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 2017

47 MEMBERS

OVER €74 BN of new guarantees granted in 2017

MORE THAN 2,9 M SMEs benefit from a guarantee

MORE THAN 700.000 new SMEs supported in 2017

MORE THAN 28 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
   - 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

5. BANK
   - GI grants guarantee
   - Bank carries on average 30% of the risk

6. GI
   - GI covers on average 70% of the loan
   - Bank carries on average 30% of the risk

7. ENTREPRENEUR
   - puts business project in action
   - stays liable
DIRECT APPLICATION

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

2. **GUARANTEE INSTITUTION (GI)**

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

4. **BANK**
   - Applies for a loan
   - Provides the loan
   - puts business project in action
   - stays liable

5. **ENTREPRENEUR**
   - Applies for a guarantee
   - Provides the loan
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 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 Cautonnement

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 Cautonnement
- 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
European Association of Guarantee Institutions

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