Austria Wirtschaftsservice

Bernhard Sagmeister, CEO

4th International MENA Guarantee Forum
„The Way Forward“

Business location Austria

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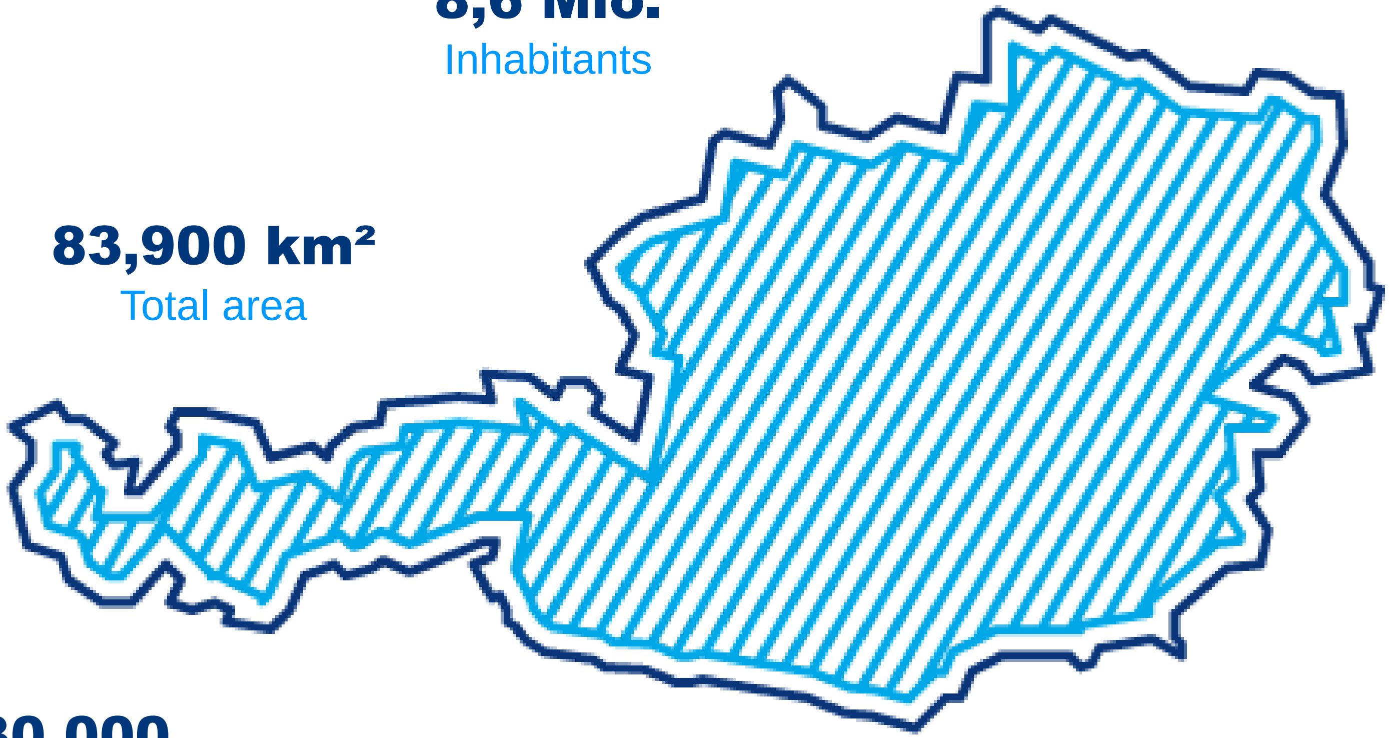
8,6 Mio.
Inhabitants

83,900 km²
Total area



€ 386 billion
GDP

€ 39,400
GDP per capita
(# 4 in EU)

330,000
Companies

99,7 %
SMEs in Austria
(acc. EU-Definition)

