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ASOCIAȚIA DE MANAGEMENT
AL CREAȚELOR COMERCIALE

AMCC's mission is to represent its members at national and international level, to promote the concept of credit services management and support it in the national legislation.

AMCC wants to be a **national representative association for debt collection agencies** in Romania and to implement a high standard of quality in the management of receivables.

Since its establishment, AMCC is a full member of FENCA – Federation of European National Collection Associations.

Through AMCC, Romania became the 15th Member of FENCA.

AMCC's scope:

The main purpose of AMCC is to regulate the profession and to **set professional ethical principles to be followed by debt collection companies** in relation to retail and corporate debtors.

*AMCC was founded in 2007 at the initiative of Coface, EOS KSI and Creditreform.
Currently it brings together 15 members.*



AGENCY FOR CONTROL
OF OUTSTANDING DEBTS

B2 KAPITAL
Part of B2Holding



CREDITEXPRESS



Cycle



fire



GE.FI



intrum



KOLCZE, ILIUTA & ASOCIATII




KREDYT INKASO

 **MELLON**
ROMANIA S. A.

 **otp** Factoring

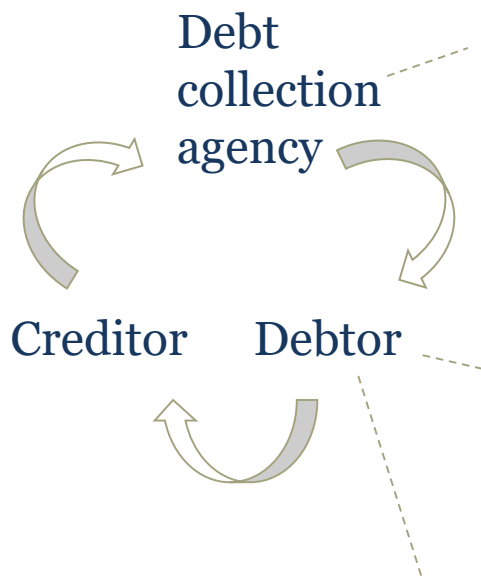
 **RECOLLECTION**
we speak facts

■ What is debt collection?

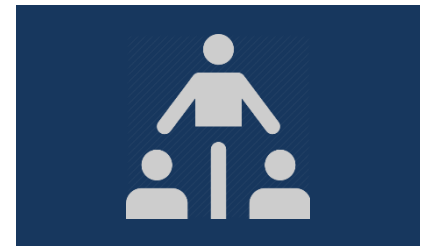
- Debt collection market evolution and trends in 2020
 - Romanian B2C debt collection market:
 - B2C – Serviced debt
 - B2C – Purchased debt
 - Romanian B2B debt collection market
 - Debt collection market for international clients
- Macroeconomic environment
- Continuous improvement measures

Why do companies choose to externalize debt collection?

- A possible answer would be due to legislation (e.g.: prudential rules regarding non-performing loans), cash flows constraints and decisions to increase operational efficiency can lead to debt collection externalization.



- A debt collection agency acts as an intermediary between a debtor and a creditor. It can facilitate a payment schedule for the debtors.



- A creditor can have two categories of clients, B2C and B2B.
- B2C clients are natural persons (e.g. people who have a telecom subscription, etc.)
- B2B clients are legal persons (e.g. companies/NGOs that receive loans from banks, etc.)



- The communication between the collection agents and the debtors is the quickest and easiest way to solve the debt situation under conditions that are favorable to all parties.



Who are the companies (**creditors**) that refer collection of debt?

- **Banking institution**
- **Telecom companies**
- **Leasing**
- **Insurance**
- **FMCG**
- **Universities**
- **Pharma etc.**

How is debt transferred to debt collection companies?

a. Purchase rights for the debt
(Debt purchased)

b. Collection based on success fee
(Debt Serviced)

What does this mean for the **debtor**?

- **Rights** over the **debt** are **referred** to a **debt collection agency** or a **consortium of companies**.
- **Collection** is taken over by the **company** which **owns the rights over the debt**.
- **Rights** over the **debt** are **kept** by the **creditor**
- **Debt collection operations** are **performed** by the **contracted company**, in return receiving a **fee**, according to the **service agreement**.

Who is a **debtor**?

- **Natural persons** (employees, students, etc.)
- **Legal persons** (limited liability company, corporations, etc.)

How is the debtor contacted?

- Phone calls
- E-mail
- Written correspondence
- Field activities

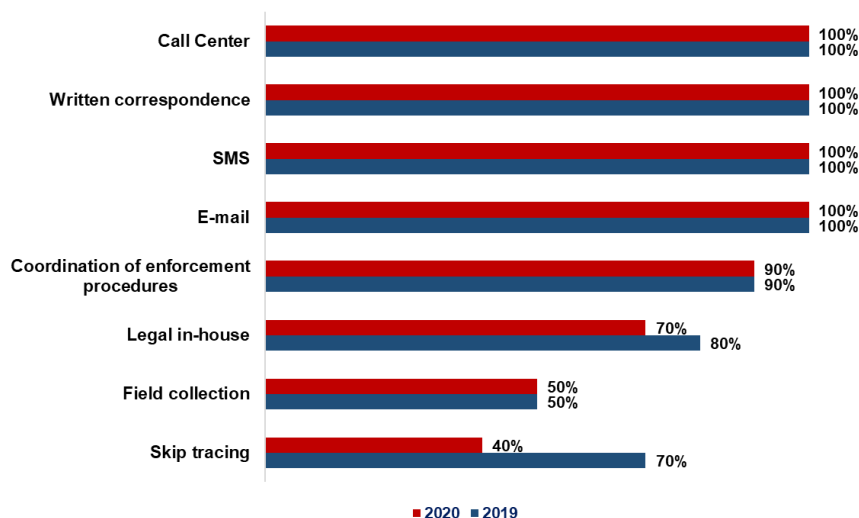
What is the general approach?

Discussions with the debtor include:

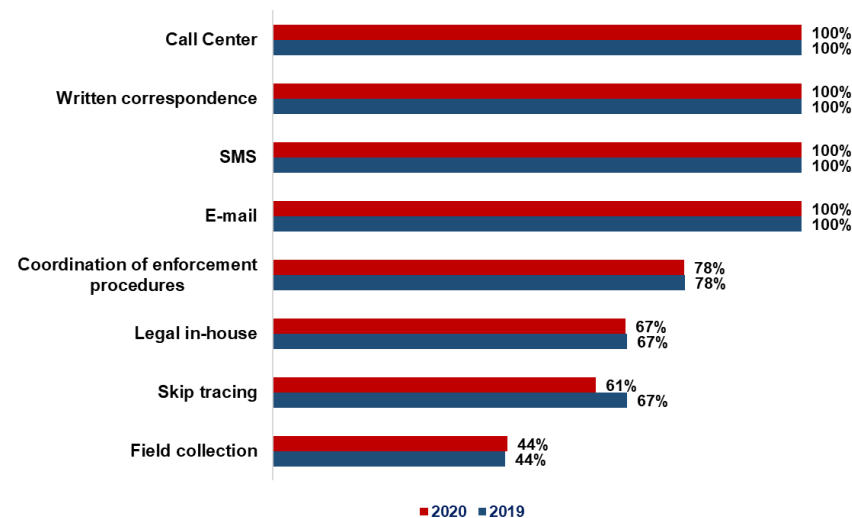
- 1. Identify solutions** for payment of debt;
- 2. Decide** on the **best option** for both the debtor and the creditor;
- 3. Agree** and **sign a written agreement** based on previous discussions.

