



## Micro loans for agriculture and rural development in Romania

**Raluca Andreica**, Chief Executive Officer, Patria Credit

 #ficompass



# Patria Credit IFN

Past, present & future

- We are specialized in Rural Financing
- We started in 1996, initially as a World Vision Program, then as an ONG, ultimately MFI.
- Our aim is to offer specialized financial services to small agro farmers and small rural businesses with limited access to traditional banking products due to geographical and social profile limitations.
- Our vision is to sustain entrepreneurial efforts of rural clients and to increase their positive impacts in local community, with easy and accessible financial products.



**We believe  
in people**

**We believe in  
responsibility**

**We believe  
in flexibility**

**We believe  
in efficiency**



**We believe  
in  
partnership**

# Patria Credit IFN

Figures



**2022**

31 MARCH 2022 FIGURES

## INCREASING RESULTS

### NET PROFIT

2022 **146** kEUR

2021 YTD **1,590** kEUR

### PORTFOLIO OUTSTANDING EOM

**30.2**<sup>mil</sup>  
EUR vs. 30.4 mil EUR Budget **99%**

### YTD GROSS SALES

**4.98**<sup>mil</sup>  
EUR from which  
1,91 mil EUR in March 2022

### PORTFOLIO QUALITY

**3.31%** PAR 30 (2.75 % in PAR90)

2021 - 3.31%

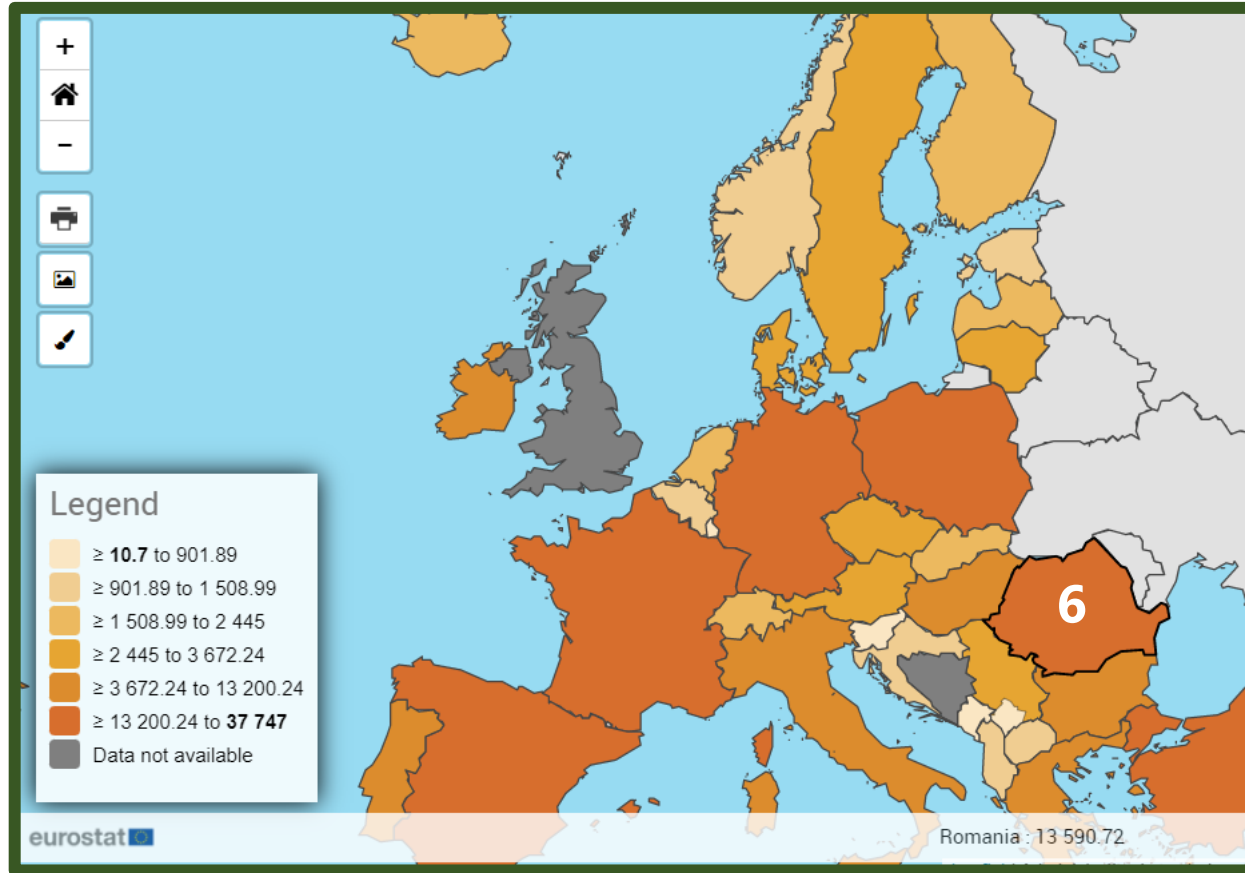
### EaSI OUTSTANDING PORTFOLIO

**18.7**  
mil EUR **1,995**  
loans disbursed **10,519** Euro  
Avg. ticket

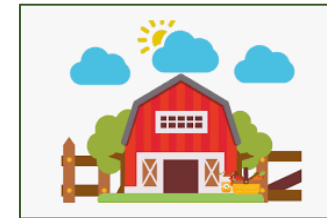


# Romanian farming landscape

Facts & figures



44% rural population  
6<sup>th</sup> place in EU agricultural area  
1<sup>st</sup> place in EU no of farms



3.4 million  
farms  
in RO

## High agricultural fragmentation

75% of farms <2ha

- 98% of farms <10ha
- Only 0.5% farms >100ha →

39% of agriculture surface

49% of agriculture surface

**100% in rural area, family small farms.  
This is where microfinance happens**

Sources:

PWC Romania, 2017 - <https://pwc.to/3FrSrAl>

Eurostat - [Statistics | Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat)

