**Bucharest, December 9, 2024 - Press release**

Fondul Român de Contragarantare SA: support for the Romanian entrepreneurial environment and individual beneficiaries eligible in government funding programs - 15 years of trust

During the global financial crisis on December 9, 2009, the Romanian Counterguarantee Fund SA (FRC) was established, a specialized financial institution incorporated as a joint stock company under Law 31/1990 and Law 123/2010 approving GEO 23/2009. The activity of FRC has a correspondence in practices recognized at the European level, promoted by AECM - European Association of Guarantee and Counter-guarantee Institutions, an organization of which FRC is a member since 2010. The company's mission was clear: to support and facilitate financing, i.e. obtaining bank loans for Romanian entrepreneurs/SMEs affected by the crisis.

The support modality consisted of activating the guarantee-counter-guarantee mechanism in the framework of bank financing for the business environment, similar to the insurance-reinsurance mechanism. The Romanian Counter-guarantee Fund undertakes to take a significant percentage (up to 80%) of the guarantee risk assumed by the guarantee funds concerning the financing banks. The guarantee-counter-guarantee mechanism generates benefits throughout the credit chain and has positive effects on the economy:

- Lower total financing costs - the entrepreneur pays lower total fees for the bank loan obtained;

- Leverage effect - counter-guarantees allow guarantee funds to provide more guarantees, therefore more businesses can be supported to obtain bank financing;

- Banking system - the guarantee-counter-guarantee mechanism that takes credit risk increases the confidence of banking institutions and SMEs can obtain financing more easily;

- Indirect revenues to the budget - by activating the guarantee-counter-guarantee it is possible to maintain/create jobs in active businesses, which leads to revenues to the state budget through tax payments, VAT, etc.

Since 2018, the scope of FRC's activity has been diversified by the inclusion of the guarantee in the name and on account of the state in the portfolio of financial instruments used by the company. This has allowed the development of the activity and additional support for some categories of beneficiaries both legal entities and individual beneficiaries, in particular young people, students and families, under specific governmental financing programs.

Today, after 15 years of activity, the Romanian Counter-guarantee Fund would like to thank every partner for their trust, its employees for their dedication and professionalism, as well as all the company's stakeholders who have supported the classic counter-guarantee-guarantee mechanism and the governmental financing - thus, the team of specialists has managed to grant in this time around 25,600 counter-guarantees and 15,000 state guarantees: #START-UPNATION, #INVEST, #IMMINVEST and #IMMPLUS, the components #GARANTCONSTRUCT, #CONSTRUCT PLUS, #INNOVATION, #INNOVATION PLUS, #FAMILYSTART and #STUDENTINVEST.

#FRC15ANIDEINCREDERE