Debt collection services

Type of services offered - B2C
2020 vs. 2019



Type of services offered - B2B
2020 vs. 2019

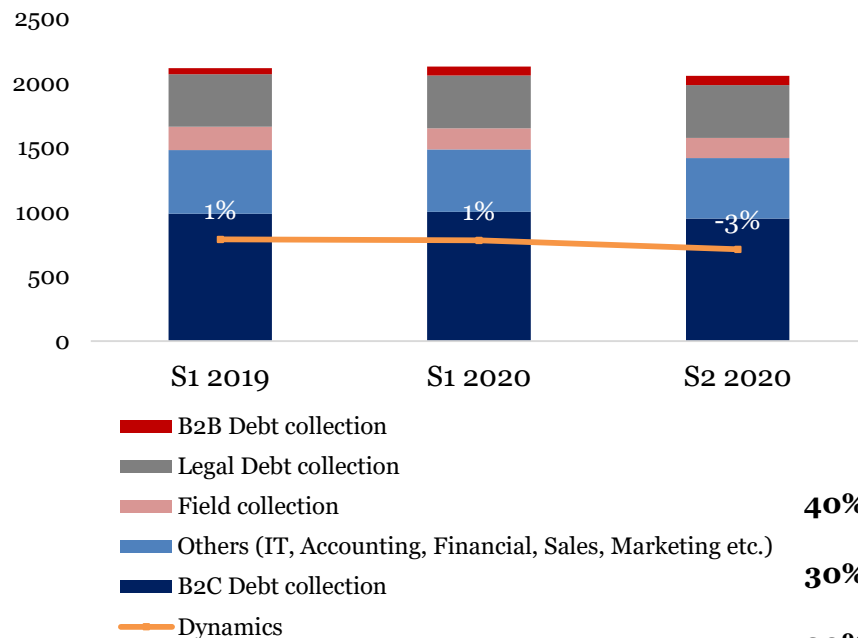


- **Services provided for the B2C sector:** All of the respondents use call-center services, SMS, written correspondence & e-mails to communicate with B2C clients. There has been a huge decrease in skip tracing in 2020 compared to 2019.
- **Services provided for the B2B sector:** Similar to B2C services, e-mail, written correspondence services, call-center services and SMS are being used by all respondents. As in 2019, field collection is among the least used services for B2B collection.

The Romanian debt collection industry employs ~2000 people, half of them being in the B2C & B2B collection segment

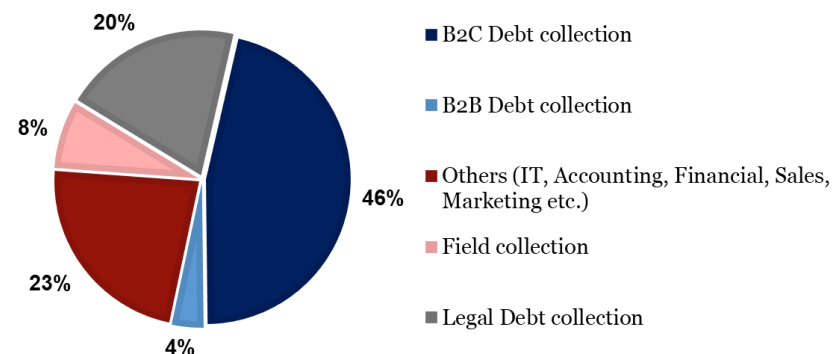
Employee structure

Total number of employees by service performed (full & part time)
S1 2019- S2 2020 evolution

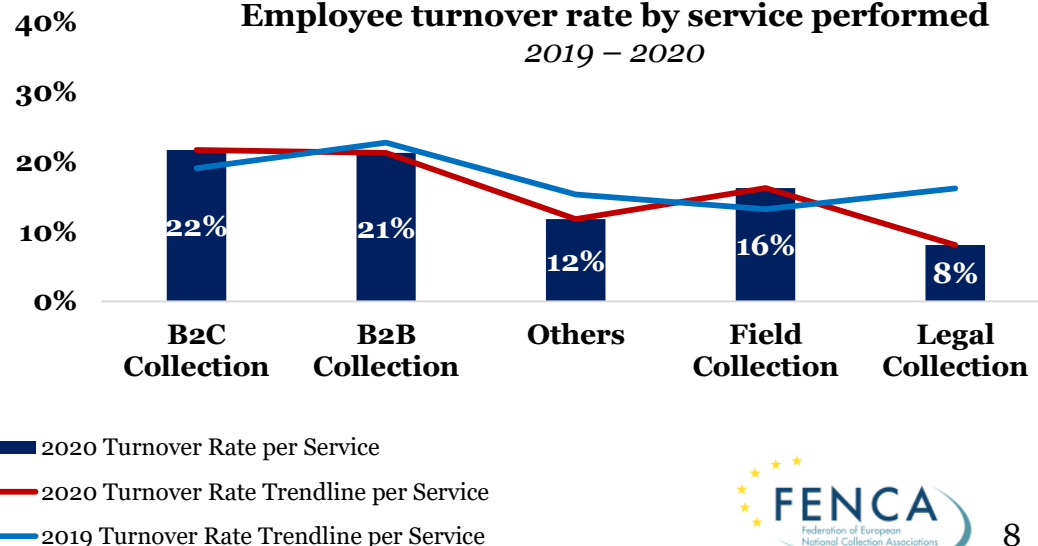


- No significant change in S2 2020 vs S1 2020.
- B2C debt collection is the most employee-intensive function, accounting for approx. 46% of the total full-time employees.

