

SPATIAL DISPARITIES OF FINANCIAL INTERMEDIARIES IN CLUJ COUNTY

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ABSTRACT – The present paper aims at identifying the disparities in the spatial distribution of financial intermediaries by taking as case-study a specific territorial unit, namely Cluj County. The knowledge of the number and location of financial intermediaries has importance in understanding the complex functionality of the territory, as well as in the complex process of territorial management, since there is a close linkage between the presence and the activity of the different financial institutions and economic and social development. The analysis is focused on the following financial intermediaries: monetary financial institutions, other financial intermediaries, insurance companies and pension funds. The interpreted data, the calculated indicators (such as the number of banks per 1,000 inhabitants, the number of ATMs per 1,000 inhabitants) and the cartographic materials indicate a high concentration of financial intermediaries in Cluj-Napoca, a slight diversity in the other five towns of the county and low presence or even their absence in rural area.

Keywords: spatial disparity, financial intermediary, Cluj County.

THE IMPORTANCE OF FINANCIAL INTERMEDIARIES FOR LOCAL AND REGIONAL DEVELOPMENT

According to the *Compilation Guide on Financial Soundness Indicators*, Part I, Chapter 2 (2004, p. 12) elaborated by International Monetary Fund, “a financial system consists of institutional units and markets that interact, typically in a complex manner, for the purpose of mobilizing funds for investment, and providing facilities, including payment systems, for the financing of commercial activity”, by institutional unit understanding “an entity, such as a household, corporation, government agency, and so on, that is capable, in its own right, of owning assets, incurring liabilities, and engaging in economic activities and in transactions with other entities”.

In addition, the *European System of National and Regional Accounts* (ESA 95), used by the member states of the European Union as a compatible framework for a quantitative and a detailed description of their economy, groups all the institutional units into five institutional sectors, also divided into sub-sectors, by taking into consideration their economic behaviour: non-financial corporations, financial corporations, general government, households and non-profit institutions serving households.

Financial corporations, as one of the five institutional sectors that form the total economy, is defined in the same ESA 95 as consisting of “all corporations and quasi-corporations which are principally engaged in financial intermediation (financial intermediaries) and/or in auxiliary financial activities (financial auxiliaries)” (paragraph 2.32). The definition continues by identifying **financial intermediation** as “the activity in which an institutional unit acquires financial assets and at the same time incurs liabilities on its own account by engaging in financial transactions on the market”, while **auxiliary financial activities** “are activities closely related to financial intermediation but which are not financial intermediation themselves” (paragraph 2.32).

In this context, financial intermediaries appear as institutional units which stand between savers (those that provide funds) and borrowers (those that need funds), facilitating and improving, by means of different products and services, the linkage between savings and investments. However, “financial intermediary does not simply act as an agent for these other institutional units but places itself at risk by acquiring financial assets and incurring liabilities on its own account” (ESA 95,

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paragraph 2.33), playing, therefore, an important role not only in distributing capital but also in transforming and managing risks.

Given the crucial role financial capital plays in economic development, availability of financial products and services provided by the financial intermediaries represents an important factor, although not the only one, affecting economic development. In fact, there is a close interrelation: the development of financial institutions (financial intermediaries and securities market institutions) reflects an accumulation of financial capital on the basis of economic growth, while economic development is supported by the presence of the financial capital concentrated in different financial service providers.

As the Romanian financial system still relies mostly on the activity of financial intermediaries, especially credit institutions, an analysis of the spatial distribution of financial intermediaries, would represent another step in understanding the complex functionality of the territory. The results of the analysis, if correlated with economic and demographic variables such as personal income, population dispersion, financial behaviour of population and of economic agents, number and profile of economic agents, would facilitate a better understanding of the interrelation between the degree of population's access to financial services and the state of local economic development. Moreover, the number and the spatial distribution of financial intermediaries can represent another important indicator when analyzing the structure of relations established between neighbouring settlements, as well as the functional zones within a city.

APPROACH

The present paper aims at identifying spatial disparities in the distribution of financial intermediaries in a specific territorial unit, namely Cluj County, the knowledge of the number and location of financial intermediaries having importance also in the complex process of territorial management. However, it should be mentioned from the very beginning the fact that positive effects on household welfare, as well as on economic agents' performance, eventually to the benefit of the economy in general, are not generated only by the simple territorial presence of financial institutions. Their existence must include effectiveness that implies quality, diversity and availability of financial products and services in order to meet different needs, to support the activity of entrepreneurs and to involve different segments of population. In other words, as it is stated in a World Bank Policy Report entitled *Finance for All? Policies and Pitfalls in Expanding Access*, "it is important to distinguish between access to- the possibility to use- and actual use of financial services" (p.2).

The analysis has consisted in several interdependent steps: collecting data referring to the type, number and location of head offices, subsidiaries, branches and agencies by accessing the website of each credit institution, as well as the Register of Credit Institutions, the Register of Non-Bank Financial Institutions, the Register of National Securities Commission, the Register of Insurers and Insurance Brokers, the Register of Private Pension Funds and Administrators; correlating the data with field observations; processing the data; elaborating cartographic support seen as a useful instrument in the process of data interpretation; interpreting data and reporting the results.

