

ASOCIACIÓN RED IBEROAMERICANA DE GARANTÍAS



**IBEROAMERICAN GUARANTEE
ACTIVITY SURVEY**

2023 - 2024

June 2024

1. SURVEY SCOPE



- Know the **perception** of the activity of guarantees, the financial economic environment and the **expectation for the next year**.

- Aimed at all institutions within the scope of the Ibero-American Network of Guarantees (REGAR).
- With the participation of **24 institutions (Response rate 83%)**.
- **11 countries of Latin America**.

- The survey allows for the collection of results to subsequently publish a **comparative analysis with the European Association of Guarantee Institutions (AECM)**, which will be conducted for the seventh consecutive year.

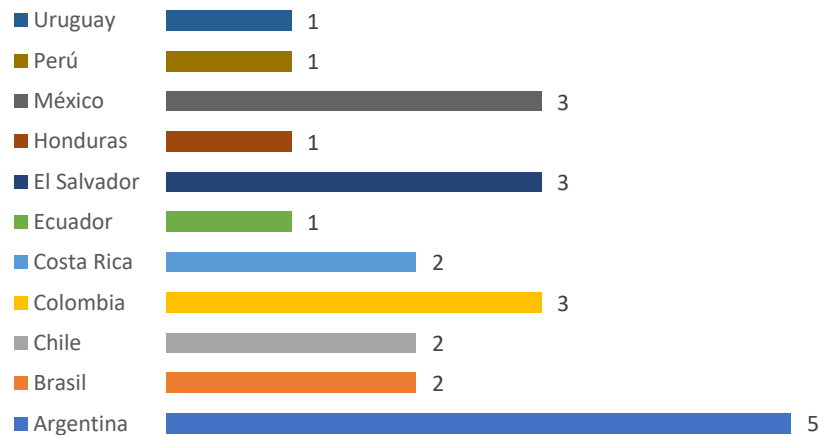


2. REGAR SURVEY

DISTRIBUTION OF RESPONDENTS

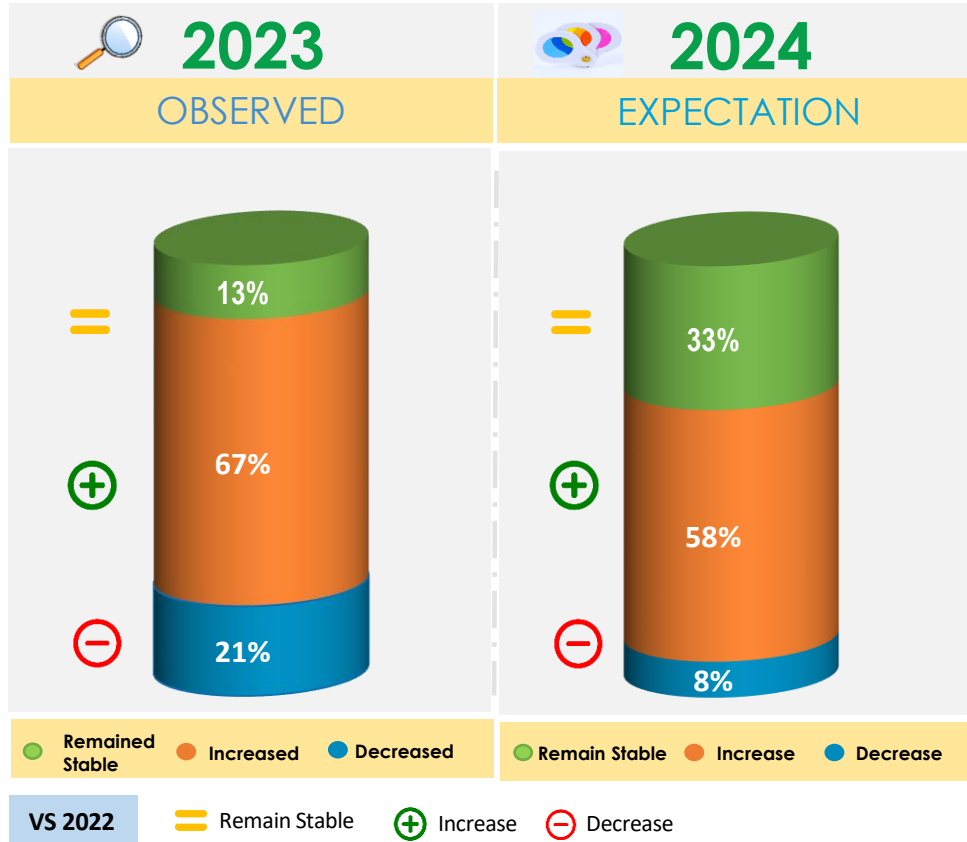


83%



2. REGAR SURVEY

2.1. DEMAND FOR GUARANTEES



OBSERVED – Increase in demand

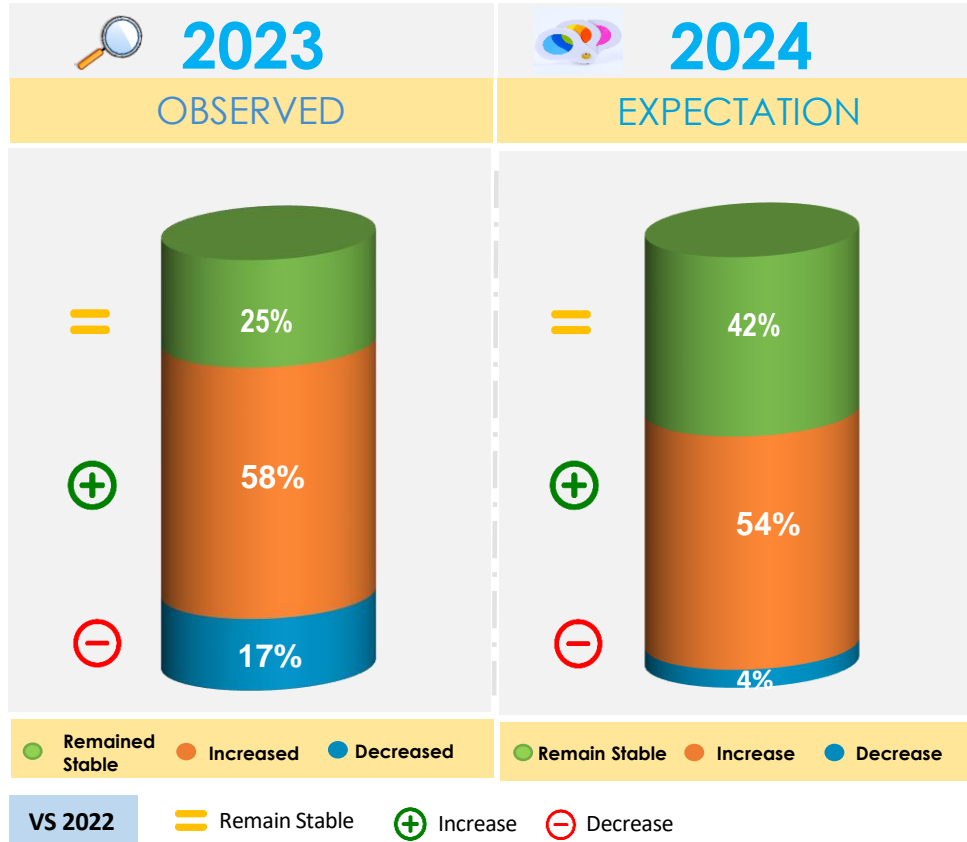
- In 2023, 67% of respondents observed an increase, in line with the 70% observed in 2022 and the 69% reported in 2021. In contrast, 21% observed a decrease, similar to what was observed in previous years.

EXPECTATION – Positive and Optimistic

- For 2024, there is an optimistic expectation, as respondents believe that demand will remain the same (33%) or increase (58%) and only 8% expect it to decrease.

