than **2.8 million**. This development already points to a decrease in the **average size of guarantees to EUR 32,500**. More details on the results of the AECM Scoreboard are delivered [in section III](#).



**2.8
million**

SMEs supported
by AECM members



**KEUR
32.5**

Average size of
guarantees





Foreword



The results of our Guarantee Activity Survey reveal that AECM members are largely expecting growing guarantee volumes in 2020. **91.4% expect either an increase or a stabilisation of their activities.** Furthermore, members evaluate SMEs' business prospects much less positive than in previous years. The detailed analysis of the results can be found [in section IV](#).

Members expecting an increase/stabilisation of their activity



91.4%





Foreword



The summer 2020 economic forecast of the European Commission reflects the massive contraction of the European economy due to the COVID-19 crisis and the overall uncertainty. In 2020, the **EU gross domestic product is expected to plummet by 8.3%**. The expected rebound of 5.8% in 2021 is subject to high uncertainty and appears quite optimistic. The shock hits Europe in a symmetric way, the negative growth rates ranging from -4.6% to -11.2%.



Expected growth for the European Union in 2020





Foreword



In contrast, the fiscal capacities of EU member states and neighbouring countries differ substantially which urgently demonstrates the need for a coordinated European response.

Other indicators as well point to a recession. Notably the **unemployment rate** in the EU is forecast to rise from record low 6.7% in 2019 to **9% in 2020**.

Consumer prices are expected to grow much slower due to a significant decrease in demand. EU **inflation is predicted at 0.6%** in 2020.



9%

Unemployment
rate

Inflation
rate



0.6%

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II

AECM Members »»





AECM Members

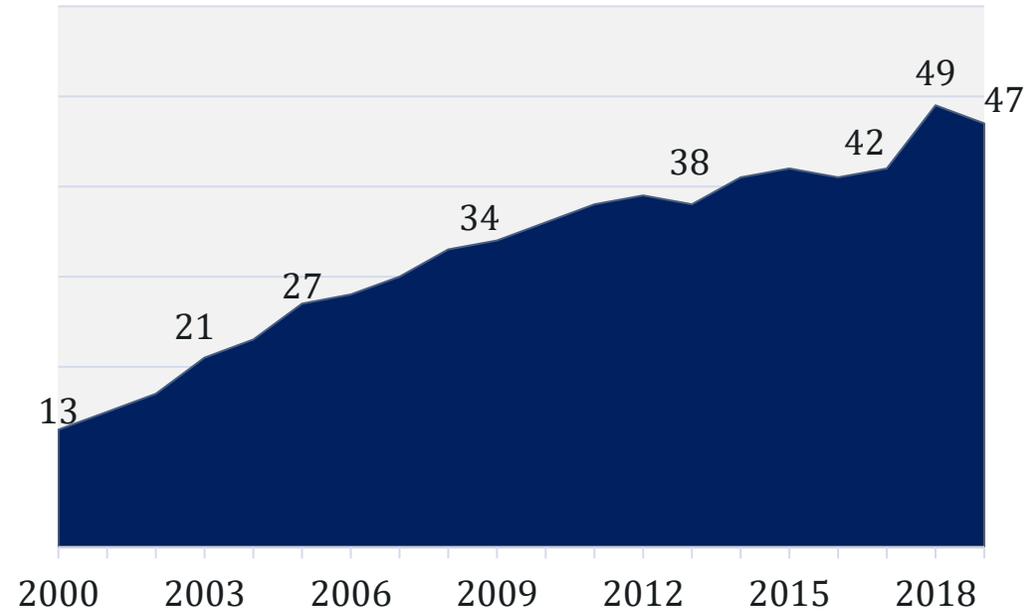


During the past year, the evolution of AECM’s membership base was stable. In 2019, AECM did not welcome any new members. To our great regret, FRGC/Romania left the association because they are no longer granting guarantees. In 2020, before the publication of this edition, MDB/Malta joined AECM.

The development of the membership base can be seen in the graph on the right hand side.

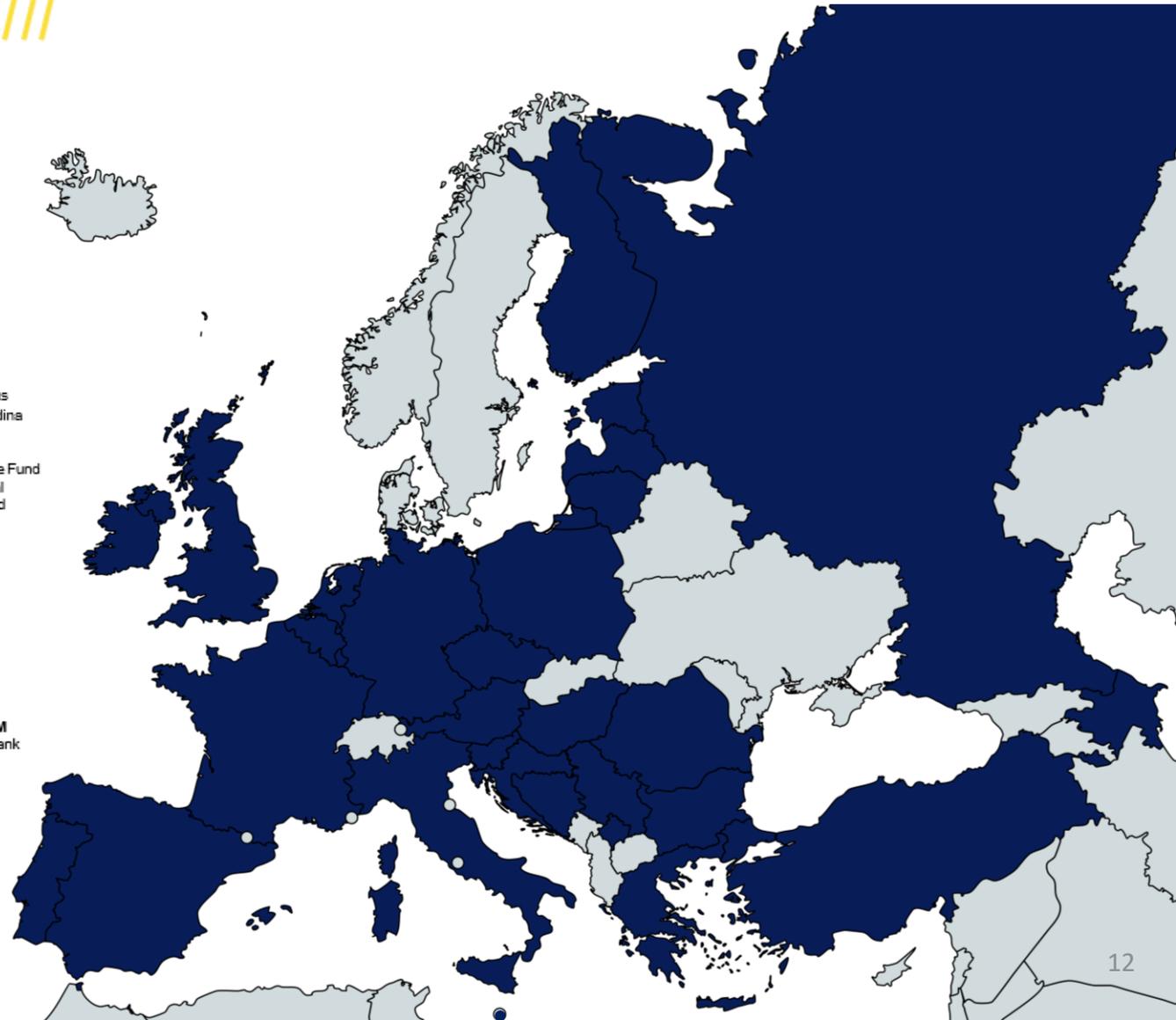
A list of all current 48 members (as of 07/2020) and a map is on the next page.

Graph 2.1 : Number of AECM members at year end





AECM Members



-  **AUSTRIA**
 - aws
 - NOBEG
-  **AZERBAIJAN**
 - Azerbaijan Mortgage and Credit Guarantee Fund
-  **BELGIUM**
 - Fonds Bruxellois de Garantie –Brussels Waarborgfonds
 - PMV/z
 - SOWALFIN
-  **BOSNIA AND HERZEGOVINA**
 - Guarantee Fund of the Republic of Srpska
-  **BULGARIA**
 - Municipal Guarantee Fund for SMEs of Sofia
 - National Guarantee Fund
-  **CROATIA**
 - HAMAG-BICRO
-  **CZECH REPUBLIC**
 - CMZRB
-  **ESTONIA**
 - KredEx
-  **FINLAND**
 - Finnvera
-  **FRANCE**
 - Bpifrance
 - Européenne de Cautionnement
 - Fédération Nationale des SOCAMA
 - SIAGI
-  **GERMANY**
 - Verband Deutscher Bürgschaftsbanken
-  **GREECE**
 - HDB
 - TMEDE
-  **HUNGARY**
 - AVHGA
 - Garantiqa
 - MVA
-  **IRELAND**
 - SBCI
-  **ITALY**
 - Assoconfidi
 - ISMEA
-  **KOSOVO**
 - Kosovo Credit Guarantee Fund
-  **LATVIA**
 - ALTUM
-  **LITHUANIA**
 - Garfondas
 - INVEGA
-  **LUXEMBOURG**
 - Mutualité de Cautionnement
 - Mutualité desp.m.e.
-  **MALTA**
 - MDB
-  **POLAND**
 - BGK
-  **PORTUGAL**
 - IAPMEI
 - SPGM
-  **ROMANIA**
 - FGCR
 - FNGCIMM
 - FRC
-  **RUSSIA**
 - FSECA
-  **SERBIA**
 - Guarantee Fund of the Autonomous Province of Vojvodina
-  **SLOVENIA**
 - Slovene Enterprise Fund
 - Slovenian Regional Development Fund
-  **SPAIN**
 - CEGAR
-  **NETHERLANDS**
 - RVO
-  **TURKEY**
 - KGF
 - TESKOMB
-  **UNITED KINGDOM**
 - British Business Bank

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III



Scoreboard Survey »»





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- ii. Long-term Development
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- iv. EU Financial Instruments
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- vi. Coverage Rate
- vii. Other Enquiries





Scoreboard *Recent Developments - 2019*

◀◀◀ Outstanding Guarantee Volume

According to our Scoreboard survey, AECM members were doing quite well. The development of the activity of guarantee institutions was very stable. AECM member organisations all together were supporting SMEs with a **total amount of EUR 110.7 billion of guarantees in 2019**. Compared to the year 2018, this represents a **decrease of 3.1%**. However, the largest part of this decrease can be traced back to the depreciation of the Turkish lira having a strong

negative impact on the euro denomination of the guarantee volume of KGF/Turkey. KGF excluded, the growth rate in 2019 would have been 2.4%.

The decrease of the outstanding guarantee volume could be observed in both semesters. In the first semester 2019 it decreased by 2.0% and in the second semester by 1.2%. Nonetheless, **most AECM members observed positive growth rates over the past year**, 30 versus 13 members that observed a drop.

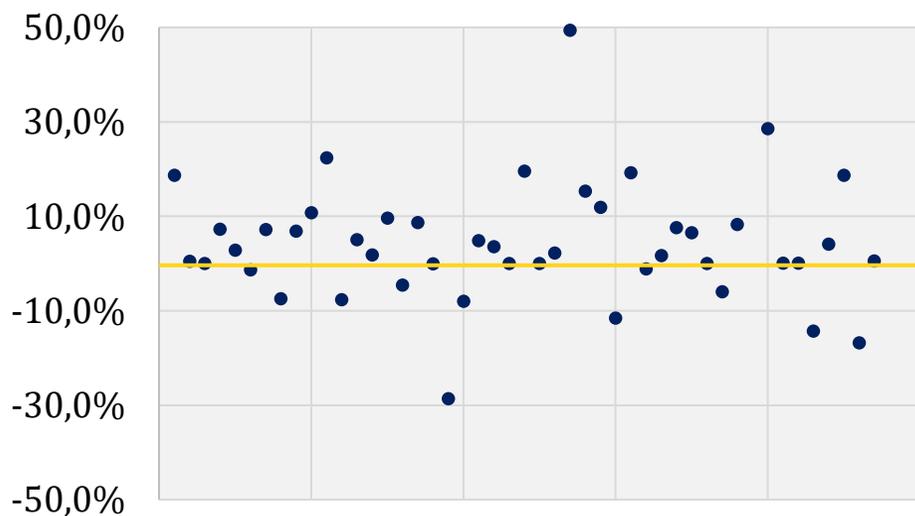




Scoreboard *Recent Developments - 2019*



Graph 3.1 : Distribution of growth rates



The highest percentual increases could be registered by KCGF/Kosovo (+49.4%), FSECA/Russia (+28.6%) and CMZRB/Czechia (+22.4%). The strongest absolute

increases could be observed for volumes of TESKOMB/Turkey (+KEUR 930.257), ISMEA/Italy (+KEUR 343.114), SPGM/Portugal (+KEUR 230.654) and BGK/Poland (+KEUR 227.745).

KGF/Turkey continues to be AECM's largest member in terms of outstanding guarantee volume, followed by Bpifrance/France and ISMEA/Italy.

The **average outstanding guarantee volume** dropped by **5.3%** to **EUR 2.5 billion**.





Scoreboard *Recent Developments - 2019*

◀◀◀ The median outstanding guarantee volume dropped by 2.6% to EUR 297.2 million.

We asked our members to distinguish the part of the outstanding guarantee volume that covers working capital loans and the part that covers investment capital loans. 22 out of 40 respondents - representing 44.6% of the volume - made this distinction. As a result, **86.3% of the distinguished volume went to investment capital loans and the remaining**

13.7% to working capital loans. This corresponds to approximately the same shares as in 2018. For 2020, however, we expect a sharp increase of the share of guarantee volume covering working capital loans due to the extensive measures rolled out to mitigate the economic consequences of the COVID-19 crisis.





Scoreboard *Recent Developments - 2019*



Some AECM members specified in the responses which are the drivers behind the development of their respective outstanding guarantee volume. These are presented in the following:

- PMV/z from Belgium stated that the increase in its portfolio is due to a continuing increase in demand resulting from the growth in credits and a stronger use of their guarantee system.
- TMEDE/Greece reported on an in-

crease in contract execution guarantees (in terms of volume) that are expected to produce income on the long-term in accordance with the institution's strategy and a decrease in tender guarantees that produce one-off income in the issuing period.

- Garantiqa/Hungary reported on a shift in the structure of the portfolio due to the state counter-guarantee limit that Garantiqa reached at the end of 2018. That is why they implemented...





Scoreboard *Recent Developments - 2019*



- ...restrictive measures which affected the portfolio of H2 2019 and led to a slight decrease in the ratio of state counter-guaranteed outstanding volume with respect to the volume counter-guarantee by COSME.
- AVHGA/Hungary stated that the increase of its volume was limited by national budget law limitations at year-end. Since AVHGA's guarantees are counter-guaranteed mainly by the state, there was a limitation on its

maximum volume which resulted in a slowdown of the portfolio growth.

- SBCI/Ireland mentioned that the increase in volumes of guarantee is coming from the "Future Growth Loan scheme".
- KCGF/Kosovo declared that the growth of their portfolio is related to the increase of disbursements, but also to the fact that the portfolio is still new, and as such the level of returns/repayments is still low.





Scoreboard *Recent Developments - 2019*



- Altum/Latvia informed us about a lower lending activity in Latvia which is the reason why the portfolio increase was much slower than in previous years.
- The reason for the decrease, that FCGR/Romania registered over the past year is that in 2019, a big number of guarantees (in terms of volume) granted in the previous years arrived to maturity.
- The total outstanding guarantee volume of FNGCIMM/Romania increased due to guarantees for bridge loans in the government programme "Start-up Nation - SUN".
- FSECA/Russia reported on a strong increase of the loan period as well as on favourable government policies (expanding support for SMEs).





Scoreboard *Recent Developments - 2019*



- In Slovenia, government policies as well as internal, organisational and programmatical changes were responsible for the increase of the outstanding guarantee volume of SEF.