Full-time employee structure by service performed
S2 2020

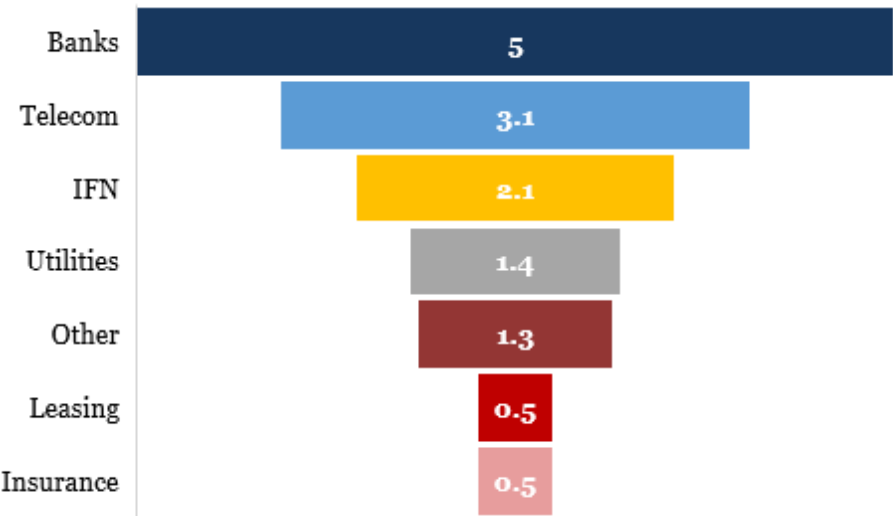


Employee turnover rate by service performed
2019 – 2020

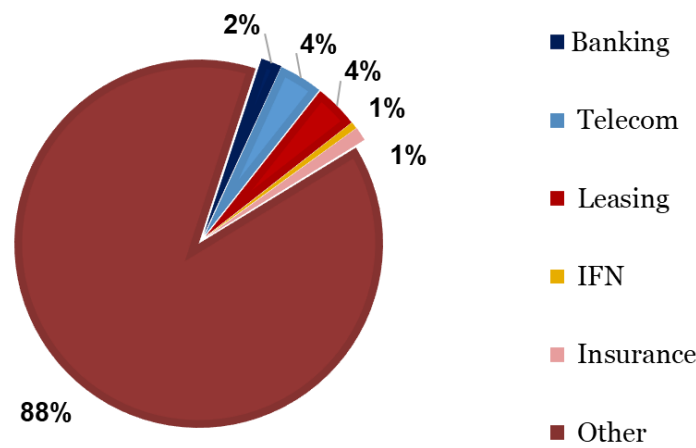


Active clients

B2C – Average clients per respondent 2020



B2B - Active clients by activity sector 2020



- **B2C segment:** The number of active Banking and Telecom clients has decreased drastically in 2020 compared to 2019.
- **B2B segment:** Most of the active clients come from other industries such as FMCG, Pharma, IT, Distribution, with a very low representation from Banking, Telecom and Leasing sectors.
- In 2020, 58% of B2C active clients were from the financial services sector (Banking, NBFI, Insurance and Leasing), a slight decrease from 2019.

*Number of active clients was calculated at AMCC level
**One client does not necessary account for a client, as a creditor can request collection services from more than one collection agency.

- What is debt collection?

- **Debt collection market evolution and trends in 2019**

- Romanian B2C debt collection market:

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Debt collection market in 2020

Romanian B2C debt collection market – Serviced debt.

- In 2020, serviced debt outsourced rose by 32% in terms of debt value, and by 40% in terms of number of cases. ■
- The value recovered from B2C cases and returned into the economy by debt collecting companies was ~159 mil EUR, a ~6% decrease compared to 2019.
- Average value per case for serviced debt outsourced in 2020 was 138 EUR/case, while for debt recovered was 74 EUR/case.
- The most important sector in terms of number of cases outsourced for 2020 remained, as in 2019, the Telecom sector.

Romanian B2C debt collection market – Purchased debt.

- The value of purchased debt sold decreased by 73% in 2020 compared to 2019.
- Average value per case for purchased debt sold in 2020 was 453 EUR/case, while for debt recovered, 158 EUR/case.

Romanian B2B debt collection market – Serviced debt

- In terms of serviced debt outsourced, the number of cases in 2020 registered an increase of ~53% compared to 2019, mainly due to the high average value of the cases in the Banking sector.
- The average value per case for serviced debt outsourced was 2,443 EUR/case in 2020, while the average recovered value per case was 920 EUR/case.

Romanian B2B debt collection market – Purchased debt

- In 2020, the only sectors active on the B2B purchased debt sold market were Banking and IFN where the average value/case was 6,035 EUR/case.

Most debt collection players expect an increase in the market in terms of debt collection.

*Other sector: FMCG, Services, etc.

Operational performance and market regulations

- **Services offered.** Main services provided by respondents are written correspondence, e-mail, SMS and call-center services. It seems like skip tracing has been decreased by almost half compared to the previous year. At the same time legal in house services have halted their increase, declining compared to last year.
- **Employee structure.** B2C and B2B collection segments are the most employee-intensive sector accounting for 52% of total number of employees.
- **Operational improvement.** The respondents' main focus for 2020 was to focus on preparing the company for future development, while having client-focus initiatives and cost-cutting in sight.
- **Market regulations.** There is a continuous focus from the national authorities and the European Commission on legislation related to the financial industry and to the consumers.

Debt collection players have in plan during the next period to continue improving operational efficiency through specific initiatives (e.g. optimize core business processes, clearly define procedures, trainings for employees, etc.) and enhance client satisfaction by providing high quality customized services.

The Survey was commissioned by AMCC to MEDNET Research and was prepared in accordance to data submitted by each participating AMCC member.

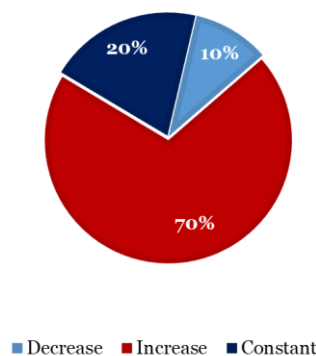
Debt total market 2020 (EUR)				Debt recovered 2020 (EUR)				Revenues 2020 (EUR)			
Romanian Market				Romanian Market				B2C			
B2C	-31%	↓	751,355,332	B2C	-7%	↓	360,463,063	Collection	-32%	↓	12,593,733
B2B	4%	↑	320,329,836	B2B	-11%	↓	64,503,974	B2B	-11%	↓	7,342,900
								Collection			
Total	-23%	↓	1,071,685,168	Total	-8%	↓	460,631,721	Debt purchased	-11%	↓	45,850,057
								Total	-16%	↓	65,786,690

- Debt total market in 2020 has dropped considerably in terms of value, the only slight increase being in the B2B sector.
- Revenues decreased in 2020 compared to 2019 by 16% in total.

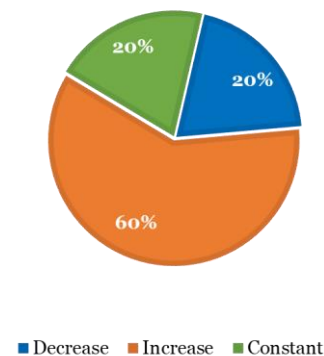
In August 2020, respondents foresaw a decrease in the number of indebted population and a decrease in customers with repayment difficulties for the following semester

