

# COMPARATIVE STUDY RESULTS OF THE “GUARANTEE ACTIVITY SURVEYS 2017” OF AECM AND REGAR



REGAR  
red iberoamericana  
de garantías



aecm

EUROPEAN ASSOCIATION OF GUARANTEE INSTITUTIONS

# 1. CONTEXT OF THE 'GUARANTEE ACTIVITY SURVEY' - COMPARISON

- Following the analysis of the AECM and the REGAR Guarantee Activity Surveys, this presentation strives to compare the results of REGAR (31 members) and AECM (29 members) who have answered similar questions on:
  - Demand of SMEs for guarantees (demanda de garantías), → Guarantee activity of the institution (actividad de garantía), → Bank Financing (financiación bancaria), → Alternative instruments (instrumentos alternativos), → Future Focus (asuntos del futuro) and → General business prospects (perspectivas de negocio)
- AECM members were asked to judge between (i.e.) 'Increase' and 'Decrease' whereas REGAR-questions also featured sub-categories 'mucho' (a lot) and 'poco' (a bit)
- The comparison of AECM and REGAR-results therefore aggregates 'incremento poco/mucho' & 'disminuyo poco/mucho' in AECM terms, meaning in a general **increasing' or 'decreasing'-trend.**

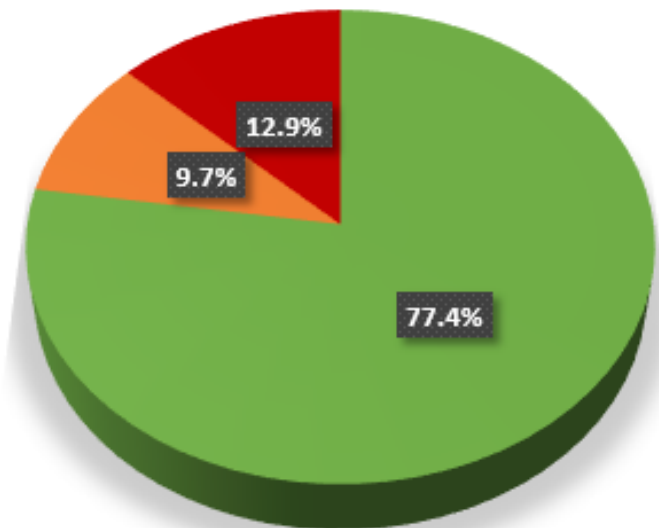


## 2. SURVEY REGAR VS. SURVEY AECM

### a. DEMAND OF SMES FOR GUARANTEES (PAST)

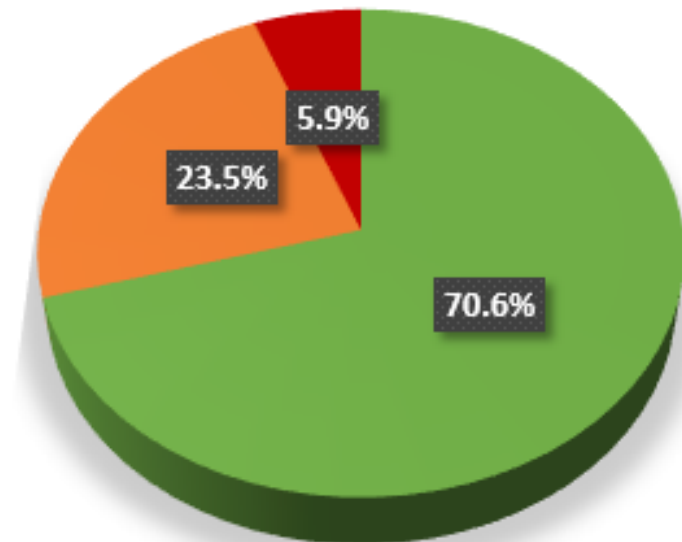
REGAR

In 2016 the demand for guarantees



AECM

In 2016 the demand of SMEs for guarantees



■ Increased  
■ Remained stable  
■ Decreased

## 2. SURVEY REGAR VS. SURVEY AECM

### a. DEMAND OF SMES FOR GUARANTEES (PAST)

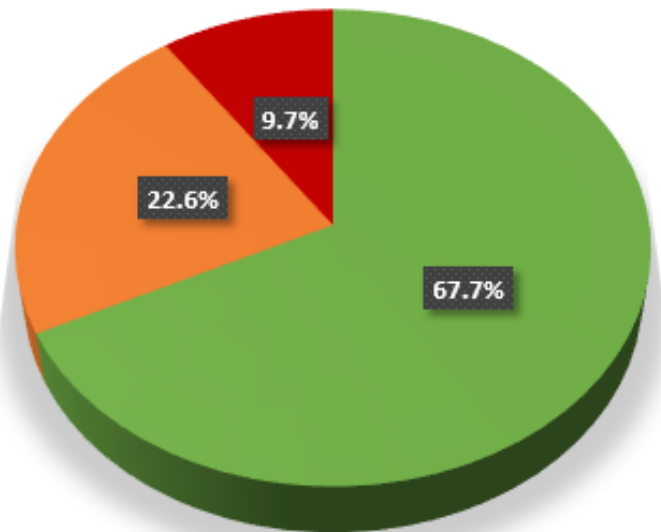