Scoreboard *Recent Developments - 2019*



Share of GDP

In an attempt to measure the relevance of AECM members' activity for their respective national economy, we calculated the percentage of the outstanding guarantee volume as share of GDP. Not surprisingly, we observe the highest share with 5.1% in Turkey, followed by 2.1% in Hungary, 1.8% in Portugal and 1.4% in Italy. **The share of the overall AECM members' outstanding guarantee volume in the GDP of AECM countries**

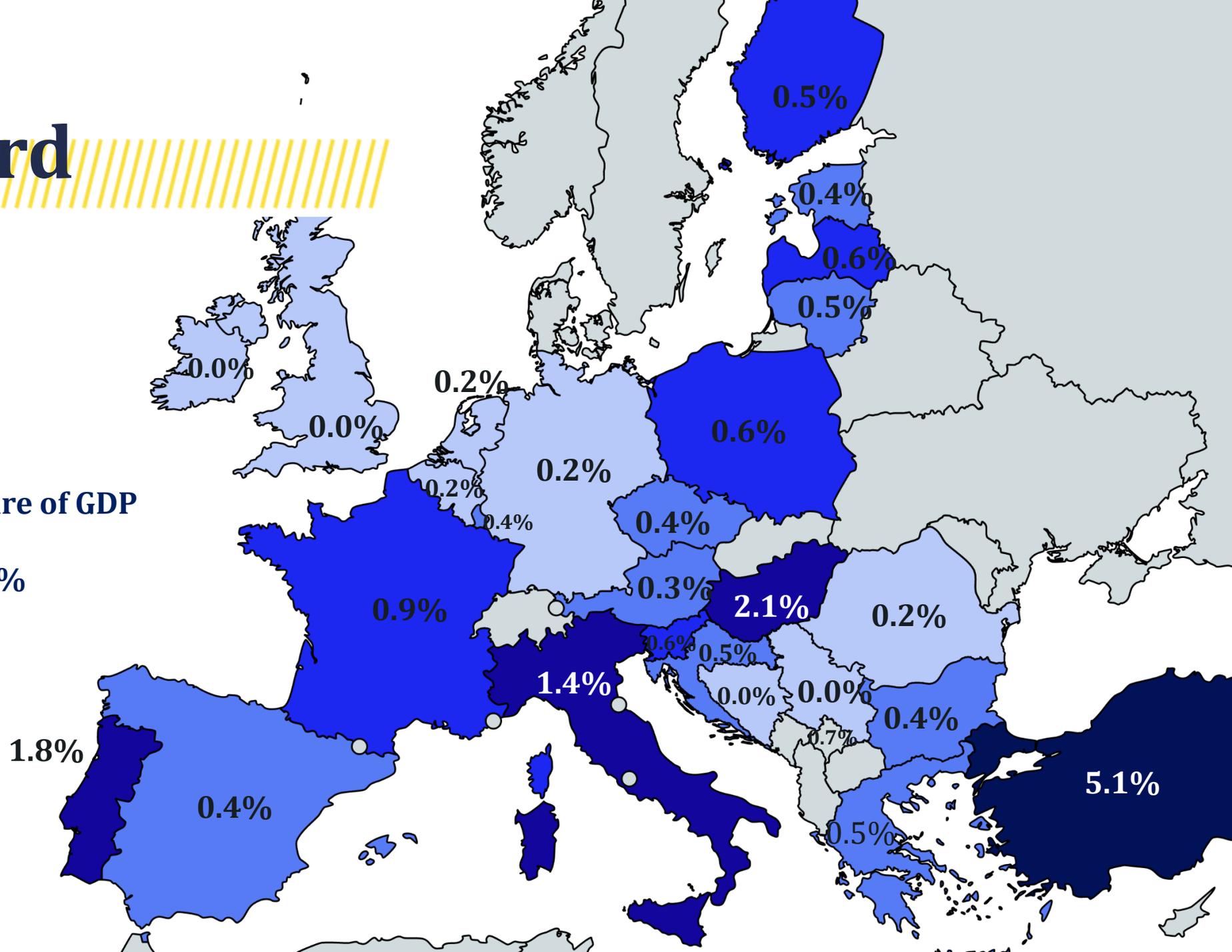
was 0.7%. The [map on the following page](#) illustrates the results of the individual countries.



Scoreboard

Outstanding volume as share of GDP

Average AECM-Europe: 0.7%





Scoreboard *Recent Developments - 2019*



Number of outstanding guarantees

Contrary to the development of volumes, in numbers we could observe a substantial **increase of 6.7% to a level of 3.4 million.**

The strongest percentual expansion occurred in Kosovo (+57.5%) and the strongest absolute increase has been registered by TESKOMB/Turkey (+111.340 units). The highest number of outstanding guarantees is held in portfolios of Assoconfidi members/Italy

(787,049 units).

The average size of outstanding guarantees continued its decline and reached a level of around EUR 32,500. The highest average sizes could be observed for MCGF/Azerbaijan with EUR 312,400, for FSECA/Russia with EUR 249,600 and for aws/Austria with EUR 223,100. The smallest average guarantees are in the portfolio of SOCAMA/France (EUR 8,300), TMEDE/Greece (EUR 9,500) and TESKOMB/Turkey (EUR 10,100).





Scoreboard *Recent Developments - 2019*



Volume of newly granted guarantees

The volume of newly granted guarantees decreased (-5.7%) for the second consecutive year but remained with **EUR 38.8 billion** clearly above the level before 2017. The highest absolute increases of the new guarantee volume with respect to 2018 were registered by BGK/Poland (+EUR 587.8 million), TESKOMB/Turkey (+EUR 478.6 million) and SPGM/Portugal (+EUR 181.5 million).

Concerning the distinction between

guarantees for working capital and for investment capital loans, it can be observed that for the newly granted guarantees the share of working capital is substantially higher than for outstanding guarantees, pointing to a **trend towards more support for working capital loans**. With 20 members reporting on the distinction – accounting for 48% of the total volume of newly granted guarantees – a share of 53.9% covers investment capital loans whereas a share of 46.1% covers working capital loans.

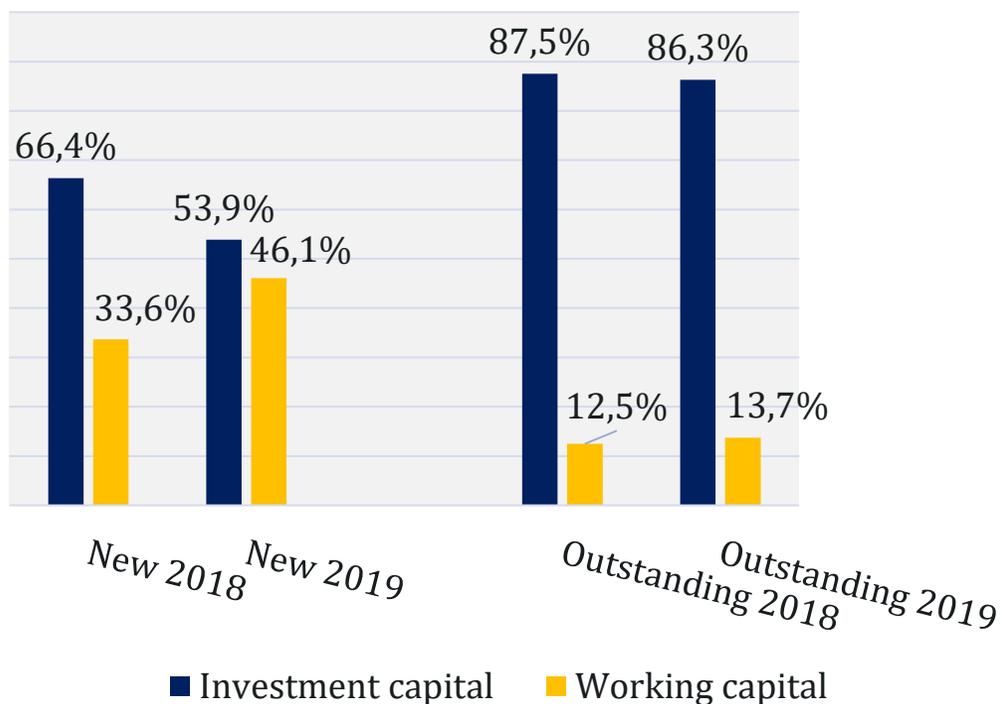




Scoreboard *Recent Developments - 2019*



Graph 3.2: Development of the share of working/investment capital guarantees



The share of newly granted guarantees in the total volume of guarantees in portfolio slightly decreased to 35%. However, there is great heterogeneity among members with shares of new guarantees ranging from 0% (for members where the new guarantee production is on hold) to 102.1% (for a member whose guarantees seem to have a quite short duration).





Scoreboard *Recent Developments - 2019*



Number of newly granted guarantees

Finally, we have a look at the number of newly granted guarantees where we can observe a **strong increase of 16.2%** in 2019 reaching the amount of **slightly more than one million**.

Consequently, the **average size of new guarantees decreases substantially to EUR 37,300** from EUR 46,000 in 2018.

A look at the average sizes of investment and working capital guarantees reveals

that newly granted investment capital guarantees are the biggest in size and outstanding working capital guarantees are smallest in size (see graph 3.3).

Graph 3.3: Average size of working and investment capital guarantees (in KEUR)





Scoreboard *Recent Developments - 2019*



Graph 3.3 is to be enjoyed with caution since the distinction between working and investment capital guarantees is reported only by half of AECM members. Several large AECM members with a low average guarantee size are not covered. That is why this graph is upward-biased. Nonetheless, it gives an idea of how average values could develop in 2020. The inflation-driven increase in the average size of a guarantee could be offset by the large expected increase of the share of working capital guarantees following the

outbreak of the corona crisis.

Number of supported SMEs

The **number of SMEs supported by AECM members substantially increased by 8.4%** with regard to 2018 and by 2.1% with regard to the first semester 2019 to a level of **more than 2.8 million** at the end of 2019. The highest increases over the past year were registered in Turkey (+118,300 for TESKOMB and 61,200 for KGF) and in Italy (+23,900 for ISMEA).





Scoreboard *Recent Developments - 2019*



Number of newly supported SMEs

In parallel to the strong increase of the number of newly granted guarantees, the **number of newly supported SMEs increased significantly over the previous semester (+9.5%) to reach the level of 693,800**. The strongest absolute increase was registered by Bpifrance with 29,700 new SMEs in its portfolio, followed by TESKOMB/Turkey with 10,100 newly supported SMEs.

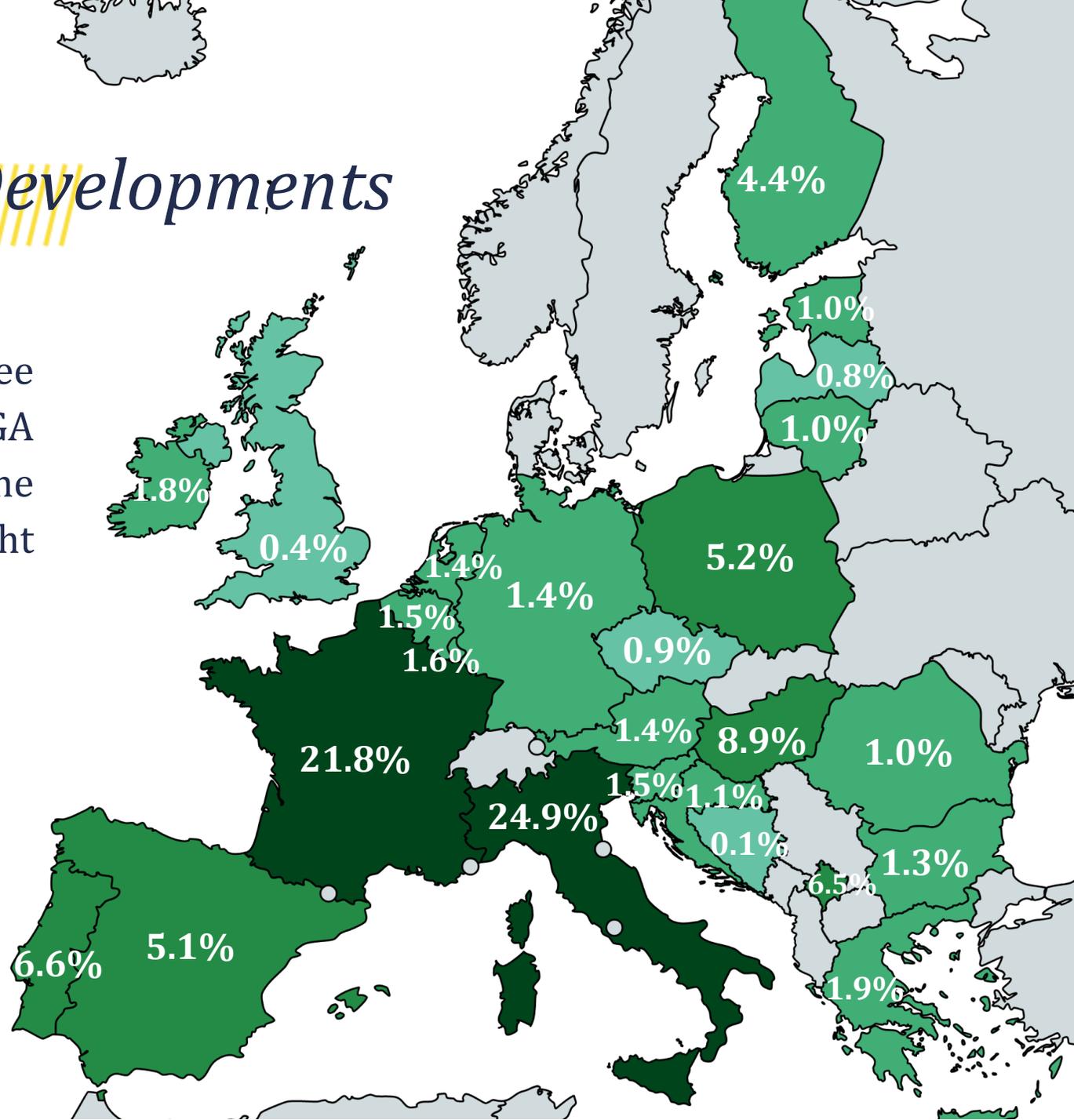
SME outreach

In the following, we calculated the share of SMEs benefitting from a guarantee of AECM members in the overall SME population of their respective countries. As a result, the highest outreach could be observed in the Mediterranean region with Italy in the lead where $\frac{1}{4}$ of the SME population benefitting from guarantees of Assoconfidi members and ISMEA. In France, 21.8% of the SMEs are supported by Bpifrance, SOCAMA, SIAGI and EDC. As last year, the bronze medal ...



Scoreboard *Recent Developments*

◀◀◀ ...goes to Hungary and our three Hungarian members Garantiqa, AVHGA and MVA. They reached almost 9% of the Hungarian SMEs. The map on the right shows the exact results.





Scoreboard *Long-term Development*



Having a look at the longer term, we see that despite the slight decreases over the past two years, the **total outstanding guarantee volume of all AECM members remains at a historically high level**. Graph 3.4 shows the development of the outstanding guarantee volume since the start of data collection in 2002. Two dips are quite notable: one during the financial crisis in the late noughties when guarantee volumes increased by 25% confirming the **anti-cyclical role**

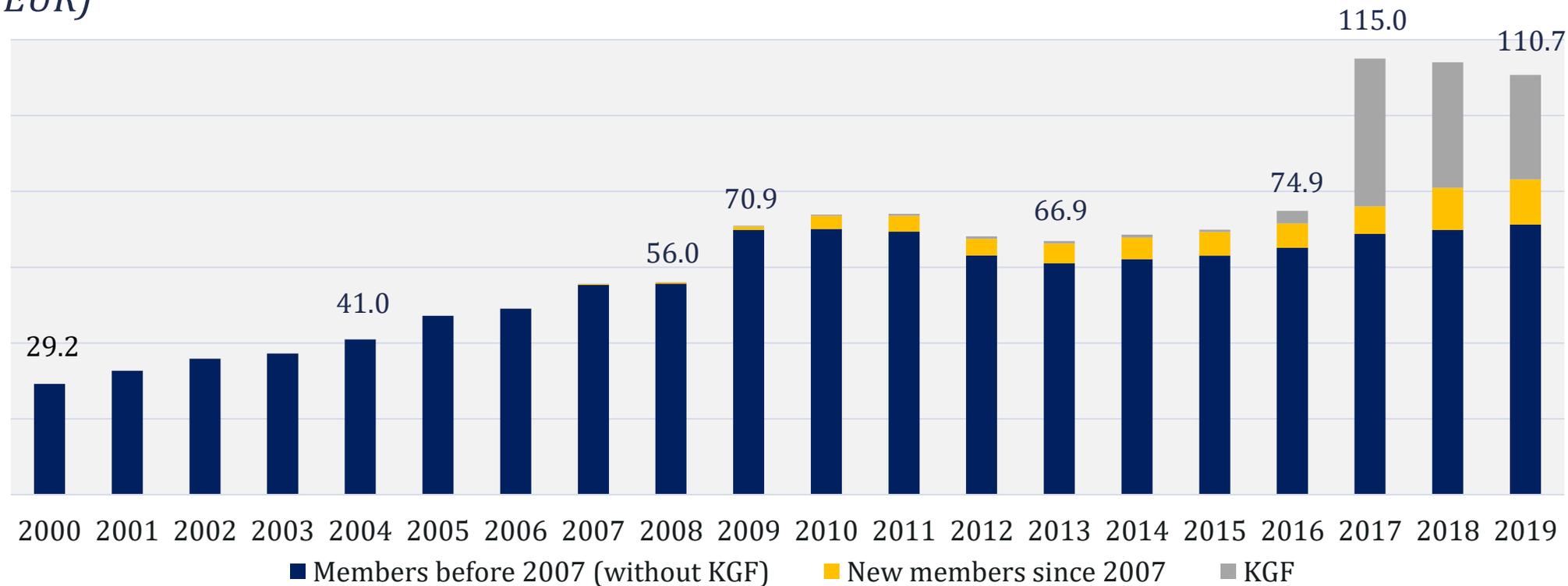
that guarantee institutions play in times of crisis. The second dip in 2017 corresponds to the exceptional policy-driven increase of the guarantee volume of KGF/Turkey. Apart from these significant developments, one can observe a steady growth of the guarantee volume pointing to the fact that **also in economically good times, guarantee institutions play a crucial role in helping SMEs to access finance and to overcome market failure in the area of SME finance.**





Scoreboard *Long-term Development*

Graph 3.4: Long-term Development of the total outstanding guarantee volume (in billion EUR)



