

FUNDAMENTAL SOLUTION IN CREDIT RISK MANAGEMENT

- I would like to extend my relations with that customer...
- I would like to enter a new market...
- We have high exposure for that customer...
- We have delayed balances for which we have to set up provisions...
- We have heard about our customer... that it has started to delay payments to suppliers. We have a high balance for this customer...
- We received a cheque which was refused by the bank...

Does this sound familiar to you?

Credit insurance covers the risk of not cashing in the invoices generated by the insolvency of your customers or by their delays in making due payments.

Insurance coverage is available for the customer portfolio you credit when you grant payment terms.

It ideally completes your own credit management activities (customer assessment, receivables collection), including specialized services of:

- Analyzing buyers in the process of determining credit limits
- Collecting overdue receivables
- +
▪ You benefit from compensations for losses caused by non-payment

“
*To ensure peace,
you must be
prepared for war.*”



WHAT DO YOU HAVE TO DO TO GET A CREDIT INSURANCE?

You provide us an insurance questionnaire which includes the necessary information to carry out the insurance offer; our consultants can provide you the form and assist you in filling it in.

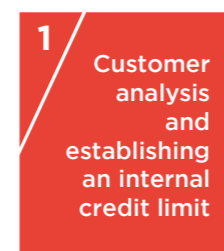


MAIN CHARACTERISTICS OF CREDIT INSURANCE

- Insures the risk of financial default
- Covers your customer portfolio
- The root for determining the offer and calculating the insurance premium is the turnover realized with the insured customers
- Individual credit limits are determined for the insured customers:**
 - for large customers - credit limits determined by Coface following the analysis of the customer
 - for small customers - discretionary limits determined by you, conditioned by the existence of a positive payment history
- A maximum payment term is agreed to be granted to buyers
- Overdue receivables must be notified to Coface up to a predetermined deadline (30 days after the due date)
- After notifying that the amount is overdue, Coface initiates collection operations which can last up to 5 months (except non-collection generated by the insolvency of the buyer)
- The collection of the insured receivables is included in the contract, without additional costs. The indemnity is calculated as 80-85% of the value of the loss
- The indemnity is paid:**
 - in 30 days after notifying the opening of the insolvency
 - after the collection period (5 months after notification) in case of prolonged payment default

MANAGING PAYMENT DEFAULT RISK

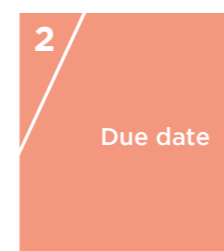
Individually:



1. When a relationship is initiated with a customer, an analysis of its solvency is necessary. This requires appropriate know-how, information, specialized personnel and appropriate follow-up, generating costs and risks.



2. On the due date, you must be sure that the receivable has been cashed in; otherwise, you must verify the reason of its overdue and you must act to secure a fast cashing process.



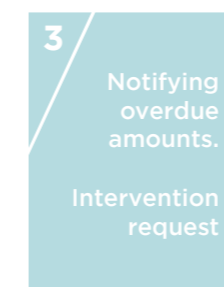
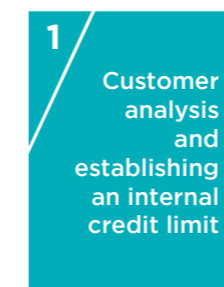
3. If within 30-60 days after the due date, the receivable has not been cashed in, you must initiate a collection procedure which requires specialized personnel, know-how, legal actions, external support, etc. in general, actions that are not specific to your basic activity.



4. If these actions are not successful, you must register a provision and impact your profit.



In partnership with Coface:



- Coface analyzes the customer, determines the credit limit and monitors its behavior all-through the contract term.
- On the due date, you must be sure that the receivable has been cashed in; otherwise, you must verify the reason of its overdue and you must act to secure a fast cashing process.
- Within 30 days after the due date, you send us the Notification of overdue amounts and the Intervention request. Coface initiates the collection procedure through a specialized collection agency, which does not generate additional costs.
- If the collection action does not result in the collection of the full amount, you request the indemnity and provide the necessary documents.
- Within 30 days you receive the indemnity.

