

PRESS RELEASE

Credit: ABI, a network of public and private guarantees for fundamental business development

The Banking Association seeks coordination through a "System platform" of existing guarantee funds to encourage the access to credit of businesses and to correctly distribute financial risk

Credit and guarantees: two sides of the same coin in collaboration between banks and enterprise to overcome the crisis and safeguard the production system. It is the banks' job to offer financial support to companies, to their development projects and at the same time maintain the quality of its own loans portfolio in the light of the "serious concerns" as to the performance of the sector's accounts in 2010. The creation of an integrated network of public and private guarantee instruments could be one of the structural measures needed to find effective solutions to support SMEs.

This was the outcome of the ABI seminar held in Rome entitled "Access to credit and guarantees for enterprise: guaranteeing development and increasing stability", attended by representatives of the Ministries of Economy and Finance and of Economic Development, Confindustria, the Bank of Italy, Cassa Depositi e Prestiti, Sace, Confidi, as well as members of Universities, banks, consultancy companies and law firms.

The meeting highlighted on one hand, the central role of solutions that lead to the extension and reinforcement of the network of public and private guarantees, and on the other hand, the need for an overall consolidation of corporate capitalisation. A balanced capital structure is an important basis for healthy growth. In this regard, ABI emphasised the importance of the recent Government initiative regarding the establishment of a "Strategic Investment Fund for the capitalisation of SMEs". A top priority and a starting block to guarantee credit and business growth.

Coordinating the activity of existing guarantee funds, starting with the "Central guarantee fund for SMEs" with the objective of establishing a single legal framework, namely a system of standard rules applicable to the whole country, is a priority of the country system. In this regard, ABI is seeking to coordinate existing guarantee funds by means of a "System platform". The opportunity for all parties involved to be able to use the same procedures would limit the effect of entry barriers to various instruments and will reduce the deterring effect of using easy payment terms.

As regards the system of private guarantees, the banks are focusing on the Confidi, particularly due to their potential in terms of improving chances of credit access. In recent years, these entities have made enormous progress in terms of capital and dimensional growth. However, more needs to be done to provide them with adequate incentives so that they can be transformed into supervised intermediaries and can acquire increasing professional expertise. In this regard, collaboration between ABI and Federconfidi has led to the definition of "guidelines" for the renewal of agreements between banks and Confidi, aimed at facilitating dialogue between the two sectors.

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