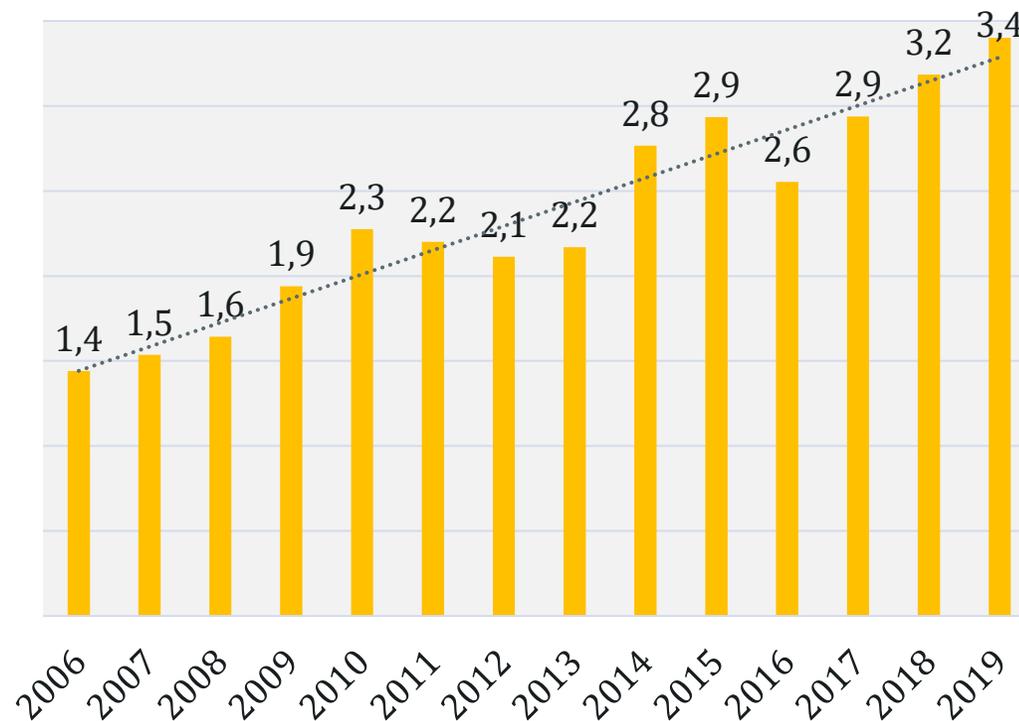


Scoreboard *Long-term Development*



Regarding the number of outstanding guarantees, we could observe a steady increase since our first data collection in 2006. Two dips were registered in 2010 (following the financial crisis) and in 2015, both followed by a slight decrease. **In 2019, we reached the highest number of outstanding guarantees ever registered.**

Graph 3.5: Development of the number of outstanding guarantees (in million units)



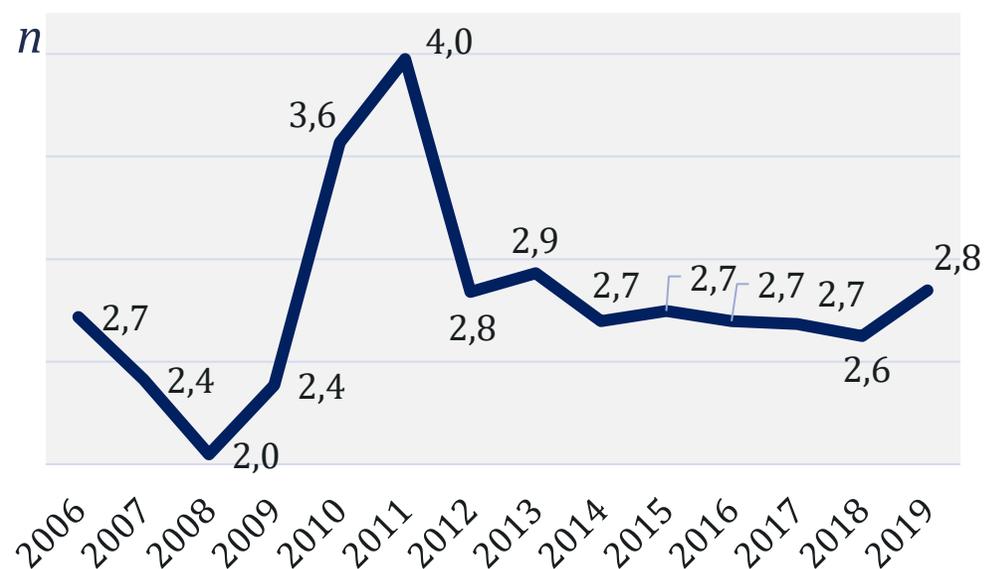


Scoreboard *Long-term Development*

◀◀◀ The development of the number of SME beneficiaries shows the **anti-cyclical role** of guarantee institutions even more impressively. During the world financial crisis the SME portfolio of AECM members doubled. The upward deflection expected for the current corona crisis could be even more pronounced. However, the **development after the financial crisis and before the outbreak of the COVID-19 crisis was**

very stable, as can be seen in graph 3.6 below.

Graph 3.6: Long-run development of the

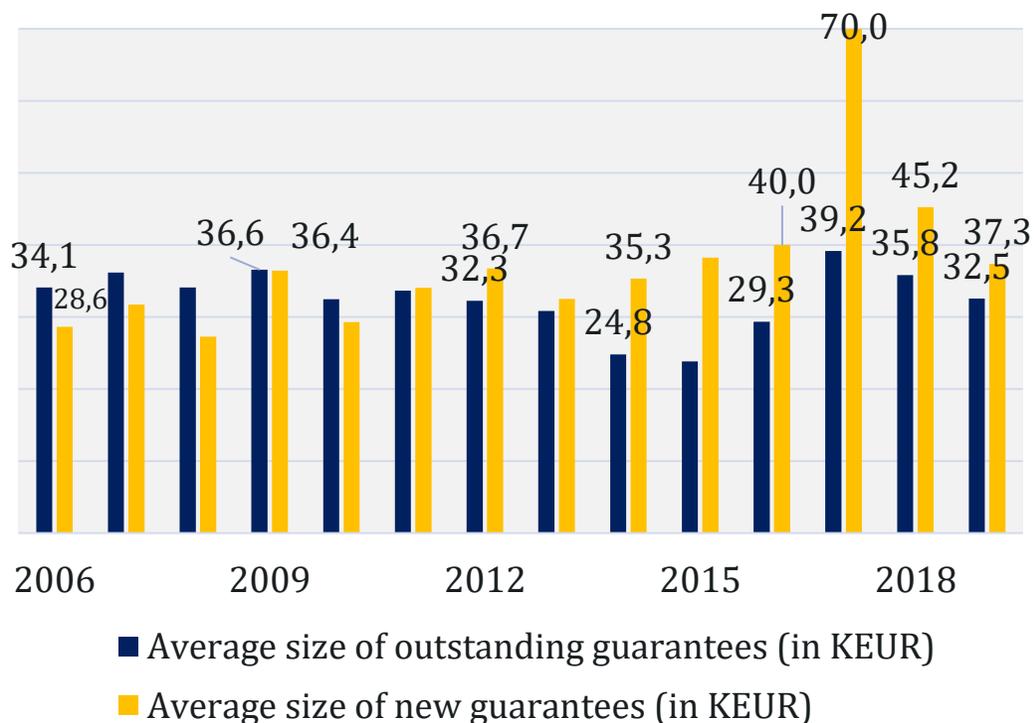




Scoreboard *Long-term Development*

◀◀◀ In 2019, we saw the second decrease of the average size of outstanding guarantees in a row, following the trend in newly granted guarantees. The average size usually lies between EUR 30,000 and 40,000 per guarantee with a downward tendency in the years following the financial crisis and a peak in 2017 due to the exceptional expansion of the KGF/Turkey volume.

Graph 3.7: Development of the average size of outstanding and new guarantees (in KEUR)





Scoreboard *Long-term Development*



Looking at the graph on the next page, it becomes clear that the focus on the AECM average hides the wide range of average guarantee sizes of AECM members. The upper end of the range appears to be the most volatile with average sizes of KEUR 137 to 227. In 2019, it even reached KEUR 312 due to the accession of MCGF/ Azerbaijan. The lower end of the range increased from level of KEUR 5 to 6 in the noughties to the level of KEUR 7 to 8.5 in

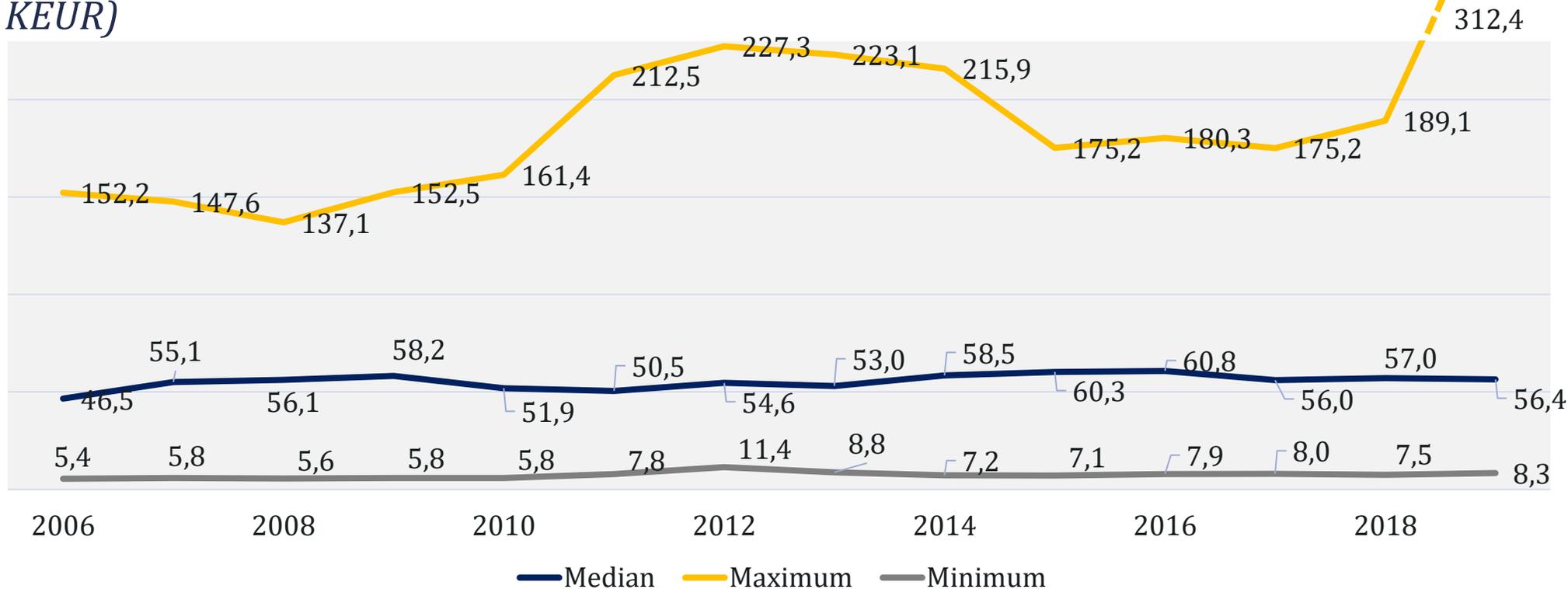
the twenty-tens. The median average guarantee size of outstanding guarantees lies well-above the weighted AECM average indicating that most members have a higher average guarantee size than the AECM average. Have a look at the development shown in graph 3.8 on the next slide.





Scoreboard *Long-term Development*

Graph 3.8: Development of the maximum, minimum, median average guarantee size (in KEUR)

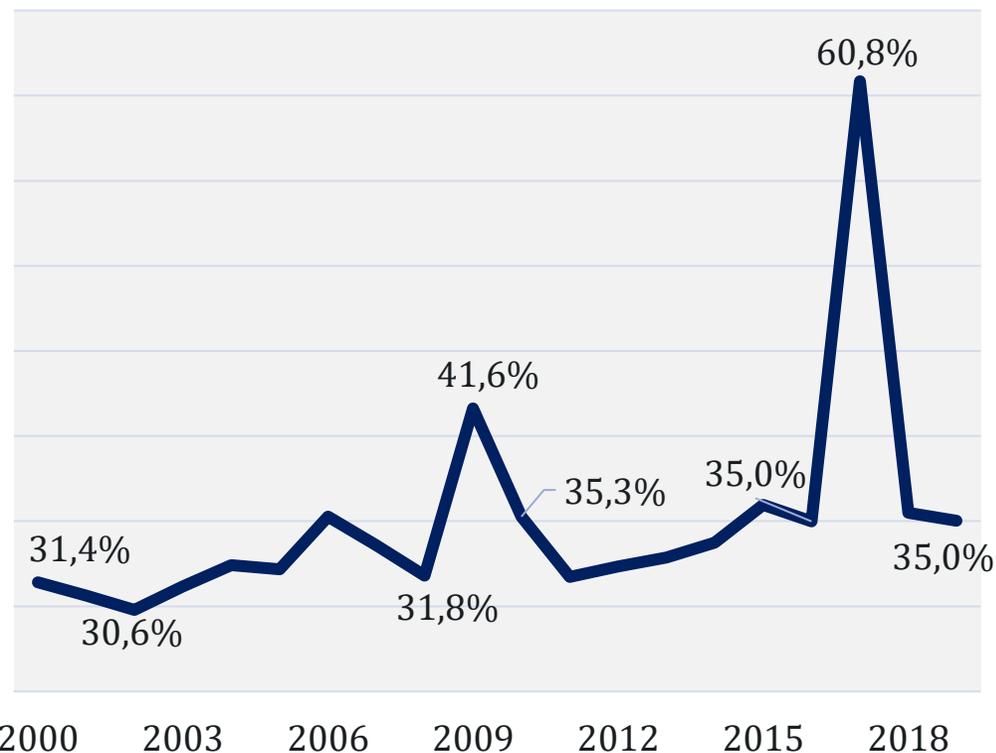




Scoreboard *Long-term Development*

◀◀◀ The last point to be mentioned in this subsection on Long-term Development is the share of newly granted guarantees in the overall portfolio. This share is usually around 1/3 of the total outstanding volume with the notable exceptions of the financial crisis in 2009 and the exceptional increase of the KGF/Turkey volume in 2017. Please have a look at the development on the right-hand side.

Graph 3.9: Development of the share of new guarantees in the overall portfolio





Scoreboard *Development of Counter-Guarantees*



Volume of outstanding counter-guarantees

Twelve AECM members from eleven countries are also or exclusively granting counter-guarantees. The combined **outstanding counter-guarantee volume of these members reached approximately EUR 5 billion** at the end of 2019. This represents a respectable **increase of 4.4%**. More than 90% of the volume is located on the Iberian peninsula (nearly EUR 2.6 billion is in the portfolio of SPGM/Portugal and almost EUR 2 billion in the books of CESGAR member CERSA/

Spain). These two also registered the strongest absolute increases (+EUR 124,200 for CESGAR and +EUR 100,800 for SPGM). The highest percentual increase could be observed in Finland (+28% for Finnvera).

Volume of new counter-guarantees

The volume of newly granted counter-guarantees **increased by 13.6%** with regard to 2018 to **reach a level of EUR 1.7 billion**. The strongest increases were observed in Portugal and Spain.



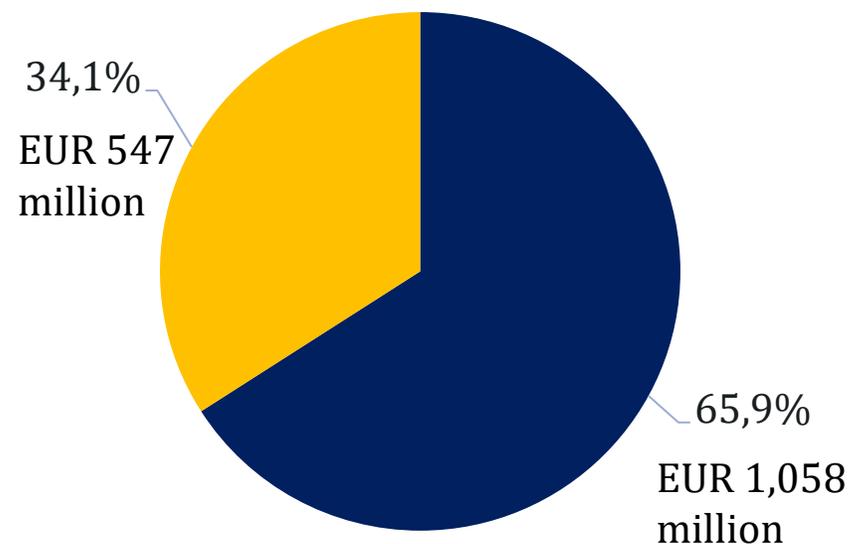


Scoreboard *EU Financial Instruments*

◀◀◀ COSME

COSME LGF is the European programme that is most used by AECM members. **21 members have at least one COSME contract with the EIF. The total volume of signatures of AECM members amounts to EUR 547 million** which represents a share of 34.1% of the programme. 97.8% of this share is intermediated in form of counter-guarantees and the remaining part in form of direct guarantees.