- In 2016 the demand for guarantees remained stable on a higher percentage level for AECM (23,5%) than for REGAR - members (9,7%)
- It increased for ~71% of institutions within the AECM-network compared to a higher 77,5% of institutions within the REGAR-organisations.
- A decreasing trend of the demand for guarantees was more visible for REGAR (~13%) than for AECM members (~6%)
  - Overall demand of SMEs for guarantees in both regions had risen in 2015 and continued to rise in 2016 with slightly more stability in European markets

## 2. SURVEY REGAR VS. SURVEY AECM

### b. DEMAND OF SMES FOR GUARANTEES (FUTURE)

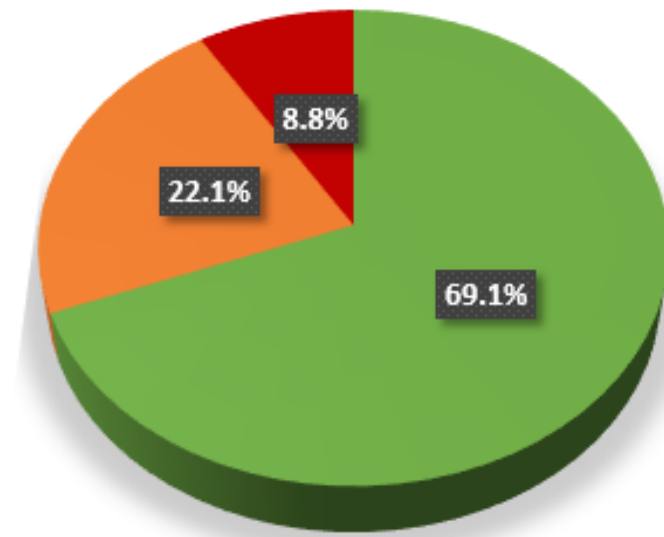
REGAR

In 2017 we expect the demand for guarantees to



AECM

In 2017 we expect the demand for guarantees to



## 2. SURVEY REGAR VS. SURVEY AECM

### b. DEMAND OF SMES FOR GARANTEES (FUTURE)

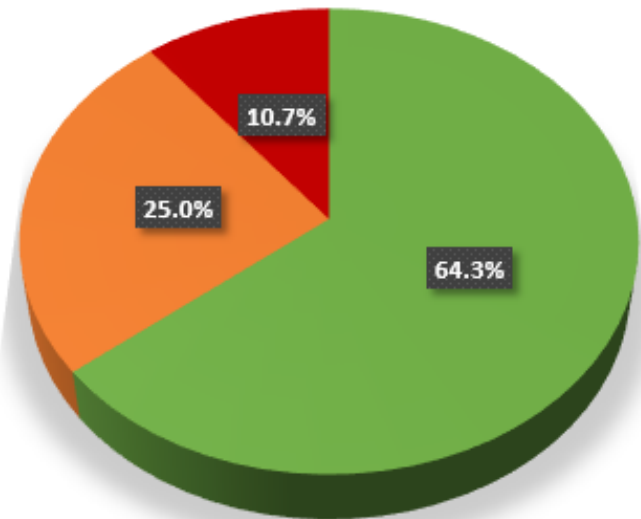
- Expectations are very similar between both associations when considering the future demand for guarantees of SMEs
- The demand for guarantees is expected to increase by an almost equal share of REGAR - member countries (~68%) as for AECM - countries (~69%)
- Same is valid when considering the stability of expectations for future demand (22,6% REGAR vs. 22,1% AECM ) i.e. their decrease by ~10% for REGAR and ~9% for AECM.
  - Very similar expectations in both Latin-America and Europe, marking equal prospects for their respective markets