2. REGAR SURVEY

2.2. AMOUNT OF GUARANTEES GRANTED



OBSERVED – Higher amount of guarantees

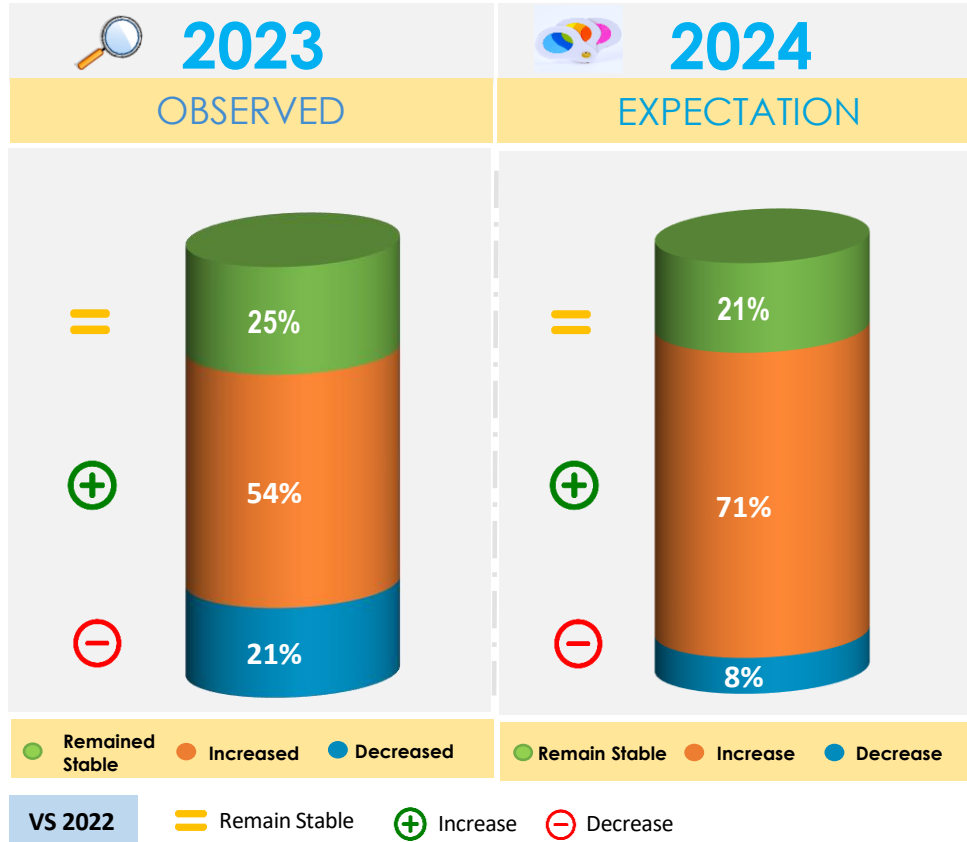
- In 2023, the perception of an increase in this category decreased, reaching 58%, compared to 65% in 2022 and 62% in 2021.
- Similarly, in 2023, the perception of a decrease was lower, with 17%, compared to 30% in 2022.
- Based on the above, we can conclude that the perception that the amount of guarantees granted has remained stable has increased.

EXPECTATION 2024 - Positive

- For 2024 there is a stable and optimistic perspective, as only 4% expect there to be a decrease.

