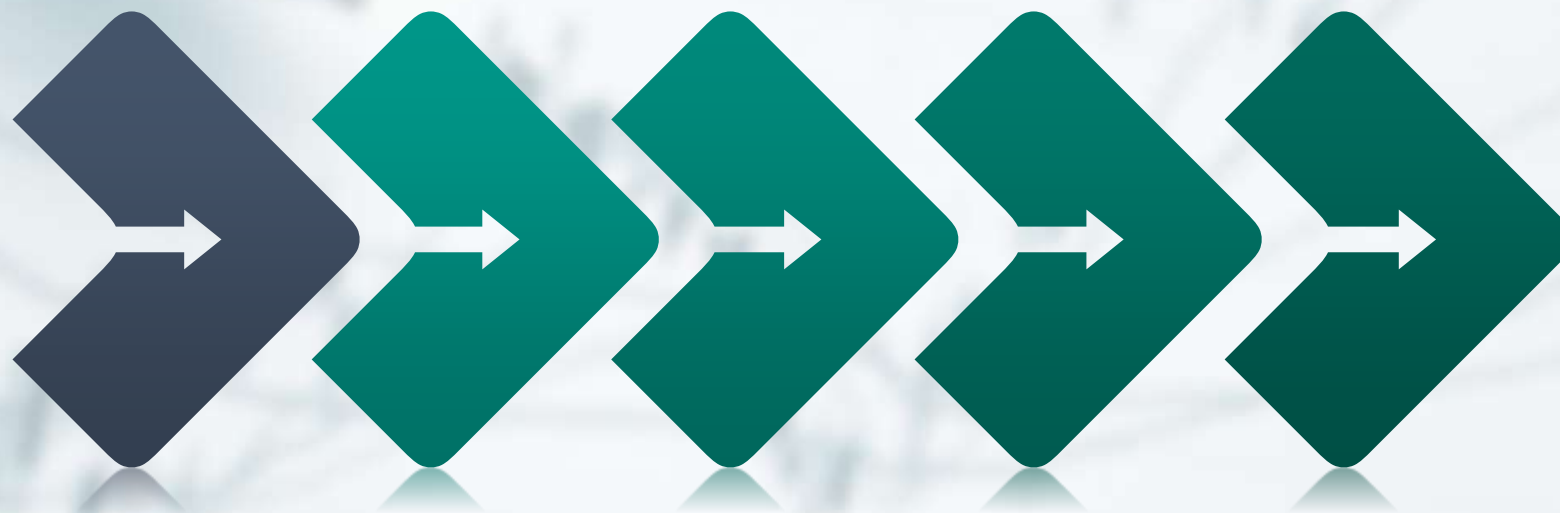


AFIN

finance for doing good

The First Romanian **A**lternative **F**INancial Institution Exclusively Dedicated to Social Economy Enterprises



Social Economy

Organizations / enterprises **aiming to benefit Members and community**

- cooperatives & credit unions (in Romanian, CARs);
- mutual aid entities;
- associations (including charities).

The community

- social enterprises;
- foundations.

- ✓ Reinvest most of their profit to pursue sustainable development objectives.
- ✓ Prioritise people and communities over profit, driven by their mission to serve the common good general interests; inclusive and democratic governance.
- ✓ Cooperatives, mutual aid entities, associations (including charities), foundations, social enterprises.



Cooperatives



Mutual Aid Entities



Associations
(including charities)