Market trends for the second semester of 2020

**Members perspective –
Indebted population**
Evolution in the next 6 months

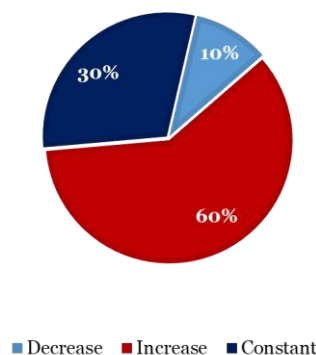


**Members perspective –
Number of customers with
repayment difficulties**
Evolution in the next 6 months

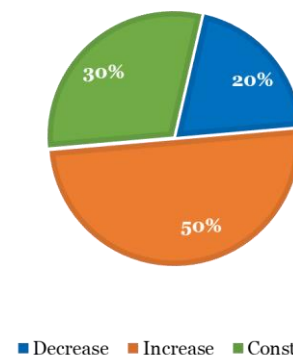


Market trends forecasted for the first semester of 2021

**Members perspective –
Indebted population**
Evolution in the next 6 months

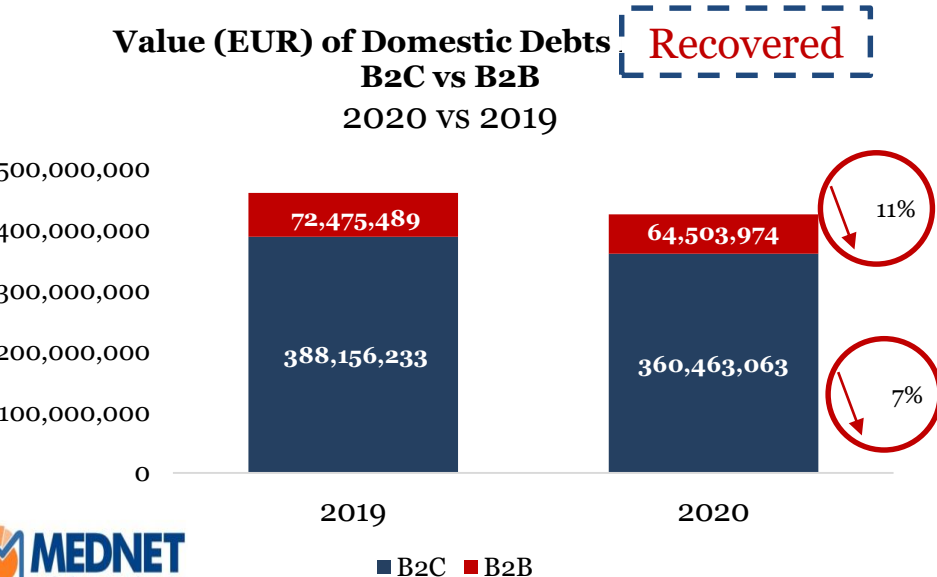
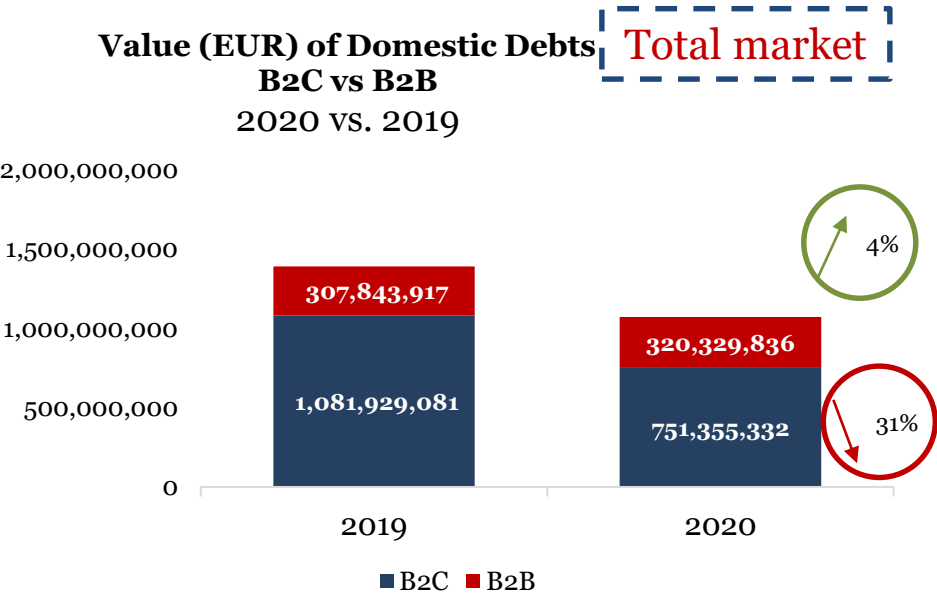


**Members perspective –
Number of customers with
repayment difficulties**
Evolution in the next 6 months



Sector evolution for 2020 has registered a decrease both in the value of the total market (-23%) and of debts recovered (-8%)

Sector evolution in 2020 vs. 2019



Sector evolution. Most sectors have registered a significant decrease in terms of value of debt referred and recovered in 2020, compared to 2019. We can notice a slight increase in the referred B2B sector. The decrease is mainly due to the Covid pandemic.

Trendlines developed among AMCC members:

- Standardizing operational processes.
- Improving people performance on the job.
- Process automation for first level contact.
- Legal in-house to have a more important role.

Market evolution until the end of the year.

The respondents expect the market to be highly influenced by the pandemic and are expecting revenues to decrease.

The respondents, on average, expect the market to continue to stagnate or decrease in the first half of the following year.

Some anticipate a small growth due to new projects with existing clients.

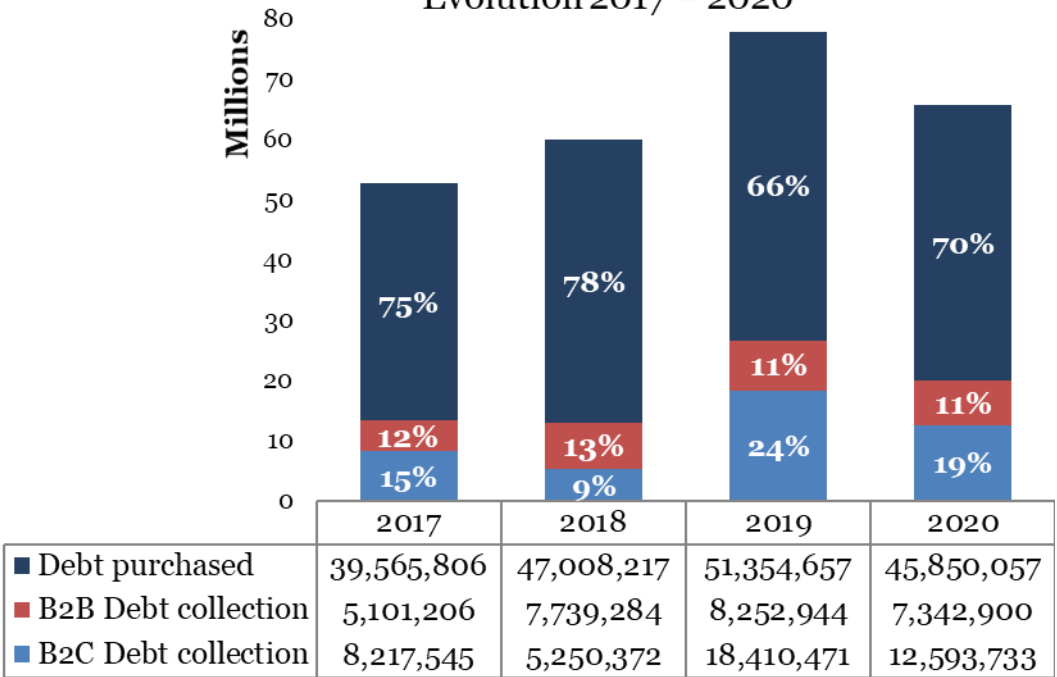
We can notice a decrease of 16% in revenues in 2020, mainly due to the B2C sector

Revenues

2019/2020	Revenues (EUR)		Dynamics
	2019	2020	
B2C Collection	18,410,471	12,593,733	-32%
B2B Collection	8,252,944	7,342,900	-11%
Debt purchased	51,354,657	45,850,057	-11%
Total	78,018,072	65,786,690	-16%

▪ **Volume.** The reported revenues for 2020 reached ~**65 mil EUR**, a decrease of 16% when compared to 2019.

Revenues (EUR/Millions)
Evolution 2017 – 2020

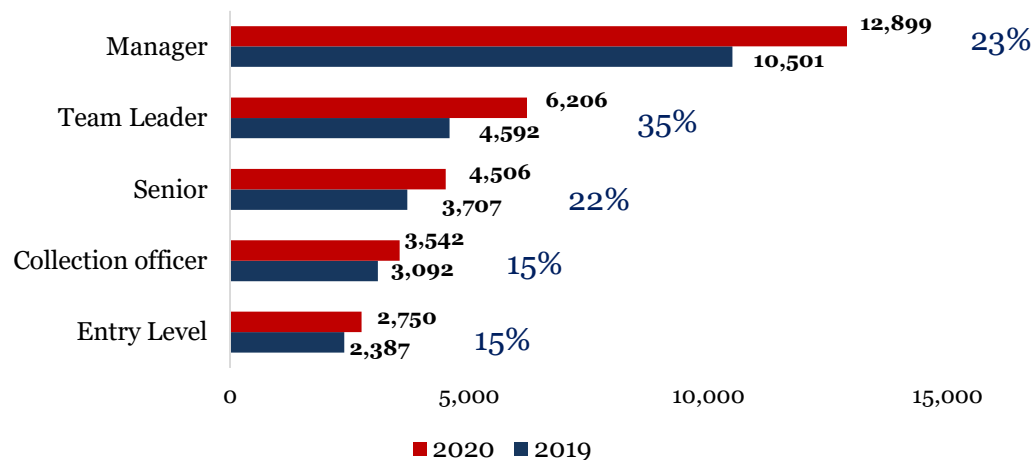


- **Revenue split:** 70% of the revenues from 2020 originated from debt purchase.
- We notice that the relative value of revenues coming from purchased debt has been recovering since their significant decrease in 2019. In absolute terms, however, revenues from purchased debts have experienced a 11% decrease.