DISPARITIES IN THE GEOGRAPHIC DISTRIBUTION OF FINANCIAL INTERMEDIARIES IN CLUJ COUNTY

Three types of financial intermediation institutions are the subject of the present analysis, taking into consideration the ESA 95 and the current Romanian legislation: 1. Monetary financial institutions; 2. Other financial intermediaries; 3. Insurance companies and pension funds.

1. Monetary financial institutions are structured on two levels: the first institutional sector includes one entity, *the central bank* (the National Bank of Romania, with role in the monetary and currency policy, as well as in banking authorization and prudential surveillance), while the second institutional sector includes *the credit institutions*, defined as undertakings whose business is to

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receive deposits or other repayable funds from the public and to granting credits for its own account² (*banks, credit cooperative organizations, savings and loan banks for housing, mortgage loan banks*) or which issue means of payment in the form of electronic money (*electronic money institutions*)³. This two-tier banking system was created in 1991.

In Cluj County, the National Bank of Romania is represented by one subsidiary of the first degree situated in the county seat, namely the city of Cluj Napoca, with role in supporting the head office in coordinating and supervising the good functioning of the regional banking system.

As far as the credit institutions are concerned, they are by far the most important intermediaries between the capital-holders and the capital-borrowers in Cluj County, situation in accord with the reality existent at the national level. Their importance resides in their function of collecting, transforming and re-distributing capital, making available their services both for individual consumers and for small and medium-sized enterprises, with limited access on the capital market, as well as in their function of being the main distribution channel in implementing the monetary policy.

Generally, a credit institution adopts a territorial penetration model depending on its interest, either the corporation segment or the retail segment. However, since banks obtain most part of their profits from the retail segment, a recent tendency of giving more importance to the retail client could be noticed even in the case of credit institutions centred on the relation with the great corporations. This situation involves a much closer approach to the potential client. Therefore, having as motto “*We will be where you are*”, many of the credit institutions have expanded their network of branches, subsidiaries and agencies, especially after the year 2000.

In this context, in the recent years, Cluj County has faced a real “avalanche” of bank subsidiaries and agencies, yet not sufficient. Concentrations appear in all the towns of the county, but especially in Cluj-Napoca, a real bank attractor due to its great social and economic potential (Figure 1), concentrating 62.6% of the total number of banks (including head offices, branches, subsidiaries and agencies) existent at the county level, in the context in which it also concentrates 44.6% of the total county population and 69.2% of the total number of companies (according to 2008 data). In addition, an important aspect is represented by the great diversity of credit institutions, out of the 43 credit institutions present at national level, 34 are present in Cluj-Napoca (30 commercial banks, 3 savings and loan banks for housing, with the observation that Raiffeisen Banca pentru Locuințe S.A. is found in full process of taking over HVB Banca pentru Locuințe S.A., and the credit cooperative organizations affiliated to CREDITCOOP Central Cooperative Bank).

The other five towns of the county (Turda, Dej, Câmpia Turzii, Gherla and Huedin) concentrate together 22.3% of the total number of banks (8.8%, 4.6%, 3.6%, 3.3% and 2.0%, respectively), meanwhile, the rural area seems to represent a slight attractive area as regards the penetration of bank branches, subsidiaries and agencies, concentrating only 15.1% of the total number of banks, in the context in which 33.1% of the county population lives in the rural area and 13.4% of the total number of companies activate in the rural environment (Figure 1).

The competition at county level, as regards the number of subsidiaries and agencies, is carried between the most profitable banks of the Romanian banking system, according to the data regarding the net profit in 2008: *BRD* (The Romanian Bank for Development) - *Groupe Société Générale* (with 57 subsidiaries and agencies at county level, 63.2% of them in Cluj-Napoca, the second bank as regards the net profit in 2008, namely 367.6 million euros), closely followed by *Banca Transilvania* (with 52 subsidiaries and agencies at county level, 69.2% in Cluj-Napoca, the forth as regards the net profit in 2008 of 108.2 million euros), the only bank having its head office in Cluj-Napoca, also included by *The Banker* magazine in “Top 1,000 World Banks 2007”, where it occupies the 847th position. *CEC Bank*, formerly *Casa de Economii și Consemnațiuni* until 2005 (The Romanian Savings Bank), has a different pattern, being the only bank in Cluj County that penetrates into the rural area

² According to *Government Emergency Ordinance No. 99 of 6 December 2006 on Credit Institutions and Capital Adequacy*, PART I, TITLE I, CHAPTER I, Section 2, Art. 7, Paragraph 10.

³ According to *Government Emergency Ordinance No. 99 of 6 December 2006 on Credit Institutions and Capital Adequacy*, PART I, TITLE I, CHAPTER I, Section 1, Art. 3.

more than it does into the urban due to its relict building infrastructure, widespread during the Communist period (33 subsidiaries and agencies, 24.2% in Cluj-Napoca and 57.6% in rural area). *BCR* (The Romanian Commercial Bank) – *Erste*, the most profitable bank in Romania in 2008 (541 million euros) has developed a network of subsidiaries and agencies, out of which 63.6% are in Cluj-Napoca, while *Raiffeisen Bank*, the third bank as regards the net profit, although with the same number of subsidiaries and agencies, registers a greater concentration in the urban area (95.2%, out of which 61.9% in Cluj-Napoca).