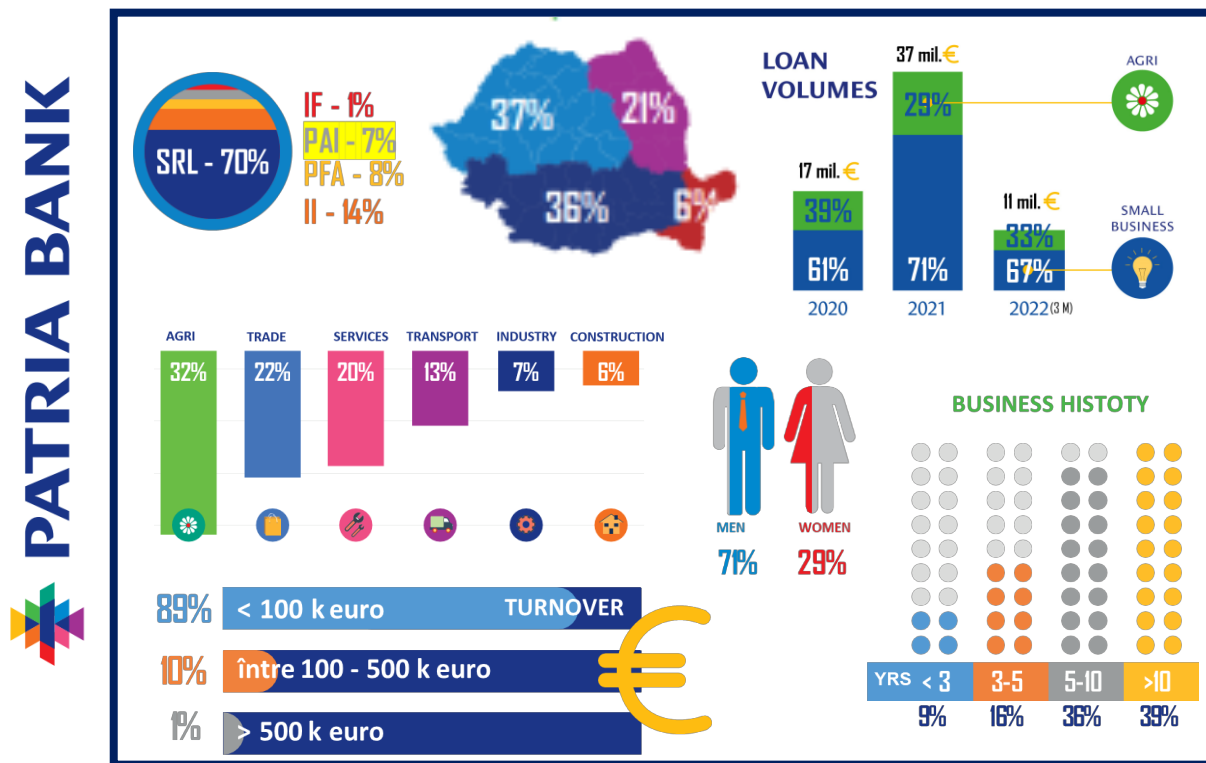


# Patria Group journey in rural and small urban microfinance

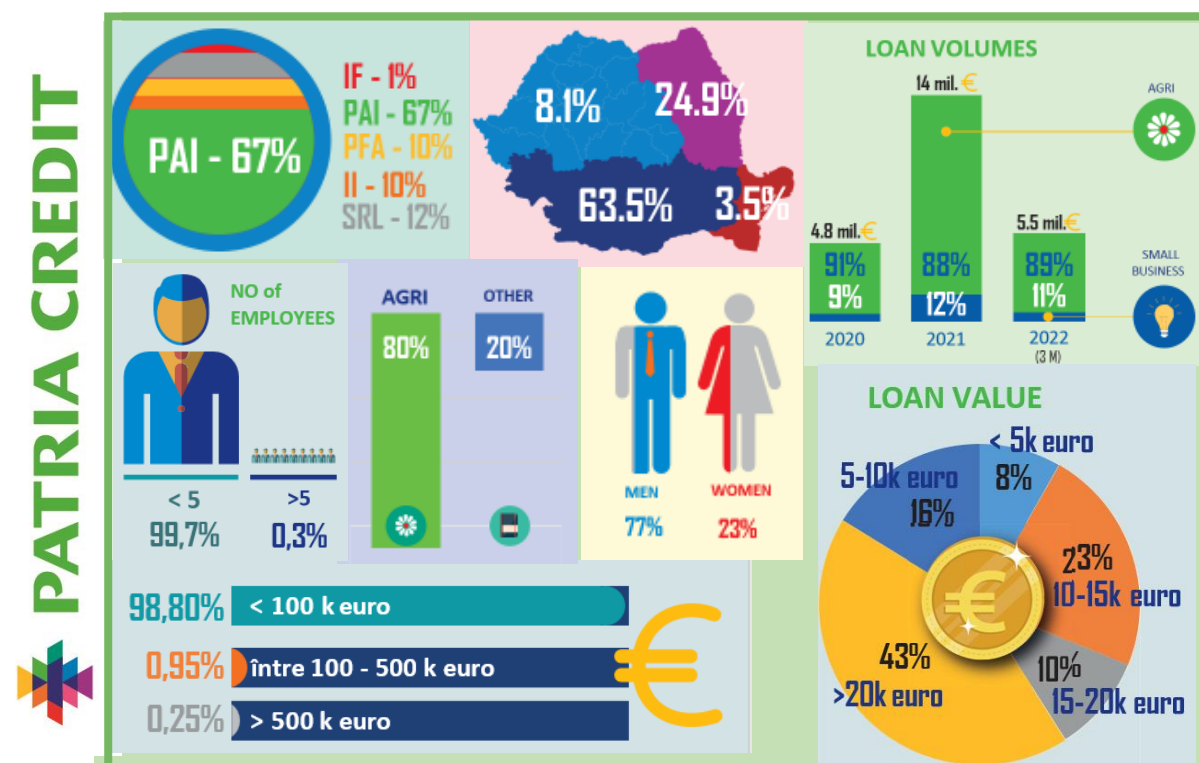
Facts & figures

Small farms benefiting from microfinance support are mainly non-formal organizations, with an average loans values of 10k euro (NFBI) and 15k euro (Bank)