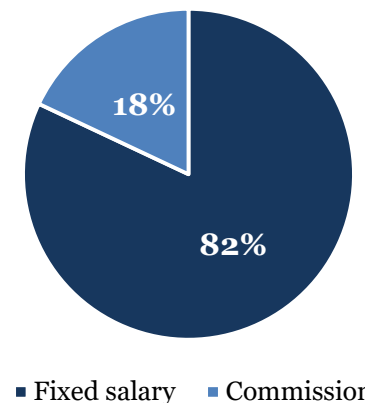
Salaries in the debt collection sector have seen a significant increase during 2020.

Salaries

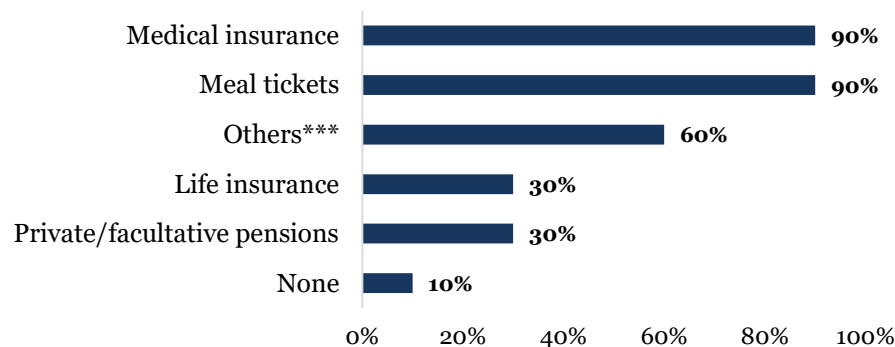
Monthly salaries (Gross)* RON, 2019 vs. 2020



Share of fixed salary and commission in monthly salary** RON, 2020



Employees benefits offered by AMCC members (% of total members)



- **Salaries.** The share between fixed salary and commission has changed in 2020 (18%) in favor of more commission-based income, compared to 2019 (16%). When compared to 2019, all salaries have increased between 15-35%.
- **Employees benefits.** 9 of the 10 respondents offer meal tickets and medical services coverage, with half of them extending benefits to other services such as transportation. We can notice that this year, one respondent has opted to not offer any benefits for their employees.

*Values represent weighted average between the salaries from 8 respondents, based on hierarchical level, only for full-time employees

**Weighted average is based on percentages provided by the respondents, between 60/40% and 100/0% fixed salary/commission).

***Other benefits consist in: Transport, Performance Bonus, Recommendation Bonus, Training Programs, Benefit Platforms (holidays, gift vouchers)

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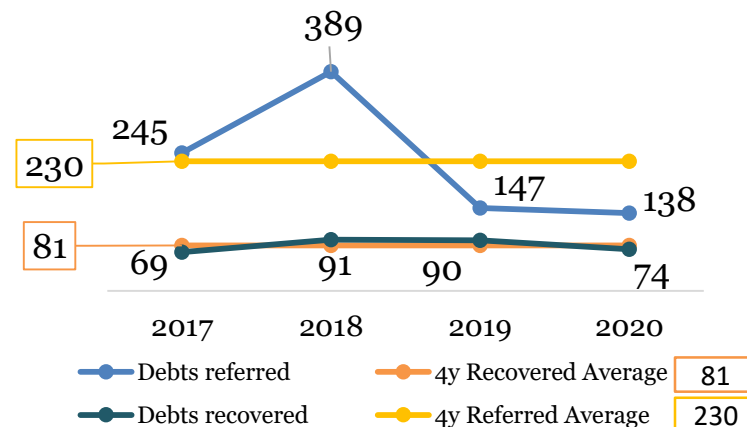
Romanian B2C serviced market has registered an increase in terms of number of cases (+21%), whilst the unit value/case has decreased (-14%).

Romanian B2C debt collection market – Serviced debt

Serviced debt	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	2019	2020	2019	2020	2019	2020
Debt Outsourced	2,992,478	4,195,579	440,217,802	579,982,359	147	138
Debt Recovered	1,863,584	2,135,657	169,391,205	158,789,569	90	74

- **B2C market dynamics.** The B2C serviced debt outsourced in 2020 increased by 32% in terms of value managed and also by 40% in terms of number of cases.
- **B2C market volume.** The total value of serviced debt recovered decreased by ~6% from its 2019 value, while the average value per case also decreased by ~26% to 74 EUR/case.

Debt serviced outsourced and recovered - Average value (EUR)/case



Telecom and Banking serviced debt represent together 67% of the total B2C service debt outsourced cases in 2020

Romanian B2C debt collection market – Serviced debt

		Number of cases				Values (EUR)				Avg. Value in EUR/Case			
Serviced debt		Debt Outsourced		Debt Recovered		Debt Outsourced		Debt Recovered		Debt Outsourced		Debt Recovered	
Sectors		2019	2020	2019	2020	2019 ('000)	2020 ('000)	2019 ('000)	2020 ('000)	2019	2020	2019	2020
Banking		326,718	356,216	347,418	294,055	139,053	138,342	65,815	57,732	426	388	189	196
Telecom		1,209,529	2,472,953	482,084	934,032	146,569	279,127	15,899	29,932	121	113	33	32
Leasing		3,453	973	5,848	445	6,750	1,332	9,739	1,129	1,955	1,369	1,665	2,539
NBFI		211,528	197,785	169,987	119,103	36,959	53,122	17,511	14,794	175	269	103	124
Insurance		385	224	580	146	130	79	109	18	339	355	188	125
Utilities		1,155,054	1,111,272	828,520	765,436	102,869	103,982	57,531	53,544	89	94	69	70
Other*		85,811	56,156	29,147	22,440	7,885	3,995	2,784	1,636	92	71	96	73
Total		2,992,478	4,195,579	1,863,584	2,135,657	440,217	579,982	169,391	158,789	147	138	90	74

- **Guaranteed/Non-Guaranteed debt.** Guaranteed serviced debts outsourced in 2020 represent ~24% out of the total Romanian Banking debt referred in terms of value, while guaranteed recovered debt accounts for ~37% of the total value of recovered Romanian Banking debt.
- **Sector split.** The most active sector in terms of number of cases referred remains the Telecom sector with ~59% of the total number of cases B2C debts outsourced. In terms of serviced debt recovered, the sectors with the highest number of debts successfully recovered in 2020 are Telecom, Banking and Utilities.