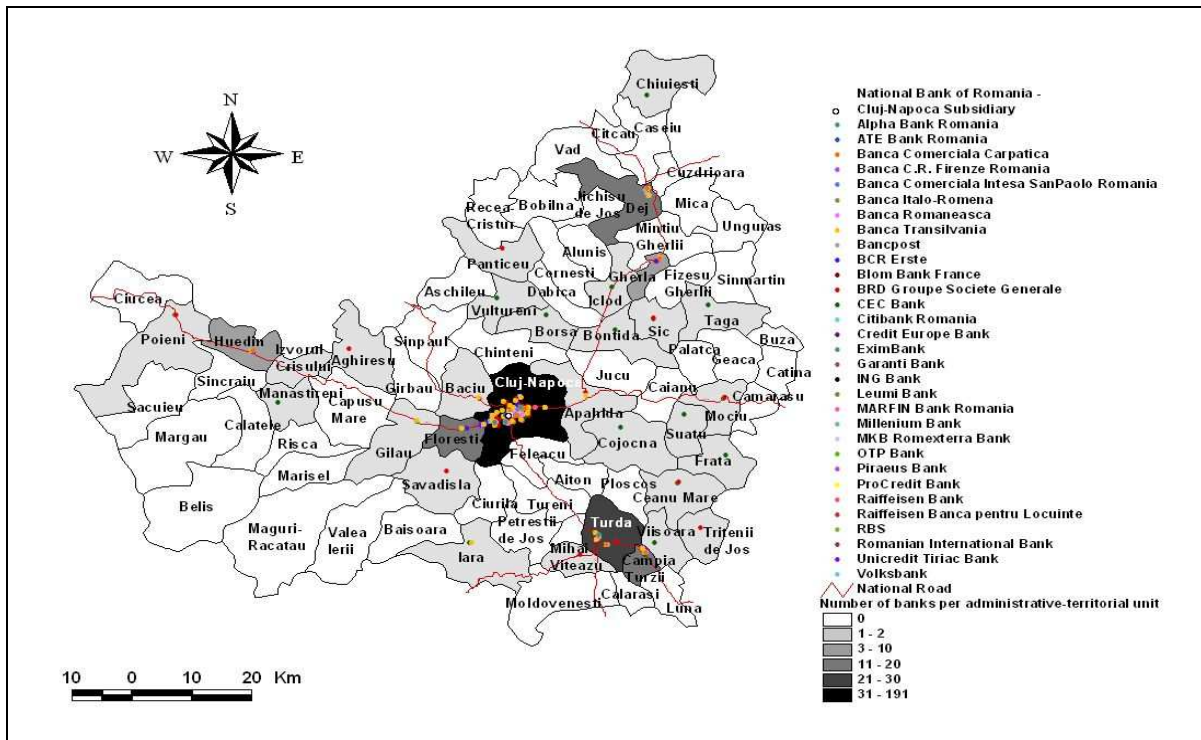


Figure 1. Number of banks (including head offices, branches, subsidiaries and agencies) per administrative-territorial unit in Cluj County (March 2009).

Along with the commercial and the savings and loan banks for housing, the credit cooperative organizations in the CREDITCOOP network have as main aim the supply of banking services both for the cooperative members and for the juridical and physical persons.

Table 1. Credit cooperative banks affiliated to CREDITCOOP Central Cooperative Bank.

No.	Credit cooperative banks affiliated to CREDITCOOP Central Cooperative Bank	Cluj-Napoca	Turda	Gherla	Huedin	Gilău	Total
1.	ALIANȚA COOPERATIVA DE CREDIT CLUJ-NAPOCA	1					1
2.	ARDEALUL COOPERATIVA DE CREDIT CLUJ-NAPOCA	1					1
3.	CRIȘUL COOPERATIVA DE CREDIT HUEDIN				1		1
4.	ÎNFRĂȚIREA COOPERATIVA DE CREDIT GHERLA			1			1
5.	ÎNFRĂȚIREA COOPERATIVA DE CREDIT TURDA		1				1
6.	MIHAI EMINESCU COOPERATIVA DE CREDIT GILĂU					1	1
	TOTAL	2	1	1	1	1	6

(Source of data: CREDITCOOP Central Cooperative Bank, <http://www.creditcoop.ro/cooperative1.php>, adapted)

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After the great restructuring of 2004, out of the 17 credit cooperatives only six credit cooperative banks affiliated to CREDITCOOP Central Cooperative Bank continue to be active (Table 1), as well as a CREDITCOOP Agency in Cluj-Napoca. The only rural cooperative bank is situated in Gilău, but the respective locality is found anyway under the direct influence of Cluj-Napoca.