## 2. SURVEY REGAR VS. SURVEY AECM

### c. GUARANTEE ACTIVITY (PAST)

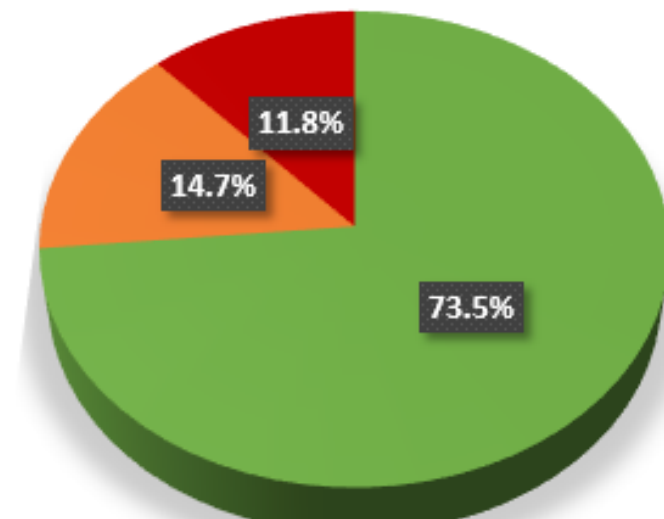
REGAR

In 2016 our guarantee activity



AECM

In 2016 our guarantee activity



■ Increased  
■ Remained stable  
■ Decreased

## 2. SURVEY REGAR VS. SURVEY AECM

### c. GUARANTEE ACTIVITY (PAST)

- An opposite comparative pattern to the ‘demand for guarantees’ in 2016 (question 2.a) can be observed for the actual ‘guarantee activity’ for 2016 in Latin America and Europe.
- Whereas 14,7% of AECM members said that the guarantee activity remained stable in the past, 25% of REGAR-members were of that perception in 2016.
- By the same token, actual REGAR activities increased for ~64% of the members, whereas AECM activities increased for 73,5% of the members.
  - This time the actual stability of guarantee activity is perceived more prominently by REGAR than by AECM, who saw its guarantee activity raise by a higher majority