Graph 3.10: AECM members' share in COSME signatures as of 31st December 2019

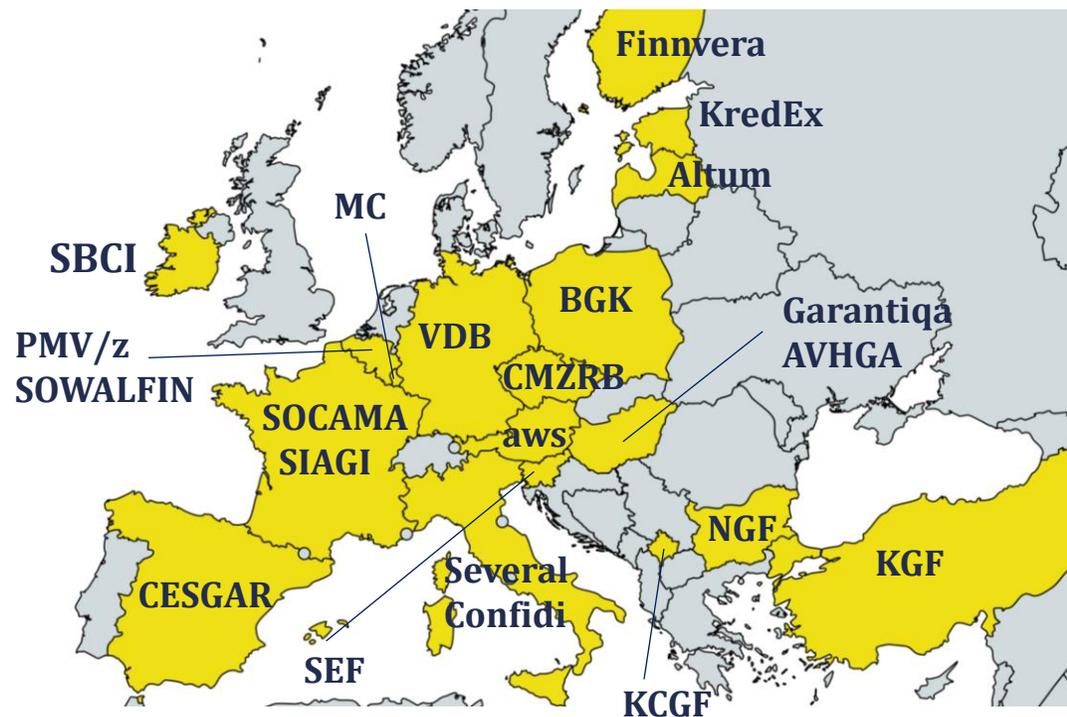




Scoreboard *EU Financial Instruments*

◀◀◀ The EU guarantee is used to counter-guarantee a volume of at least EUR 5.6 billion. This represents an increase of 10.4% vis-à-vis COSME guarantees in 2018. The largest COSME users are SOCAMA/France (EUR 2.1 billion), followed by CESGAR/Spain (EUR 1.4 billion) and CMZRB/Czechia (EUR 643 million). The biggest percentual increases were registered by NGF/Bulgaria, Garantiqa and AVHGA/both Hungary as well as KredEx/Estonia, where the volumes

almost doubled. Finnvera/Finland, KCGF/Kosovo and KGF/Turkey signed COSME for the first time in 2019.





Scoreboard *EU Financial Instruments*



InnovFin

InnovFin is used by 10 AECM members.

The total volume of signatures on 31st December 2019 is EUR 1.1 billion which represents a share of 9.4% of the total InnovFin volume. Of this share, nearly 64% are direct guarantees.

Guarantees under InnovFin amount to at least EUR 340.3 million (not all members reported their InnovFin volumes, especially members using InnovFin as direct guarantees did not

report the volumes). This represents a **strong increase of 45.8%** with respect to 2018. Largest volumes of guarantees counter-guaranteed by InnovFin were registered by aws/Austria (EUR 155.3 million) and CESGAR/Spain (EUR 97.8 million). The strongest percentual increases could be observed for SBCI/Ireland (+218%) and VDB/Germany (+127%).





Scoreboard *EU Financial Instruments*



Other centrally managed programmes

Four AECM members are using the Cultural and Creative Sector (CCS) programme, two of them as a direct guarantee and two of them as a counter-guarantee. Nearly half of the programme is intermediated by AECM members (47.1%) which equals to EUR 54.3 million. Guarantees of the two AECM members using CCS as counter-guarantees amounts to EUR 77.9 million which is an increase of 61% with regard to the previous year.

EaSi was not used by any AECM member.

European Regional Development Fund

The ERDF is channelled in form of guarantees through eight AECM members at an amount of EUR 908.2 million. The heaviest user, responsible for more than 2/3 of this volume is CMZRB/Czechia, followed by INVEGA/Lithuania (EUR 97.7 million) and BGK/Poland (EUR 90.4 million). The largest increase was registered by Bpifrance which vigintupled its volume.





Scoreboard *EU Financial Instruments*



Other funds under shared management

Five AECM members made use of the European Agricultural Fund for Rural Development (EAFRD) and had a combined outstanding guarantee volume of **EUR 316.1 million** under this programme. Most of this volume is shared by FGCR/Romania (EUR 215.3 million) and Altum/Latvia (EUR 97.5 million).

Two members used the European Social Fund (ESF) and one member the

European Maritime and Fishery Fund (EMFF).

Graph 3.11: EU Programmes used by AECM members





Scoreboard *Agricultural Guarantees*



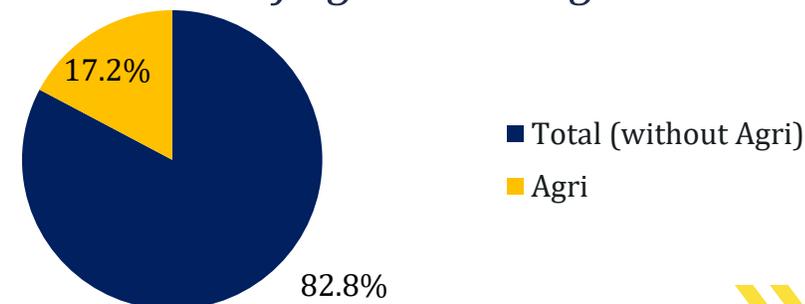
This section of the Statistical Yearbook sheds a statistical light on the agricultural sector by providing information on the agriculture guarantee activities undertaken by AECM members.

In 2019, one more scheme, BGK/Poland started to issue guarantees to agricultural firms, bringing the total number of AECM members active in the sector of agriculture to 26 (out of 48).

Graph 3.12 shows that the part of the

outstanding agricultural guarantees per 2019 represents more than EUR 19 billion which represents 17.2% of the overall volume of outstanding guarantees. The outstanding guarantee volume in the agricultural area **increased by 1.4%** over the past year.

Graph 3.12: Share of agricultural guarantees



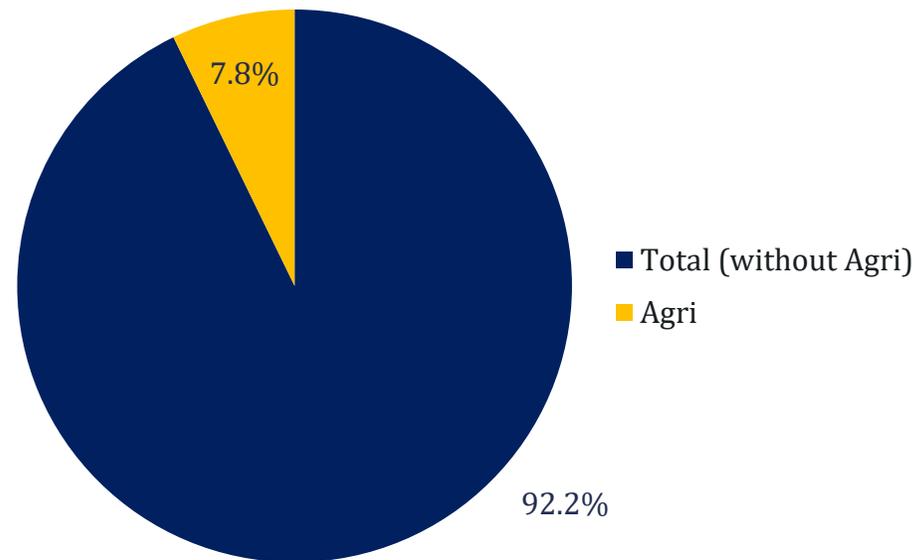


Scoreboard *Agricultural Guarantees*



Newly granted agricultural guarantees in 2019 amounted to more than EUR 3 billion, representing 7.8% of all newly granted guarantees. In 2019, the total volume of the newly granted guarantees decreased by 15.8% in comparison to the year 2018. The reasons for the aforementioned contraction range from pricing models to restrictions in the respective budget acts.

Graph 3.13: Share of newly granted agricultural guarantees in the total





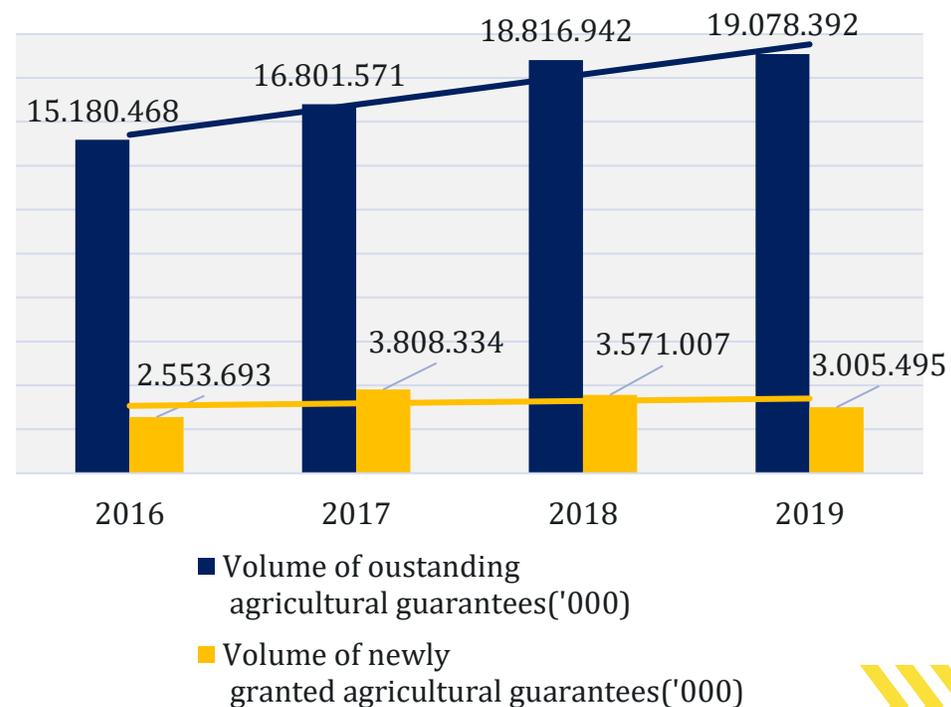
Scoreboard *Agricultural Guarantees*



Further, thanks to yearly-based data provided by those AECM members that are active in agriculture guarantee activities, it was possible to undertake further in-depth analysis on the evolution of agricultural data since 2016.

As the graph on the right shows, there was a steady increase of the total volume of outstanding agricultural guarantees compared to the slight decrease in volume of newly granted guarantees between 2016 and 2019.

Graph 3.14: Volume of outstanding agricultural guarantees and new guarantees (year-to-year progression, in KEUR)





Scoreboard *Agricultural Guarantees*



Speaking in terms of SME beneficiaries, it should be mentioned that during the year of 2019, **agricultural guarantees were granted to a total number of 160.640 SMEs, out of which 16.101 were new beneficiaries.**

Turning to the agriculture-oriented guarantee institutions (Agrogarante as affiliate of SPGM/Portugal, AVHGA/Hungary, Garfondas/Lithuania, ISMEA/Italy and FGCR/Romania), graph 3.15 on the following page shows the breakdown of total portfolio by each AECM member.

With a total guarantee volume worth more than EUR 15 billion in 2019, ISMEA remains the biggest agriculture-oriented scheme, accounting for 91% of the guarantee volume of the five agriculture-oriented guarantee institutions. Please note that in case of Garfondas/Lithuania, we used their recurrent data.

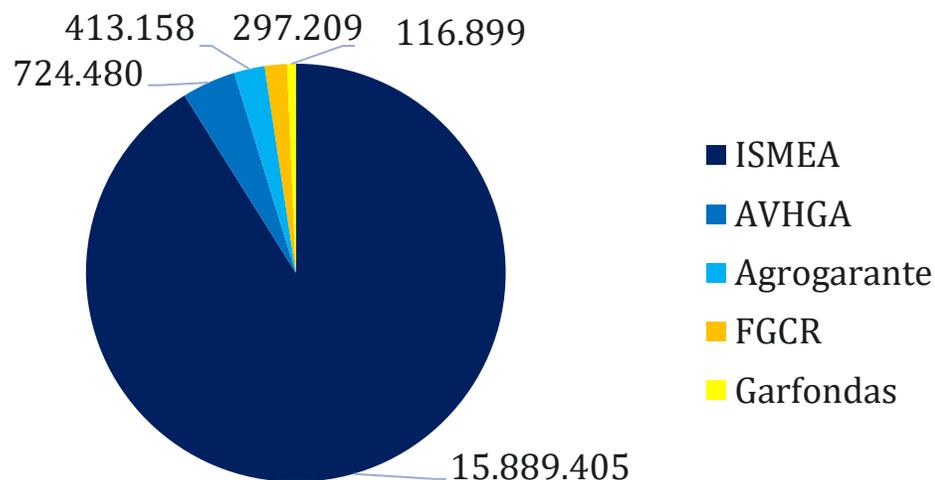




Scoreboard *Agricultural Guarantees*



Graph 3.15: Volume of outstanding guarantees of the agriculture-oriented guarantee schemes (in KEUR)



Agriculture-oriented guarantee institutions play a key role in the financing of the

primary sector. The specific features of agricultural production need different solutions both from banks and guarantee institutions.

The most important factors that are typical for agriculture are the following:

- Production is strongly dependent on external factors, such as weather conditions or volatility of world prices. Also, infections and diseases can affect both crop production and livestock breeding particularly negatively.





Scoreboard *Agricultural Guarantees*



- State aid rules are more restrictive in the agricultural sector. The most commonly used 'de minimis' is capped at EUR 25,000 per farm over three consecutive fiscal years, limiting the financing conditions.
- Liquidity shortages are relatively common due to high capital needs of production and/or long production cycles.
- The share of direct payments under the first pillar of EU's Common Agri-

cultural Policy is often high in the income of agricultural producers, resulting in a severe dependence on these funds. Similarly, grants under CAP's second pillar – the so-called 'Rural Development' – are vital for the modernisation of the sector. Continuous support of financing is crucial, and therefore the guarantee is a major instrument facilitating the realisation of investments.





Scoreboard *Agricultural Guarantees*



- Food production is a technology and asset intensive industry, meaning that investment need is generally high.
- Access to finance is often limited due to poor liquidity situation and/or the lack of bankable collaterals.

Focusing on agriculture does not necessarily mean that all the operations are connected to agricultural firms, but the primary target group is food producing enterprises/farms. As healthy alimentation is a growing challenge, food

production becomes a top priority: banks and guarantee institutions need to develop a holistic approach to ensure support for the whole process, integrating - among others - primary production, food processing, food trade and supply, provision of relevant machinery etc.

Besides, four out of five agriculture-oriented guarantee institutions (Agrogarante, AVHGA, FGCR, Garfondas) also promote rural development. The Common Agricultural Policy (CAP) goes...





Scoreboard *Agricultural Guarantees*

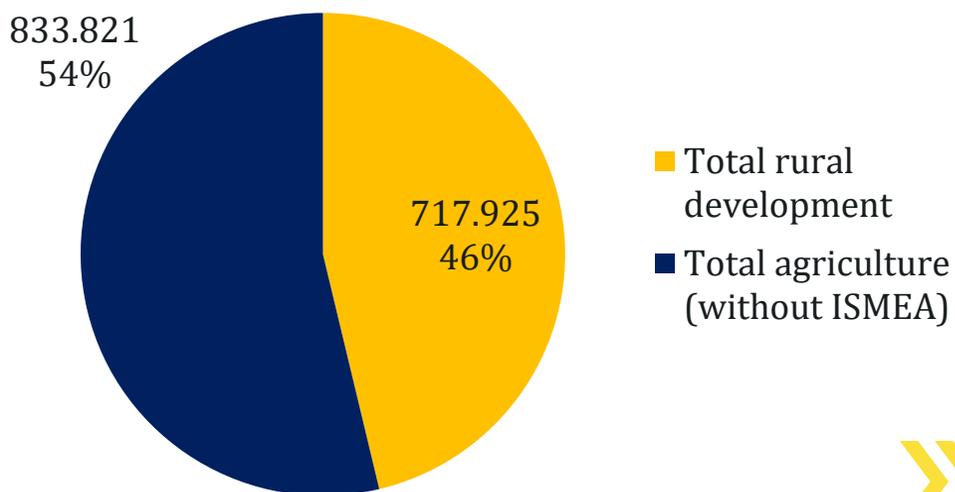


... beyond its core activities and supports, through rural development measures, the economic viability of rural communities maintaining the rural lifestyle, employment, local culture etc. Supporting agriculture is only complete with the complex development of rural areas.

