

Q1 2013

PRESS RELEASE no.1/2013

The **Investors Compensation Fund (Fondul de Compensare a Investitorilor S.A.- FCI)** reports for the first quarter of 2013 the following information regarding the number of investors, the average investment portfolio, the standing fund and the investment of resources.

KEY FIGURES MARCH 2013

- ❖ No. of FCI members: 68
- ❖ Total no. of investors: 78.253
- ❖ Total portfolio: 18.107 mil lei
- ❖ Average portfolio of investor eligible for full compensation: 1.968 eur

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The beginning of 2013 continued the main tendencies of general decrease in the number of investors and increase of the individual portfolios, as in the previous year. This indicates there are less investors, but with higher portfolios.

From the total investment in the market, only 6% is eligible for compensation, suggesting a majority of very large portfolios and professional investors, excluded from compensation.

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- ❖ Compensation limit: 20.000 eur
- ❖ Exchange rate on: 31.03.2013
4,4154 lei/euro
- ❖ Exchange rate on: 31.12.2012
4,4287 lei/euro

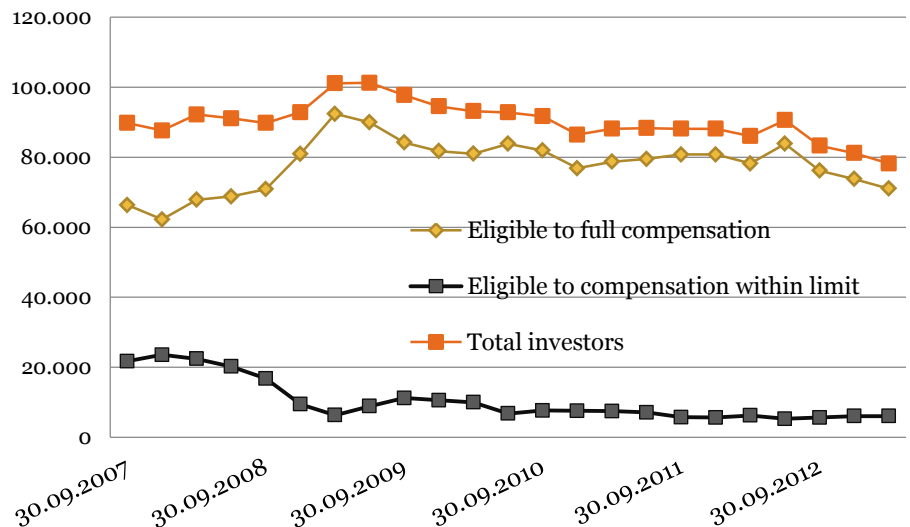
1. NUMBER OF INVESTORS

There were 78.253 investors in the market at the end of march 2013, (without taking into account whether one investor has one or more providers of investment services), continuing the decrease, by approximately 4% compared to the end of the previous year.

Categories of investors	Dec. 2012	Mar. 2013	Mar. 2013/ Dec. 2012 (%)
Eligible for full compensation	73.814	71.067	-4%
Eligible for compensation within the compensation limit	6.051	6.058	-
Excluded from compensation	1.353	1.128	-17%
Total no. of investors	81.218	78.253	- 4%

There has been an overall decrease tendency since the peak reached in 2009. The total number of investors is highly influenced by the high percentage of investors with portfolios below the compensation limit.

Graph. 1.1 Investors evolution



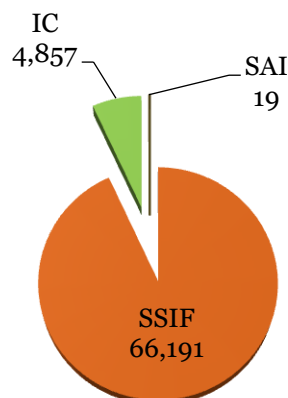
A major influence in the evolution of the number of investors eligible for full compensation is represented by the increase in the compensation limit. Consequently, from 2006 to 2012, when the limit of 20.000 eur. was gradually reached, the number of investors eligible for full compensation increased.

Since 2011 the compensation limit remained at the same level, pointing out a real decrease in the number of investors with portfolios below the compensation limit.

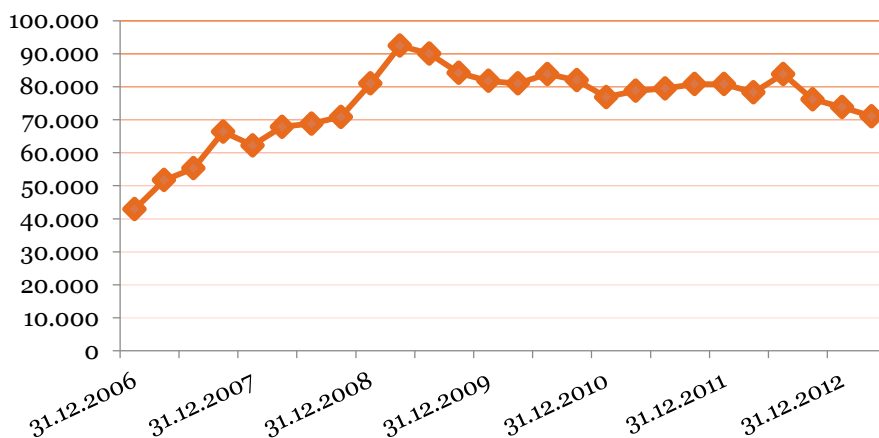
At the end of March 2013 there were reported 71.067 investors eligible for full compensation, representing 91% of the total number of investors.

