



**aecm**

# **Guarantee Activity Survey 2023/2024**

Brussels, February 2024



# Guarantee Activity Survey



This year, the Guarantee Activity Survey reveals that the overall economic environment **remains highly unpredictable**. The pandemic is now far behind us, but **the consequences of the Russian invasion of Ukraine continue to be felt unevenly amongst our members**. In some countries, SMEs are still severely impacted by surging energy costs and inflation, while in other countries, the general economic situation is stabilising. Cost pressures remain, but they appear to have become embedded.

Nonetheless, **the guarantee activity of our members remains healthy**. While a majority of members expects the general business prospects for SMEs and SME bank financing to remain stable, the guarantee activity of our members is largely expected to increase. But also default rates.

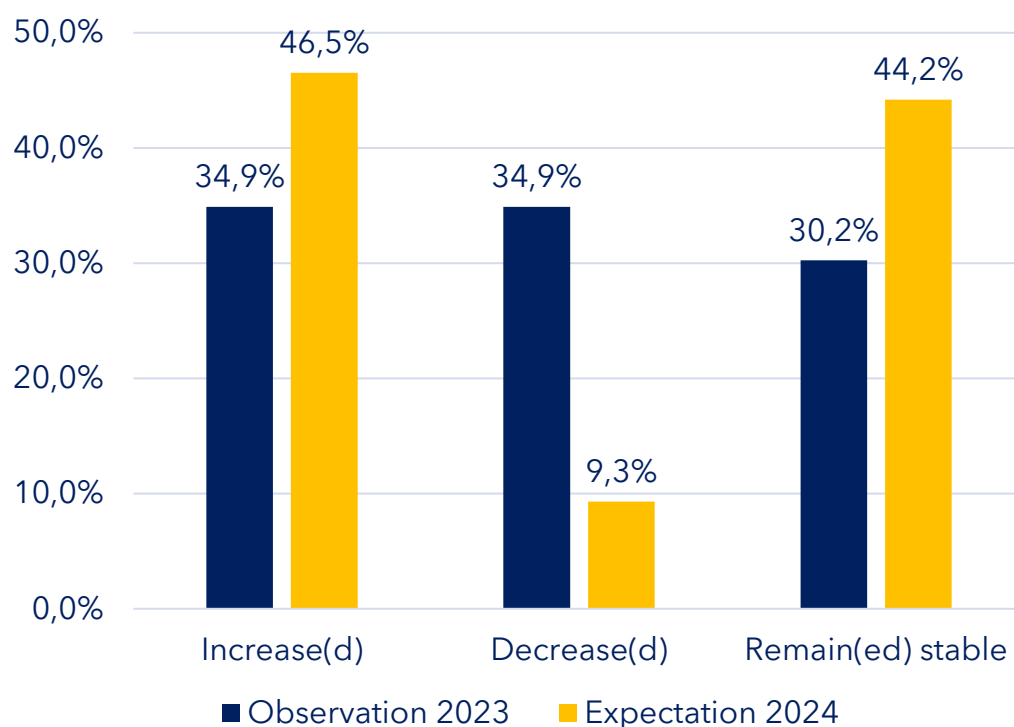
All in all, 43 out of 45 members replied to the survey which corresponds to a **record response rate of 96%**.

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



# Guarantee Activity Survey

Graph 1: Development of the Guarantee Activity



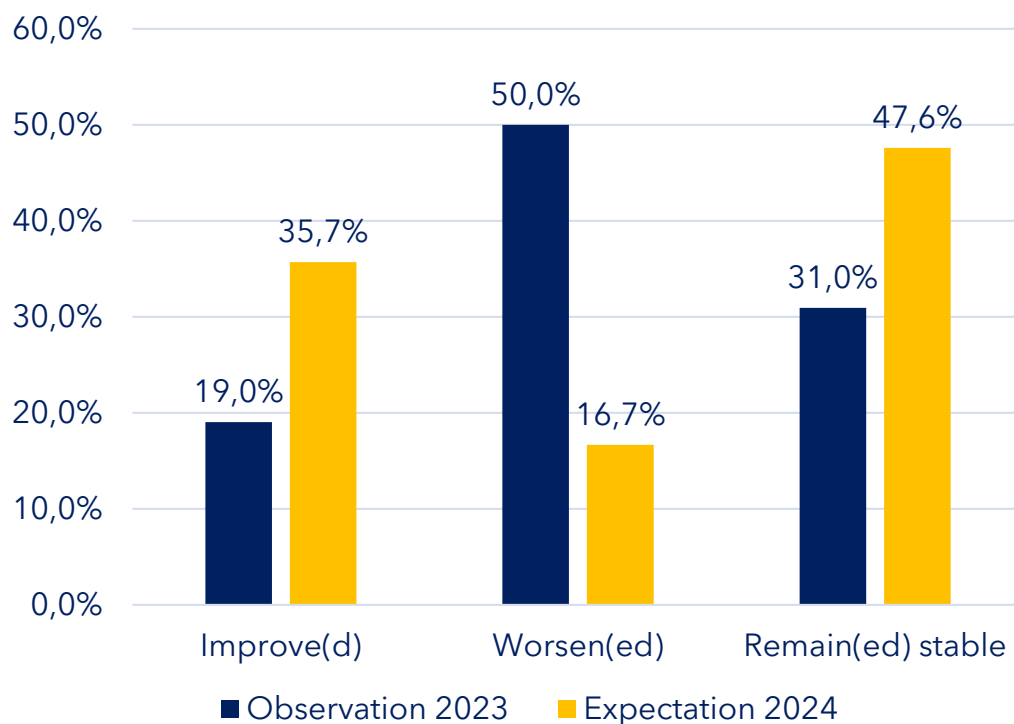
The development of the guarantee activity in 2023 is **strikingly contrasted**. 34,9% of members observed an increase in their volume of guarantees granted, while **exactly as many** observed a decrease; for 30,2% of members, the situation remained stable.