2. REGAR SURVEY

2.3. BANK FINANCING ACTIVITY



OBSERVED – Good performance

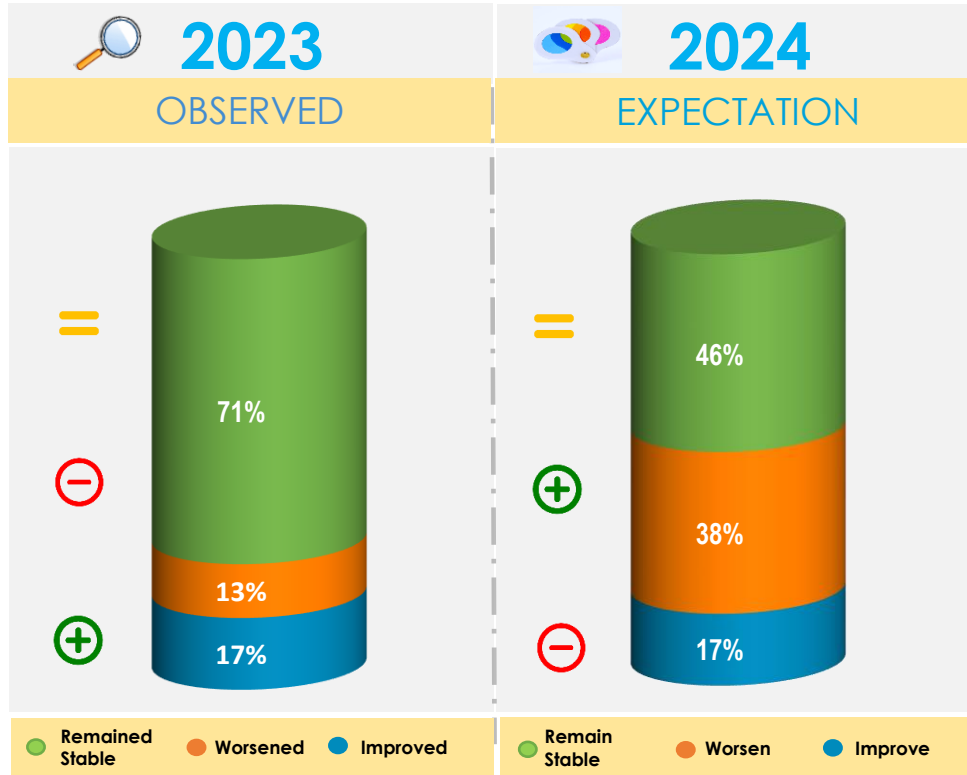
- Although the majority of respondents noted that banking activity performed better than previous years (54%) (48% in 2022 and 42% in 2021), there was also an increase in the perception that there was worse performance (21%), compared to 17% in 2022 and 16% in 2021.

EXPECTATION –Positive

- Bank financing activity is expected to improve in 2024, with 71% of respondents expecting an improvement and only 8% believing it will decline.

2. REGAR SURVEY

2.4. ALTERNATIVE FINANCIAL INSTRUMENTS



VS 2022

== Remain Stable

+ Increase

- Decrease

OBSERVED - Stable

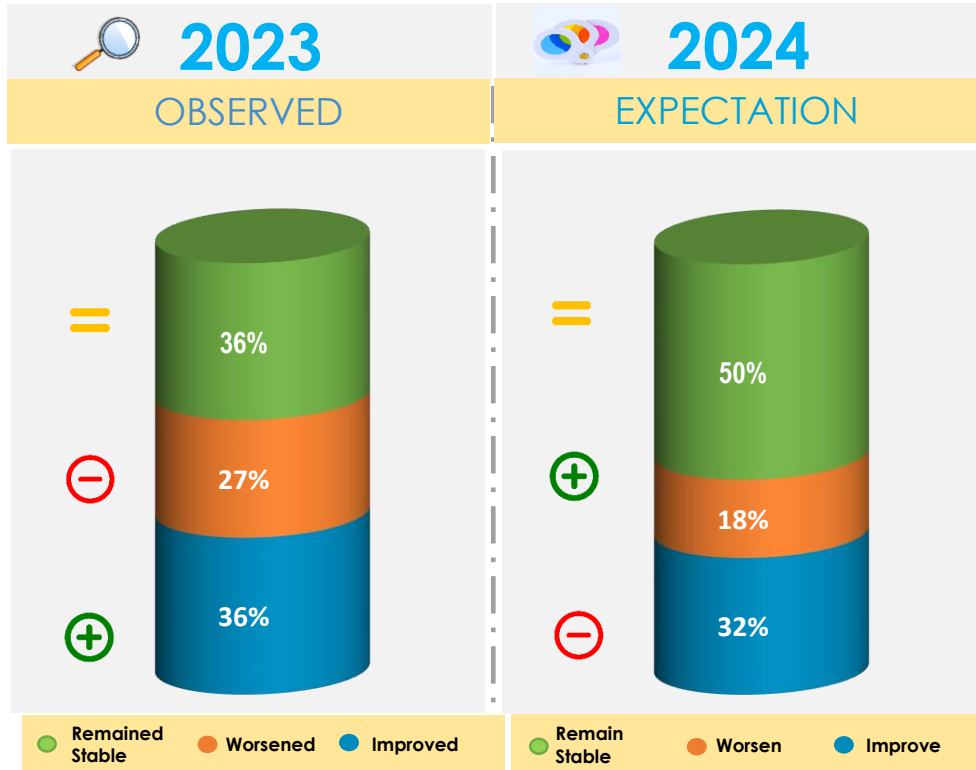
- In 2023, 71% of respondents believed financing alternatives remained the same, in line with the 82% reported in 2022 and the 69% in 2021.
- Similarly, the perception that they were more important remains in the same range as previous years, at 17% for 2023, compared to 14% in 2022 and 12% in 2021.