## Bank's microfinance (EaSI) customer profile



## NFBI EaSI customer profile





# Patria Group journey in rural and small urban

Rural realities in picture

## microfinance





# Customers come and stay

Daniela and Ionut are farmers that grew in time, loan by loan

*From the passion for growing vegetables and from the desire to offer quality products, with authentic taste, together with the family we grow tomatoes in our solariums located in the Poiana Mare vegetable pool, appreciated for their special taste, bell peppers and other vegetables. Being grown in a protected environment, sheltered from diseases that affect vegetables, we practice an agriculture based on modern technologies, friendly to the environment and especially healthy for consumers. I discovered the desire of people to consume quality products that awakened the memory of their childhood tastes. Sincerely, Daniela and Ionut, Patria Credit Customer*



**2015**  
**13.000 lei/6M**

**2016**  
**25.800 lei/7M**

**2016**  
**25.800 lei/9 M**

**2017**  
**90.000 lei/23M**

**2018**  
**40.000 lei/33M**

**2019**  
**125.000 lei/27M**

**Business structure:** protected culture on an area of 3,000 sqm and outdoor culture on an area of 3,000 sqm.  
**Crops :** tomatoes, cucumbers, bell peppers, cabbage  
**Loan destination:** solar construction on an area of 1,000 sqm

**Business structure:** protected culture on an area of 4,000 sqm and outdoor culture on an area of 2,000 sqm  
**Crops:** tomatoes, cucumbers, bell peppers, cabbage  
**Loan destination:** investments of solar equipment-construction

**Business structure:** protected culture on an area of 6,000 sqm  
**Crops:** tomatoes, cucumbers, bell peppers, cabbage  
**Loan destination:** land acquisition

**Business structure:** protected culture on an area of 6,000 sqm  
**Crops:** tomatoes, cucumbers, bell peppers, cabbage  
**Loan destination:** constructive hall for storing wood / coal and purchasing wood and coal for the power plant

**Business structure:** protected culture on an area of 6,000 sqm  
**Crops practiced:** tomatoes, cucumbers, bell peppers, cabbage  
**Loan destination:** acquisition of professional foil fastening system on the solariums made of metal structure, wood and coal for the power plant and acquisition of black foil against weeds

**Business structure:** protected culture on an area of 6,000 sqm  
**Crops practiced:** tomatoes, cucumbers, bell peppers, cabbage  
**Loan destination:** purchase of straw shredder, truck and straw for briquettes.

# Customers come and stay

Miss Cristina Papa, 25 years old, farmer in Cilieni, 3 loans from Izbiceni Patria Credit Agency



- **Miss PAPA CRISTINA, 25 years old**, graduated university in Bucharest and decided to return home to Cilieni (Olt county) to grow vegetables.
- From an early age, she helped her parents and in 2016 she set up her own company PAPA A CRISTINA-ADELINA PFA and accessed European funds for modernizing solariums.
- She manages an area of **33 acres of solarium in seven sections**, some of them equipped with power plants. She sets up 3 crops / year in the solarium: lettuce and two tomato crops and also grows vegetables in the field: spring & autumn cabbage and celery.
- **She accessed 3 Patria loans, so far**: 2 EASI and one Patria Gold. With the help of loans, the client bought plants to be early in the spring tomato crop.
- Ms. PAPA has permanent clients, she sells vegetables at agri-food market in Cilieni and Bucharest and has her transport.

**She is appreciated by her customer for her seriousness and involvement and the great quality of vegetables she grows. She plans to further develop and conclude contracts with large chain stores**



# Time to go deeper into microfinance impact

Developing the first RO study on microfinance impact on rural communities

## SCĂRIȘOARA



***Patria Credit & Fundatia Patria Credit will develop the 1<sup>st</sup> study paper on microfinance impact in rural communities and social indicators methodology set-up in Romania***

**Main objective:** create the premises and/or methodology for developing a set of social impact indicators in accordance with the current and future recommendations of the European Commission

## TÂRGU FRUMOS



**Secondary objective:** document the Socio-economic impact of microfinance in the rural communities/area as to create an essential foundation for project-related social management plans, community agreements, both within Patria Group (Patria Credit and Patria Foundation) and in cooperation with our partners: financing institutions, NGOs and local authorities

## MATCA



**Field analysis - 3 main rural communities** where Patria Credit is present for more 10 years: SCĂRIȘOARA, TÂRGUL FRUMOS and MATCA

**Report is estimated to be available in July 2022**





# The microfinance story in RO continues







Thank you!

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