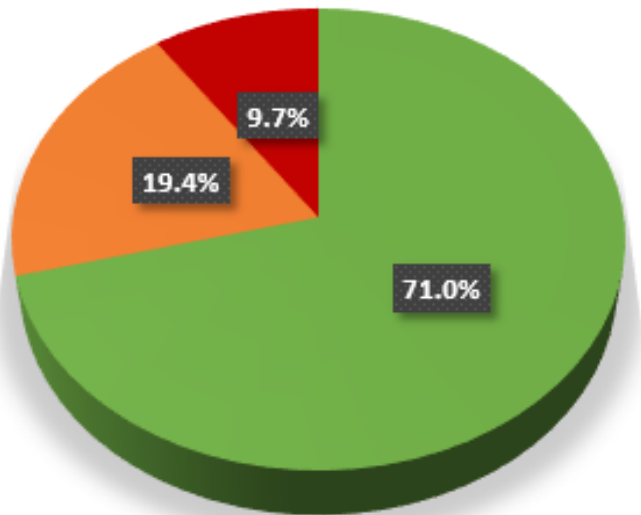


## 2. SURVEY REGAR VS. SURVEY AECM

### d. GUARANTEE ACTIVITY ( FUTURE)

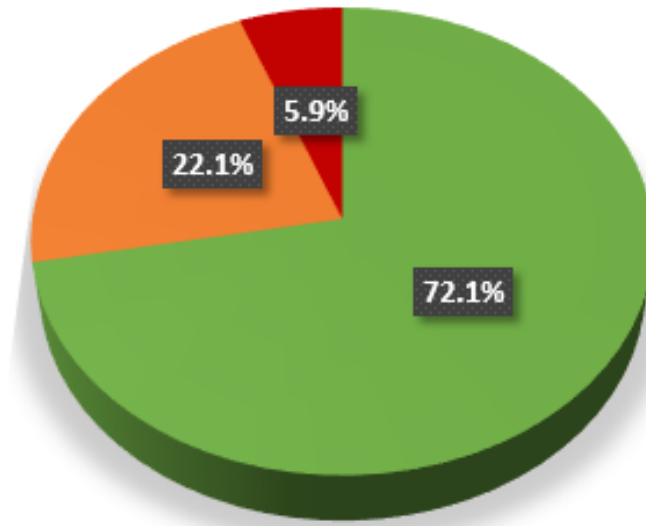
REGAR

In 2017 we expect our guarantee activity to



AECM

In 2017 we expect our guarantee activity to



■ Increase  
■ Remain stable  
■ Decrease

## 2. SURVEY REGAR VS. SURVEY AECM

### d. GUARANTEE ACTIVITY ( FUTURE)

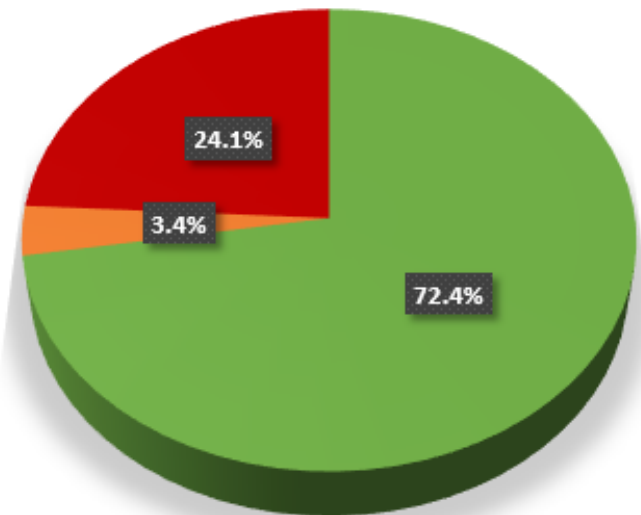
- Just as in question 2.b (future demand of SMEs for guarantees), expectations with regards the future development of their guarantee activity is similar on both sides:
  - 71% of REGAR- and 72.1% of AECM- members said guarantee activity is going to increase even further, whereas around 22,1% of AECM members said it was going to remain stable in the year 2017. Roughly 10% within REGAR say it will decline.
- Confirms similarities between both associations when it comes to expectations of the future

## 2. SURVEY REGAR VS. SURVEY AECM

### e. BANK FINANCING (PAST)

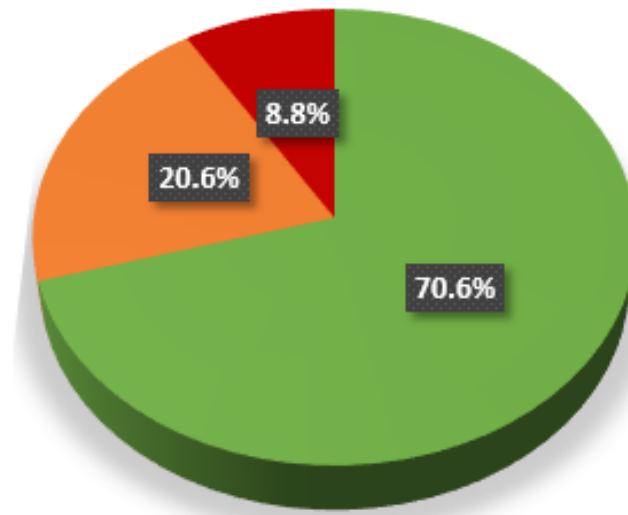
REGAR

In 2016 bank financing for SMEs



AECM

In 2016 bank financing for SMEs



- Improved (it became easier to get bank loans)
- Remained stable
- Declined (it became more complicated to get bank loans)

## 2. SURVEY REGAR VS. SURVEY AECM

### e. BANK FINANCING (PAST)

- Bank financing for SMEs is perceived to be on a rather declining trend for REGAR members (24,1%) compared to AECM members (8,8%) in the past year.
- Stability seems to have won the upper hand for AECM as 'Bank Financing' was perceived to be equally declining in 2015 by AECM-members (24,4% in 2015) as for REGAR-members, however this year 20,6% of AECM-members say that Bank Financing remained on a rather stable level in 2016.
- When judging the increasing trend of Bank Financing in the past year, both REGAR and AECM answers were similarly positive, with ~72,5% and ~71% respectively

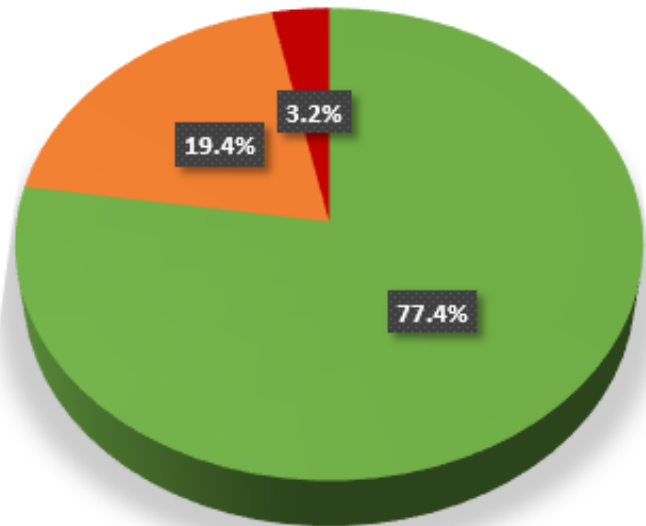
→ Positive review on bank financing in the past year, with slightly more stability on AECM than on REGAR - side