+ 8 %
new companies per year

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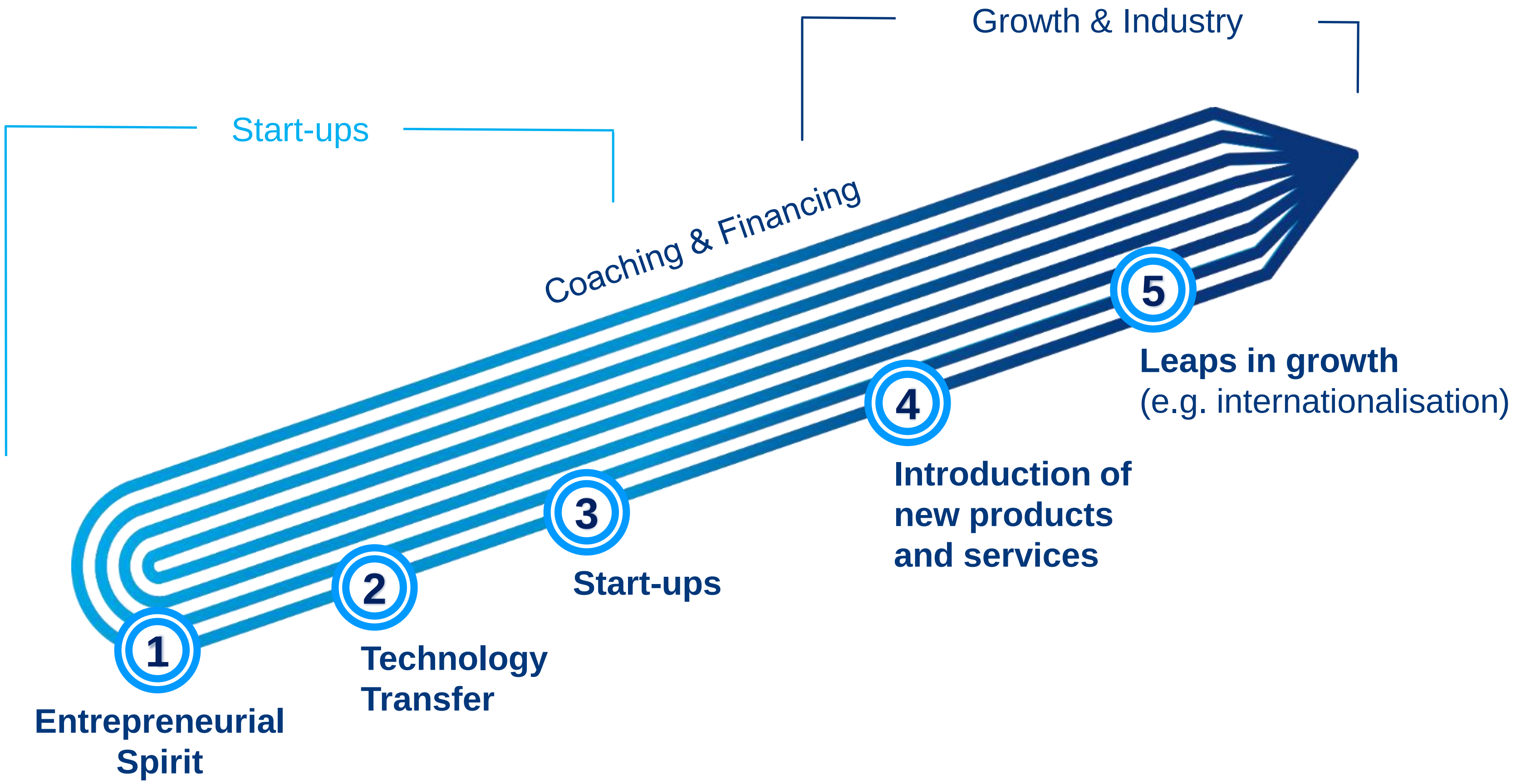
aws – Who we are?