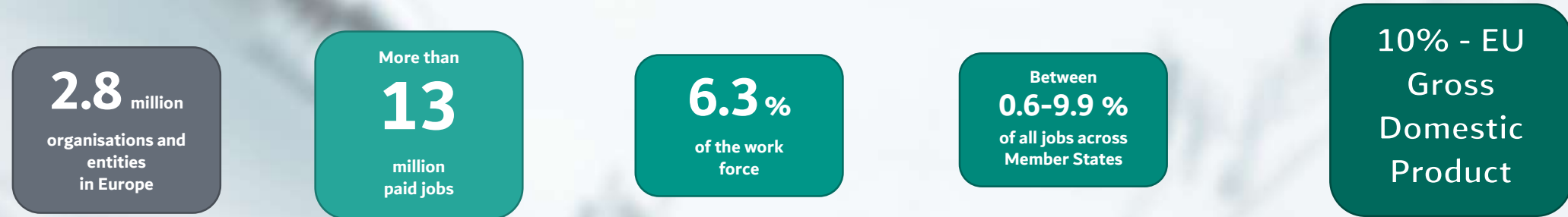
Foundations



Social Enterprises

Social Economy in figures

Social Economy in Europe



Social Economy in Romania

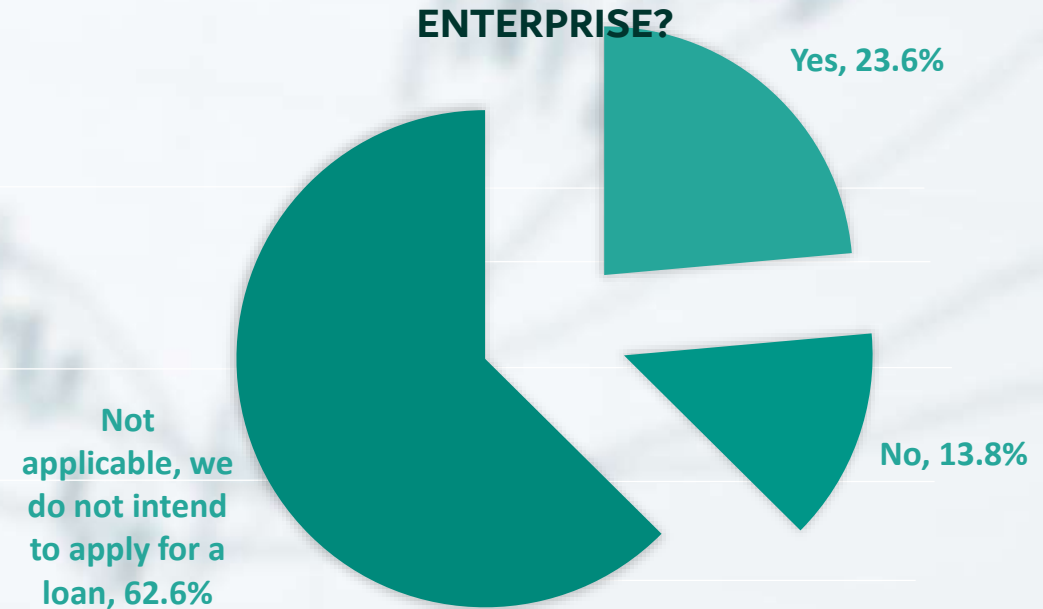


THE BAROMETER OF SOCIAL ECONOMY

Sources of financing used for establishing and / or for developing the activity of the enterprise within the past 3 years (% of the enterprises)



DO YOU HAVE / WILL YOU HAVE ENOUGH GUARANTEES TO ACCESS THE FINANCIAL RESOURCES YOU NEED TO DEVELOP YOUR



PROBLEMS

- Lack of access to finance of Romanian Social Economic Operators (SEO)
- Lack of tailored financial products for SEO
- Lack of support along life time credit

SOLUTION

- Set up AFIN, the first Romanian non - banking financial institution exclusively dedicated to social economic operators.
- AFIN with Social Finance Association as NGO, will support SEO by counselling, co-finance and co-guarantee to become eligible for loans, funding and bankable.

**AFIN – a social enterprise itself –
operating by social enterprise principles!**

WHAT IS THE CHANGE WE BRING?

- The decision to finance will be made based on financial indicators correlated with social and green impact indicators.
- Distribution of the loans portfolio:
 - ✓ 30% of the clients activating in the field of labor integration – 30% * number of loans * an average of 3 workplaces in the entity;
 - ✓ 30% in local economies in disadvantaged areas / communities;
 - ✓ 30% major / national social impact changes;
 - ✓ 10% major green changes – innovation or local impact.

WHY NOW?



- Social economic operators needs more and more access to finance, loans, funding for development.
- Entrepreneurial social projects need support and financial products to access EU funds (bridge loans, letter of guarantee).
- A solid increase of entrepreneurial social impact initiatives.
- Social economic operators need to prove that they can book a good credit history in order to become bankable.

WHY US?



- High knowledge team of social economy market.
- Proved entrepreneurial behavior in the sector with achievements appreciated in EU at the highest level: In 2016, ADV Romania won the EY Social Entrepreneur of the Year Award and in 2021, was one of the finalists of the European “Social Economy Award” competition.
- High knowledge in managing non - banking financial institutions.
- Relevant experience of advisory board members.

MARKET SIZE



According to the National Statistics Institute, in Romania are activating approximately 205.000 entities in the field of social economy, in which are employed approximately 165.000 people.

Of these entities, 20.000 generate incomes higher than 10.000 EUR / year.

According to the Barometer of Social Economy, 20% of the entities wish they could have access to financing, 4.000 entities having limited access to financing.

Of the 4.000 entities, AFIN aims at crediting 500 during the first 5 years, with an average loan of 40.000 EUR.

HOW ARE WE DIFFERENT?



