


OVERVIEW



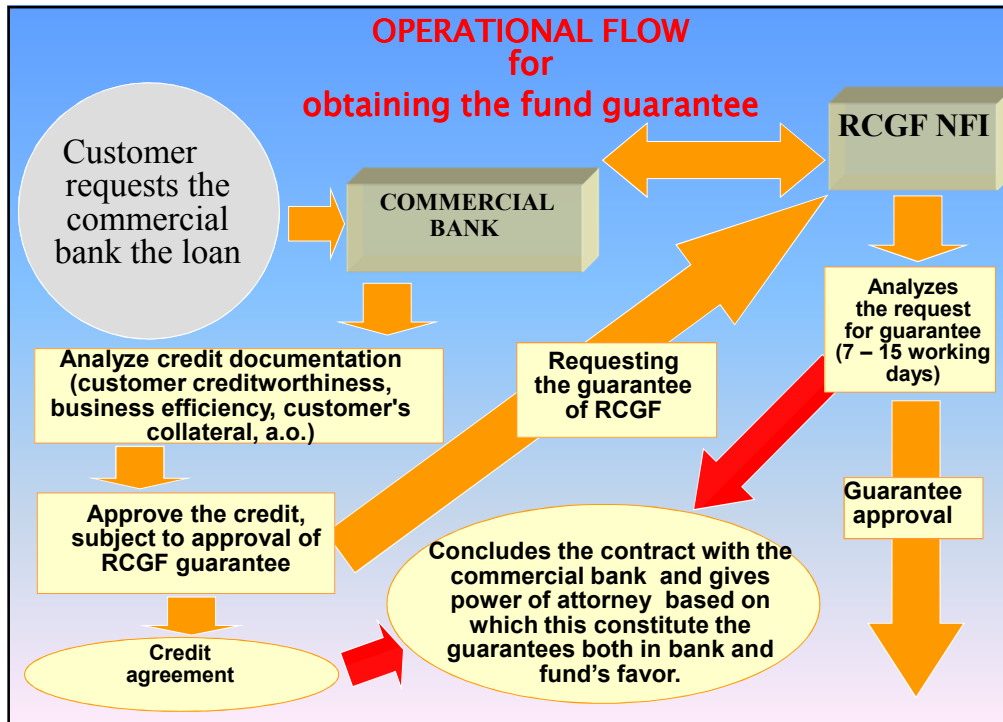
- The Rural Credit Guarantee Fund – RCGF- Non-banking Financial Institution SA is a private shareholding company.
- RCGF manages in private system, public funds exclusively.
- RCGF guarantees all cash and non-cash financing granted by banks for credits intended to finance private agriculture activities and agricultural product processing.
- RCGF also grants guarantees for the local councils in rural area for infrastructure development.
- RCGF guarantees maximum 80 % of the value of the financing.
- The price of the guarantee is paid by banks and the banks recover this value from the borrower.
- The basic principles of the guarantees activity are :
 - the revolving nature of the funds;
 - the possibility of multiplying the funds granted.
- The most important part of the guarantee activity is constituted by the guarantee schemes.

REGULATORY FRAMEWORK

- Regulation (EC) No. 1698/2005 regarding rural development aid granted from ERDF;
- Regulation (EC) No. 1974/2006 on the setting up of detailed rules for the application of Regulation (EC) No. 1698/2005 for the rural development aid granted from ERDF;
- Commission Communication 2008/155/02 regarding the application of Art. 87 and 88 of the EC Treaty regarding state aid under the form of guarantees;
- National Rural Development Programme

DESCRIPTION OF GUARANTEE SCHEME

- **The beneficiaries present a non-repayable financing contract signed with the authority;**
- **RCGF – NFI SA guarantee will cover up to 80% of the contracted loan value and will be progressively reduced on the way the loan is repaid;**
- **The maximum value of guarantee cannot exceed the equivalent of EUR 2.5 mil., denominated in RON, at RON/EUR exchange rate on the date of guarantee request;**
- **The beneficiaries are not confronting with financial difficulty, in conformity with the European guidelines provisions regarding state aid for the rescue and restructuring of companies in difficulty.**



RISKS SHARING

- The bank grants the loan only after the establishment of the other collaterals (at least 20%);
- The bank shall notify the Fund about any event that might result in a credit risk and about any information or circumstance which might influence the contractual relations between the Bank and the client;
- The bank is paying the guarantee commission and then it recovers from the client;
- The bank shall include in the credit contract the ancillary contracts, clauses on the Fund position of co-lender, with equal rank, proportional to the guarantee percentage;

LOSSES BEARING

- The losses resulted following the payment of the guarantee shall be proportionally born, according to the risk share assumed by the Bank and the Fund.
- During the execution of the client, the amounts collected are divided proportionally to the percentage of the guarantee between the bank and RCGF.

Guarantee schemes financed from NRDP

Guarantee scheme for agriculture

- Allocated amount to RCGF - EUR 190 mil.;
- Target market and guarantees portfolio;
 - Beneficiaries of measure 121 - modernization of agricultural exploitations;
 - Beneficiaries of measure 123 - increasing the added value of agricultural and forestry products, without state aid schemes;

Guarantee scheme for SMEs

- Allocated amount to RCGF - EUR 30 mil.;
- Target market and guarantees portfolio;
 - beneficiaries of measure 312 - stimulating the setting-up, growth and development of enterprises;
 - beneficiaries of measure 313 - encouraging rural tourism - building a rural pension and associated fencing;
 - beneficiaries of measure 123 - state aid schemes dedicated to "stimulate SMEs processing agricultural products for obtaining food products" and to "stimulate micro-companies in primary processing of wood and non-wood forestry products".

GUARANTEE CHARACTERISTICS

- Irrevocable and unconditioned, direct and specific;
- Payable within 15 days since the first written bank request;
- Granted in the loan currency;
- Granted only to supplement the client's guarantees;
- The guarantee validity period can be at most equal to the loan tenor, plus a period of up to 60 calendar days;
- Is pro-rata reduced on the way the client's obligations are met.

ELIGIBILITY CRITERIA

- Shows a non-refundable financing contract signed with APRDF;
- Is not confronting with financial difficulty;
- It is not registered at CRB with overdue loans;
- It is not registered with overdue debts to the general consolidated state budget, whose payment way was not settled yet or for which there is no revival chance;
- No legal insolvency procedure was initiated;
- Presents to the bank collaterals of min. 20% of the loan and its related interests value;
- It is classified, according to BNR regulations, in the risk class: *standard, in watch, or sub-standard*;
- It has a rating allowing guarantees granting according Commission communication no. 155/02/2008/

GRANTING STAGE BASED ON GUARANTEE SCHEMES

GRANTED GUARANTEES on 08.06.2012					
- Euro -					
	MEASURE	ALLOCATED AMOUNT	NO.	VALUE	%
LOT 1	M 121 AGRICULTURAL	107.111.000,00	343	115.613.896,31	107,94
LOT 1	M 123 AGRICULTURAL	82.889.000,00	123	69.372.499,38	83,69
	TOTAL LOT 1	190.000.000,00	466	184.986.395,69	97,36
LOT 2	M 123 NON-AGRICULTURAL	10.550.000,00	45	14.159.735,23	134,22
LOT 2	M 312 NON-AGRICULTURAL	9.910.000,00	247	17.861.229,36	180,23
LOT 2	M 313 NON-AGRICULTURAL	9.540.000,00	30	2.762.487,57	28,96
	TOTAL LOT 2	30.000.000,00	322	34.783.452,16	115,94
	TOTAL LOT 1+ LOT 2	220.000.000,00	788	219.769.847,85	99,90