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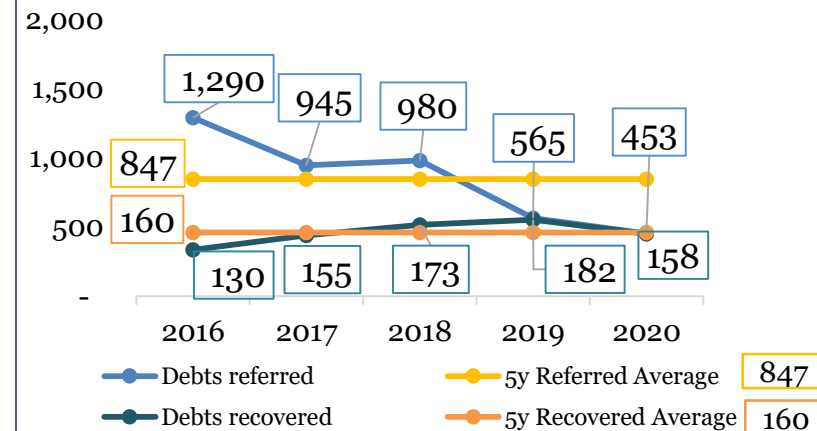
The value of purchased debt has registered a major decrease (-73%) compared to 2019, reaching ~171 mil EUR

Romanian B2C debt collection market – Purchased Debt

Purchased debt	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	2019	2020	2019	2020	2019	2020
Debt Purchased	1,136,110	378,095	641,711,278	171,372,973	565	453
Debt Recovered	1,203,204	1,278,864	218,765,028	201,673,494	182	158

- **B2C by category split.** In 2020, purchased debt referred accounted for ~8% of the total Romanian B2C debt (serviced and purchased) in terms of number of cases. Purchased debt recovered accounted for ~27% of the total number of cases of B2C debt outsourced (serviced and purchased).
- **B2C market dynamics.** In 2020, the number of cases of purchased debt referred decreased by ~66%, compared to 2019.
- **B2C market volume.** The value of purchased debt recovered decreased to ~201 mil EUR in 2020 compared to 2019, while the average value per case also decreased to 158 EUR/case.

Debt purchased referred and recovered - Average value (EUR)/case



In terms of purchased debt, ~56% of the value was acquired from the Banking sector

Romanian B2C debt collection market – Purchased Debt

		Number of cases				Values (EUR)				Avg. Value in EUR/Case			
Purchased debt	Sectors	Debt Sold		Debt Recovered		Debt Sold		Debt Recovered		Debt Sold		Debt Recovered	
		2019	2020	2019	2020	2019 ('000)	2020 ('000)	2019 ('000)	2020 ('000)	2019	2020	2019	2020
Banking		142,757	55,405	884,188	836,322	370,846	95,546	178,400	159,494	2,598	1,725	202	191
Telecom		925,110	276,009	104,607	136,440	194,588	36,343	7,061	7,787	210	132	68	57
NBFI		67,612	46,681	175,793	270,406	74,246	39,483	26,417	28,369	1,098	846	150	105
Insurance		631	-	32,339	35,592	2,029	-	6,867	6,017	3,216	-	212	169
Utilities		-	-	-	-	-	-	-	-	-	-	-	-
Other*		-	-	437	104	-	-	17	4	-	-	40	38
Total		1,136,110	378,095	1,203,204	1,278,864	641,711	171,372	218,765	201,673	565	453	182	158

- **Guaranteed/Non-Guaranteed debt.** Guaranteed consumer debt in 2020 was ~7% out of the total value of Banking purchased debt sold. While recovered guaranteed purchased debt was ~3% of the total value of recovered Banking debt acquired.
- **Sector split.** In terms of number of purchased debts recovered, the most active sectors are Banking with 65% and NBFI with 21%, while in terms of value, Banking tops at 79% share, with Telecom and NBFI at 11% and 3% respectively.

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■ **Romanian B2B debt collection market**

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The total value of B2B debt outsourced in 2020 increased (~50%) to ~319 mil EUR, despite the decrease in the average case value

Romanian B2B debt collection market

Serviced debt	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	2019	2020	2019	2020	2019	2020
Debt Outsourced	85,291	130,668	212,691,891	319,213,359	2,494	2,443
Debt Recovered	60,188	57,433	48,823,807	52,842,316	811	920

Purchased debt	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	2019	2020	2019	2020	2019	2020
Debt Purchased	31,393	185	95,152,027	1,116,477	3,031	6,035
Debt Recovered	2,952	4152	23,651,681	11,661,658	8,012	2,809

- **B2B by category split.** In 2020, in terms of value, serviced debt outsourced accounted ~83% of the total Romanian B2B market. The number of B2B debt portfolios for sale has increased, compared to 2019.
- **B2B market dynamics.** In 2020, the total number of purchased debts has decreased by ~99%, while the case value doubled.

The most important sectors in terms of value for B2B debt serviced outsourced are Banking (~72% share) followed by Leasing (~10%)

Romanian B2B debt collection market – Serviced Debt

		Number of cases				Values (EUR)				Avg. Value in EUR/Case			
Serviced debt		Debt Outsourced		Debt Recovered		Debt Outsourced		Debt Recovered		Debt Outsourced		Debt Recovered	
		2019	2020	2019	2020	2019 ('000)	2020 ('000)	2019 ('000)	2020 ('000)	2019	2020	2019	2020
Sectors													
Banking		3,405	3,925	14,715	2,441	155,087	231,331	29,345	24,818	45,547	58,938	1,994	10,167
Telecom		26,230	67,863	18,267	21,691	11,851	25,858	4,461	4,506	452	381	244	208
Leasing		3,301	13,555	3,323	8,253	12,214	30,375	2,990	13,122	2,147	2,241	900	1,590
NBFI		138	492	82	1,421	1,337	4,237	106	582	9,689	8,612	1,301	410
Insurance		-	668	-	159	-	5,657	-	314	-	8,470	-	1,976
Utilities		57	446	-	103	210	3,771	-	205	3,699	8,457	-	2,000
Other*		47,485	43,719	23,801	23,365	31,989	17,981	11,919	9,291	674	411	501	398
Total		85,291	130,668	60,188	57,433	212,691	319,213	48,823	52,842	2,494	2,443	811	920

- **Guaranteed/Non-Guaranteed debt.** Guaranteed B2B serviced debt outsourced in 2020 has reached 50% out of the total Banking B2B serviced debt outsourced in terms of value, and 48% out of the total Banking B2B serviced debt recovered value.
- **Sector split.** The most active sector in terms of number of B2B serviced debt outsourced cases is the Telecom sector with ~52% of the total number of B2B serviced debt referred cases in 2020, followed by Other with ~33% share. In terms of value, B2B Banking serviced debt referred in 2019 registered the highest share (73%) among Romanian B2B debt referred, with a value of approx. 231 mil EUR.

The main source of B2B debt sold in 2020 (70%) is the NBFI sector with a total value of ~ 841 mil EUR

Romanian B2B debt collection market – Purchased Debt

	Number of cases				Values (EUR)				Avg. Value in EUR/Case			
Purchased debt	Debt Sold		Debt Recovered		Debt Sold		Debt Recovered		Debt Sold		Debt Recovered	
	2019	2020	2019	2020	2019 ('000)	2020 ('000)	2019 ('000)	2020 ('000)	2019	2020	2019	2020
Sectors												
Banking	855	32	2,581	3,667	66,576	275	23,591	11,291	77,868	8,596	9,141	3,079
Telecom	30,541	-	266	182	28,575	-	23	23,395	936	-	87	-
Leasing	-	-	-	-	-	-	-	-	-	-	-	-
NBFI	-	153	99	293	-	841	30	342,785	-	5,499	312	1,173
Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Other*	-	-	6	10	-	-	5	2,764	-	-	972	-
Total	31,396	185	2,952	4,152	95,152	1,116	23,651	11,661	3,031	6,035	8,012	2,809

- **Guaranteed/Non-Guaranteed debt.** 0% of Banking purchased debt sold in 2020 was guaranteed, and 23% of Banking purchased debt recovered was guaranteed.
- **Sector split.** The NBFI sector has accounted for a large share, in terms of value, both in sold and recovered debts. It has registered an average value of ~6k EUR/case for referred, and 2,8k EUR/case for recovered.