## 2. SURVEY REGAR VS. SURVEY AECM

### f. BANK FINANCING (FUTURE)

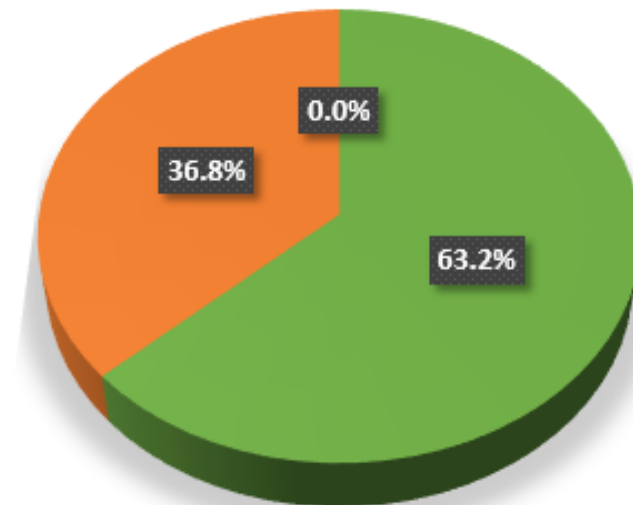
REGAR

In 2017 we expect bank financing for SMEs to



AECM

In 2017 we expect bank financing for SMEs to



- Improve
- Remain stable
- Decline

## 2. SURVEY REGAR VS. SURVEY AECM

### f. BANK FINANCING (FUTURE)

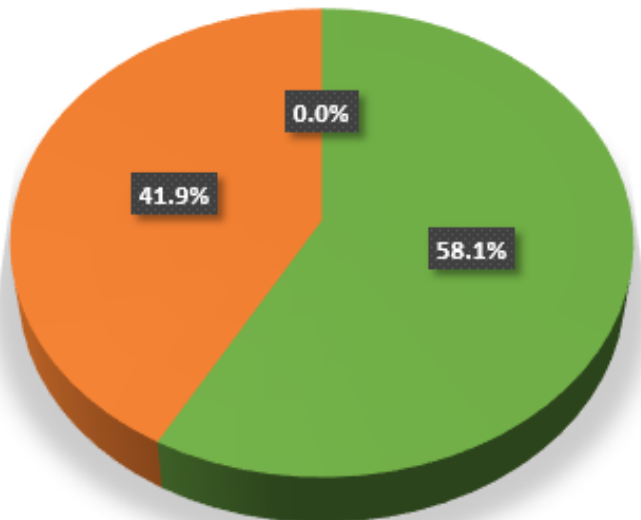
- When asked for the future outlook of bank financing of SMEs, REGAR and AECM members see it to be likely to improve (77,4% REGAR vs. 63,2% AECM)
- Both REGAR and AECM-members expected Bank Financing to improve on a lower level in 2016 (65,5% REGAR vs. 56,1% AECM)
- AECM members see the evolution of Bank Financing to be rather stable (36,8%), whereas REGAR perceive them to be improving more than to remain stable (~19,4%),
  - Expectations on the future of Bank Financing has risen for both REGAR and AECM – members, where for REGAR it is improving more than for AECM, where it is expected to remain stable

## 2. SURVEY REGAR VS. SURVEY AECM

### g. ALTERNATIVE FINANCING (PAST)

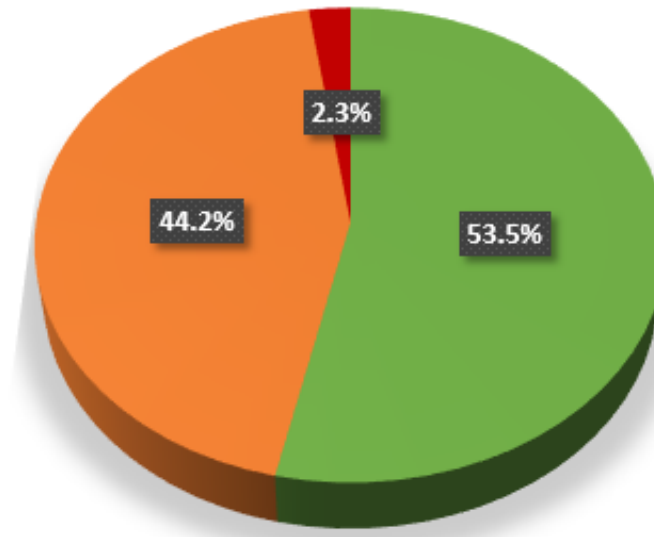
REGAR

In 2016 alternative financing became



AECM

In 2016 alternative financing became



## 2. SURVEY REGAR VS. SURVEY AECM

### g. ALTERNATIVE FINANCING (PAST)

- When considering the answers of the REGAR-survey, Alternative Financing Instruments (such as Crowdfunding and Business Angel Financing) has moved from remaining stable (~68% in 2015) to having become more important (~58,1%) in 2016, a trend which was only perceived by 32,1% of REGAR-organisations in 2015
- AECM members judged it to be slightly more important (50%) than stable (42,1%) in 2015, which is still the case this year with 44,2% ‘remaining stable’ and 53,5% ‘more important’ answers in 2016
  - confirms overall positive evolution of Alternative Financing in both Ibero-American and European markets with almost no ‘less important’ - answers