A detailed analysis, taking Cluj-Napoca as study case, indicates the following general tendencies of bank expansion:

- the cost factor has imposed the development of small offices, with few personnel and functionally flexible, to offer the entire range of financial products and services;

- a functional renewal of the buildings situated on the city thoroughfares, with the transformation of a series of food and clothing shops, situated on the ground floor, into small bank subsidiaries and agencies of proximity, situation peculiar to the intensely populated and circulated areas such as the city core and the core of the main districts (Mărăști, Mănăștur), with the creation of several clusters on the main east-west transport axis (Figure 2);

- development of sale points in the main commercial centres of the city (Iulius Mall, Real, Kaufland), offering greater accessibility and rapid services. Such a commercial centre (Polus Center), migrated at the periphery of the city, on the administrative territory of the commune of Florești, has totally modified all the indicators taken into consideration (number of banks per territorial-administrative unit, number of banks per 1,000 inhabitants, number of ATMs per 1,000 inhabitants), ranking the commune above the city of Cluj-Napoca (Figures 3 and 4). Sheltering six agencies, Polus Center covers mostly the financial necessities of the urban population attracted by shopping, rather than the demand of the resident population;

- lack of bank subsidiaries or agencies in the newly declared districts, situated in the south periphery of the city (Sopor, Borhanci, Becaș, Bună Ziua, Făget, Europa), forcing the medium and high-income residents to access the financial services in the city core;

- lack of bank subsidiaries or agencies in the industrial area (Zona industrială), as well as in Plopilor district, with mainly residential and recreational function, and Bulgaria, with mainly residential and industrial function, without a well-defined status as districts.

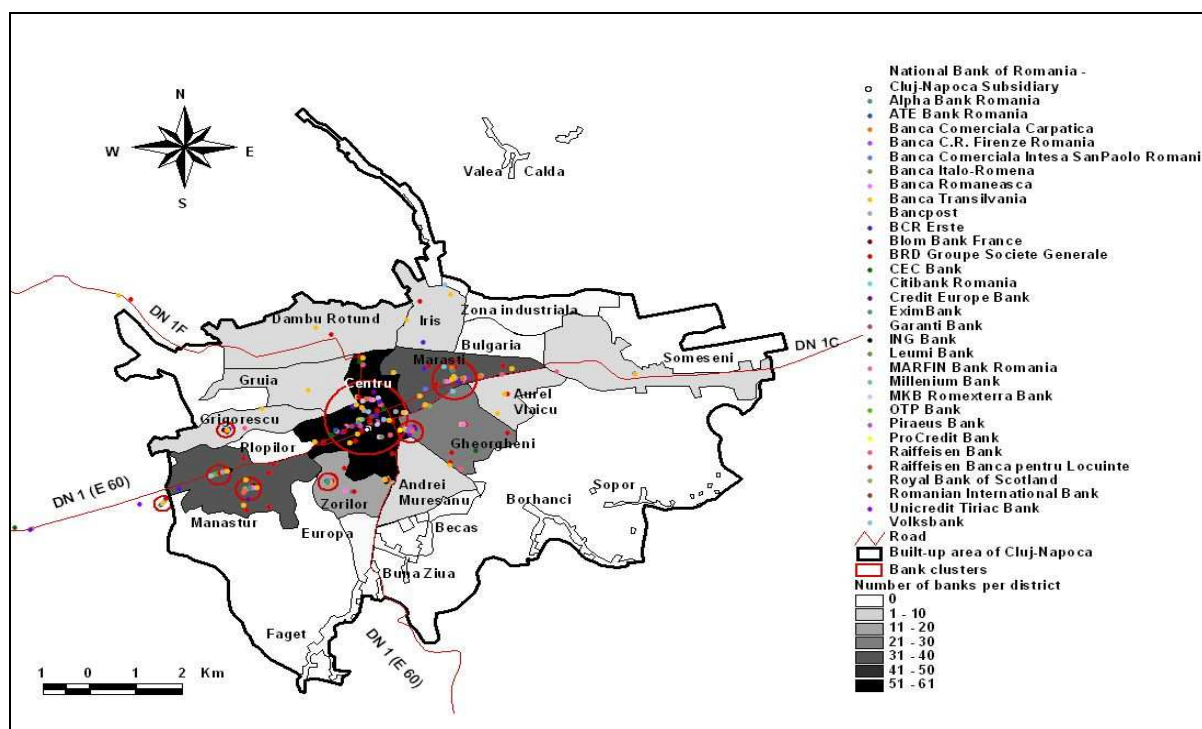


Figure 2. Number and distribution of banks per districts in Cluj-Napoca (March 2009).

As regards the density of banking branches, calculated as the number of banks (subsidiaries, branches, agencies) per 1,000 inhabitants, Cluj County is situated above the national average (0.25‰), with a density of 0.44‰, due to the high values registered in the urban area (0.56‰, which also means around 1,786 inhabitants per banking branch). In rural areas, the average density is 0.20‰ (around 4.985 inhabitants per banking branch). However, the communes situated around the towns, as well as the communes which have gained in time central functions (such as Mociu, Iara, etc.) are privileged (Figure 3). It must also be taken into consideration that almost 63% of the total number of communes does not have direct access to financial services. This situation can be explained by the high operating costs, especially in the mountainous and remote areas, with dispersed, low-income population, whose income is used for daily living expenses and not for savings. Even in the recent context, of intense transnational migration for work, the remittances have not been closely related to savings, but to consumption and household investments, and rarely to productive investment. Instead, the expansion of the network of money transfer service providers (Western Union and MoneyGram) can be noticed even in rural environment through the intermediation of the agent banks (Table 2).

Table 2. Money transfer service providers in Cluj County (March 2009).

