CONCEPT

SME Lending and Credit Guarantee Schemes: Thin-File Assessment, Risk-Sharing and Monitoring

7 – 11 December 2026
Paris - Right Bank business hotel



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Introduction:

SME lending stalls when viable small firms cannot show audited accounts or pledge enough collateral, and lenders price the gap as risk rather than information. Credit guarantee schemes can close it, yet many pay claims on loans that would have been made anyway, attract adverse selection or lose money through weak claim rules. This Core Concept course equips SME bankers, development finance and guarantee fund teams to assess thin-file SMEs, set coverage ratios, fees and eligibility, share risk with partner banks and track results. Participants produce a Guarantee Scheme Design Note and an SME Portfolio Monitoring Dashboard.

Course Objectives:

- Diagnose the SME financing gap in a lending market and explain the information asymmetry and collateral constraints behind under-lending to small firms
- Assess thin-file SME applicants using owner cash flow, bank statement analytics and alternative data, and apply scorecard cut-offs and decision rules
- Design a credit guarantee scheme covering eligibility, coverage ratio, guarantee fee, tenor and the choice between individual and portfolio guarantees
- Structure risk-sharing agreements with partner lenders, including first-loss caps, claim triggers, subrogation and recovery sharing
- Apply moral hazard and adverse selection controls, leverage limits and reserve adequacy tests to protect guarantee fund solvency
- Build a monitoring and evaluation framework measuring additionality, default and claim rates and SME outcomes for a guarantee programme

Target Audience:

- SME relationship and credit managers who originate, approve and restructure small business facilities
- Development finance managers who design or fund SME credit lines and risk-sharing facilities
- Guarantee fund managers responsible for underwriting guarantees, pricing fees and approving claims
- Partner bank managers who administer guarantee agreements, report enrolled loans and file claims
- Programme monitoring and evaluation managers who track outreach, additionality and fund performance
- Portfolio and risk managers who oversee SME loan books and guarantee exposure limits

Course Outline:

Day 1: SME Financing Gaps and Lender Behaviour

- SME Definition Thresholds by Turnover, Headcount and Assets Across Lending Markets
- Information Asymmetry, Credit Rationing and the Missing Middle Diagnostic
- SME Lending Product Map: Working Capital Lines, Term Loans, Invoice Finance and Asset Leasing
- Collateral Gap Analysis: Movable Assets, Land Title Limits and Personal Security
- SME Finance Market Scan Template: Demand, Supply and Policy Instruments

Day 2: Thin-File SME Assessment and Scoring

- Owner and Household Cash Flow Reconstruction from Bank Statements and Sales Records
- Alternative Data Sources: Point-of-Sale Flows, Mobile Wallet Activity and Utility Payment History
- SME Application Scorecard: Characteristics, Weights, Cut-Off Scores and Override Rules
- Lending Decision Matrix Linking Score Bands to Limits, Tenor and Security Requirements
- Relationship Lending Versus Transaction Lending: When Judgement Beats the Scorecard

Day 3: Credit Guarantee Scheme Design and Partner Bank Risk-Sharing

- Guarantee Scheme Operating Models: Public Fund, Mutual Guarantee Society and Counter-Guarantee
- Coverage Ratio Setting and Pari Passu Loss Sharing Between Guarantor and Lender
- Eligibility Criteria, Guarantee Fee Pricing and Expected Loss Loading
- Individual Versus Portfolio Guarantees: Delegated Enrolment, First-Loss Caps and Loan Selection
- Partner Bank Risk-Sharing Agreement: Enrolment Rules, Claim Triggers, Subrogation and Recovery Split

Day 4: Claims, Moral Hazard and Guarantee Fund Risk Management

- Claim Filing Workflow: Default Definition, Waiting Periods, Documentary Checks and Payout
- Moral Hazard and Adverse Selection Controls: Partial Cover, Claim Audits and Partner Suspension
- Guarantee Fund Leverage Multiple, Reserve Adequacy and Loss Provisioning Tests
- Portfolio Concentration and Vintage Analysis for Enrolled SME Loans
- Digital SME Lending and Fintech Partnerships: Embedded Credit, Automated Underwriting and Data Sharing

Day 5: Case Programme: Guarantee Scheme Design and Monitoring Dashboard

- Monitoring and Evaluation Logframe: Outreach, Additionality, Claim Rate and SME Growth Indicators
- Case Programme Pack: Partner Lender Data, Enrolled Loan Tape and Claims History
- Guarantee Scheme Design Note Drafting: Coverage, Fee, Eligibility and Risk-Sharing Terms
- SME Portfolio Monitoring Dashboard Build with Early-Warning Thresholds
- Guarantee Committee Presentation and Peer Challenge of Scheme Parameters

Skills You Will Gain:

- SME Financing Gap Diagnosis
- Thin-File Credit Assessment
- SME Scorecard Calibration
- Guarantee Fee Pricing
- Risk-Sharing Agreement Structuring
- Guarantee Claims Administration
- Guarantee Fund Solvency Testing
- Additionality Measurement

Why Attend This Course:

- Leave with a Guarantee Scheme Design Note and an SME Portfolio Monitoring Dashboard built on a case programme and challenged by peers
- Lend to viable small firms that lack audited accounts or full collateral without loosening credit discipline
- Set coverage, fees and claim rules that keep partner banks engaged while limiting losses to the guarantee fund
- Compare scheme practice with SME bankers, development lenders and guarantee fund staff from different lending markets

Conclusion:

SME lending grows when lenders can read thin-file businesses and when guarantees share risk without dulling lender discipline. The week moves from the financing gap and SME lending products, through cash flow reconstruction, alternative data and scorecards, to guarantee scheme operating models, coverage ratios, fees and partner bank risk-sharing, then to claims, moral hazard controls, fund solvency and digital lending. The final day turns a case programme into a Guarantee Scheme Design Note and an SME Portfolio Monitoring Dashboard ready to adapt at work.