- What is debt collection?
- Debt collection market evolution and trends in 2019
 - Romanian B2C debt collection market:
 - B2C – Serviced debt
 - B2C – Purchased debt
 - Romanian B2B debt collection market

■ Debt collection market for international clients

- Macroeconomic environment
- Continuous improvement measures

The international debt referred and debt recovered markets have seen a massive decrease of cases in the B2C sector

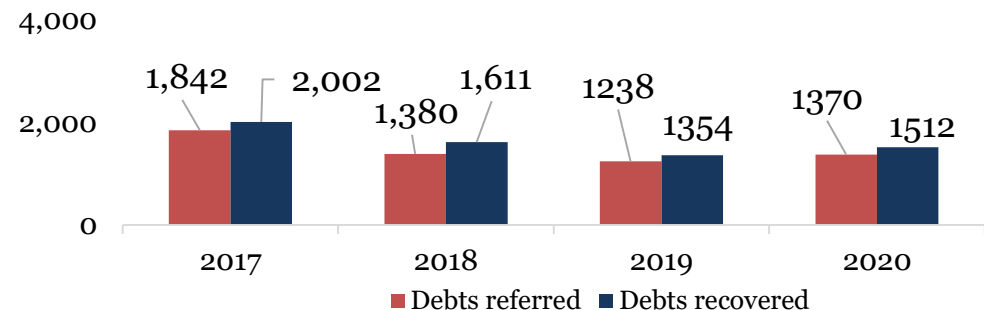
Collection market for international clients – Debts referred & recovered

International debt referred	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	2019	2020	2019	2020	2019	2020
B2C	1,107,329	712,532	1,408,164,309	1,020,440,713	1,272	1,432
B2B	58,978	50,699	36,141,185	25,418,265	613	501

International debt recovered	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	2019	2020	2019	2020	2019	2020
B2C	507,479	351,018	710,280,262	570,841,366	1400	1,626
B2B	28,507	39,068	15,192,590	19,301,852	533	494

- **B2C by category split.** In 2020, international B2C debt accounted for 99% of the total market in terms of number of cases.
- **Market dynamics.** The numbers of international debt recovered and referred B2C cases have both seen a significant decrease compared to 2019, however the average values per case have increased in the debts recovered part, from ~1400 EUR/case to ~1,626 EUR/case.

International debt referred and recovered - Average value (EUR)/case (B2C & B2B combined)



The most important sectors for 2020 in terms of number of international debt referred cases are Banking, Telecom and Utilities

Collection market for international clients – Debts outsourced & recovered

		Number of cases				Values (EUR)				Avg. Value in EUR/Case			
International debt	Sectors	Debt Referred		Debt Recovered		Debt Referred		Debt Recovered		Debt Referred		Debt Recovered	
		B2C	B2B	B2C	B2B	B2C ('000)	B2B ('000)	B2C ('000)	B2B ('000)	B2C	B2B	B2C	B2B
	Banking	496,461	13,211	245,355	12,438	949,870	5,924	533,613	5,328	1,913	448	2,175	428
	Telecom	93,229	7,026	23,533	2,158	19,402	1,252	2,742	326	208	178	117	151
	Leasing	2,653	274	1,558	80	32,199	324	22,106	595	12,137	1,185	14,189	7,438
	NBFI	31,010	1,295	6,532	582	1,915	50	347	22	62	42	53	39
	Insurance	-	-	-	-	-	15,961	-	-	-	-	-	-
	Utilities	85,707	28,285	31,461	23,572	16,118	-	11,952	12,900	458	564	380	547
	Other*	3,472	608	1,040	238	934	1,900	78,619	129	269	3,125	76	543
	Total	712,532	50,699	351,018	39,068	1,020,440	25,418	570,841	19,301	1,432	501	1,626	494

- **Guaranteed/Non-Guaranteed debt.** No guaranteed consumer debt was outsourced or recovered in 2020.
- **Sector split.** Banking (70%), Telecom (13%) and Utilities (12%) account for 95% of the total B2C number of cases outsourced in 2020.

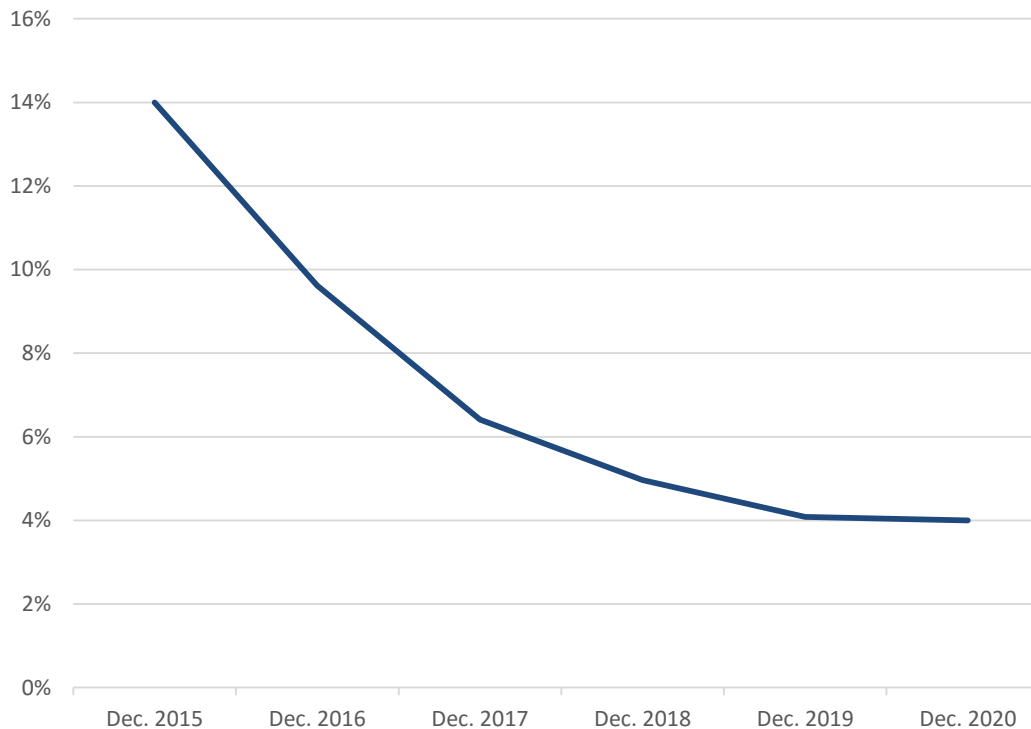
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■ **Macroeconomic environment**

- Continuous improvement measures

Non-performing loans strongly decreased and NBR is taking even more measures to combat over indebtedness