Regarding expectations for 2024: while **46,5% of members expect their guarantee activity to increase**, less than 10% expect a decrease. This is likely due, inter alia, to the SMEs' increased needs for liquidity, and for financing the twin transition.



# Guarantee Activity Survey

Graph 2: Development of Bank Financing for SMEs



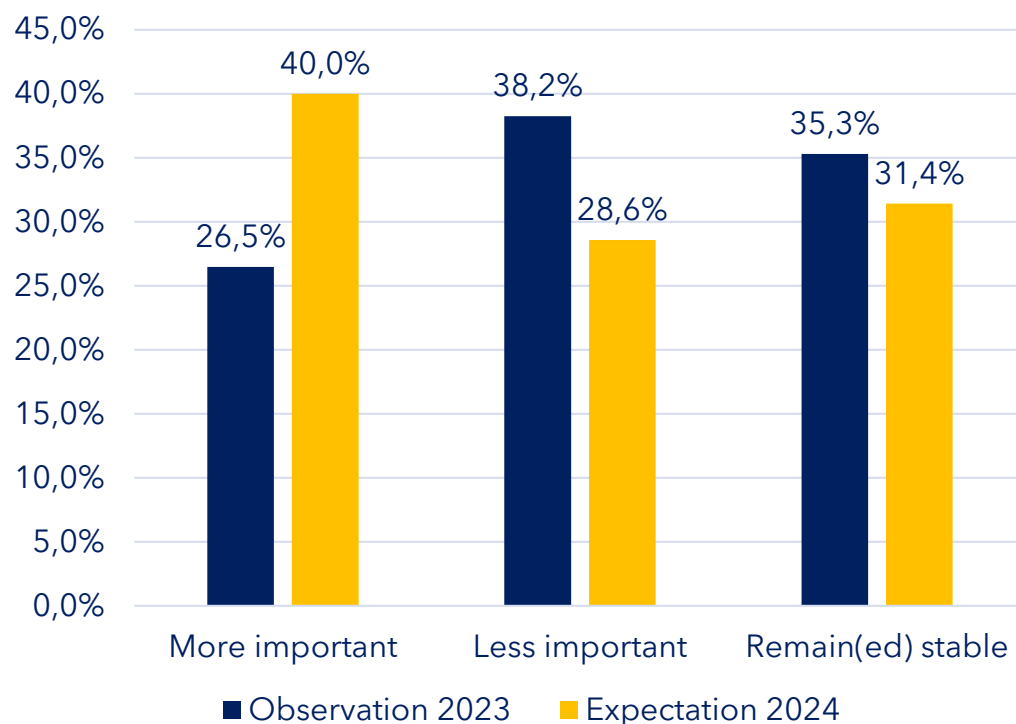
A majority of participating guarantee institutions observed **a decline in bank financing for SMEs in 2023**, but only 16,7% see the situation further worsening in 2024.

Overall, **AECM members are more optimistic for 2024 than what they observed in 2023**. The reason for this optimistic view might be linked to **an expected decrease in interest rates**. Credit conditions are still tight, but markets now expect the loosening cycle to start earlier.



