



More finance for Romanian enterprises, as European Investment Fund signs Progress Microfinance guarantee agreement with Patria Credit

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The European Investment Fund (EIF) and Patria Credit have signed a guarantee agreement aimed at supporting micro-businesses and self-employed entrepreneurs in Romania.

This transaction was signed under the European Progress Microfinance Facility (Progress Microfinance), funded by the European Commission and managed by the European Investment Fund.

Thanks to this signature, Patria Credit will be able to provide micro-loans (from EUR 10 000 to just below EUR 25 000) to micro-businesses and start-ups across Romania, without requesting real collateral (except personal guarantees) whilst offering reduced interest rates. Patria Credit will now be able to provide loans to customers it otherwise would not be able to finance.

It is expected that Patria Credit will provide about EUR 8 million of microcredit over the next 2 years under this European Progress Microfinance Facility guarantee. This is in addition to a loan Patria Credit received under Progress Microfinance in May creating a microloan pot of EUR 8 million.

Micro-enterprises wishing to apply for a micro-loan under Progress Microfinance can contact Patria Credit's branches in Romania directly.

About the European Progress Microfinance Facility

The European Progress Microfinance Facility (Progress Microfinance) provides guarantees and funded instruments to microfinance

intermediaries. The initiative is established with EUR 203 million of funding from the European Commission and the European Investment Bank. Progress Microfinance aims to increase access to finance for micro-entrepreneurs, including the self-employed. It has a particular focus on, but is not restricted to, groups with limited access to the conventional credit market. Examples include female entrepreneurs, young entrepreneurs, entrepreneurs belonging to a minority group, entrepreneurs with a disability, sole traders etc. Loans less than EUR 25,000 are made available through selected intermediaries participating in the facility. Progress Microfinance does not provide financing or guarantees to micro-entrepreneurs or individuals directly.

About the EIF

EIF's central mission is to support Europe's small and medium-sized businesses (SMEs) by helping them to access finance. EIF designs and develops venture capital and guarantees instruments which specifically target this market segment. In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. The EIF total net commitments to private equity funds amounted to over EUR 5.4bn at end 2010. With investments in over 300 funds, the EIF is a leading player in European venture due to the scale and the scope of its investments, especially in high-tech and early-stage segments. The EIF commitment in guarantees totalled over EUR 14.7bn in close to 160 operations at end 2010, positioning it as a major European SME guarantees actor and a leading micro-finance guarantor.

About Patria Credit

Patria Credit is a non-bank financial institution, controlled by the Romanian American Enterprise Fund and the Balkan Accession Fund, which provides lending to micro and small entrepreneurs and to agricultural producers. Patria Credit is operating since 1996 and is one of the most important financial intermediaries for micro-enterprises and low-income borrowers in Romania. At the end of 2011, the company was serving a number of over 12,000 customers through a network of 15 branches in large cities and 27 branches located in rural areas. The total amount of new loans granted to its customers during 2011 is 30.6 million EUR (equivalent), most of them being granted to small and micro entrepreneurs and agricultural producers with limited or no access to current financial system.

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