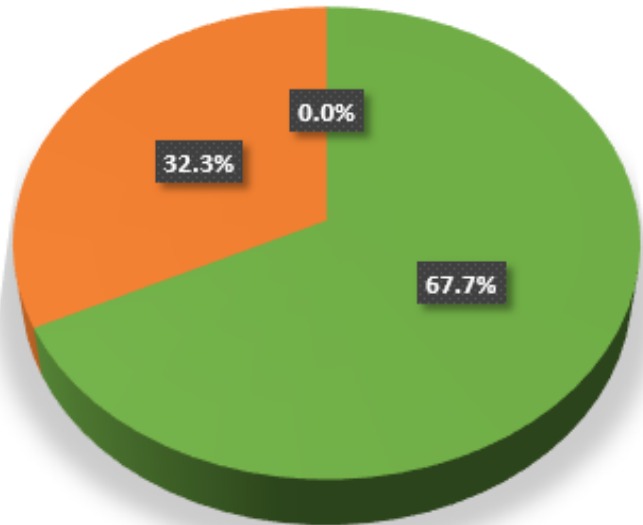


## 2. SURVEY REGAR VS. SURVEY AECM

### h. ALTERNATIVE (CROWD FUNDING, ETC..) FINANCING (FUTURE)

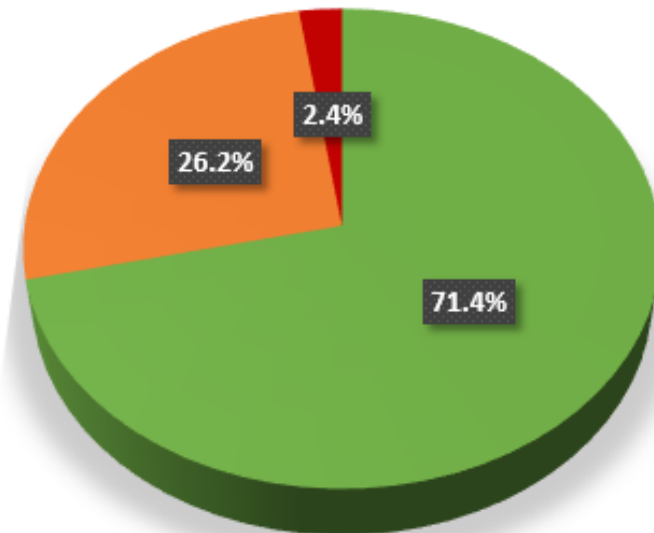
#### REGAR

In 2017 we expect alternative financing instruments (crowd-funding, etc..) to be



#### AECM

In 2017 we expect alternative financing instruments (crowd-funding, etc..) to be



## 2. SURVEY REGAR VS. SURVEY AECM

### h. ALTERNATIVE FINANCING (FUTURE)

- In 2016, REGAR seemed to have matched expectations of Alternative Financing instruments a bit better to the actual outcome, as both organisations forecasted those instruments (i.e. Crowdfunding and Business Angels, etc..) to become more important (REGAR by 50%, AECM by 73,7 %) in 2016, but AECM foresaw a higher importance than question 2.g. (past evolution of alternative financing) had actually shown.
- In the year 2017, alternative financing instruments are expected to become even more important by an almost equal share of REGAR (~68%) and AECM (~71%) – members so next year's survey will show where and if expectations will be met

→ Alternative financing instruments seem to play an either stable or even more important role for both AECM and REGAR – members in the future