No.	Money transfer service providers	Cluj-Napoca	Turda	Dej	Câmpia Turzii	Gherla	Huedin	Florești	Baciu	Glău	Apahida	Iara	Mihai Viteazu	Aghireșu	Ceanu Mare	Mociu	Tritenii de Jos	Tureni	Țaga	Total
1.	Western Union	26	19	11	9	9	6	6	3	3	2	2	2	1	1	1	1	1	1	104
2.	MoneyGram	33		3	1	2	1	2	-	-	-	-	-	-	-	-	-	-	-	47

The development of different means for supplying financial services (via the Internet-electronic finance, via the phone- phone finance, through automated teller machines, automated payment systems, etc.) is meant to increase the access of population to financial services even in the context of a reduced network of bank branches and agencies. This is the situation of a series of countries, which do not feel the necessity of an extended number of bank branches, having instead a high density of ATMs, and, nevertheless, a high percentage of population with access to financial services: Portugal (demographic branch penetration of 51.58, demographic ATM penetration of 109.09, and 84 percent of adult population with access to an account with a financial intermediary), Belgium (53.15, 67.09 and 97%, respectively), Slovenia (2.19, 66.14 and 97%, respectively), etc. According to the same World Bank Report, “*Finance for All*”, Romania is last among the European Union member states, with only 23% of adult population with access to an account with a financial intermediary, 13.76 branches per 100,000 people and a 12.47 ATMs per 100,000 people (pp.190-196).

At the level of Cluj County, the density of ATMs (number of ATMs per 1,000 inhabitants) is relatively high, 0.59 (about 1,696 inhabitants per ATM), with differences between the situation in the urban area (0.78 of ATM per 1,000 inhabitants, or 1,281 of inhabitants per ATM), Cluj-Napoca being a special case (0.86 and 1,152, respectively), and the rural area (0.2 and 4,879, respectively). However, while a correspondence between the presence of bank agencies and of ATMs can be observed in rural areas (with the exception of Băișoara and Jucu- ATM without agency, Chiuiști and Țaga- agency without ATM, and Mihai Viteazu, situated in the immediate proximity of the town of Turda, under its direct urban influence- one agency and three ATMs), in all the six towns of the county, the density of ATMs is higher than the density of banking agencies (Figures 3 and 4), reflecting a higher degree of interest in the urban financial potential.

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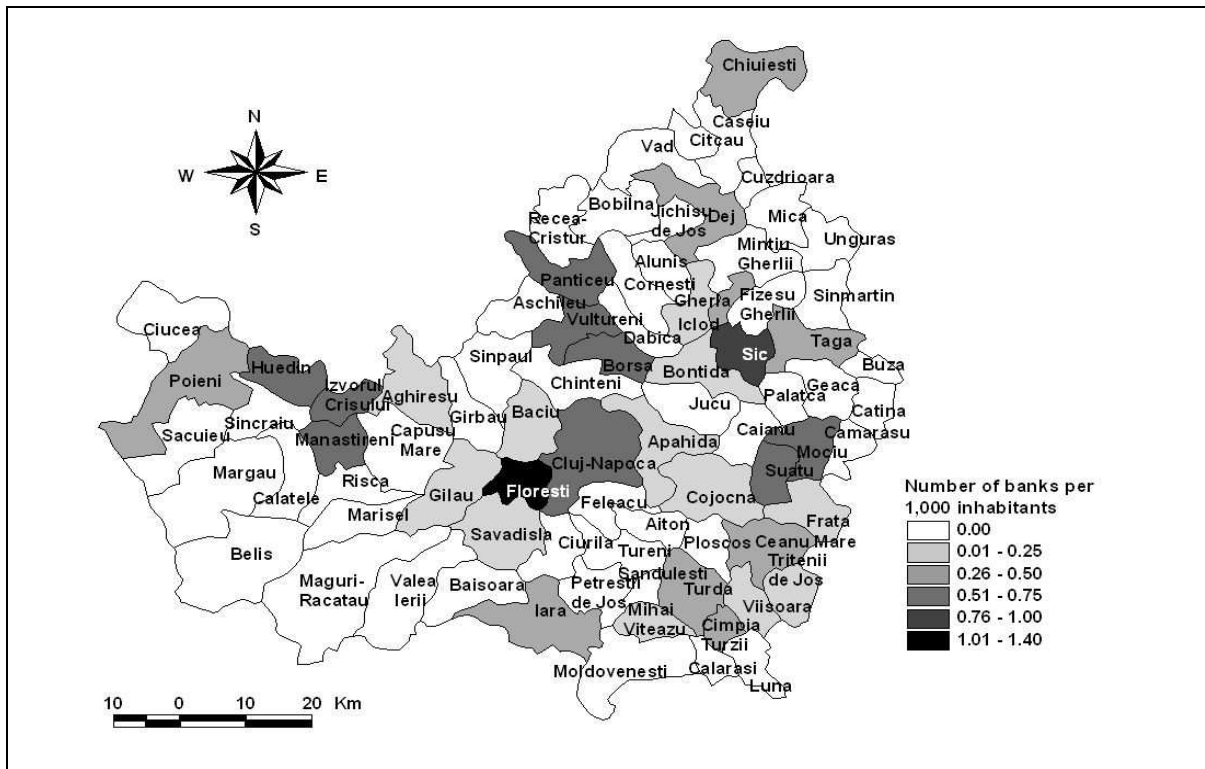


Figure 3. Number of banks (including head offices, branches, subsidiaries and agencies) per 1,000 inhabitants in Cluj County (March 2009).

