



PRESS RELEASE

COFACE ROMANIA CELEBRATES 15 YEARS OF ACTIVITY ON THE COMMERCIAL CREDIT INSURANCE SEGMENT

Over the past years, the average payment term and commercial credit have doubled

Bucharest, 7 June 2022 – Coface, a top provider of integrated credit risk management services, marks 15 years since the launch of the commercial credit insurance division on the Romanian market. In this context, the company launches EasyLiner, an insurance product dedicated to SMEs, adapted to the new requirements of the market. Coface thus continues to support companies in their development.

Evolution of commercial credit and payment terms

Financing through commercial credit (purchases from suppliers with payment term) remains the main way of financing Romanian companies, commercial loans representing a total in the economy 3.5 times more than bank loans. The balance of trade receivables is also constantly growing, for example in 2020 consolidated on the economy level, it reached the value of RON 430 billion, increasing by RON 38 billion compared to the previous year while the balance of bank loans reached at RON 123 billion, the increase compared to the previous year being RON 6 billion. Basically, for the increase of RON 38 billion in commercial receivables, the financing by bank credit covered only 6 billion (about 15%), the difference of RON 32 billion (85% of the increase) being therefore covered by commercial credit.

At the same time, Coface Romania analysts have noticed in recent years a steady increase in the average term of collection of trade receivables: in 2020 consolidated at the economy level, the average term of payment of invoices to suppliers reached 117 days, double compared to 10 years ago. This was also reflected in the average collection time, which doubled as well.

Insurance solutions for SMEs

With 25 years of experience in the local market and 15 years on the commercial credit insurance segment, Coface Romania supports companies with complex credit risk management solutions. The launch of EasyLiner, an insurance product for SMEs, arrives in a context marked by many economic challenges and as a means to protect the business environment. Transferring the risk of non-collection of trade receivables, taking over the activity of debt collection in case of due payment, assessing and monitoring the risk of non-collection in relation to customers, the possibility of assigning the right to compensation to a financing bank are some of the benefits of this solution to protect companies' liquidity.

"We believe that trade between companies remains an essential vector for the economy. In this regard, we aim to remain alongside companies in facilitating these commercial exchanges through the credit management services we offer, the insurance of receivables against the risk of non-collection being our main product. We want to consolidate our position as market leader in this segment, but also as a <<provider of choice>> for Romanian companies," said Alina Popa, Commercial Director, Coface Romania.



"We will continue to meet the needs of our customers, whether they are large companies, multinationals or SMEs, through dedicated products, connected to the reality of the market. We believe that the way we address our customers, the agility, the flexibility and the orientation towards finding efficient solutions have differentiated us over the years as a top credit insurer. We remain open to the ever-changing needs and to innovation. In this sense, in 2021 we launched the surety bonds business line; thus, we capitalize on the know-how and expertise already accumulated on the company evaluation side in a new, useful and necessary direction for Romanian companies", added Eugen Anicescu, Country Manager, Coface Romania.

In the 15 years of activity in the area of commercial credit insurance, Coface has managed over 14,000 collection cases (debt collection and compensation) for over 1.800 customers. Currently, the company collaborates with companies from all over the country with the help of teams of specialists located in offices in Bucharest, Cluj-Napoca and Timișoara.

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COFACE: FOR TRADE

With over 75 years of experience and the most extensive international network, Coface is a leader in trade credit insurance and adjacent specialty services, including Factoring, Single Risk insurance, Bonding, and Information Services. Coface's experts work to the beat of the global economy, helping ~50,000 clients in 100 countries build successful, growing, and dynamic businesses. With Coface's insight and advice, these companies can make informed decisions. The Group's solutions strengthen their ability to sell by providing them with reliable information on their commercial partners and protecting them against non-payment risks, both domestically and for export. In 2021, Coface employed ~4,538 people and registered a turnover of €1.57 billion.

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ISIN Code: FR0010667147 / Mnemonic: COFA