As with the rural development, and as indicated in the graph on the right, in 2019, the total volume of outstanding guarantees amounted to EUR 717.9 million representing 46% of the total volume of the aggregated portfolio of the

four members active in rural development activities. This indicates an increase of 10% with respect to 2018.

Graph 3.16: Distinction between outstanding guarantee volume in the area of agriculture and in the area of rural development

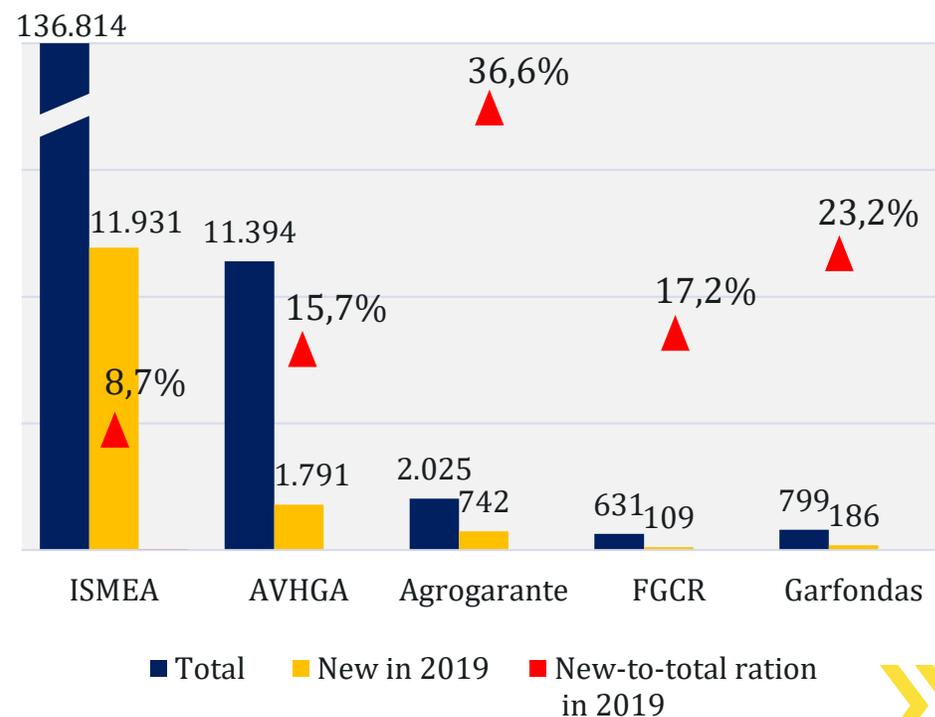




Scoreboard *Agricultural Guarantees*

Turning to SME beneficiaries, during 2019, the five agricultural-oriented guarantee institutions supported a total of 151.663 SMEs. Out of these 151.663 SMEs, 14.759 were new beneficiaries. Please note that in case of Garfondas/Lithuania the recurrent data is used.

Graph 3.17: Total (at year-end) and newly included (during 2019) agricultural SME beneficiaries (in units)





Scoreboard *Agricultural Guarantees*



Finally, with regard to the projects supported by agriculture-oriented guarantee schemes during 2019, the large majority of farms applied for farm/surface acquisition, acquisition of new equipment/technology as well as change of the production methods. Projects related to business transfers and foreign investments were supported to a lesser extent.

Last but not least, we would like to thank all the members that are focusing on the agricultural sector as well as their

persons of contact for having provided us with the necessary data without which this analysis would not have been possible.





Scoreboard *Coverage Rate*



The shares of SME loans that are covered by our respective members remained quite stable in comparison to 2018. The **maximum coverage rates ranged from 100% to 50% with an unweighted AECM average of 80.9%**. This was 0.6% lower than in 2018. Only two members observed a change in the maximum coverage rate, both times a decrease.

The **unweighted average coverage rate in 2019 was down by 2.2% to a level of 66.3%**. Average rates ranged from 30 to

100%. The AECM average of average coverage rates weighted by the volume of newly granted guarantees amounted to 56%. Graph 3.18 on the following page shows the distribution of average guarantee rates between AECM members.

The newly granted guarantees in 2019 enabled SME loans with an estimated total volume of EUR 43.1 billion.

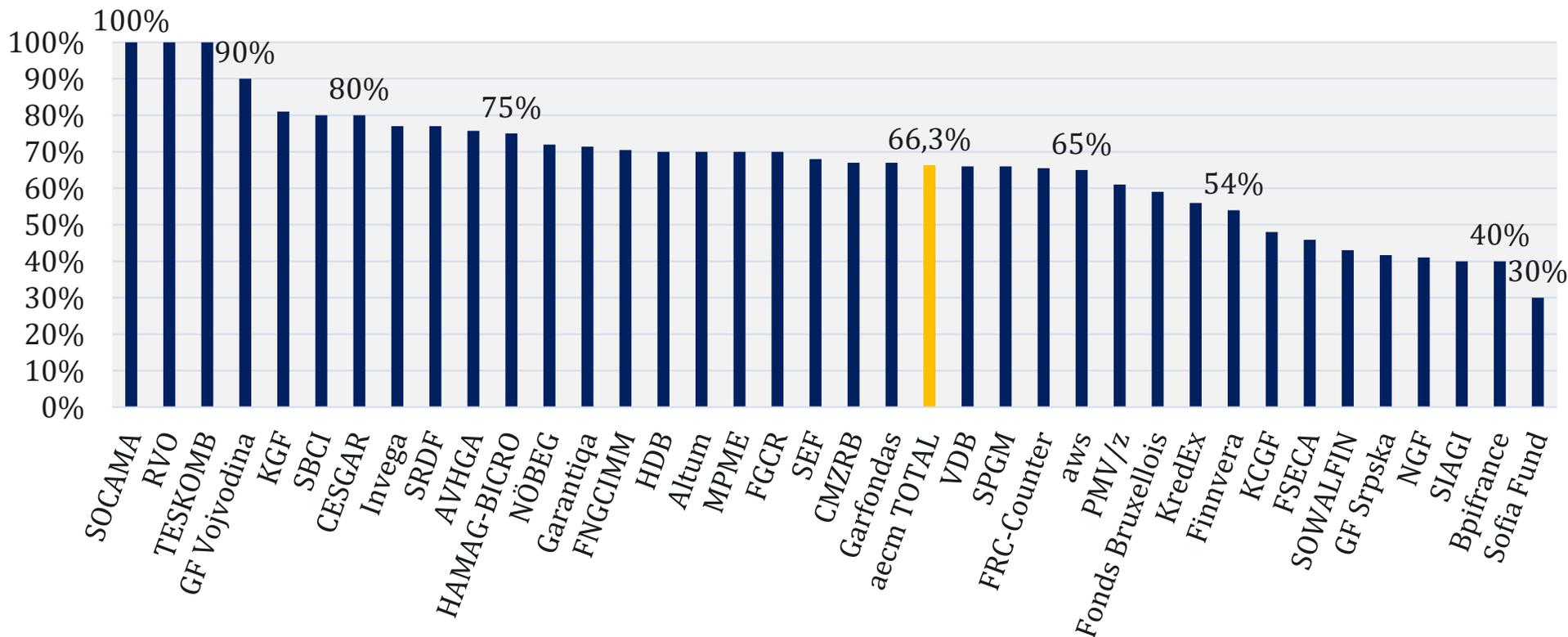




Scoreboard Coverage Rate



Graph 3.18: Average coverage rates in 2019





Scoreboard *Other enquiries*



Every year, we also include additional questions to our Scoreboard survey. In this year's edition, we asked our members about their risk mitigation techniques. 33 members replied to this question out of which 39.4% stated that they benefit from a counter-guarantee of the EIB group (from programmes under central management). 1/3 of the respondents report about their use of a counter-guarantee offered by the national government or by a national fund. 12.1%

have a counter-guarantee from a regional government or regional fund. 9.1% of the respondents benefit from a counter-guarantee offered by EU funds under shared management. Ten members equal to 30.3% of the respondents stated that they do not have any counter-guarantee. Furthermore, one member uses an insurance or reinsurance instead of a counter-guarantee. The following graph illustrates the responses. Of course, multiple answers were possible.

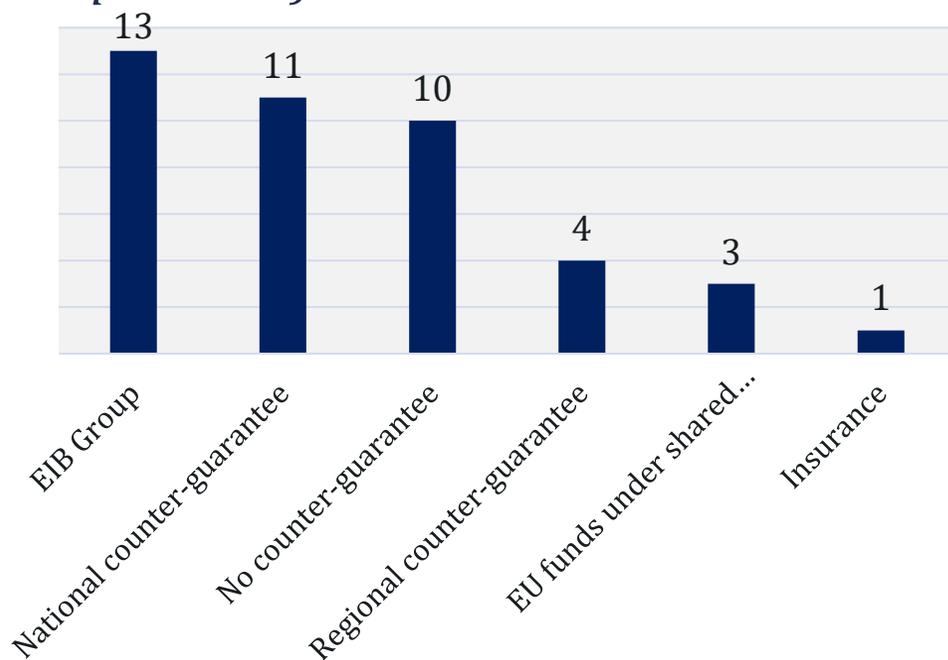




Scoreboard *Other enquiries*



Graph 3.19: Risk mitigation techniques used by AECM members (number of respondents)



In the following, we asked about the supervisory situation of our members. According to the results, one member (Bpifrance) is supervised by the ECB. The vast majority of AECM members is supervised by the respective national central bank, a national ministry or by another national financial supervisory authority. Three members are supervised by another authority and five members are not supervised.



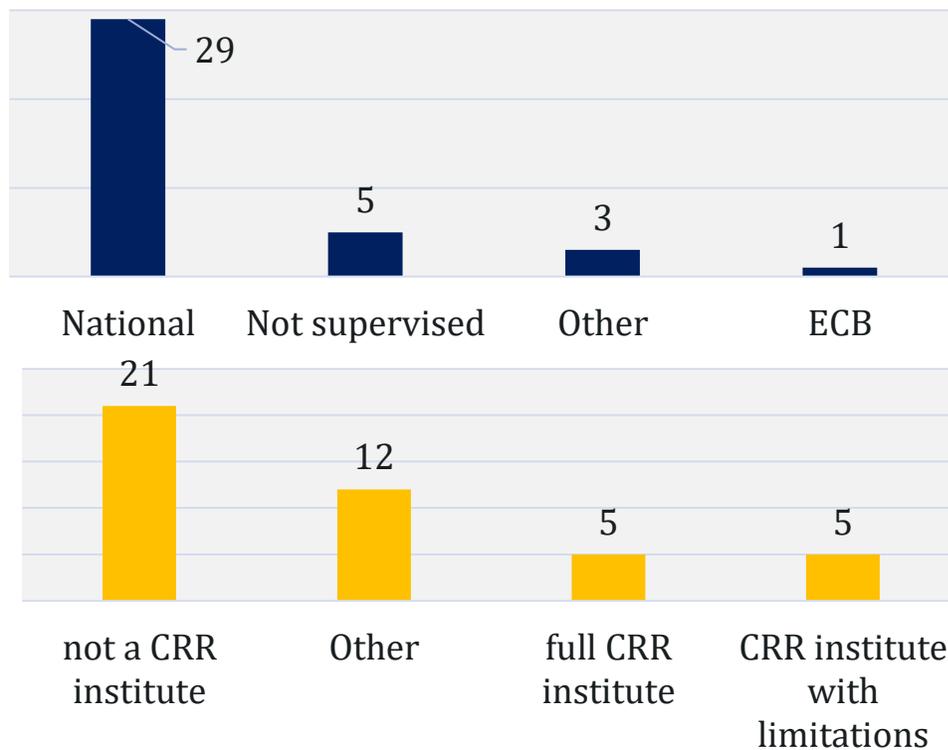


Scoreboard *Other enquiries*



Moreover, we asked whether members are in the scope of the EU Capital Requirements Regulation (CRR). This is the case for ten AECM members. Half of these are full CRR institutes and the other half enjoys limitations to this status at national level. Most AECM members, however, are no CRR institutions (21 members). Twelve members stated that they have a different status. The following graphs illustrate the supervisory/CRR situation of our members.

Graph 3.20: Supervisory/CRR situation of AECM members (number of respondents)





Scoreboard *Other enquiries*

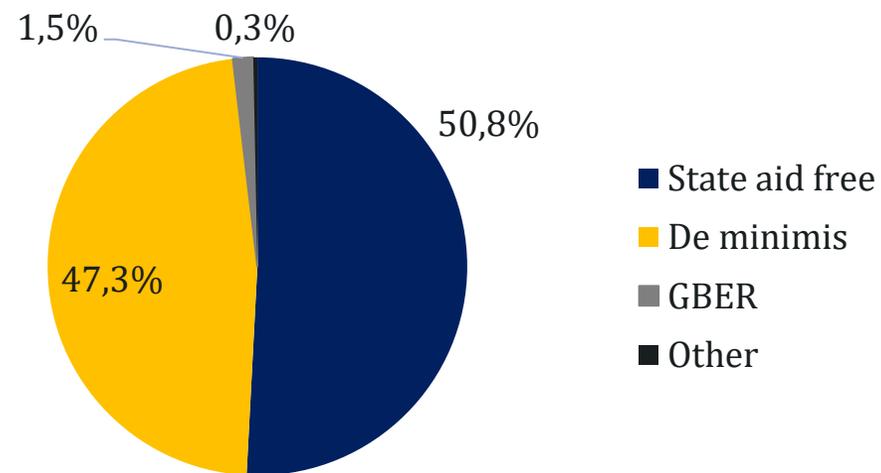


State aid regime

In the Scoreboard survey of the first semester 2019, we included for the first time a question regarding the application of different sets of state aid rules by AECM members. These were asked which shares of their outstanding guarantee volumes are issued respectively under the de minimis regulation, under the GBER, under the Risk Finance Guidelines, under another state aid regime and which share is not subject to state aid rules. 25

members accounting for 32.3% of the total outstanding guarantee volume replied to this question. The results can be seen in the following graph.

Graph 3.21: State aid situation





Scoreboard *Other enquiries*

◀◀◀ Eleven members issued the quasi-entirety of their volume under the de minimis regulation. Seven more issued more than half of their volume under this regime. GBER is used by three AECM members for a significant share of their volume (SRDF/Slovenia with 45.6%, HAMAG-BICRO/Croatia with 38.6% and aws/Austria with 31%).

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IV

Guarantee Activity Survey »»





Guarantee Activity Survey

◀◀◀ This year, the Guarantee Activity Survey was undertaken in unusual times. We launched our survey when nobody expected Europe to go into lockdown just a few weeks later. Of course, those who responded before the first lockdown measures were asked to review their initial replies and to correct them if appropriate.

All in all, 35 out of 48 members replied to the survey which corresponds to a response rate of 73%.

It goes without saying, that the COVID-19 outbreak had a strong impact on the results of our survey. While the general business prospects for SMEs will according to our members significantly deteriorate, the guarantee activity of our members is largely expected to increase due to a strong increase of the demand for guarantees induced by the economic consequences of the COVID-19 pandemic.

Please have a look at the detailed results on the following pages.





Guarantee Activity Survey

◀◀◀ Demand for guarantees

As in previous years, a large majority of the respondents observed an increase in the demand for guarantees, although at a much lower level (60% after 69.4% in the previous year). The observation of an increased demand in 2019 was 9.4% below the expectation from the previous survey. Contrarily, observed decreases of demand for guarantees were 17% higher than expected.

For 2020, ¾ of respondents expect the

demand for guarantees to increase.

Even though this expectation has been shared by most respondents of all previous surveys, it has never been shared by such a high percentage of respondents. This result doubtlessly mirrors preoccupations connected with the current COVID-19 crisis. It is remarkable that only three respondents expect a decrease in the demand for their guarantees in 2020. Please see the detailed results on the following slide.