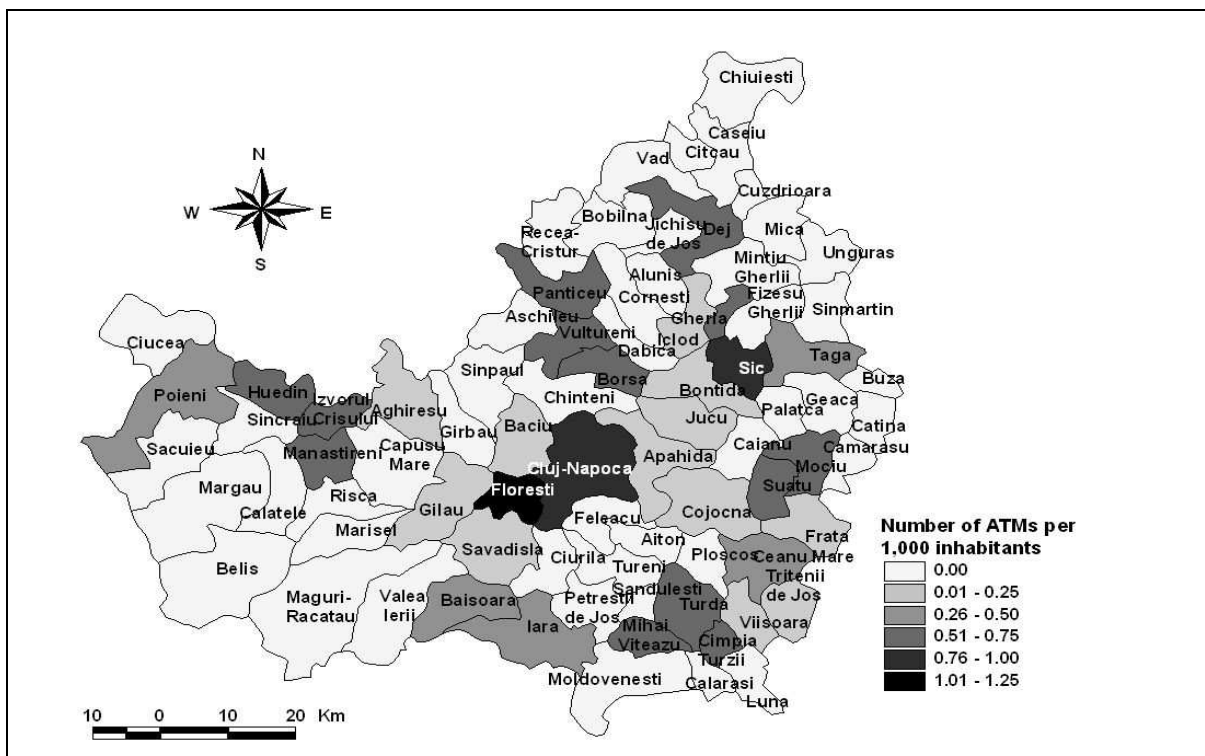


Figure 4. Number of ATMs per 1,000 inhabitants in Cluj County (March 2009).

The present economic crisis felt at global level raises the issue of reconsidering the so far intensive spatial expansion. Although some of the banks intend to continue the opening of new agencies (BCR), others consider prudence as primordial, taking into account the possibility of cost reduction. At the same time, a change towards attracting deposits rather than granting credits seems to be the trend for the current year. Nevertheless, credit institutions continue to be seen as essential for local economic development acting as intermediaries between the European Investment Bank and the small and medium enterprises as well, with role in taking over the financing proceeding from the European Investment Bank and distributing it to the small and medium enterprises in need, intermediation necessary especially in the present economic context (the case of BCR, Banca Transilvania and others).

2. Other financial intermediaries include financial societies and quasi-societies whose main function consist in providing financial intermediation services, by incurring liabilities in forms other than currency, deposits and/or close substitutes for deposits from institutional units other than monetary financial institutions, or insurance technical reserves (ESA 95, paragraph 2.53). Their importance within the Romanian financial system is continuously increasing, yet, they are mostly concentrated in urban areas.

While all the *investment funds and investment societies* in Cluj County (9 open investment funds and 1 investment society) are exclusively situated in the county seat, the *non-bank financial institutions* are more disseminated into the territory. Lately, they have become an important segment of financial intermediation, acting as a competitive alternative to credit institutions as regards the financing of the population and of the entrepreneurs. The non-bank financial institutions are entities performing lending activities such as *granting consumer credits, mortgage credits, micro-credits, real-estate credits, financing of commercial transactions, factoring, discount, forfeiting operations; financial leasing; issuing of guarantees and assuming commitments, including credit guarantee; granting of credits in exchange of goods for safekeeping, i.e. pledging via pawnshops; granting of credits to members of non-profit-making associations based on free will of employees/pensioners in order to grant their members financial support, i.e. mutual benefit societies; other lending forms in the nature of credits*⁴, and whose financing sources arise from own resources or resources borrowed from credit institutions, from other financial institutions, or, as the case may be, from other sources provided for by special laws⁵.

