



Press Contact: Mr. Riccardo Brogi +39-338-938 6718

CONVERGENCE
Romanian Deposit Guarantee Fund in the Banking System
Bucharest, March 3, 2006

On March 2, Convergence delivered a summary of the main findings and conclusions of its study on the size and financial policies of the Romanian Deposit Guarantee Fund in the Banking System (RDGF) at a Symposium held for the RDGF 10th anniversary at the Romanian Banking Institute. Convergence undertook this study in collaboration with the Italian Deposit Insurance Fund.

The study concludes that the RDGF is in a strong financial position to handle all foreseeable potential medium-term risks.

For scenario purposes, the study has identified four very small banks that, under most conservative assumptions based on historical trends, may represent a potential medium-term risk for the RDGF. A scenario assumption does not imply a judgment about the likelihood of its potential adverse development.

The combined size of these four banks is 0.8% of the market. This is less than a third of the RDGF's present liquidity.

Sponsored by the World Bank, and supported by a grant from Italy's Ministry of Economy, the "Convergence" Program has been set up to promote the build-up of analytical capabilities in financial economics, banking and finance and legal and regulatory matters within the civil society in order to foster micro-structural market-building reforms conducted in consultation with market participants in its seven countries of operations in South-East Europe¹.

¹ The countries are: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Romania, Serbia and Montenegro.