

Association of German guarantee banks (Verband Deutscher Bürgschaftsbanken)

About us

The association of German guarantee banks (Verband Deutscher Bürgschaftsbanken, VDB) represents 17 guarantee banks (Bürgschaftsbanken) and 15 SME-oriented investment companies (Mittelständische Beteiligungsgesellschaften or MBGs) in Germany. We represent their interests (in case of the MBGs together with the association of private equity and venture capital companies (Bundesverband Deutscher Kapitalbeteiligungsgesellschaften, BVK)) towards government, politicians, industry and the general public. Guy Selherr is president of our organization.

We represent the interests of guarantee banks and SME-oriented investment companies with offices in Berlin and Brussels. The VDB is a member of the [European Association of Guarantee Institutions \(AECM\)](#).

What are guarantee banks and what do they do?

The first guarantee banks (Bürgschaftsbanken) were founded in 1950 as private support institutes "by business for business". They are not profit-oriented. Their shareholders are chambers of commerce or crafts and business federations of all sectors, credit institutes and insurance companies. Guarantee banks support small and medium-sized companies (SMEs) as well as founders of new business enterprises in their respective federal state.

They grant guarantees of up to Euro 1.25 million for any type of short, medium- and long-term loan. In 2017 the guarantee banks supported nearly 5,900 companies with guarantees worth more than Euro 1.1 billion. These guarantees secured loans of almost Euro 1.7 billion. As one of their core businesses guarantee banks finance start-ups and company takeovers.

What are SME-oriented investment companies and what do they do?

SME-oriented investment companies (Mittelständische Beteiligungsgesellschaften or MBGs) were created from the 1970s onwards by private business as support institutions. As with the guarantee banks their objective is to provide support "by business for business". They work closely with the guarantee banks. As with the guarantee banks, their shareholders are chambers of commerce and trades as well as business federations of all sectors, credit institutes and insurance companies. In their position as regional societies they support commercial SMEs in their respective federal state.

The MBGs improve the balance relations of founders of new enterprises and companies of trade and industry by means of providing equity capital on a long-term basis – usually as mezzanine capital similar to equity, typically in the form of dormant equity holdings. MBGs provide equity capital in amounts ranging from Euro 50,000 up to Euro 1.25 million or sometimes up to Euro 2.5 million. In 2017 the MBGs promoted almost 500 small and medium-sized companies in Germany with equity capital amounting to more than Euro 150 million. In addition to that they allocated over 300 participations through the micro mezzanine fund Germany ([Mikromezzaninfonds Deutschland](#)).

For more information, take a look at our flyer on guarantee banks and SME-oriented investment companies.

Download:

- [flyer guarantee banks and SME-oriented investment companies \(pdf, 198 KB\)](#)