# Guarantee Activity Survey

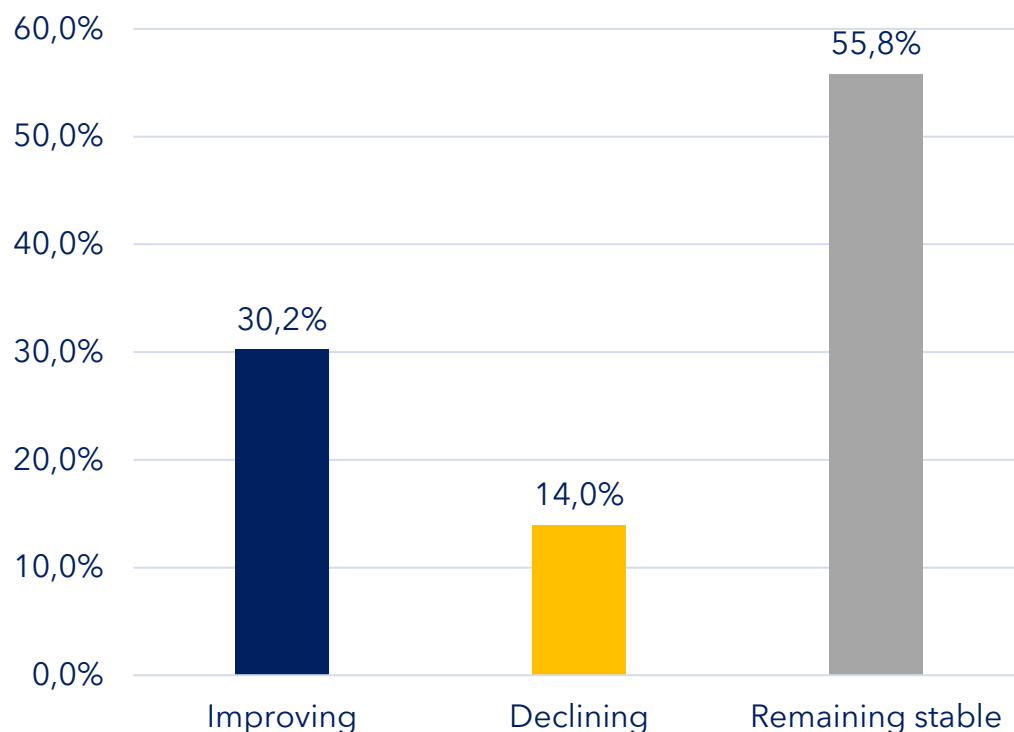
Graph 3: Development of the utilisation of EIF counter-guarantees



While a majority of members observed that the utilisation of EIF counter-guarantees was less important in 2023, **40% of members are expecting the use of EIF counter-guarantees to increase in 2024.** This is probably due to the roll-out of the InvestEU programme, as many members have signed new guarantee agreements with the EIF in 2023, which they will implement in 2024.

# Guarantee Activity Survey

Graph 4: Development of business prospects for SMEs

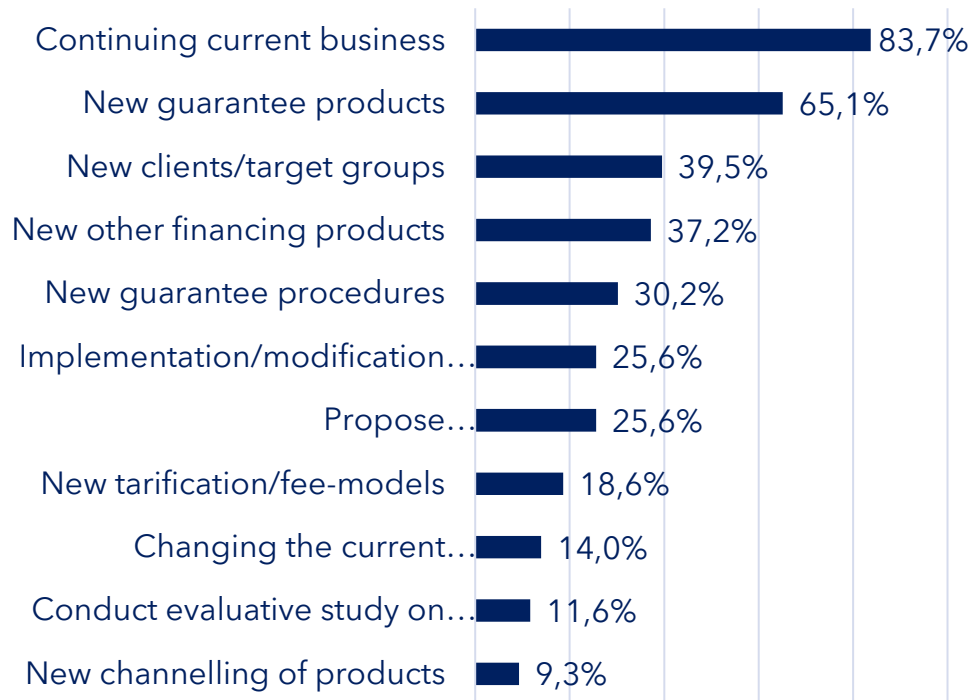


**In 2024, more than half of AECM members see the business prospects for SMEs in their respective countries remaining stable.** One third sees an improvement, while only 14% sees a decline.