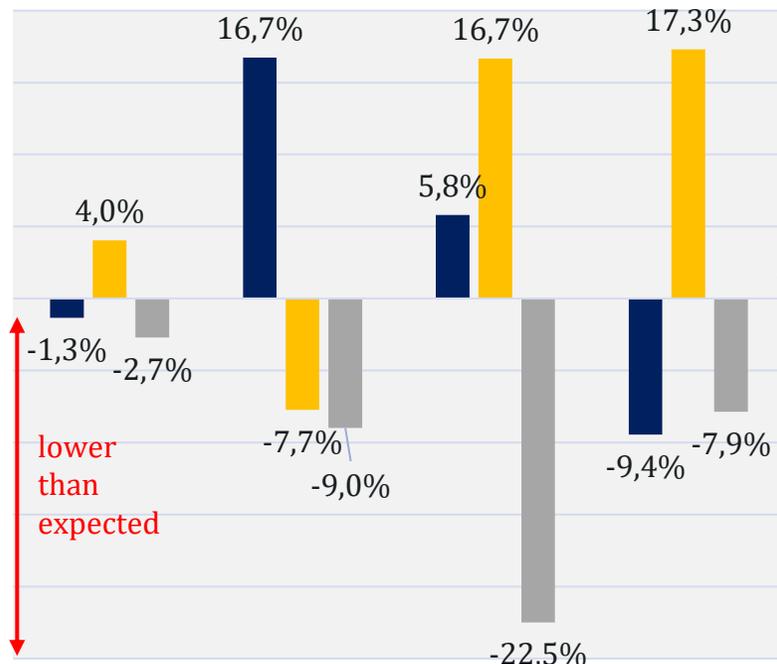


Guarantee Activity Survey

Graph 4.1: Observed (left) and expected (right) demand for guarantees as well as the comparison (centre) of the expectation with the respective effective observation



■ Increased
■ Decreased
■ Remained stable



lower than expected

higher than expected

■ Increase
■ Decrease
■ Stabilisation



■ Increase
■ Decrease
■ Remain stable





Guarantee Activity Survey



Guarantee activity

The picture for the activity looks very similar to the one for the demand. A majority of respondents observed an increase of the activity in the past year. Nonetheless, the optimism expressed in the previous survey did not materialise. Decreases were 20.2% higher than expected.

Concerning the **expectation for 2020**, we again observe that nearly $\frac{3}{4}$ of the respondent foresee an increase in the

guarantee activity of their organisation. Please find the detailed results on the next slide.

Graph 4.3 on page 68 compares the observations and the expectations for the activity in a specific year with the real outcome according to the Scoreboard survey. For 2019, the real outcome was always between the observation and the expectation. However, it was always less favourable than the expectation, being proved too optimistic.





Guarantee Activity Survey

Graph 4.2: Observed (left) and expected (right) guarantee activity as well as the comparison (centre) of the expectation with the respective effective observation





Guarantee Activity Survey

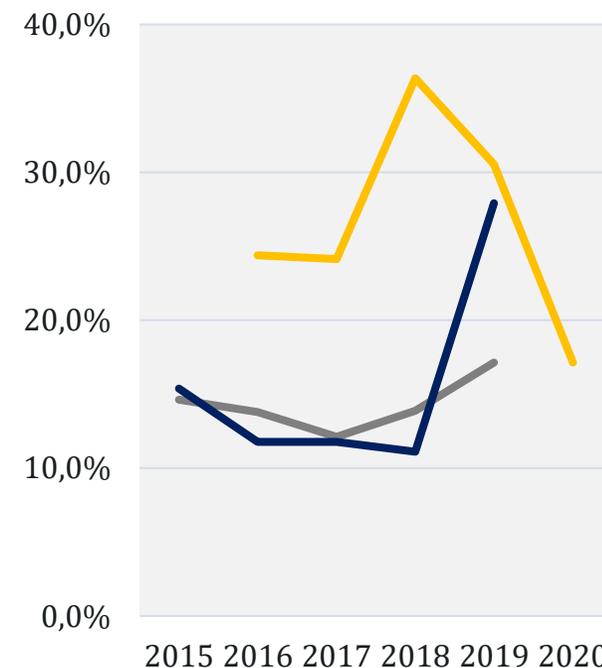
Graph 4.3: Comparison of expected and observed developments in the guarantee activity with the effectively measured developments



— Increase (obs) — Increase (exp)
— Increase (real)



— Decrease (obs) — Decrease (exp)
— Decrease (real)



— Stabilisation (obs) — Stabilisation (exp)
— Stabilisation (real)





Guarantee Activity Survey



Bank Financing for SMEs

According to the observations of AECM members, **SMEs access to bank financing mainly stabilised in 2019.** 1/3 of respondents even reported on an improved access in their respective countries. This is 6.5% more than expected.

The future for SMEs' access to bank financing, however, does not look very bright. 31.4% of the respondents are

pessimistic (after 2.8% last year). Surprisingly, also 31.4% of the members expect the bank financing for SMEs to improve in 2020, which is even a slightly higher share than last year.

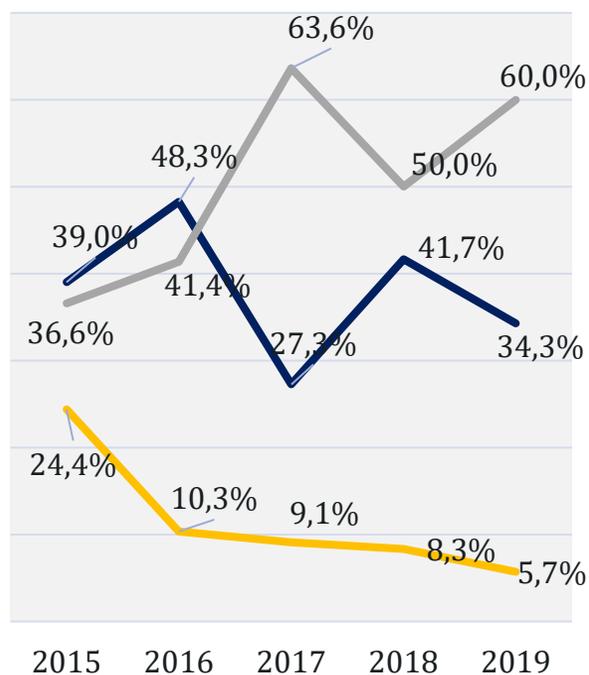
Have a look at the detailed results in graph 4.4 on the following page.



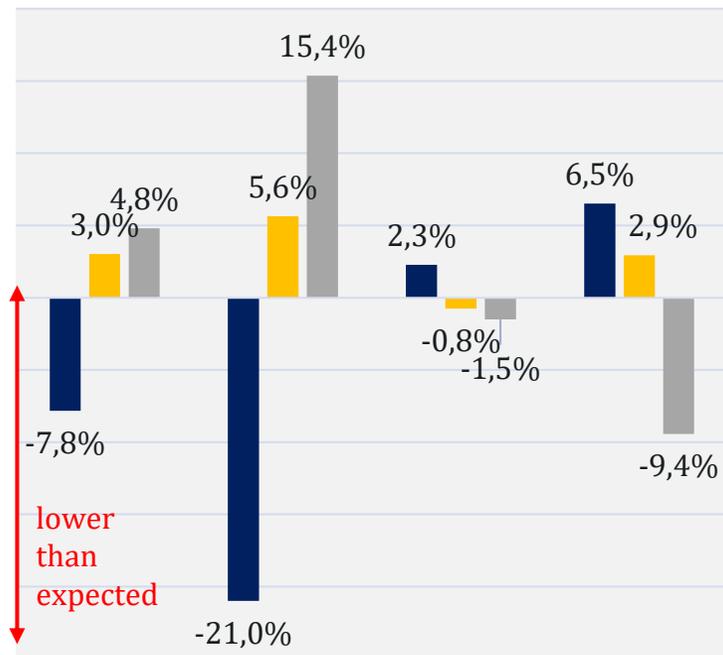


Guarantee Activity Survey

Graph 4.4: Observed (left) and expected (right) access to bank financing for SMES as well as the comparison (centre) of the expectation with the respective effective observation



■ Improved ■ Declined
■ Remained stable



■ Increase ■ Decrease ■ Stabilisation



■ Improve ■ Worsen
■ Remain stable





Guarantee Activity Survey

Alternative Financing Instruments

The use of alternative financing instruments such as business angel financing or crowdfunding was observed to having become more important by more than 1/3 of the respondents. However, there is also a growing number of members who see a loss of significance of alternative financing instruments. This is roughly in line with the expectations from the previous year. **While for 2020, most members (44.1%) expect an**

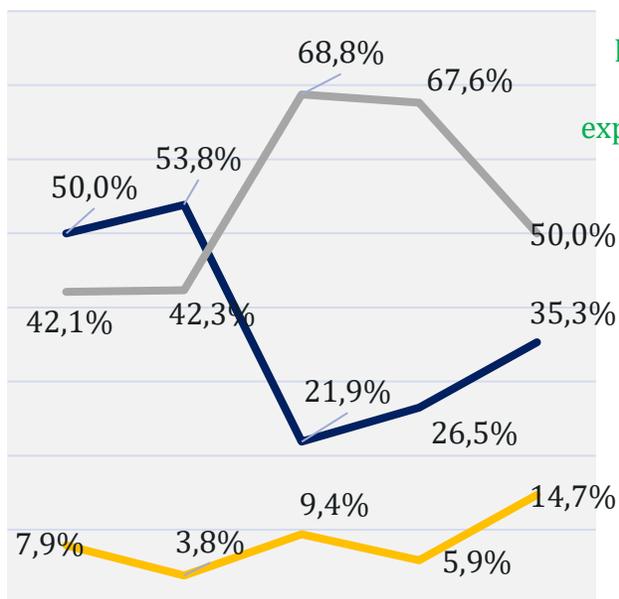
increase in the importance of alternative financing instruments, the number of those members who expect the contrary is growing rapidly (from 5.7% to 23.5%). Please have a look at the detailed results in graph 4.5 on the following page.



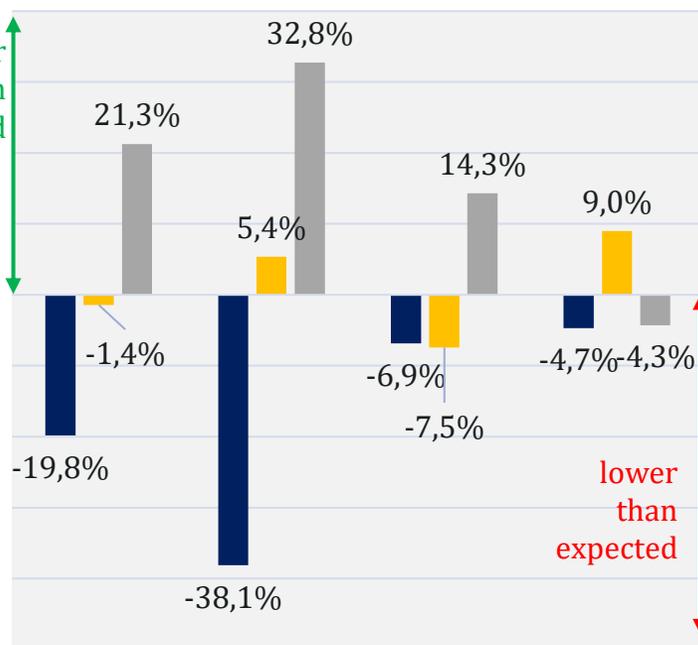


Guarantee Activity Survey

Graph 4.5: Observed (left) and expected (right) use of alternative financing instruments as well as the comparison (centre) of the expectation with the respective effective observation



■ More important ■ Less important
■ Remained stable



■ More important ■ Less important ■ Stabilisation



■ More important ■ Less important
■ Remain stable





Guarantee Activity Survey



EIF Counter-Guarantees

Just more than half of the respondents observed a stabilisation in the use of EIF counter-guarantees. This is slightly more than last year. The number of members observing an increased use is slightly up too (at 38.7%). This latter, however, is 12.3% less than expected. In general, it can be said, that during all surveys, the respondents overestimated the future use of EIF counter-guarantees. It will be interesting to see if this will also be the

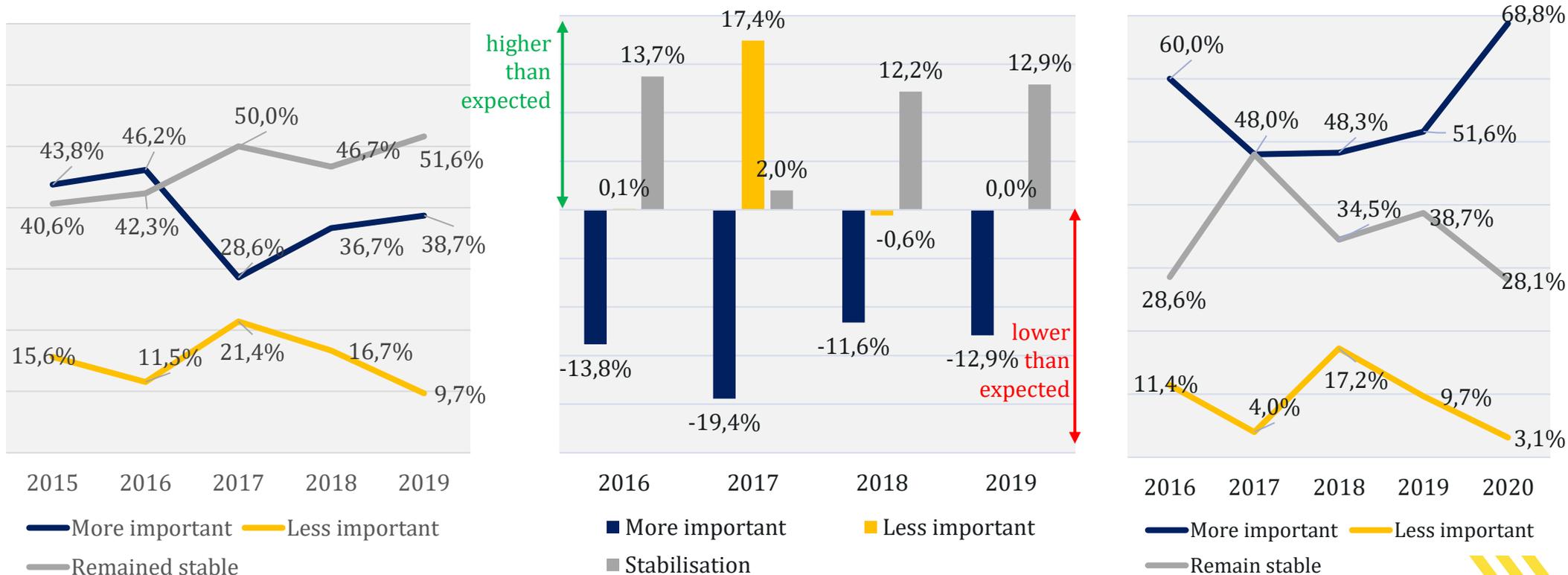
case for 2020. For that year, **more than 2/3 of the respondents expect the use of EIF counter-guarantees to become more important.** This is a significantly higher share than last year, which is probably due to the crisis measures adopted by the EIB group in response to the outbreak of the COVID-19 crisis.





Guarantee Activity Survey

Graph 4.6: Observed (left) and expected (right) use of EIF counter-guarantees by the respective institutions as well as the comparison (centre) of the expectation with the respective effective observation





Guarantee Activity Survey



EIF Direct Guarantees

The vast majority of respondents observed a stabilisation of the use of EIF direct guarantees (61.3%). Both observations for an increase and a decrease of the use of these guarantees were receding with respect to the previous period. Nonetheless, this has to be taken with caution since in 2019, stabilisation was overestimated by 8.2%. **For 2020, a majority of AECM members (51.5%) expect the use of direct EIF**

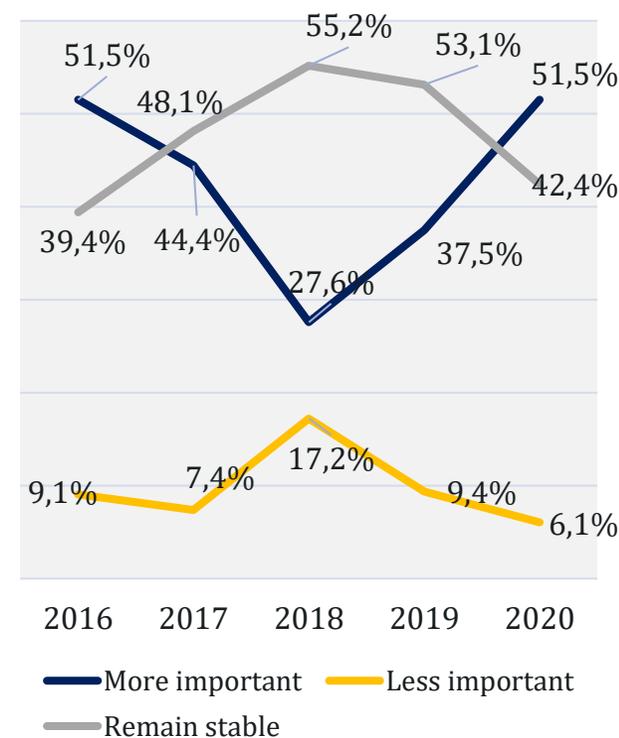
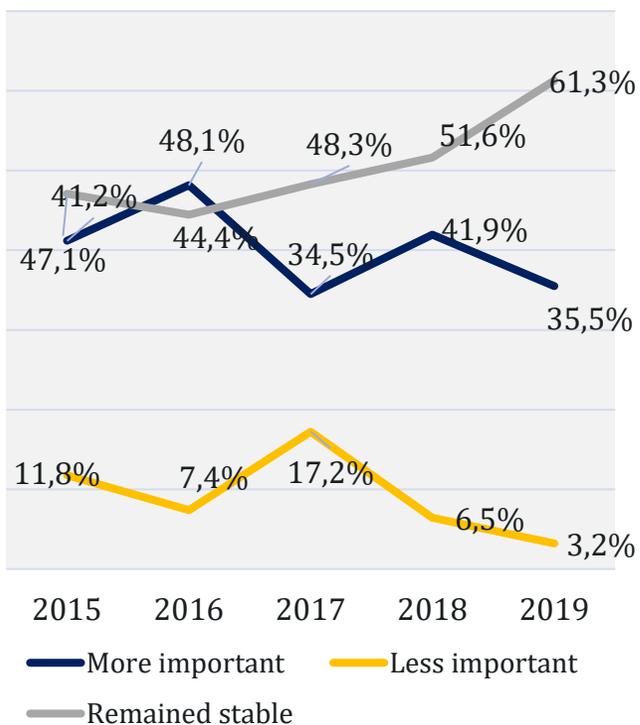
guarantees in their respective countries to increase. This is about double the share that expected an increase two years ago. Check the detailed results on the next page.