From this perspective, the non-bank financial institutions present a considerable importance for social and economic development, being more accessible and closer to the population, responding to a great variety of demands and representing one of the main channels for absorbing and allocating the European funds (the case of micro finance institutions). Moreover, with view to assuring the financial stability, the National Bank of Romania is responsible for monitoring the non-bank financial institutions included in the *General Register*, for the prudential surveillance of the ones included in the *Special Register* and for taking into evidence the ones in the *Register of Evidence*.

According to the *General Register of Non-Bank Financial Institutions* (January 19, 2009), there are 16 non-bank financial institutions in Cluj County, monitored by the National Bank of Romania: Imocredit IFN S.A. (mortgage credits), Microimo IFN S.A. (micro-credits), both of them activating in Cluj-Napoca, 7 financial leasing institutions in Cluj-Napoca and one in Gherla, 5 multiple crediting institutions in Cluj-Napoca and one in the commune of Apahida (Sky Motors IFN S.A.-granting consumer credits, mortgage credits and financial leasing), the last as a proof of the dynamics in real estate and in automotive sales registered by Apahida under the impulse generated by its immediate proximity to Cluj-Napoca.

⁴ According to *Government Ordinance No. 28 of 26 January 2006 governing certain financial and fiscal measures*, PART I, TITLE I, CHAPTER I, Section 4, Article 7, Paragraph 1.

⁵ According to *Government Ordinance No. 28 of 26 January 2006 governing certain financial and fiscal measures*, PART I, TITLE I, CHAPTER I, Section 2, Article 4, Paragraph a).

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The *Special Register of Non-Bank Financial Institutions* (January 19, 2009), includes the following: Imocredit IFN S.A. (mortgage credits), BT Leasing Transilvania IFN S.A. (financial leasing), Ralfi IFN S.A. and Capa Finance IFN S.A. (multiple crediting institutions), all of them having their offices in Cluj-Napoca.

The non-bank financial institutions included in the *Register of Evidence of Non-Bank Financial Institutions* (January 19, 2009) are represented by the mutual benefit societies, the easiest solution for getting finance in the general context of hash crediting conditions, well represented in the urban area (67 in Cluj-Napoca out of the total number of 87) and only one in rural environment (the Mutual Benefit Society of Employees and Pensioners of Mintiu Gherlii). There are 64 pawnshops, 42 being situated in Cluj-Napoca, 13 in Turda, 8 in Gherla and only one in the rural area (in Vâlcele).

The financial investment service societies are all concentrated in Cluj-Napoca (according to the *Register of National Securities Commission*): BT Securities, Interdealer Capital Invest, Target Capital, STK Trading and Broker S.A., the last one in great financial difficulties.

Financial holdings, defined a financial institutions whose branches are either exclusively or mainly credit institutions or financial institutions, and at least one of the branches is credit institution⁶, are also clustered only in Cluj-Napoca, due to their great complexity.

3. Insurance companies and pension funds contain all non-monetary financial corporations and quasi-corporations which are principally engaged in financial intermediation as the consequence of the pooling of risks (*ESA 95*, paragraph 2.60). Since the main liabilities of these institutions are insurance technical reserves and the counterparts of the reserves are investments by the insurance corporations and pension funds, these institutions are considered financial intermediaries (*ESA 95*, paragraph 2.35).

Insurance and re-insurance societies have recently attracted an increasingly number of clients. However, unlike other financial intermediaries, they are not constrained to increasing the territorial expansion of their branches since they mostly activate through the agency of insurance agents who answer the clients' demand by concluding insurance policies without being forced to appeal to the building of the respective insurance institution.

According to the *Register of insurers and insurance brokers*, there are a high number of insurance and re-insurance societies in Cluj County. Yet, the number of branches is more reduced than in the case of credit institutions (Table 3), the autochthonous insurance societies having the most expanded network (BT Asigurări Transilvania S.A and Asigurare Reasigurare ARDAF S.A., the latter having its head office moved to Bucharest).

Table 3. Branches of insurance and re-insurance societies in Cluj County (January 2009).

No.	Branches of insurance and re-insurance societies	Cluj-Napoca	Turda	Dej	Gherla	Huedin	Câmpia Turzii	Gilău	Total
1.	ABC ASIGURĂRI-REASIGURĂRI	3							3
2.	AEGON ASIGURĂRI DE VIAȚĂ S.A.	1							1
3.	AIG LIFE ASIGURĂRI ROMÂNIA S.A.	1							1
4.	ALLIANZ-ȚIRIAC ASIGURĂRI S.A.	5	1	1	1	1			9
5.	ASIBAN S.A.	4	1		1				6
6.	ASIGURARE REASIGURARE ARDAF S.A.	10	1	1	1	1	1		15

⁶ According to *Government Emergency Ordinance No. 99 of 6 December 2006 on Credit Institutions and Capital Adequacy*, PART I, TITLE I, CHAPTER I, Section 2, Art. 7, Paragraph 21.