EXPECTATION - Stable

- For 2024, the expectation remains unchanged, with alternative funding sources expected to remain with 46%, compared to 55% in 2023.

2. REGAR SURVEY

2.5. COUNTER-GUARANTEES



OBSERVED - Stable

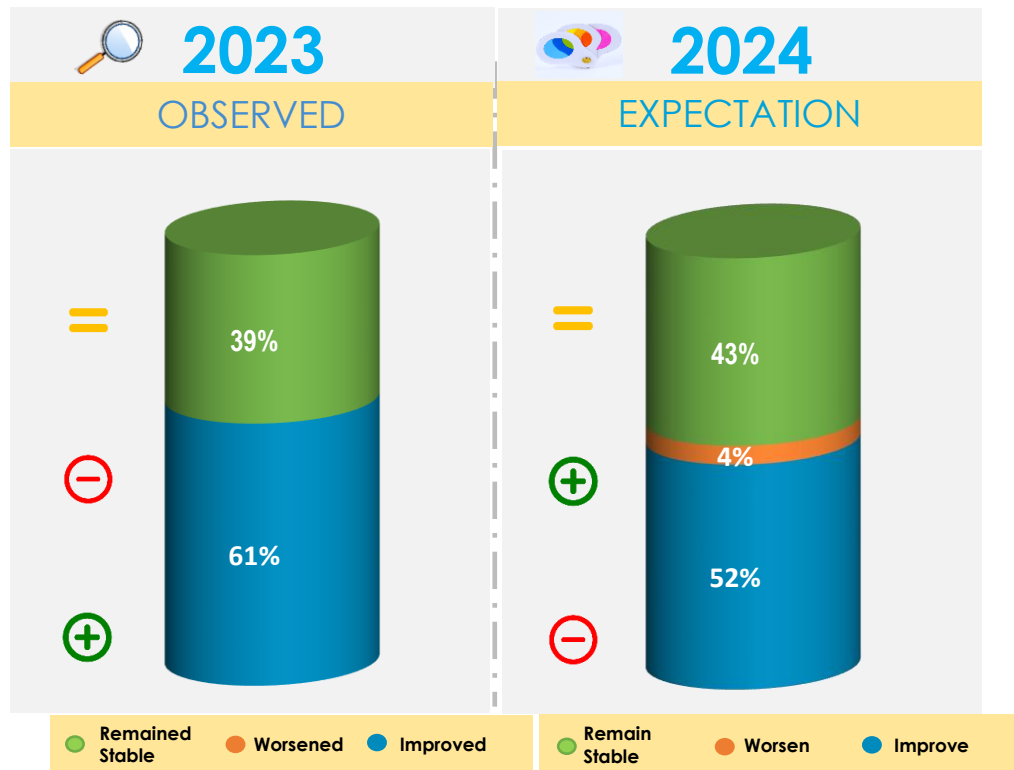
- By 2023, perceptions of counter-guarantee behavior improved to 36%, compared to 30% in 2022 and 40% in 2021 at the peak of COVID-19 relief programs.
- Notwithstanding the above, a significant decrease was observed in the percentage of respondents who believe counter-guarantees remained stable in 2023, standing at 36%, compared to 50% in 2022.

EXPECTATION - Stable

- For 2024, there is an expectation of stability, with a positive outlook, with 32% of respondents thinking that counter-guarantees will become more important, compared to 18% who expect them to become less important, and 50% who expect them to remain the same.

2. REGAR SURVEY

2.6. DIRECT GUARANTEES



OBSERVED – Positive performance

- In 2023, according to respondents, direct guarantees performed more strongly at 61%, compared to 39% in 2022 and 46% in 2021.
- It's important to note that there was no negative perception, as the rest of those surveyed felt that direct guarantees had been maintained.