Guarantee Activity Survey

Graph 4.7: Observed (left) and expected (right) use of EIF direct guarantees in the respective countries and the comparison (centre) of the expectation with the respective effective observation





Guarantee Activity Survey



Focus in 2020

While in 2019, “*continuing current business*” was most mentioned as one of the focusses of our members, **this year the development of “*new guarantee products*” took over as the most important focus in 2020** with nearly $\frac{3}{4}$ of respondents mentioning it. Nonetheless, “*continuing current business*” comes in second with 68.6% of respondents. Furthermore, the following priorities gained importance with respect

to the previous year:

- *Developing new guarantee procedures* (54.3%)
- *Targeting new client groups* (48.6%)
- *Developing new other financial products* (42.9%)

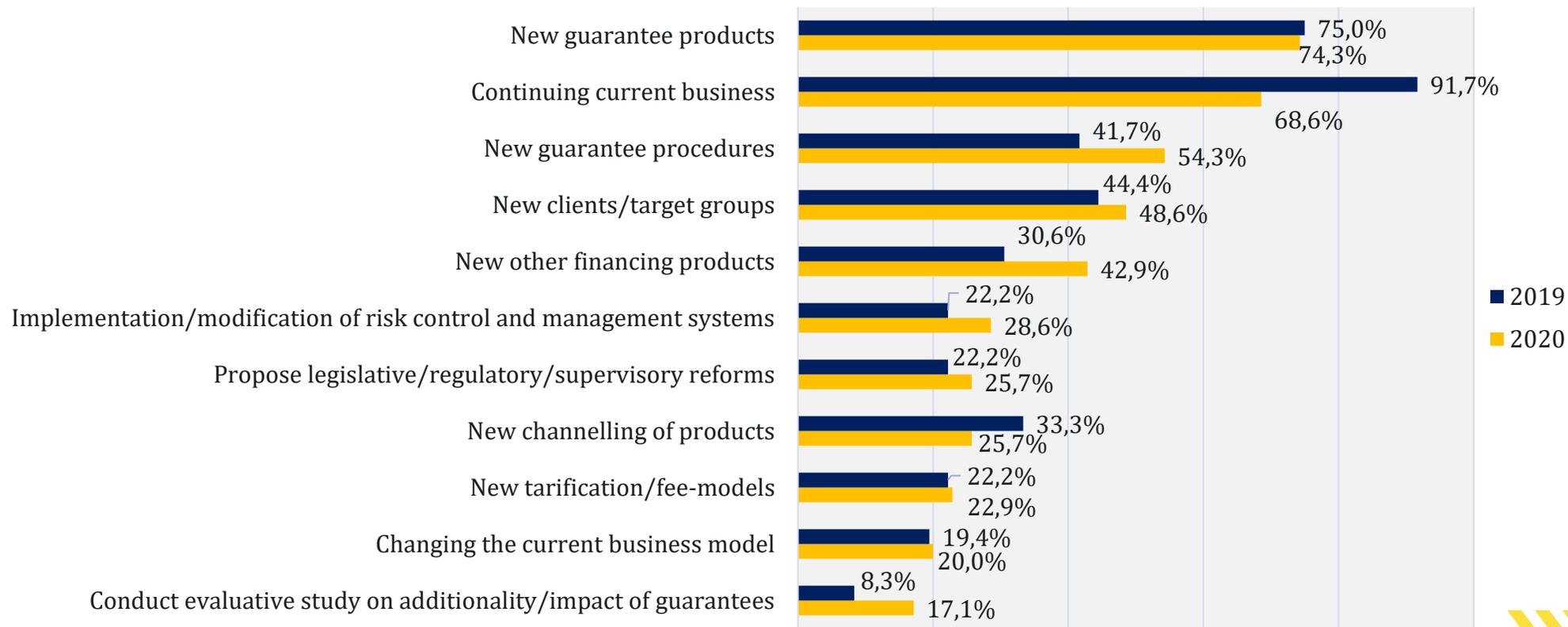
The only priority losing in significance apart from “*continuing current business*” is “*new channelling of products*”. Have a look at the detailed results on the next page.





Guarantee Activity Survey

Graph 4.8: AECM members' focus for the year 2020





Guarantee Activity Survey

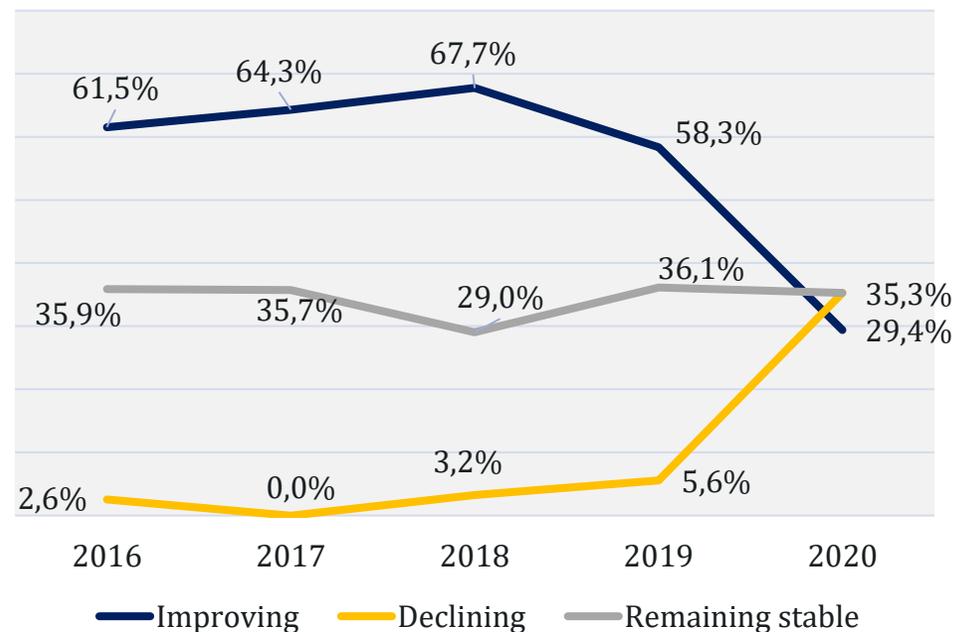


General Business Prospects

Lastly, we asked our members to evaluate the **general business prospects for SMEs** in their respective countries. Not surprisingly, these **deteriorated significantly which is doubtlessly due to the COVID-19 crisis**. Whereas last year a large majority of respondents (58.3%) saw the business prospects for SMEs improving and only 5.6% of them saw them declining, we have now more than 1/3 of members estimating that the

business prospects for SMEs will decline in 2020.

Graph 4.9: SME business prospects





Guarantee Activity Survey



As every year, we asked members to tell us more about the development of the guarantee activity within their respective organisations. Here are their replies:

- aws/Austria mentioned the fact that they are undergoing the pillar assessment in order to become an implementing partner under InvestEU.
- PMV/z from Belgium reported on a new guarantee product to support companies suffering from the corona-

virus outbreak.

- SOWALFIN/Belgium developed its guarantee activity and the “prêt ricochet” in order to face the current COVID-19 crisis. Moreover, they develop products to reinforce SMEs’ solvency.
- GF Srpska/Bosnia and Herzegovina is working on new products, relevant partnerships, new clients and new fee models.





Guarantee Activity Survey



- CMZRB/Czechia reported on an increased demand for guarantees in 2019 in terms of volumes.
- KredEx/Estonia is implementing a new digital platform that enables process automation and is renewing internal processes to exploit digital platform opportunities. In addition, they are introducing portfolio-based loss caps for cooperation partners and they are developing new guarantee and loan products for: (1) companies

in peripheral areas, (2) innovation projects and (3) green transition. Furthermore, KredEx adopted the following COVID-19 crisis measures: (1) Emergency loan guarantees (up to 100%) for new loans and loans with relaxed repayment schedules, (2) Emergency direct loans to companies that have received a negative credit decision or decision from credit institution on unreasonable terms. Finally, they reported on the start of a cooperation with other creditors.





Guarantee Activity Survey



- Finnvera/Finland reported that the collaboration with EIF is important in 2020 and also preparations for InvestEU. Moreover, process development to reduce application lead time is also an integral part in the management of the economic crisis caused by the outbreak of COVID-19.
- Bpifrance is being pillar assessed in 2020 in order to get a direct access to EU resources. Furthermore, as a result of the COVID-19 crisis, they have

introduced new products to provide liquidity and working capital to companies and they are standing ready to support them during the recovery phase.

- SIAGI/France is working on a calculator to estimate the amount of working capital that companies need to borrow and their capacity of paying it back, taking into account their whole debt situation.





Guarantee Activity Survey



- VDB/Germany stated that Covid-19 restrictions help them with the digitisation of their processes.
- AVHGA/Hungary reported on the development/deployment of its COVID-19 financing schemes for affected SMEs.
- Garantiqa/Hungary is busy with measures in connection to the impact of COVID-19 on SMEs. Moreover, they are implementing a new guarantee product for bonds and started the procedure to become an implementing partner for InvestEU.
- SBCI/Ireland is currently developing a customer hub to allow digital access to their products.
- Assoconfidi/Italy stated that with the COVID-19 emergency, they are expecting to increase the offer of guarantees to SMEs, especially because of the new state coverage (90%) and the new option to offer 100% of...





Guarantee Activity Survey



- ...private guarantee. They do not expect specific technological innovations, since the most important thing is to assist all the needs of SMEs.
- KCGF/Kosovo in 2020 will work on the improvement of the current products and development of new products such as RE-Solar and energy efficiency. In addition, KCGF is in the process of increasing the capital which will be supported by the national promotional bank of Germany (KfW) and the

government of Kosovo (through a World Bank loan). The capital increase will be used for the development of new products for strategic sectors and under-served categories.

- Altum/Latvia is implementing new IT solutions for portfolio guarantees and grants guarantee fee subsidies for guarantees. Furthermore, it introduced specific individual and portfolio guarantee schemes to tackle the economic consequences of COVID-19....





Guarantee Activity Survey

- 
- ...It also implements direct instruments like working capital loans for COVID-19 as well as COVID schemes for equity and export guarantees.
 - MC/Luxembourg has introduced in March 2020 a special COVID-19 guarantee for Luxembourg's SMEs.
 - MPME/Luxembourg reported on the introduction of electronic signature procedures in order to become more paperless.
 - MDB/Malta joined AECM in April

2020. On 3 April the MDB launched a guarantee scheme to enhance access to bank financing for the working capital requirements of businesses in Malta facing a sudden acute liquidity shortage as a result of the COVID-19 outbreak. On 14 May the MDB also launched the interest rate subsidy scheme that will apply automatically to all recipients of working capital loans approved by the guarantee scheme. Both schemes are supported by government resources.





Guarantee Activity Survey

- 
- RVO/The Netherlands is working on new guarantee and loan/equity products and is establishing contacts with alternative finance partners.
 - This year, BGK/Poland is focusing on mitigating the effects of the COVID-19 outbreak. To ensure entrepreneurs' financial liquidity, they are improving their existing guarantee schemes and creating new ones, such as the liquidity guarantee fund under the Temporary Framework for State aid.
 - FGCR/Romania will offer a new guarantee product for small loans which are not fully covered by collateral.
 - SEF/Slovenia declared that they are continuing the digitalisation of business processes and they are working on possible new products for target groups that have suffered from the negative impact of the COVID-19 crisis.





Guarantee Activity Survey

- 
- CESGAR/Spain states that they are working on new technological innovations and they are expecting more support from national and regional governments.
 - KGF/Turkey reported on an increase in its state-backed guarantee line from TRY 250 to 500 billion and on the implementation of new products especially as COVID-19 precautions. Secondly, they are in contact with the German national promotional bank KfW for a guarantee partnership and

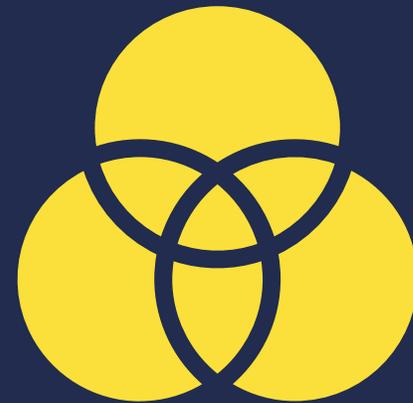
with the EBRD regarding a guarantee collaboration in the frame of the TURWIB - II programme. Finally, KGF stated that they are granted an additional counter-guarantee from EIF under COSME, increasing the counter-guarantee from TRY 126.5 to 300 million, and correspondingly the portfolio guarantee limit from TRY 2.3 to 6 billion.

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V

Impact Studies & Research »»





Impact Studies & Research



Guarantee institutions are accountable towards their shareholders and to providers of any kind of counter-guarantee or similar support. That is why they engage more and more in the evaluation of their impact and this with the aim to demonstrate their positive impact on the economy.

According to a joint survey of AECM and REGAR – published during AECM’s annual event 2019 in Antwerp – 12 out of 18 AECM respondents stated that their organisation evaluated its impact. The

results of these studies are encouraging.

Whereas 40% of the studies found exclusively positive results, 60 % of the studies found mixed but predominantly positive results. No member reported about negative results.

Not all studies are publicly available. This section therefore is only an extract of undertaken studies. The presentation of the main results of some of these impact studies is then followed by a collection of references of scientific studies on credit guarantee schemes.





Impact Studies & Research

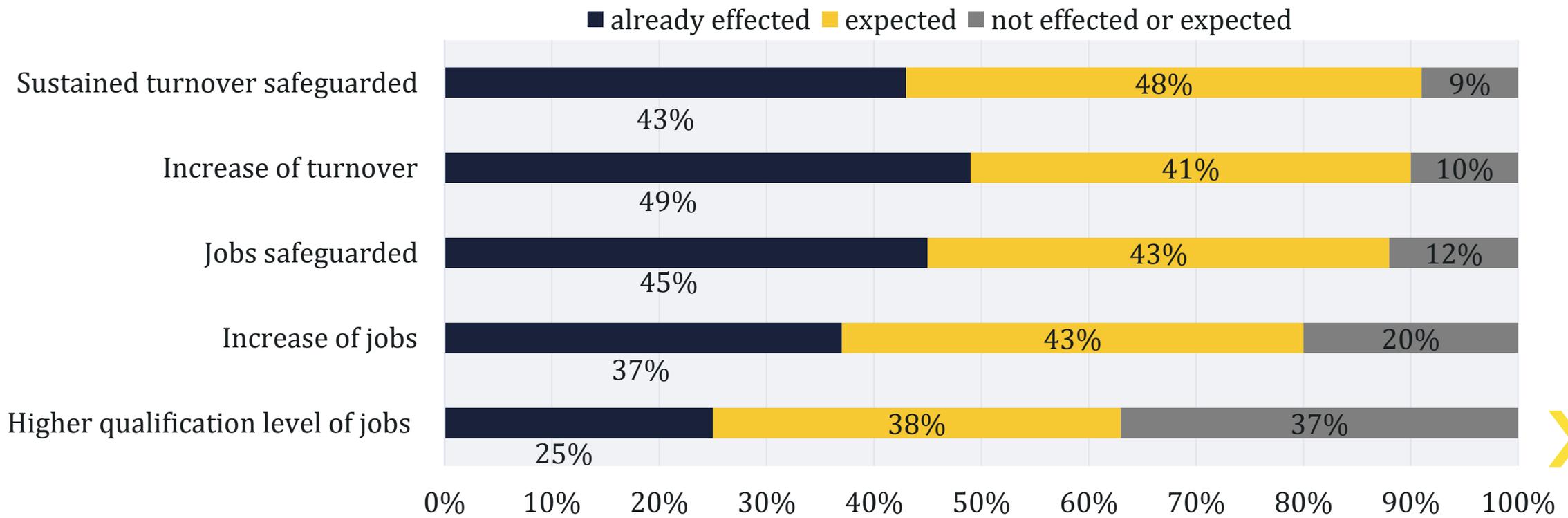


 EUROPEAN INVESTMENT FUND



Impact Studies & Research

Impact of aws guaranteed projects on companies (2010-2015)





Impact Studies & Research



Study: Regression analysis on 389 supported companies (2009-2010), supported SMEs compared to non-supported SMEs