- **Austria‘s federal promotional bank for business financing**
  (2018: ~EUR 1,2 bn financing volume)
- **founded in 2002 by federal law, as a merger of 4 promotional institutions dating back to 1954.**
- **Our Mission - Boosting Innovation & Growth:**
  aws serves Austrian companies which focus on more risk-related projects in context with innovation efforts (72 % of aws projects) and growth steps.
- **Currently aws offers approx. 80 different thematic programs and uses thereby** financing instruments (loans, guarantees, grants, equity) and consultancy services**.**

aws priorities

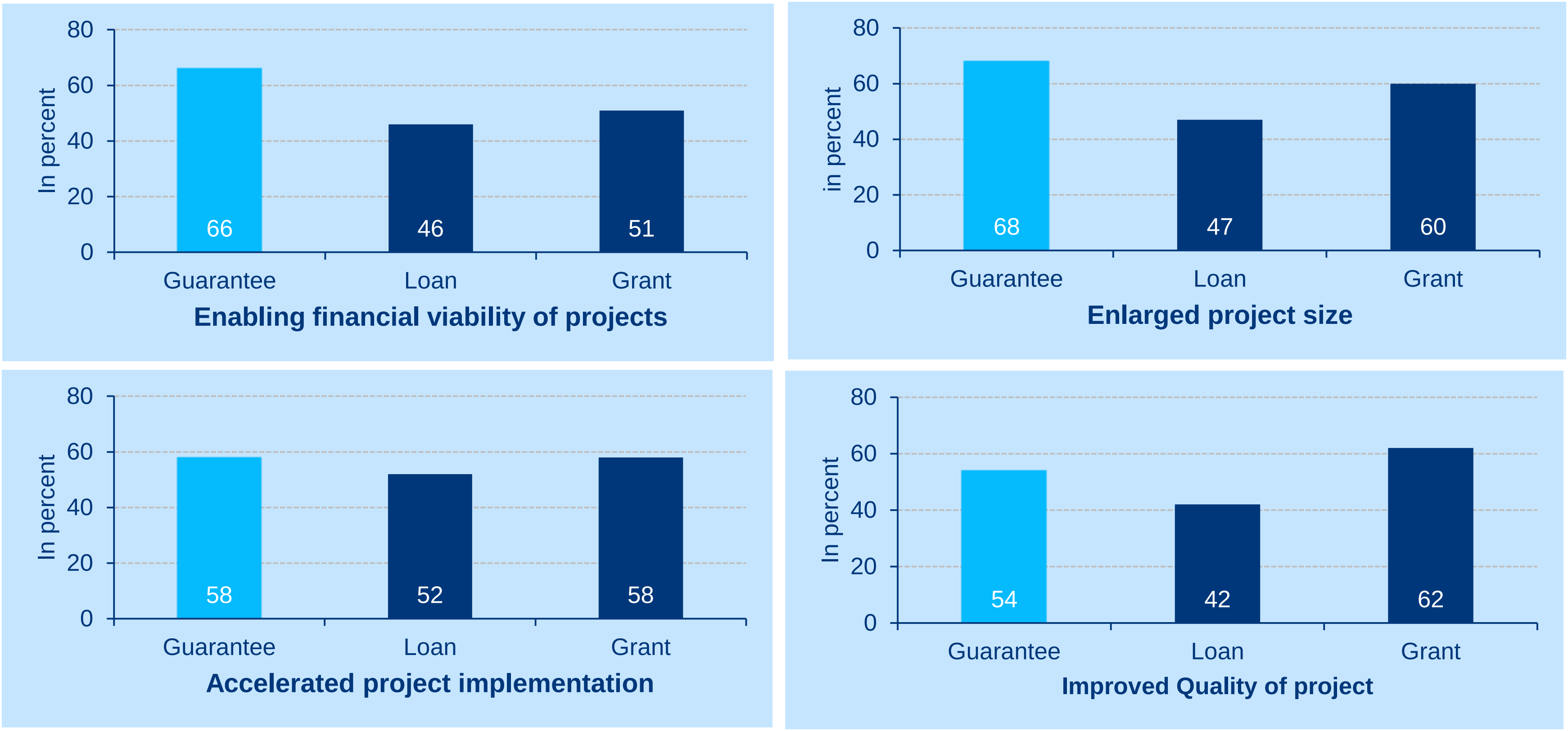
along the life-cycle of companies …



… starting from the first business idea (market transition) to company success.