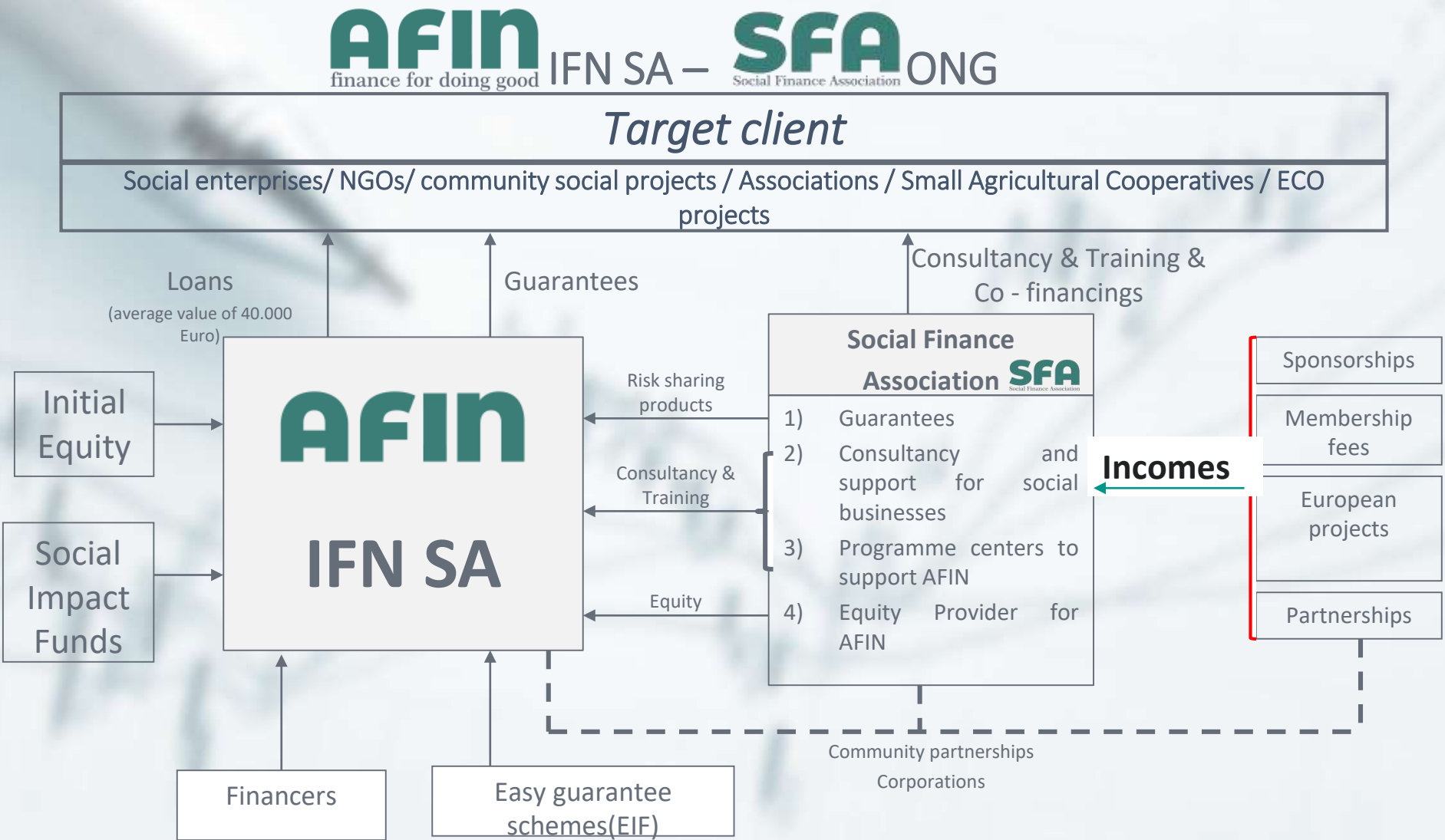
- Adapted and innovative products;
- Consultancy offered to the client in order to make them eligible for the loan;
- Consultancy offered throughout the loan;
- Total or partial guarantee of the loan;
- Co-financing loan;
- Digital operational model, based 60% on volunteering.

AFIN PRODUCTS

AFIN
finance for doing good

- ✓ Loans for work capital.
- ✓ Investment loans.
- ✓ Mixed loans.
- ✓ Bridge loans for co-financing EU projects
- ✓ Loans with consultancy from SFA throughout the loan period.
- ✓ Risk sharing scheme

INTEGRATED OPERATIONAL MODEL



MISSION

We support visionary **social entrepreneurs**, offering **alternative financial instruments**, adapted to their needs as well as consultancy and educational and capacity building activities. Our goal is to **help** social enterprises to **grow** and become more and more **competitive**, this way multiplying their positive impact on the local communities and on the environment.

VISION

We want to be the **first choice** of social entrepreneurs who need financing to develop social and **environment projects**, thus contributing to their success and to the success of the social economy sector.

We **invest** in people, in ideas and projects in order to contribute to the growth of **social economy, to inclusion and poverty eradication**.

VALUES

IMPACT – INNOVATION – RESPONSIBILITY – INTEGRITY – MUTUAL AND CONTINUOUS
EDUCATION - ADAPTABILITY