EXPECTATION – Positive

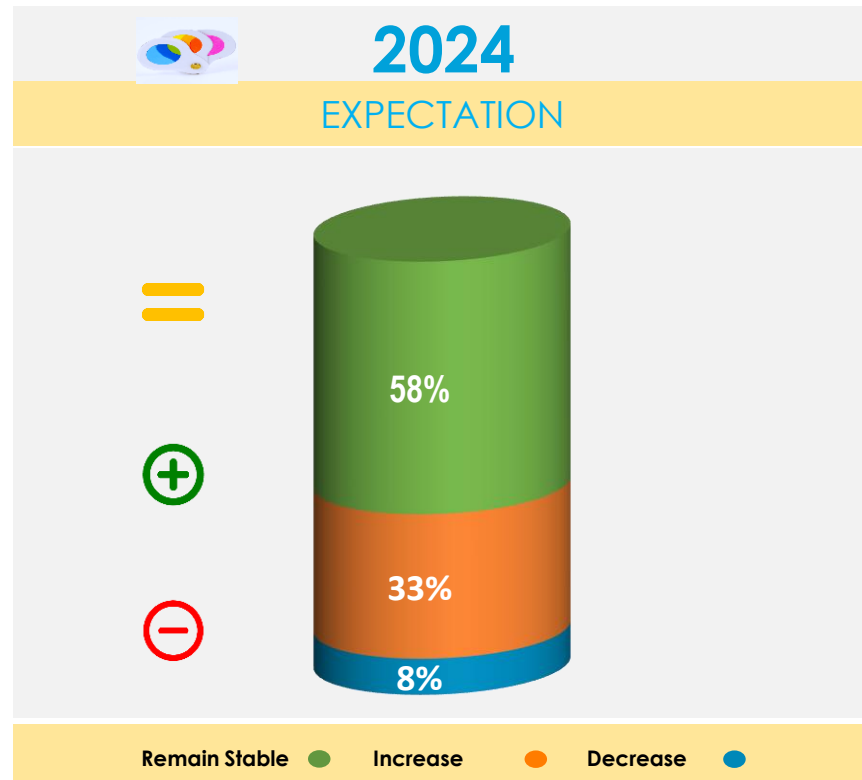
- By 2024, direct guarantees are expected to become more important (52%) or, failing that, to remain the same (43%), and only 4% expect them to become less important.

VS 2022

== Remain Stable

+ Increase

- Decrease



EXPECTATION – Pessimistic

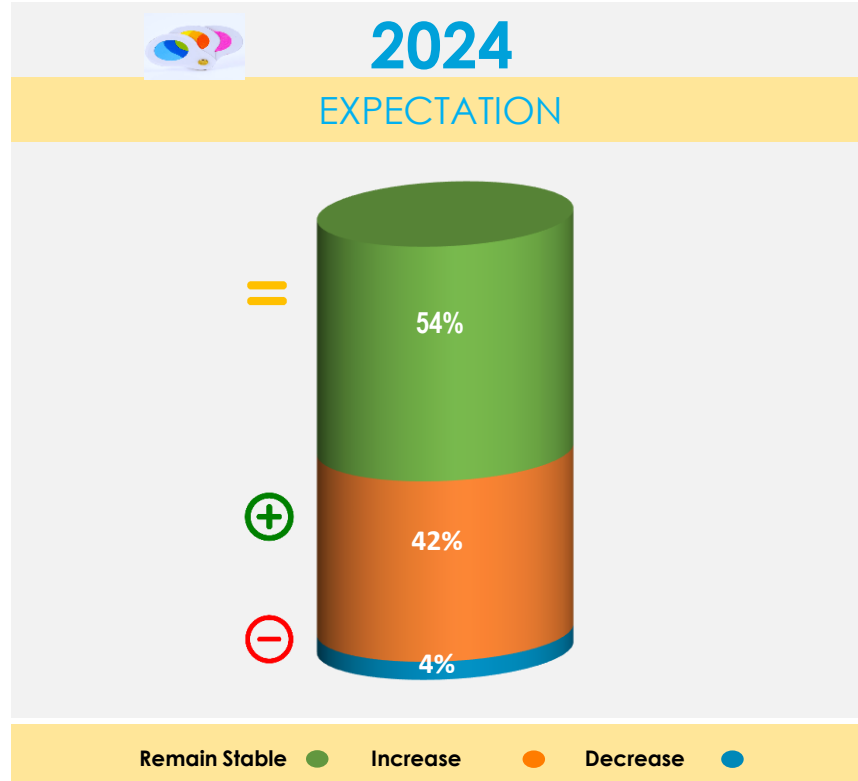
- Regarding guaranteed loan defaults, the perspective is negative, with more than half of respondents expecting them to remain stable and only 8% expecting them to decrease.

