

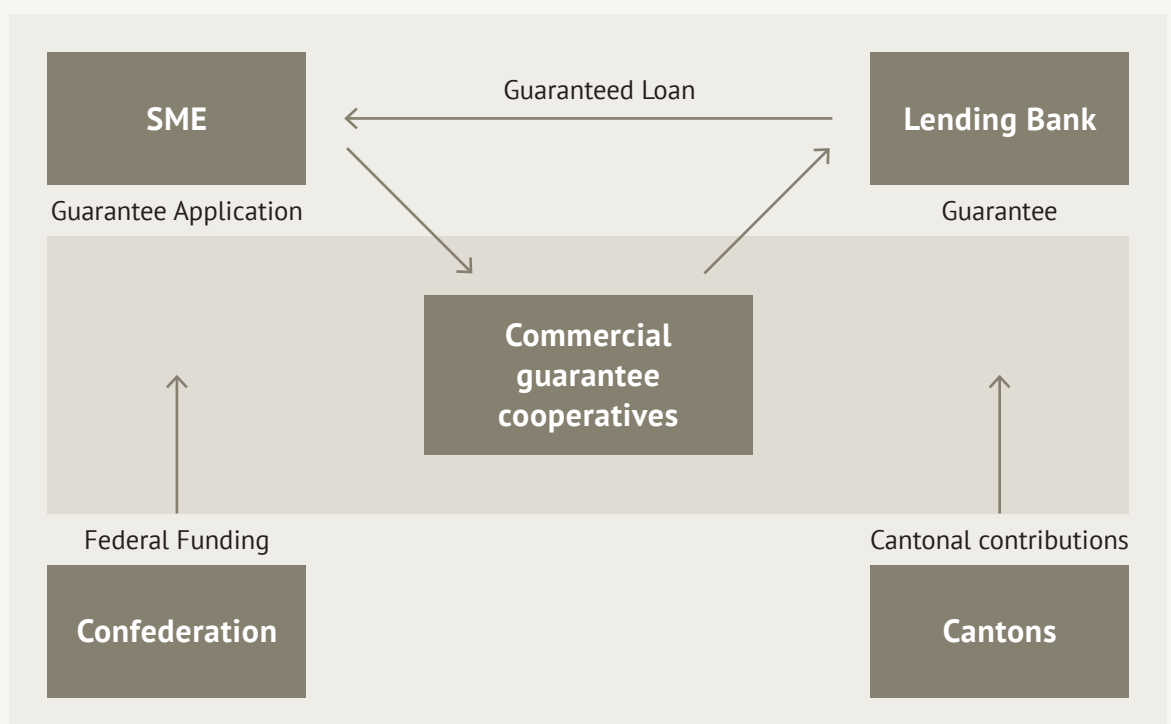
Guarantees – Secure financing for SME

Support for Swiss SME

Planned start-ups, investments, expansion and succession arrangements are usually associated with major financial challenges for SME. Often their own funds are not sufficient. The four federally recognized guarantee cooperatives support SME in taking the next step in their business by granting guarantees for bank loans.

Bridges between SME and banks

The four guarantee cooperatives work with all Swiss banks and enable SME to access bank loans by guaranteeing amounts of up to CHF 1 million for a maximum term of ten years. A guarantee reduces the uncovered credit risk for the bank, which has a positive influence on the credit decision. Smaller loans in particular, which would otherwise involve a lot of effort for banks, are often granted thanks to guarantee cooperatives.



Guarantee procedure

A guarantee can be applied for in just a few steps. It is advantageous if the responsible guarantee cooperative is being involved in the financing process between the borrower and the bank from the very onset.

The appropriate application form can be downloaded online. The completed form is sent to the guarantee cooperative together with the required documents and an advance on costs. The application is then carefully examined. Contact is made when the bank, after an initial non-binding decision, determines that the loan is feasible with a guarantee. The application is reviewed in consultation with the bank granting the loan. If it meets all requirements, the contractual relationship between the SME, the guarantee cooperative and the bank is formalized, and the loan is then released.

The guarantee cooperatives are committed to supporting the company throughout the entire guarantee period. The regular exchange between the customer, the bank and the guarantee cooperative ensures that help can be provided quickly in the event of operational difficulties, changes to the business model or a growth step.

Examples of Financing with Guarantees

EXAMPLE 1:

Company expansion: New factory building and acquisition of additional

Capital requirements

CHF	300,000	Purchase price for building land
CHF	1,100,000	Construction costs according to cost estimate
CHF	400,000	Purchase price for new machinery
CHF	200,000	Additional operating funds for growth financing
CHF	2,000,000	

Funding

CHF	300,000	Own funds
CHF	100,000	Own work
CHF	900,000	Building loan from bank
CHF	200,000	Machine financing by the bank
CHF	500,000	Guaranteed bank loan
CHF	2,000,000	

EXAMPLE 2

Start-up

Capital requirements

CHF	400,000	Equipment, warehouses, opening and advertising costs
-----	---------	--

CHF	50,000	Working capital
-----	--------	-----------------

CHF	450,000	
------------	----------------	--

Funding

CHF	100,000	Investment loan with security from the parents
-----	---------	--

CHF	50,000	Operating loan Bank
-----	--------	---------------------

CHF	300,000	Guaranteed bank loan
------------	----------------	-----------------------------

CHF	450,000	
------------	----------------	--

EXAMPLE 3:

Repayment of family loans due to succession and financing of growth

Capital requirements

CHF	100,000	Repayment of private loans
-----	---------	----------------------------

CHF	80,000	Working capital
-----	--------	-----------------

CHF	180,000	
------------	----------------	--

Funding

CHF	20,000	Own resources
-----	--------	---------------

CHF	50,000	Operating loan Bank
-----	--------	---------------------

CHF	110,000	Guaranteed bank loan
------------	----------------	-----------------------------

CHF	180,000	
------------	----------------	--