79% higher growth in investments



14.4% higher increase in employment



0.28 to 1.42 additional jobs per supported SME





Impact Studies & Research



Average impact of “start-up” guarantees after three years

+5pts Survival rate

+19% Employment

Impact of credit guarantees deployed during the financial crisis

217,000 additional jobs between 2009 and 2015

EUR 1 bn negative cost to taxpayers

Average impact of “expansion” guarantees after three years

+9% Employment

+11% Wages

+9% Turnover

+4pts Survival rate

+9% Value added





Impact Studies & Research



Assessment of the economic impact of market guarantee funds operated by Bpifrance (2020)

Impact of guarantees for business creation

Impact of guarantees for micro-enterprises/ SMEs “mature in growth”

Evolution of the following indicators over the 3 years after granting the guarantee

-40% Default rate

+34% Employment

-34% Default rate

+9% Employment



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EUR 1.15
to 1.22

Increase in real
GDP per 1 EUR
guarantee each
year

> EUR
4 bn

Fiscal net benefit
between 2008 and 2014

Jobs per company

1 to 2 new
3 to 5 saved

70%

of companies confirm
that increase in sales
related to guarantee

60%

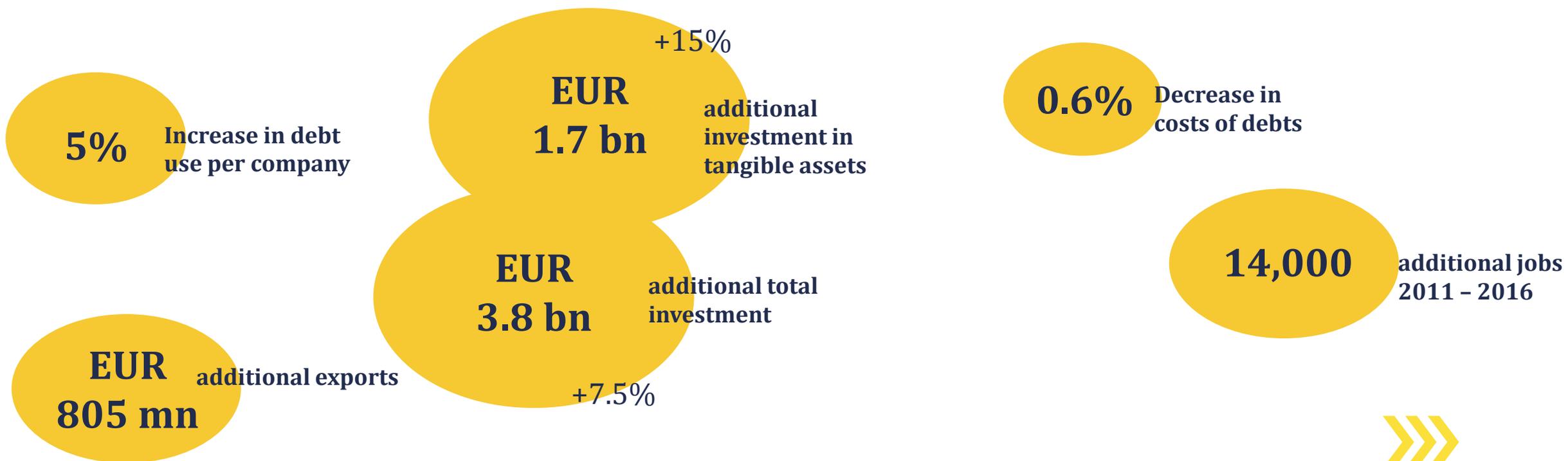
of companies would not
have received funding
without guarantee

- State financing balance amounts to **EUR 1.1 billion** during the 2009-2015
- GDP increases by an average of **EUR 3.4 bn p.a.**
- Number of employees increases by an average of **29,500 p.a.**
- Number of unemployed falls by an average of **23,200 p.a.**



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Financial and economic additionality between 2011 and 2016

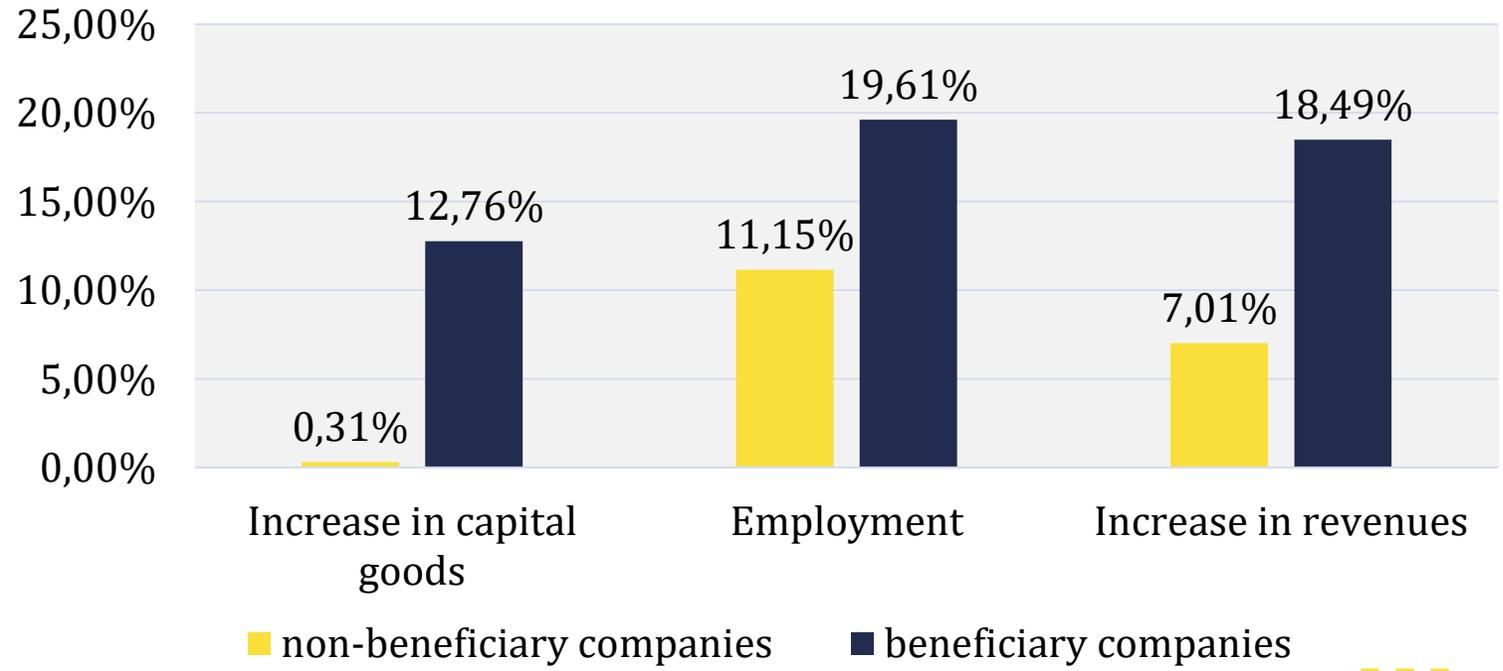


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Financial and economic additionality of Iberaval (2019)

20.6% additional growth of financial debt



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Economic impact evaluation of the Enterprise Finance Guarantee scheme (2017)

66.3 %

Beneficiary SMEs introduced new or improved products and services, compared to 47.5% by non-beneficiaries

1.2% higher start-up survival probabilities

£ 415 million

Economic benefits generated by EFG supported loans

7.3% higher growth in turnover than control group

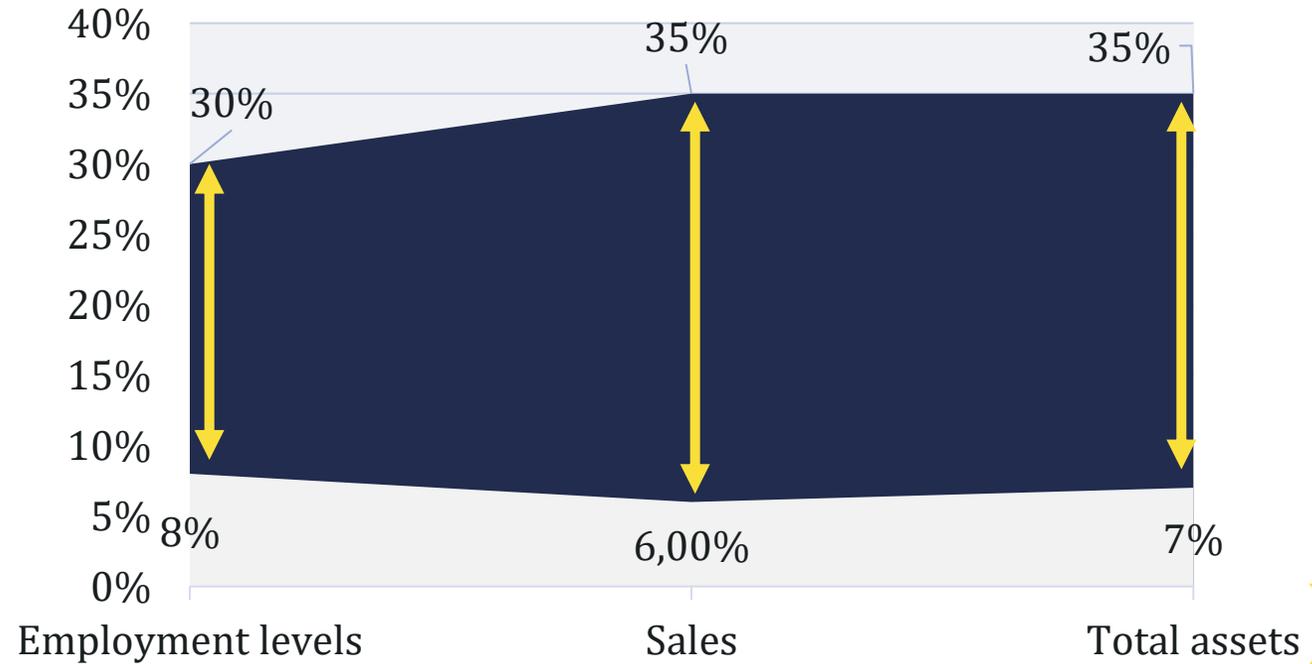
6.6% higher growth in employment than control group

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Effects of EU guaranteed loans between 2002 and 2016 in 19 European countries

4 – 5%
Decrease in probability to default after 5 years

Additional growth for beneficiaries vis-à-vis non-beneficiaries



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Guarantee institutions' performance as financial intermediaries under COSME LGF

	Breakdown of the total expected SME debt financing by type of intermediary (in million EUR)	Leverage	Allocated budget (in million EUR)	% of allocated budget	Expected number of SMEs	% of expected number of SMEs
Commercial banks	8.942	19,10	468	34%	245.000	27%
Guarantee institutions (counter-guarantees)	20.946	40,9	512	38%	386.700	44%
Leasing company	2.671	35,1	76	6%	105.300	12%
Promotional institutions (direct guarantees)	9.507	32,1	296	22%	147.300	17%

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Studies on credit guarantee schemes (1/3) :

“[...] guaranteed firms receive an **additional amount of credit equal to 7-8 percent** of their total banking exposure. We also estimate a **reduction of about 50 basis points in interest rates** applied to term loans granted to guaranteed firms.”

Ciani, E., Gallo, M., & Rotondi, Z. (2020). Public credit guarantee and financial additionalities across SME risk classes. Bank of Italy.

“[...] credit guarantees are **positive for company access to debt finance**, [...]. Less is known about the **financial sustainability** of these programmes. Results are mixed, however, with respect to economic additionality. There is some evidence that CGS have **positive effects on employment levels** while there is a **lack of evidence for improved company performance** [...].”

Schich, S., Cariboni, J., Naszodi, A., & Maccaferri, S. (2017). Evaluating publicly supported Credit Guarantee Programmes for SMEs.





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Studies on credit guarantee schemes (2/3) :

“In many countries, Credit Guarantee Schemes represent a **key policy tool to address the SME financing gap**, while limiting the burden on public finances. [...] The credit guarantee mechanism is a commonly used **response to this market failure.**”

OECD. (2013). *SME and entrepreneurship financing: The role of credit guarantee schemes and mutual guarantee societies in supporting finance for small and medium-sized enterprises.*

“The findings confirm the presence of a **causal relationship between the public guarantee and the higher debt leverage** of guaranteed firms, as well as their **lower debt cost.**”

“The cost reduction is evaluated as being in the range of 16–20%, while the additional supply of credit by banks is estimated at 12.4% at the median.”

Zecchini, S., & Ventura, M. (2009). *The impact of public guarantees on credit to SMEs. Small Business Economics.*



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Studies on credit guarantee schemes (3/3) :

“[...] each [MGI] member [of a Mutual Guarantee Institution] contributes to the guarantee fund that is then posted as collateral to loans granted to MGI members. As a consequence, MGI willingness to post collateral signals firms credit-worthiness to banks. The econometric analysis supports the hypothesis that these consortia **improve lending conditions for small firms.**”

Columba, F., Leonardo, G., & Paolo Emilio, M. (2008). *Firms as monitor of other firms: mutual guarantee institutions and SME finance.*

“[...] small firms supported by MGIs **less likely experienced financial tensions** even at that time of utmost financial stress. Second, our empirical evidence shows that **MGIs played a signaling role beyond the simple provision of collateral.** This [...] suggests that the information provided by MGIs turned out to be key for bank-firm relations as scoring and rating systems – being typically based on pro-cyclical indicators – had become less informative during the crisis.”

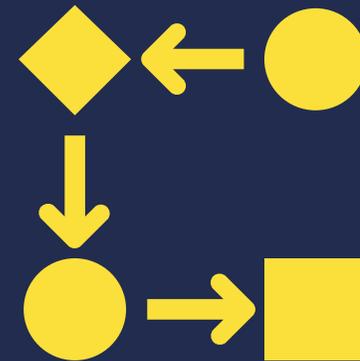
Bartoli, F., Ferri, G., Murro, P., & Rotondi, Z. (2013). *Bank-firm relations and the role of Mutual Guarantee Institutions at the peak of the crisis. Journal of Financial Stability.*

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VI

Methodological & Editorial Note »»





Methodological Note



Scoreboard Survey

As in the previous years, we asked our members to report data on their outstanding and new guarantee volumes and numbers as well as on the numbers of supported SMEs. Furthermore, we collect data on a yearly basis on agricultural guarantees, counter-guarantees, the use of EU programmes, coverage rates and equity. Some additional questions were also included in the online questionnaire. The survey ran from 4th February to 6th March 2020 and was extended several times due to the coronavirus outbreak. We collected 40 out of 46 possible responses. For members who did not

report their data, we used recurrent data in order to avoid a distortion of the overall development of the AECM total values.

Monetary values were reported in EUR and members that do not have the EUR as their national currency calculated the EUR values using official exchange rate of 31st December 2019 (respectively of 30th June 2019 for the new guarantee volume of the first semester 2019) published on the website of the European Commission.

In order to calculate the share of our members' guarantee value of the GDP in their respective countries, ...





Methodological Note



...we used the gross domestic product at market prices (current prices, in EUR) extracted from the Eurostat database. The calculation of the share of AECM members' number of supported SMEs of the amount of all SMEs in the respective countries, we used the number of enterprises that employ between 0 and 249 employees. Here, Eurostat data is only available until 2017. That is why we use recurrent data for 2018 and 2019. Both GDP and SME data are not available for all countries of AECM members. For Kosovo we used 2019 data of the Kosovo Tax Authority.

Data on COSME and CCS signatures as of

31st December 2019 and of InnovFin signatures as of 30th November 2019 derive from EIF.

Concerning the definition of the outstanding guarantee volume, 37 members reported on this definition. While at the beginning of the guarantee, $\frac{3}{4}$ of the respondents included guarantees from the moment on when the underlying loan has been disbursed (only active guarantees), around 11% include guarantees after they were granted but before the underlying loan has been disbursed. At the end of the guarantee, nearly half of the members include guarantees until the moment of the calling of the ...





Methodological Note



...guarantee and around 40% until the moment of disbursement of the guarantee.

AECM members can access the complete databank in the member area under the following link: [Scoreboard data H2 2019](#)



Methodological Note



Guarantee Activity Survey

As in previous years we asked our members about their perception of the guarantee activity during the past year and about their expectations for the coming year. This survey was undertaken between 4th February and 13th March. The deadline was extended several times due to the COVID-19 crisis. Members who replied already before the start of lockdown measures in Europe had the possibility to update their initial replies. 35 out of 48 members replied. The results of this survey are not weighted.





Editorial Note



The AECM Statistical Yearbook 2019 publication has been elaborated by Felix HAAS VINÇON, Head of Unit Statistics at AECM, with the statistical data sent by the members, whom we would like to thank for their contributions. The section on agricultural guarantees was developed by Felicia COVALCIUC, Policy Officer for Agricultural Policies and Róbert ARADI-BEÖTHY, Rapporteur of the Working Group Agriculture. A big thank you also for their great support. Furthermore, we thank Peter SLEECKX, Chairman of the

Working Group Statistics and Impact, Katrin STURM, Secretary General of AECM, Jean-Louis LELOIR, Special Advisor to the AECM Board of Directors and Miguel SOUSA BRANCA, Rapporteur of the Working Group Statistics and Impact, for their great support. The readability of the report was substantially improved by Jonathan BROUWER, intern at AECM at the moment of editing.

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[End of the Yearbook](#)



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