Customer Perspective

Financing Effects of Guarantees



Comparing the three support schemes, public guarantees trigger from a customer's point of view extraordinary positive effects on business projects. In contrast to grants, guarantees are also budget-friendly.

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Guarantees are even more important, as financing for SMEs gets more challenging

Hypothesis:

Demand-side:

Speed of innovation
and **international competition**
increase exponentially

Supply-side:

Stringent Financial Market Regulation
leads to **„collateral squeeze“**
and „shortage in venture capital“

Federal budgets face comprehensive budget restrictions

Innovative Enterprises

In consequence: Loss of innovation speed and international competitiveness

Empirical Evidence: An annual survey carried out by aws demonstrates that „Access to Finance“ for companies in general, but especially for innovative and growth-oriented companies gets more difficult in Austria.

aws Guarantees strengthened

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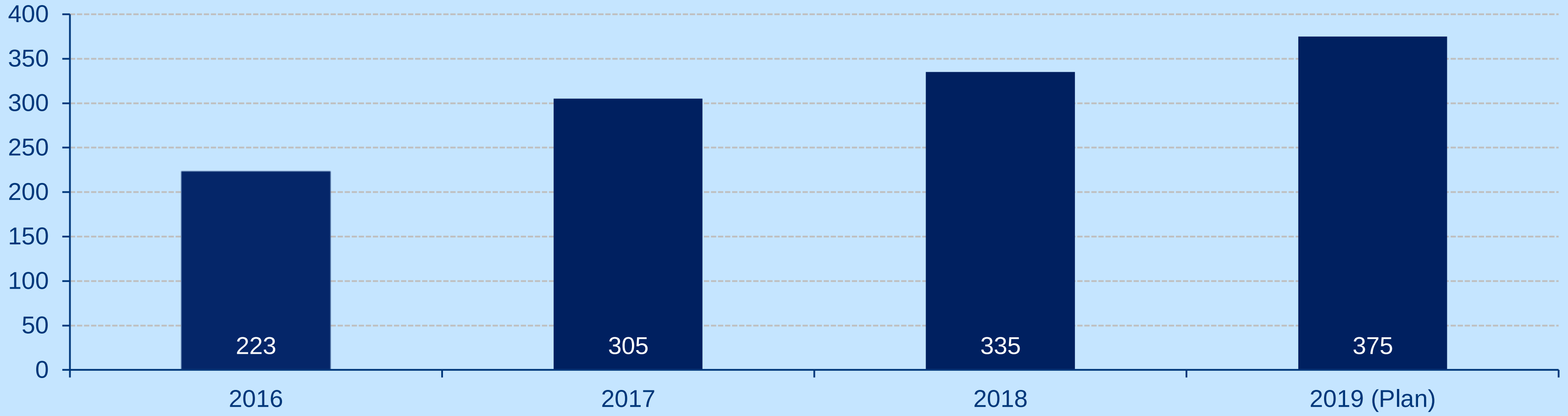
The **evidence of high efficiency** and **growing demand** helped to **improve** guarantee conditions:

- Guarantees for working capital loans
- Internationalization guarantees with a broader country-scope
- Increased maximum guarantee volumes
- Counter-guarantees (COSME and InnovFin) and thus reduced guarantee fees
- Reduced processing fees