The number of investors with portfolios exceeding 20.000 eur. is continuing the relatively constant trend of the last year, even though during the financial crisis there were high fluctuations. The level stabilised at an approximate value of 5,000 investors.

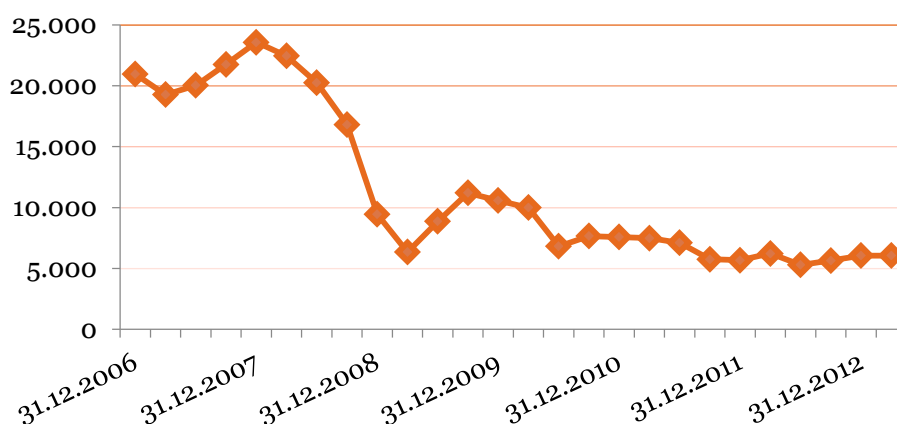
Grafic 1.4. Distribution of investors eligible for full compensation by category of members



Graph 1.2 Investors eligible for full compensation



Graph 1.3 Investors eligible for compensation within compensation limit



The evolution of investors eligible for full compensation, distributed on category of members (Investment services companies – SSIF, Credit institutions – IC, Asset management companies – SAI) is as follows:

Investors fully compensated, by category of members	Dec. 2012	Mar. 2013	Mar.2013/Dec. 2012(%)
Investment firms (SSIF)	68.806	66.191	-4%
Credit institutions (IC)	4.991	4.857	-3%
Asset Management Companies (SAI)	17	19	12%
Total	73.814	71.067	-4%

As in the previous periods, over 93% of the investors with portfolios eligible for full compensation are clients of brokerage firms.

The total portfolios in the market increased their total value by 3%, while the number of investors continued to decrease. The probable causes are the increase in market capitalization (by 2%) and the development of external activity of brokers in the foreign market, by approximately 7%.

The investment eligible for compensation represents 6% of the total market portfolios and has decreased by less than 1% since the end of 2012.

IC dec. 2012 – 1.161.655.577 lei

IC mar. 2013 – 1.152.484.972 lei

IC = Total investment eligible for compensation

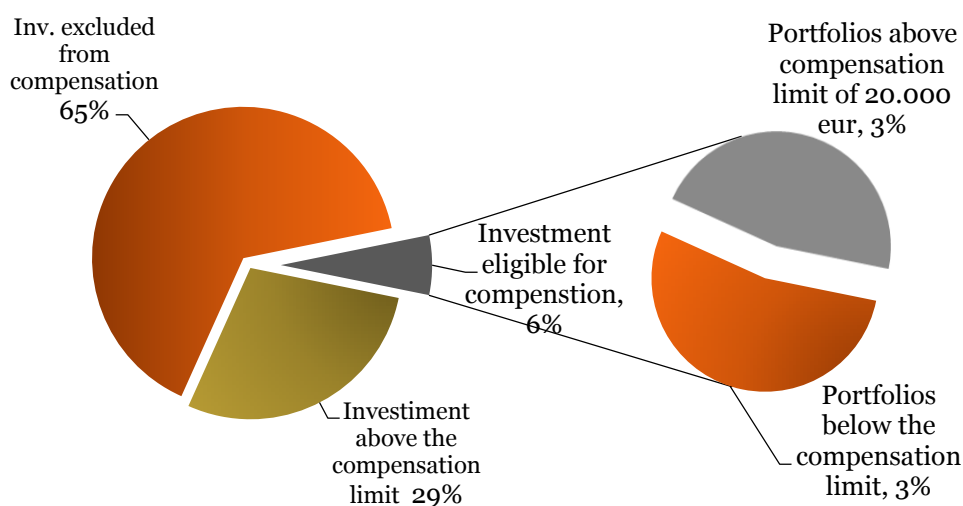
Depending on the category of investors, the average portfolio is calculated as follows:

- for an **investor eligible for full compensation** (with investments below the compensation limit): the ratio between the sum of investments below 20.000 eur. and the total number of investors eligible for full compensation.
- for an **investor eligible for compensation within the compensation limit** (with investment above the compensation limit): the ratio between the sum of investments that exceed the compensation limit and the total number of investors in this category.
- for an investor **excluded from compensation**: the ratio between the sum of investments excluded from compensation and the total number of excluded investors.

