

Sustainable financing solutions at times of crisis
How to finance your business through factoring?

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Exploring the funding options in turbulence

Dan Stoica, RomFactor



RomFactor
We lead and inspire

Agenda

- ☒ What is happening with companies in the downturn?
- ☒ What are the critical questions that an entrepreneur, no matter the size, should ask himself?
- ☒ Cash management, liquidity and securing debts have become strategic for companies.
- ☒ RomFactor as FIMBank's official strategic partner.
- ☒ Factoring definition
- ☒ Factoring in the world
- ☒ When factoring applies?
- ☒ Business areas/products
- ☒ International factoring
- ☒ FIMBank factoring package
- ☒ FIMBank offer in receivables factoring
- ☒ How much does it cost?
- ☒ Client benefits

What is happening with companies in the downturn?





- Downturns always show companies weaknesses.
- Companies need customized strategies in the downturn.
- Companies should begin asking themselves how this particular downturn will affect their industry sector.

What are the ten critical questions that an entrepreneur, no matter the size, should ask himself?


1. Will it hurt my sales and earnings harder than the overall GDP?
2. Will it force bankruptcy and capacity reductions?
3. How strong is my strategic position?
4. Are we one of the most viable long-term competitors?
5. Will this downturn favour our competitor advantages?

6. Do we have the opportunity to get significant market share?
7. What level of financial resources can we draw to waive the storm, and where from?
8. Are we highly confident that we could meet our financial obligations and still invest for growth?
9. Will our competitors face serious financial challenges long before we do?
10. How do we handle complexity of: product, organization and process, for strengthening the core business, and balancing complexity with innovation required for the future?

Cash management, liquidity and securing debts have become strategic drive for companies.

-  Companies with weak operating cash-flows are finding it more difficult to secure outside funding, just when cash flows are harder than ever to generate.
-  Companies nowadays have incompliant loan structures.
-  Only companies that do real cash management can prosper in the times of turbulence.
-  The fix is found by tracking resource flows in the business and securing the debts.

RomFactor as FIMBank's official strategic partner

 RomFactor has the mission to build and develop a framework that supports companies in pointing themselves in the right direction, promoting FIMBank's financial products and services within the region.

FACTORING DEFINITION

Factoring is a package of financial services,

whereby you assign invoices to FIMBank Plc for the benefit of:

1. Invoice/debtors book keeping and reporting
2. Collection process both domestic and international
3. Take the risk of eligible Buyers Up to 100%
4. Up to 90% immediate financing

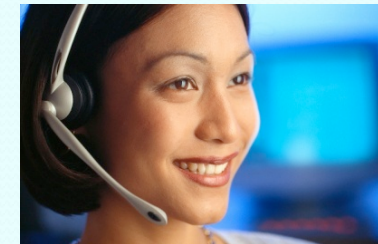
Invoice
Financing



Risk
Protection



Debt Collection



Factoring in the world...

- ☒ Global statistics
 - ☒ 1,809 factoring companies
 - ☒ 70 countries
 - ☒ EUR 1,325 billion turnover
 - of which EUR 176 billion international trade







WHEN FACTORING APPLIES?



- ☑ **B2B open account sales**
[contractual relationship; up to 150 days credit terms]
- ☑ **Continuous relationship**
- ☑ **Clear/Clean performance**
[no sale or return, no consignment, no counter sales, no performance claims]
- ☑ **Clear sales title & enforceable receivables**
[no legal constraints, clear ownership of the goods]
- ☑ **Spread of buyers**
[“not all eggs in one basket”]

BUSINESS AREAS / PRODUCTS

-  **Export Factoring** – services provided to exporters in relation with their export receivables
-  **Domestic factoring** – services provided to sellers (resident companies) in relation with their domestic sales
-  **Reverse Factoring** – (known also as Purchase Factoring or Confirming) service provided to larger buyers in relation to their purchasing/payables.
-  **In-sourcing Factoring Processing** – service provided by FBS to FIMBank's JVs and 3rd parties as to leverage on our system capabilities.