ADVANTAGES OF USING CREDIT INSURANCE

- Support in creating and implementing a professional credit management system
- Monitoring and disciplining the payment behavior of customers, reducing DSO, insuring liquidities, protection for receivables
- Credit insurance brings a real contribution to the growth of your business:
 - Helps accelerate the development of the customer portfolio: taking over new customers is simpler due to credit limits
 - Supports the consolidation of your business: helps improving the risk structure of your portfolio by providing information on the evaluation of your customers
- Provides complete credit management services by integrating customers' analysis and receivables collection in the insurance contract

BENEFITS OF THE PARTNERSHIP WITH COFACE

- Flexibility in the approach of your needs and implementing appropriate solutions for your business, both in the contract negotiation stage, and insurance duration
- No changes of your sales and credit management policies are imposed, our coverage completes them
- As a Coface customer, you benefit from facilities that allow you to simply and quickly manage the relationship with us: online interface for credit limits, a dedicated team for the management of your contract, which you can access anytime directly, including the possibility of direct meetings whenever it is necessary
- Access to the services of a specialized insurer with global coverage, but with a local team that may assist you promptly in any problems related to the contract, coverage, necessities related to limits or payment defaults, and which can provide you consultancy on receivables management

- Coface is the only provider which promotes integrated credit management services, and is capable of providing complex service packages (you can combine insurance for a customer segment / business line, with collection services or credit reports for another segment, optimizing costs)

SPECIALIST'S ADVICE

- Set up within the company a specialized credit management department, responsible for determining credit limits and tracking receivables
- Use payment instruments when relating to your customers. Although these are not de facto guarantees, they will discipline the payment behavior
- Be decisive in managing credit (limits and payment terms), to avoid negative effects on liquidities by extending the real cashing term or the frequent occurrence of overdue amounts
- When you establish internal credit limits, do not relate only to the commercial potential of the customer, but also to its solvency related to the value of the possible balance
- Use in the analysis of buyers the information obtained by the sales team in combination with the financial data of companies
- Determine remuneration criteria for the sales team that consider both the value of sales and the collection of receivables, in order to stimulate responsible behavior

FREQUENTLY ASKED QUESTIONS

<p>Can I insure only certain customers?</p>	<p>Credit insurance covers the entire portfolio of clients. The alternative is to try to insure defined target segments (largest customers, sales of certain product lines), it is not possible to provide a limited number of customers chosen discretionary.</p>
<p>Do I pay the insurance premium for the entire turnover?</p>	<p>You pay the insurance premium only for the turnover with the insured customers (with the approved credit limit).</p>

<p>What is a credit limit?</p>	<p>The credit limit is the insured amount established by Coface for each of your customers based on an objective analysis and the value requested by you. The requested value can be the maximum balance you estimate you will have for the respective customer, the limit you use internally or which you determine depending on your necessities (it can be the highest balance over the last 12 months, the monthly turnover multiplied by the payment term etc.).</p>
<p>How do I request credit limits?</p>	<p>In order to request and manage credit limits, you will use an online interface, Cofanet.</p>
<p>Who decides credit limits and what is the analysis based on?</p>	<p>Credit limits are established by specialized analysts of Coface who analyze the Company, based on its financial situation, payment history, Coface credit assessment, market information etc.</p>
<p>What do I do when I have an overdue amount?</p>	<p>You send to Coface a Notification of overdue amounts and an Intervention request (there are specialized forms) on the deadlines provided in the contract, and the Insurer starts the collection procedure.</p>
<p>How do I request the indemnity?</p>	<p>At the end of the 5-month collection period (or when insolvency occurs) you send us the indemnity request accompanied by the documents regarding the receivable.</p>
<p>What documents are necessary in order to request compensation?</p>	<p>The documents are specified in the standard form of the compensation request, but essentially these are: invoices, commercial contract / orders, transportation documents, customer account chart etc.</p>

COFACE CREDIT INSURANCE PRESENT IN 97 COUNTRIES



Coface Credit Insurance:

- Direct presence
- CreditAlliance partners
- Our countries or partners

COFACE IS A WORLDWIDE LEADER IN EXPORT CREDIT INSURANCE

- Coface is a supporter of Romanian exporting companies. Credit insurance can help you cover the additional costs and risks associated with relations with external partners.
- Coface credit insurance provides the exporters with the needed infrastructure to undertake selling, by analysis of foreign buyers based on Coface's presence in over 60 countries and 220 cities, to collection services.
- By Coface export credit insurance, you will be compensated for foreign debts.
- Coface services available to exporters:
 - Credit Insurance
 - Company Assessment & Business Information
 - Debt Collection

are viable and efficient protection solutions that support business development for entering foreign markets.



BENEFITS OF INSURING THE EXPORT CREDITS BY COFACE

- Consultancy to develop client portfolio - Coface analyzes your customers and potential customers to establish a credit limit and indicates you their risk level.
- In case of payment delays, Coface intervenes to collect the debts by agencies in the buyer's country.
- Coface indemnifies the non-cashed debts.
- Coface carries out country studies that assess the risk level of trading in the referred market - www.tradingsafely.com.



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