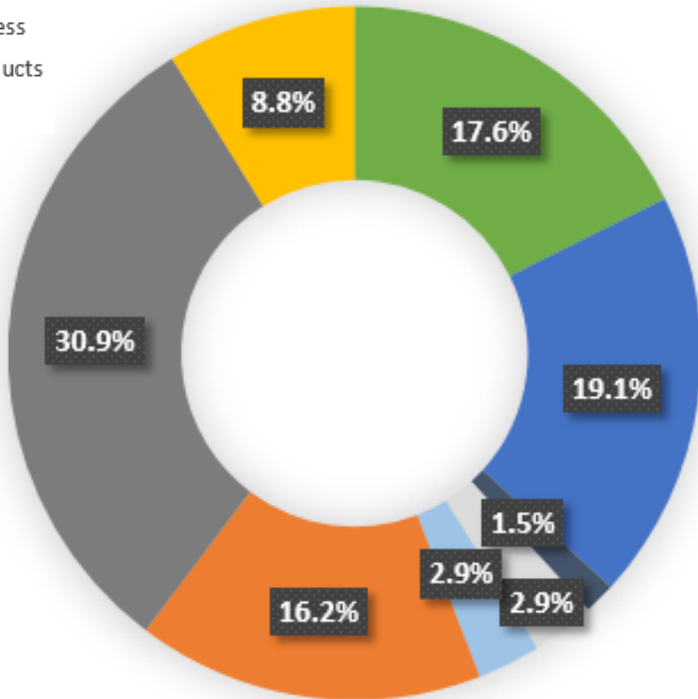
## 2. SURVEY REGAR VS. SURVEY AECM

### i. FUTURE FOCUS

In the next year our institution will focus on

2017 AECM

- Continuing current business
- New other financing products
- All of the above



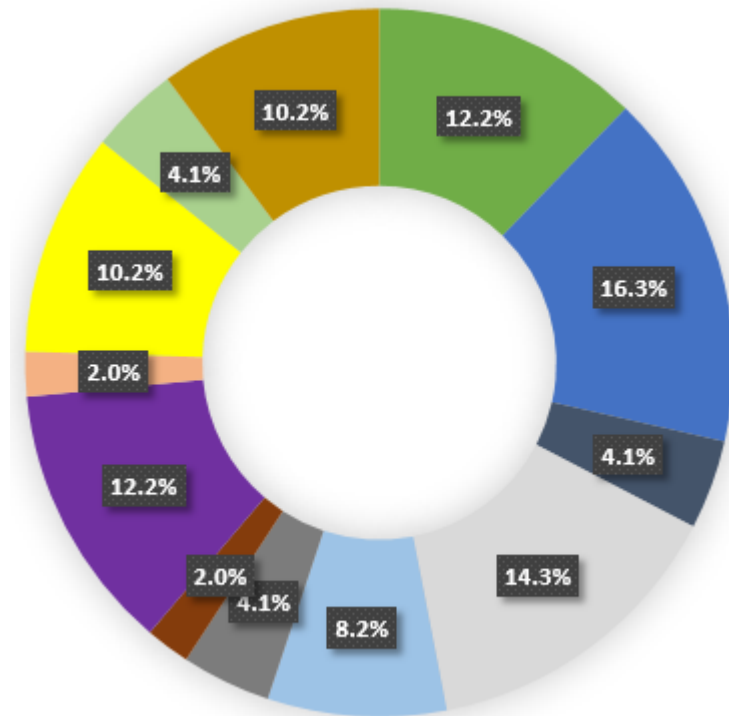
Categories only given in the AECM survey

- New guarantee products
- New guarantee procedures
- New tariffication / fee-models
- New clients / target groups
- New channelling of products

Same categories for both AECM and REGAR surveys

2017 REGAR

- Promote legislative reforms, supervision regulations
- Improve the conditions of secured credits
- Carry out a study on impact, additionality or scope
- New refund or pricing model
- Changing the current business model
- New corporate governance
- Implementing / modifying the control system and risk management



Categories only given in the REGAR survey



GROWING TOGETHER

## 2. SURVEY REGAR VS. SURVEY AECM

### i. FUTURE FOCUS

Comparing this year's AECM study to this year's study of REGAR we see that:

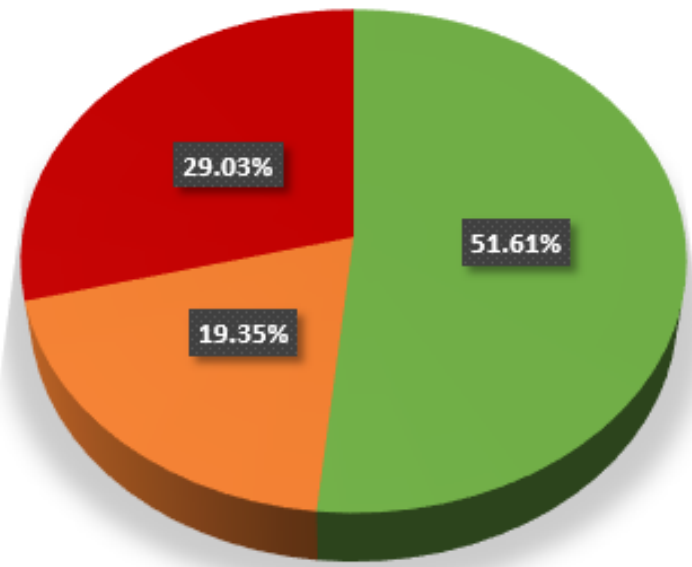
- Both REGAR and AECM members judge 'new guarantee products' (17,6% AECM and 12,2% REGAR) as well as 'new guarantee procedures' (19,1% AECM and 16,3% REGAR) to be very important future choices for their institutions
- However REGAR members value 'new tarification' (4,1% REGAR to 1,5% AECM), 'targeting new clients/target groups' (14,3 % for REGAR vs. 2,9% for AECM) and 'new channelling of products' (8,2% REGAR against 2,9% AECM) more than AECM members, who rather continue current business (16,2%) and develop new other financing products (30,9%), which is also the most important category for AECM members.
- To 'promote legislative reforms and supervision regulations' (4,1%), 'improve conditions of secured credits' (2%), 'carry out a study on impact, additionality or scope' (12,2%), 'new refund or pricing model' (2%) as well as 'changing the current business model' (10,2%), 'new corporate governance' (4,1%) and 'implementing/modifying the control system and risk management (10,2%) were all categories only given by REGAR members

## 2. SURVEY REGAR VS. SURVEY AECM

### j. GENERAL BUSINESS PROSPECTS

#### REGAR

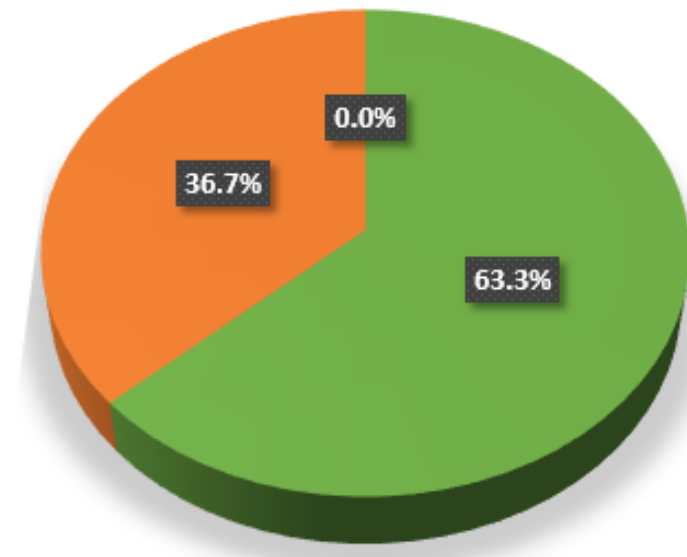
We see the general business prospects for SMEs in our country



#### AECM

We see the general business prospects for SMEs in our country

- Improving
- Remaining stable
- Declining



## 2. SURVEY REGAR VS. SURVEY AECM

### j. GENERAL BUSINESS PROSPECTS

- General business prospects were and still are seen in a more positive light in European countries, where 63,3 % (vs. 60,2% in 2016) have a positive view in future business developments compared to ~52% for Latin America.
- As only 24,5% of Latin-American countries had this view back in 2016, there seems to be a shift to the positive tendency when judging future prospects
- Since the prospects on having a ‘stable’ outcome is almost the same between AECM and REGAR members (~38% and 36% respectively), it is clear that Latin American countries are still a bit less optimistic (~30% for ‘declining’) when judging future business prospects for SMEs compared to European countries, where no member country foresaw a decline.

→ General positive tendency indicators in Latin-American and European countries for future business confirms that economies in those regions are picking up



### 3. GUARANTEE ACTIVITY SURVEY - BACKGROUND INFORMATION

#### a. REGAR SURVEY EXPLAINED



Country	Results
Argentina	3
Bolivia	1
Brasil	9
Chile	2
Colombia	3
Costa Rica	2
Ecuador	1
El Salvador	2
Honduras	1
México	4
Perú	2
Uruguay	1

# 3. GUARANTEE ACTIVITY SURVEY - BACKGROUND INFORMATION

## b. AECM SURVEY EXPLAINED



Country	Results
Austria	2
Belgium	2
BHI	1
Bulgaria	1
Czech Rp	1
Estonia	1
France	2
Germany	1
Greece	1
Hungary	2
Latvia	1
Lithuania	2
Poland	1
Portugal	1
Romania	3
Serbia	1
Slovenia	3
Spain	1
Turkey	1
United Kingdom	1



**aecm**  
EUROPEAN ASSOCIATION OF GUARANTEE INSTITUTIONS

OUR MEMBERS

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