# Guarantee Activity Survey

Graph 5: Focus in 2024



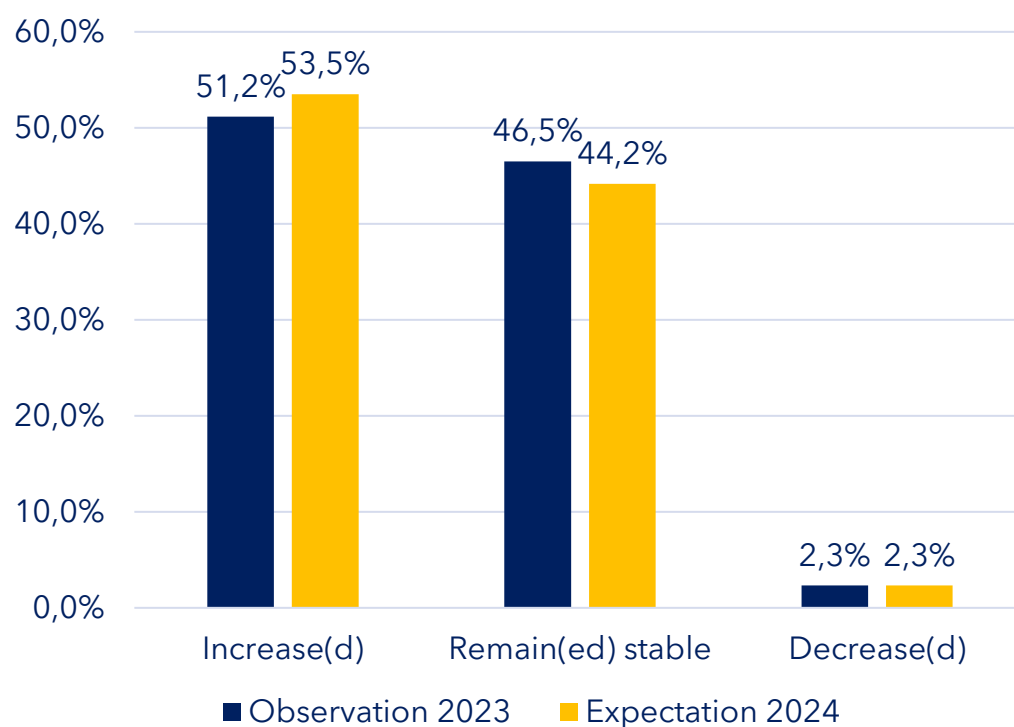
In 2024, most members will focus on **“Continuing current business”** as well as on **“New guarantee products”**. “New clients/target groups products” was mentioned by 39,5% of respondents and more than one third of them mentioned “New other financing products”.





# Guarantee Activity Survey

Graph 6: Development of default rates of outstanding guaranteed loans



In 2023, more than half of AECM members observed **an increase in default rates**, while a little less than the other half did not observe significant changes in the default rate.

For 2024, guarantee institutions are very pessimistic: **53,5% of respondents expect the default rates to increase.**





# Guarantee Activity Survey



We furthermore asked our members to comment on the evolution for the business due to the consequences of the Russian war.

Like last year, **members mentioned the negative impact of the war on SMEs due to high energy prices, inflation, and disrupted supply chains.** SMEs often have looked to diversify their supply chains, but in some cases, the situation has significantly impaired the performance of companies

Some members also noted that the consequences of the Russian invasion of

Ukraine **were mitigated in 2024**, as their guarantee activity was not impacted further. However, SME bank loans were still majoritarilly for working capital and not for investments. This increasing demand for liquidity purposes will require **fast, effective, and massive guarantee instruments.**





# Guarantee Activity Survey



At the end of the survey, members had the opportunity to report on current developments (new products, relevant partnerships, new technological innovations) that are in the process for 2024.

It is no surprise that many members are developing **new products and solutions to tackle the twin sustainable and digital transition**. Some members are considering guarantee products specifically targeted at financing sustainable investments, while others are looking closely at products to

facilitate the deployment of information and communication technologies.

Moreover, AECM members are also looking at their own internal processes, and **how to drive their own digital transformation**. Specifically, some members will focus on streamlining guarantee procedures, developing automation processes, and even using AI-driven analytics for better prediction of project feasibilities and outcomes.





# Guarantee Activity Survey

««« Finally, several members mentioned their plan to sign **new guarantee agreements with the EIF under the InvestEU programme**, or to implement recently signed agreements. Some members will also look at **direct access under InvestEU**.



## **European Association of Guarantee Institutions**

Avenue d'Auderghem 22-28, bte. 10  
B-1040 Brussels

Phone: +32 476 90 61 94

Mail: [simon.thibaud@aecm.eu](mailto:simon.thibaud@aecm.eu)

[@AECMeurope on Twitter](#)

[AECM on LinkedIn](#)

Transparency Register: 67611102869-33