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7.	ASIGURAREA ROMÂNEASCĂ – ASIROM VIENNA INSURANCE GROUP S.A.	1	1		1	1	1	1	6
8.	AVIVA ASIGURĂRI DE VIAȚĂ S.A.	1							1
9.	BCR ASIGURĂRI DE VIAȚĂ S.A.	3							3
10.	BCR ASIGURĂRI S.A.	5	1	1		1	1		9
11.	BT ASIGURĂRI TRANSILVANIA S.A.	11	2	3	1	1	1		19
12.	CARPATICA ASIG S.A.	1				1			2
13.	CERTASIG - SOCIETATE DE ASIGURARE ȘI REASIGURARE S.A.	1							1
14.	CLAL ROMÂNIA ASIGURĂRI REASIGURĂRI S.A.	2							2
15.	DELTA ADDENDUM ASIGURARI GENERALE S.A.	2							2
16.	EUREKO ASIGURĂRI S.A. (former INTERAMERICAN ROMANIA INSURANCE COMPANY S.A.)	1		1					2
17.	EUROINS ROMÂNIA ASIGURARE REASIGURARE S.A. (former ASITRANS)	2	1						3
18.	FATA ASIGURĂRI S.A.	1							1
19.	GARANTA ASIGURĂRI S.A.	1							1
20.	GENERALI ASIGURĂRI S.A.	2		1	1				4
21.	GRAWE ROMÂNIA ASIGURARE S.A.	1							1
22.	ING ASIGURĂRI DE VIAȚĂ S.A.	1	1	1					3
23.	IRASIG ASIGURĂRI – REASIGURĂRI S.A.	1							1
24.	OMNIASIG - ASIGURĂRI DE VIAȚĂ S.A.	1							1
25.	OMNIASIG VIENNA INSURANCE GROUP S.A.	7	1	2	1	1	1		13
26.	OTP GARANCIA ASIGURĂRI S.A.	6							6
27.	ROUMANIE ASSURANCE INTERNATIONAL S.A.	2							2
28.	SOCIETATEA COMERCIALĂ DE ASIGURARE – REASIGURARE ASTRA S.A.	3	2	1	2	1	2		11
29.	UNITA VIENNA INSURANCE GROUP S.A.	3	1	1	1	1			7
	TOTAL	83	13	13	10	9	7	1	136
	%	61.0	9.6	9.6	7.4	6.6	5.1	0.7	100

(Source of data: Register of insurers and insurance brokers, adapted)

As in the case of the other financial intermediaries, insurance and re-insurance societies do not have a uniform territorial distribution, 61.0% of the branches being situated in Cluj-Napoca, 38.3% in the other five towns of the county and 0.7% (representing one branch) in the commune of Gilău.

Pension funds and the activity of the *administrators of pension funds*, supervised by the Romanian Private Pension Supervision Commission, have been intensely solicited since 2007, with the introduction of mandatory and voluntary pensions. They present importance in the context of the population ageing and of a decrease in natality, combined with the financial pressures on the former system of social protection.

According to the register of entities authorized and approved by the Private Pension Supervision Commission, there is one administrator of private pension funds having its head office in Cluj-Napoca, namely BT Aegon Fond de Pensii S.A. However, all the other 13 administrators of private pension funds have branches in the urban area of Cluj County.

CONCLUSIONS

According to economic literature, an efficient financial system, either bank-based or market-based, creates favourable conditions for persons or economic agents to find the necessary financial resources for their investments: acquisition of fixed assets (land, buildings, vehicles, technological facilities and equipment, etc) or circulating assets (raw materials, intermediate goods, ancillary operating expenses, wages, inventories, etc), as well as replacement, re-equipment or modernization of the already-existent ones. Moreover, it stimulates technological innovation by “*identifying and financing those undertakers capable to successfully innovate the product and the production process*” (Corduneanu and Iovu, 2008, pp. 1-2).

Financial intermediaries such as credit institutions, other non-monetary financial institutions, insurance companies and pension funds, due to their main activity of collecting the capital from the persons or the entrepreneurs with a surplus of capital and distributing it to the persons or the entrepreneurs with a deficit of capital, are essential in the complex process of social and economic development. The economic development, the real estate boom and the creation of a widespread network of financial intermediaries in Cluj County, especially after 2000, have gone hand in hand, situation clearly visible in Cluj-Napoca and its surrounding rural area, assigning the city a financial function of regional importance. This, in the context in which, in the mountainous or remote rural areas of the county, despite the capital remitted by the population involved in the transnational migration for work, little or none improvement of the accessibility to financial services can be observed. In fact, most of the communes have preserved the infrastructure of the former Casa de Economii și Consemnațiuni (The Romanian Savings Bank), the present CEC Bank, whose network was created mainly before 1989 and which has been subjected only to modernization. The development of non-bank financial institutions, such as micro-credit institutions, in the rural area of the county would create a favourable support for agricultural improvements, by facilitating access to finance in conditions adequate to the local necessities.

The present financial and economic crisis felt at global level implies a concentration on cost reduction, with consequences on the territorial expansion of the financial intermediaries, mainly of the credit institutions, as well as a concentration on savings rather than on investments, with direct and indirect implications on the county’s economy. For instance, in the first decade of 2009, a reduction of investments in real estate properties and in constructions could be noticed in Cluj-Napoca compared to the same decade of the previous year.

Given their role of mobilizing funds, financial intermediaries, whose activity oscillates more and more between specialization and globalization, are seen as the option for supporting local economy, by channeling external funds towards the small and medium enterprises in need.

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