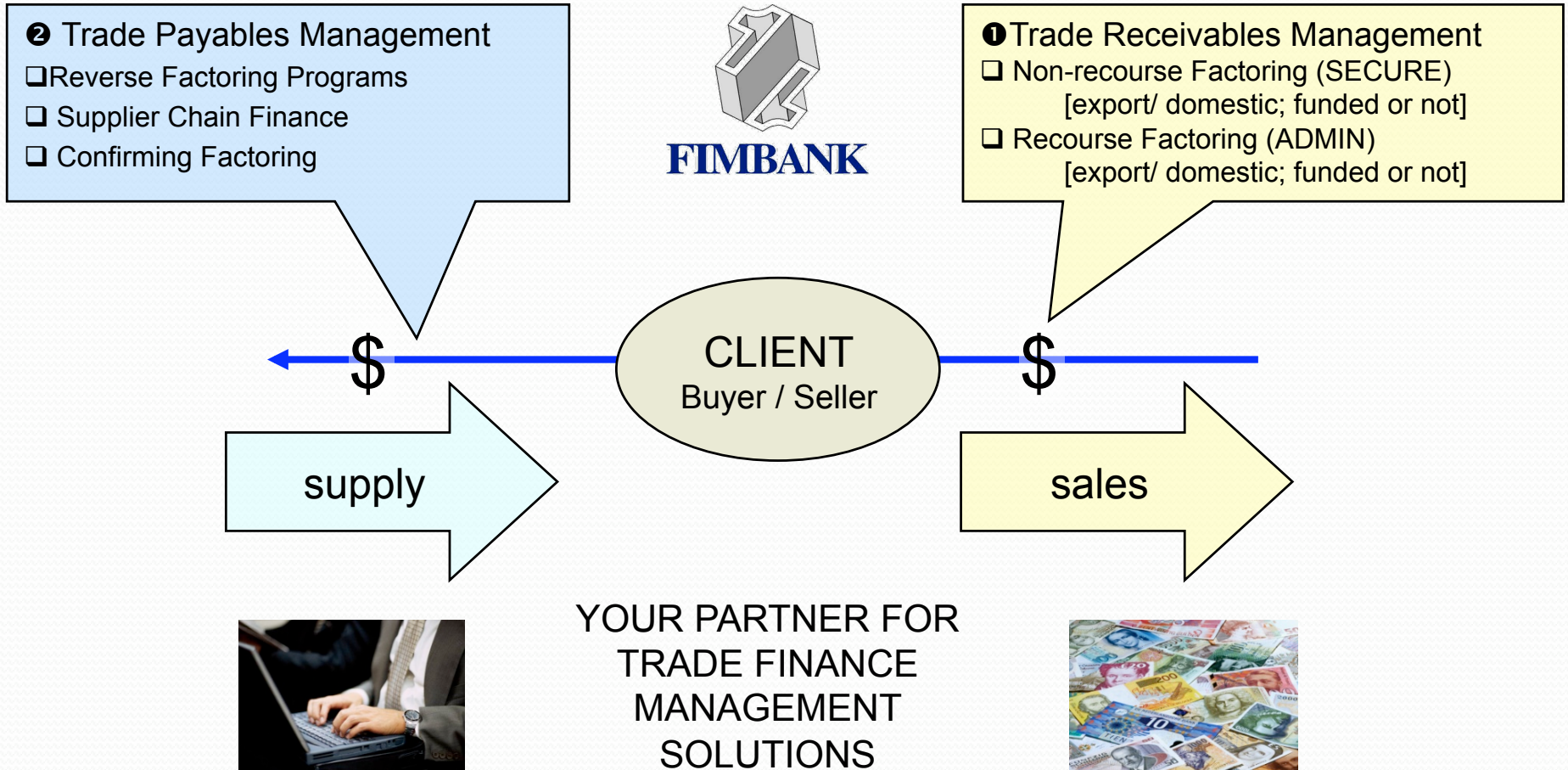
INTERNATIONAL FACTORING

 **International Factoring services worldwide, covering 66 countries**

 **Advantages:**

1. Export with a simple and efficient structure: 2 Factor System
2. 100% Credit Risk cover with local analysis and expertise.
3. Local Collection Services respecting local law, habits, culture.

FIMBank FACTORING PACKAGE



FIMBank OFFER IN RECEIVABLES FACTORING

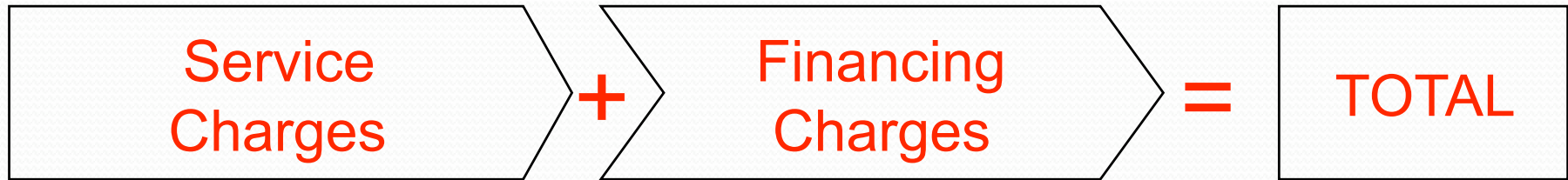
Recourse (no credit protection)		NON-Recourse (incl. credit protection)	
ADMIN	ADMIN Plus	SECURE	SECURE Plus
Invoice Ledger Debt Collection	Invoice Ledger Debt Collection Financing	Invoice Ledger Debt Collection Risk Protection	Invoice Ledger Debt Collection Risk Protection Financing



DOMESTIC & INTERNATIONAL
FACTORING



HOW MUCH DOES IT COST?



Set-up fee

[once for the initial set-up]

Factoring commission

[on the turnover]

Credit checking

[annual fee per debtor]

Handling charge

[per document, where applicable]

Other

[if the structure of the facility requires, where applicable]

On 'funds-in-use'

[on a daily balance]



Influencing factors

- Annual turnover
- Number of invoices
- Number of debtors
- Payment terms
- Industry

CLIENT BENEFITS

Features	Benefits
Collection of receivables	<ul style="list-style-type: none">☑ Reducing HR costs☑ Customised Professional Collection
Credit Risk Protection	<ul style="list-style-type: none">☑ Bad debt protection (up to 100%)☑ Non-recourse = off seller's B/S☑ Payment up to 180 days past due date
Financing	<ul style="list-style-type: none">☑ Up to 90% payment on documents☑ No link to company's assets☑ No collateral/ security☑ Finance linked to volume of sales
Credit Management	<ul style="list-style-type: none">☑ Debtor's pre-assessment☑ Debtor's on-going credit monitoring
Open account terms	<ul style="list-style-type: none">☑ More competitive commercial terms☑ Buyer friendly [see and pay]

THANK
YOU!

RomFactor; office@romfactor.ro; Tel.: +4021.410.06.23; Fax: +4201.410.06.45