Development of Guarantee Business by aws, newly issued guarantees in Mio. EUR

aws Guarantees
high percentage of Start-ups

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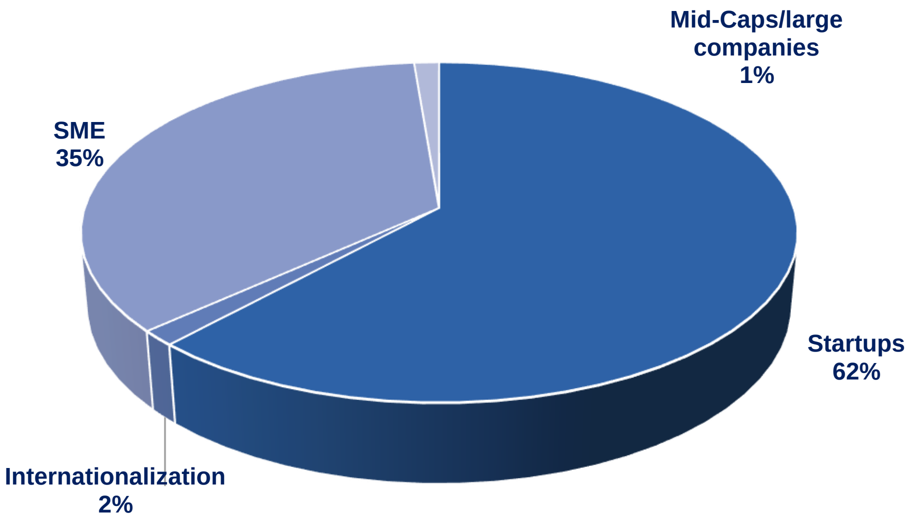
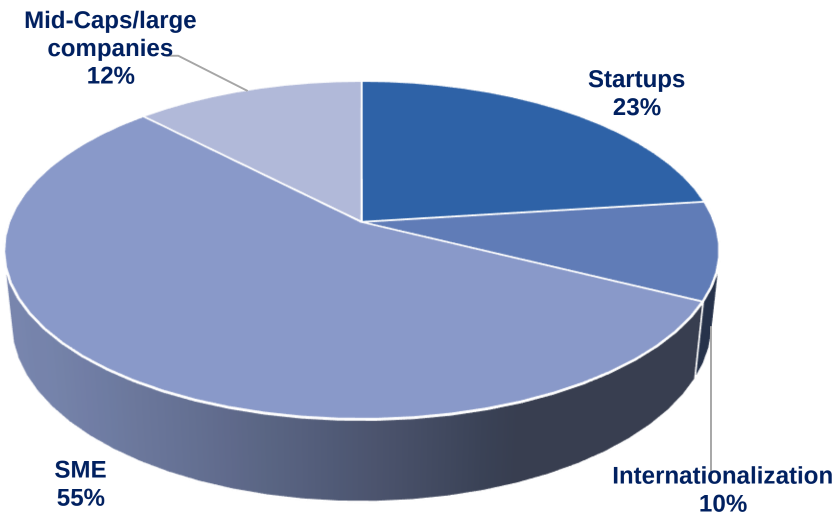
New guarantees 2018 | company size



New guarantees 2018 | volume



Strong EU Cooperation:
~70% of the annual guarantee portfolio are counter-guaranteed by EU.

InnoVFin SME Guarantee

COSME Programme for the Competitiveness of Enterprises and SMEs 2014-2020

aws Guarantees for "high-tech start-ups":
guarantee doubles "Venture Capital Investment" by loan-guarantees.

„The way forward“

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Evidence of impact is crucial
„Data is our new gold“
Digitization will increase availability of data, we have to convince important stakeholder (i.e. governments, banks) of the high-impact of guarantees (job creation, growth, innovation)

Digitization – development of guarantee business
New distribution channels, e.g. cooperation with Fintechs & improvement of internal processes of guarantee institutions

#aws_Digital Change

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Digital Search Engine

„Pitch your idea“

Pre-Checks

Information

24h-Email

Skype Calls

aws DigiCoach

Mobile Signature

Chatbot

aws APP

Process tools

Digital Promotion Platform

digital recommendation products

digital accounts

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