2.1 TOTAL PORTFOLIO OF INVESTORS

Value of total portfolio (mil. lei)	dec. 2012	mar. 2013	mar. 2013/dec. 2012 (%)
Financial instruments	17.266	17.812	3%
Monetary funds	236	295	25%
Total portfolio	17.502	18.107	3%

Graph 2.1. Total portfolio structure



2.2 AVERAGE PORTFOLIO OF AN INVESTOR

Investors average portfolio (euro)	dec. 2012	mar. 2013	mar. 2013/dec. 2012 (%)
Eligible for full compensation	1.914	1.968	3%
Eligible for compensation within the limit	226.042	213.189	-6%
Excluded from compensation	1.805.536	2.366.742	31%

Due to the increase in value of the total portfolio and the drop in the number of investors eligible for full compensation, the value of investors' average portfolio increased accordingly:

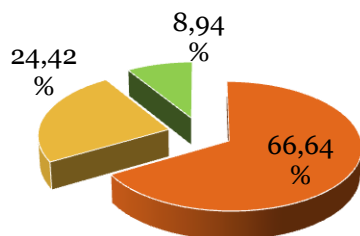
Category of investors	Total portfolio mar.2013/dec.2012 (%)	No. of investors mar.2013/dec.2012 (%)	Average portfolio mar.2013/dec.2012 (%)
Eligible for full compensation	-1%	-4%	3%
Eligible for compensation within the limit	-6%	-	-6%
Excluded from compensation	9%	-17%	31%
All investors	3%	-4%	27%

The average portfolio of an investor eligible for full compensation amounted 1,968 eur at the end of March 2013. The evolution is close to the value of the last three years' average, of 1,897 eur.

$$IMC = \frac{\sum_{i=1}^N I c_i}{N}$$

N = no. of members

Graph 4. Investment of resources



- discount Treasury Bills
- benchmark bonds
- bank deposits



Fondul de Compensare a Investitorilor

Investors Compensation Fund

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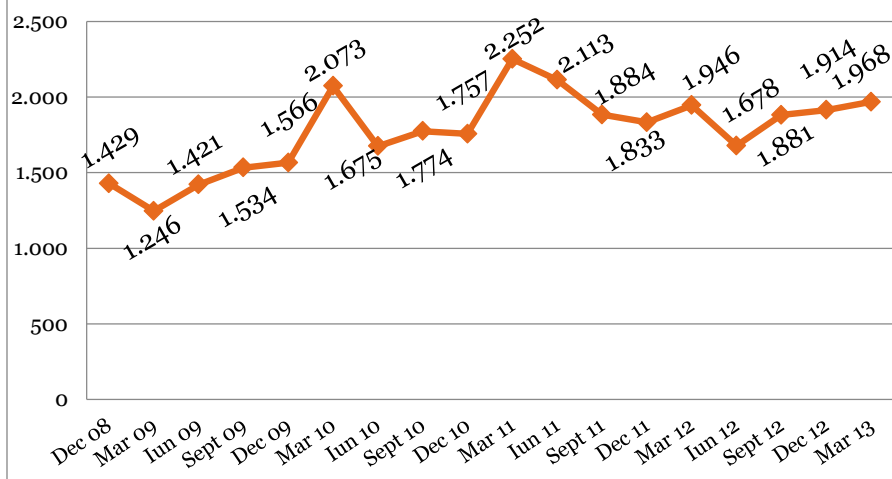
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Graph 2.2. Average portfolio of an investor eligible for full compensation



3. THE AVERAGE INVESTMENT TO COMPENSATE (IMC)

The average investment to compensate is represented by the ratio between the sum of investments eligible for compensation submitted by the Fund's members and the number of members of the Fund.

The value of the average investment to compensate increased at the end of the first quarter of 2013 by approx. 5% compare to the end of the previous year, from 16.13 mil. lei to 16.94 mil. lei (considering all 68 members, including inactive ones). The rate of increase is lower compared to the evolution in 2012 and is mainly due to the decrease in number of members.

4. INVESTMENT OF RESOURCES

The value of the financial resources for compensation at the end of March 2013 amounted 15,5 mil lei. The resources were invested 66.64% in Treasury Bills with discount, 24.42% in benchmark bonds and 8.94% in negotiated bank deposits.

Fanel Chirtu

Executive Director