VS 2022

= Remain Stable

+ Increase

- Decrease



EXPECTATION – Positive

- The business outlook for SMEs in 2024 is positive, with 42% expecting an improvement, 54% believing it will remain stable, and only 4% believing it will decline.

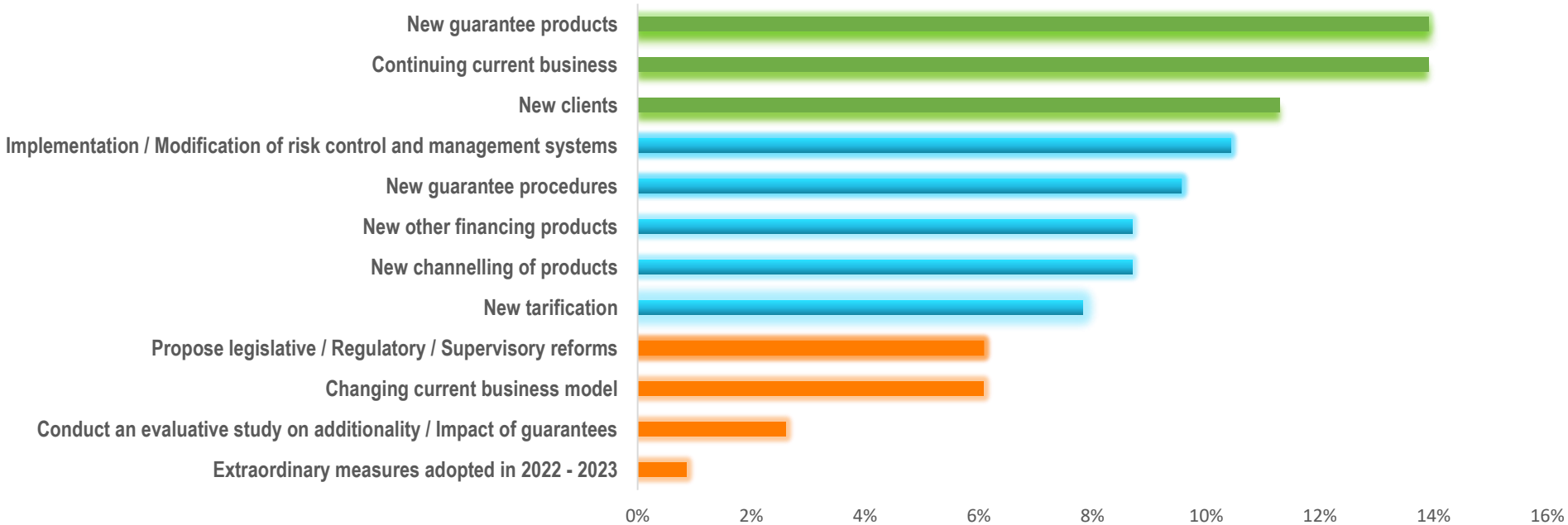
VS 2022

= Remain Stable

+ Increase

- Decrease

For 2024, What topics does your institution have focus on?



3. CONCLUSIONS

- Overall, there is **optimism regarding demand for guarantees for 2024**, with an expectation of growth.
- The perception of **the increase in the bank financing activity for 2024 is positive**.
- Although our respondents continue to improve their technologies and products, **alternative financing instruments are not expected to become more important in 2024**.
- Members believe that **counter guarantees and direct guarantees will play a more relevant role compared to previous years**.
- In contrast, **there is a pessimistic expectation regarding the default rate, since it is expected to increase**.
- The main topics on which the surveyed Institutions focus are: **New guarantee products, continuing current business and new clients**, followed by the implementation or modification of risk control and management systems and the improvement of guarantee procedures.
- Latin America faces various challenges stemming from COVID-19 aid programs and armed conflicts, such as high inflation and rising prices, especially among respondents in the agro-industrial sector. These situations do not allow them to have a better performance of the guarantees.