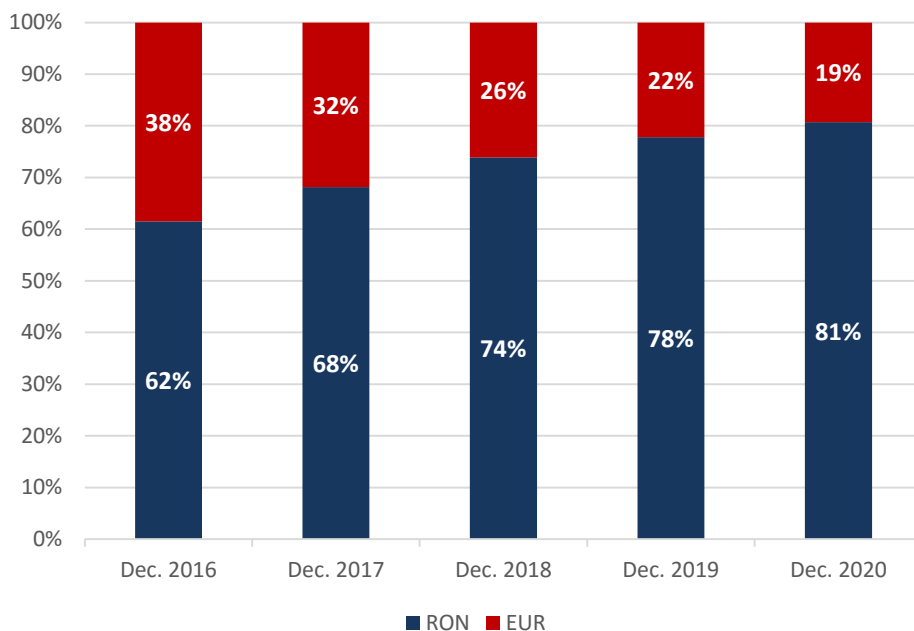
Non-performing loans %
Evolution 2015-2020



- The non-performing loan rate has remained unchanged as banks clean their balance sheet off bad debt and the retail and corporate debtors become more self-sustainable as the economy grows.
- After a significant drop, the situation has now stabilized

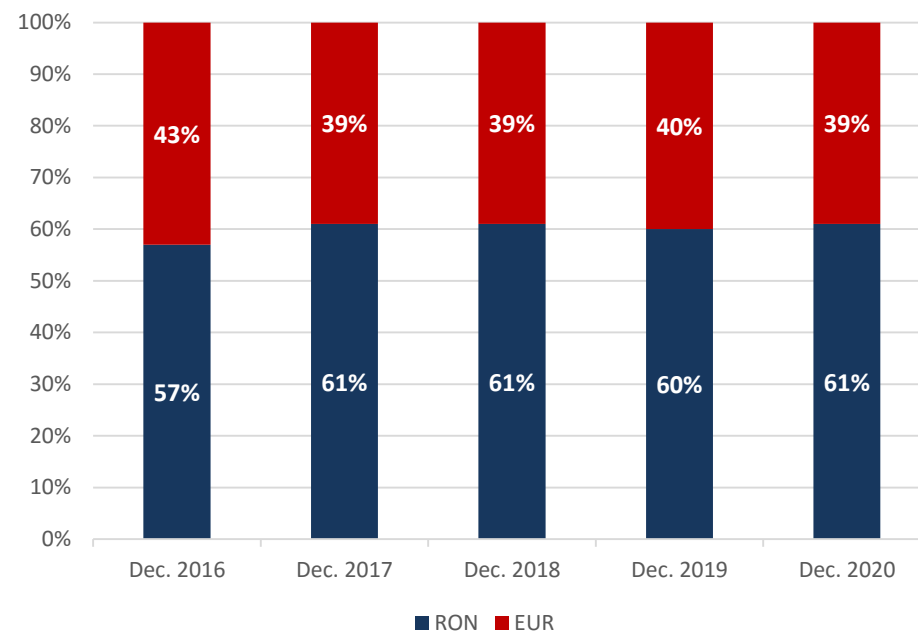
The number of retail and corporate clients preferring to borrow in RON remains on an increasing path in 2020.

Retail credit split evolution
Evolution 2016-2020



- NBR's strong support for credits in the national currency resulted in credits to retail in RON being more than 80% of total credits to retail in 2020.

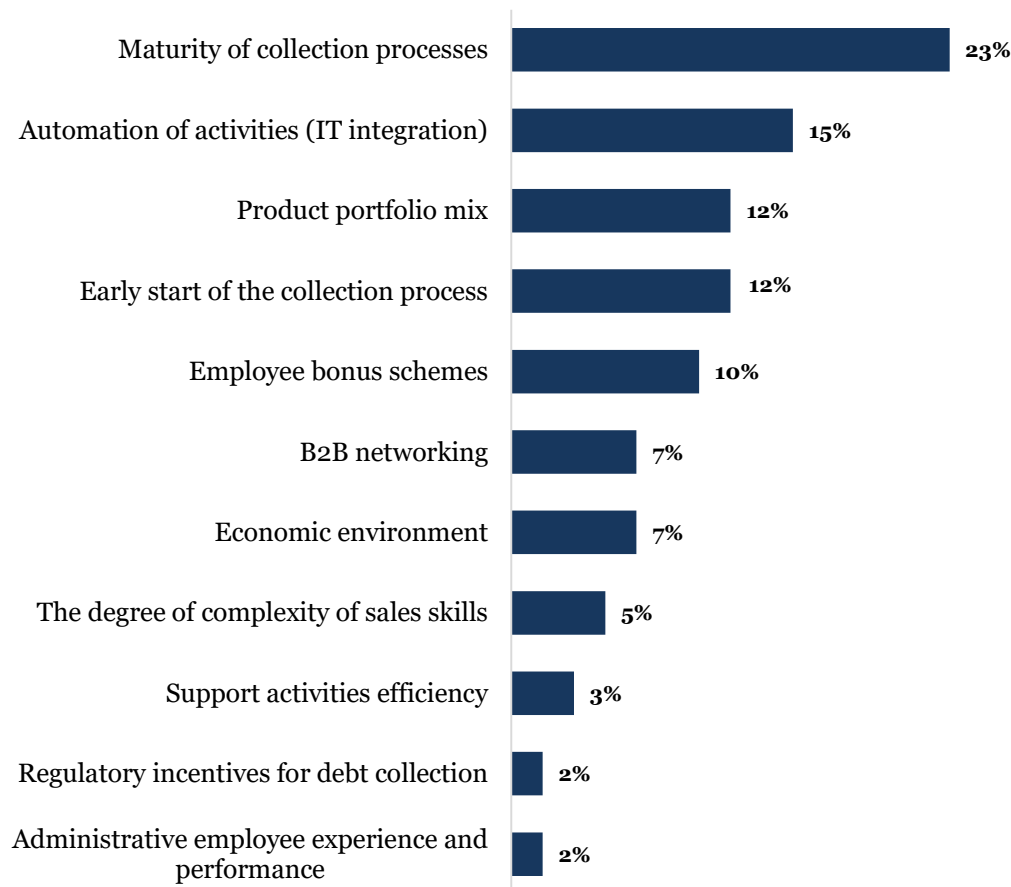
Corporate credit split evolution
Evolution 2016-2020



- Corporate credits in RON have been steady over the past 4 years. 61% of credits were in RON in 2020 whereas 39% of companies still prefer the hard currency.

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- **Continuous improvement measures**

Key Success Factors and Process Maturity*



- **Key Success Factors.** The most important KSFs in 2020 according to AMCC members remain **maturity of collection processes, automation of activities (IT integration)** followed by **product portfolio mix** and **the early start of the collection process**.
- The **most selected** key success factor remains the **maturity of collection processes**.
- **B2B networking** has fallen compared to previous years.

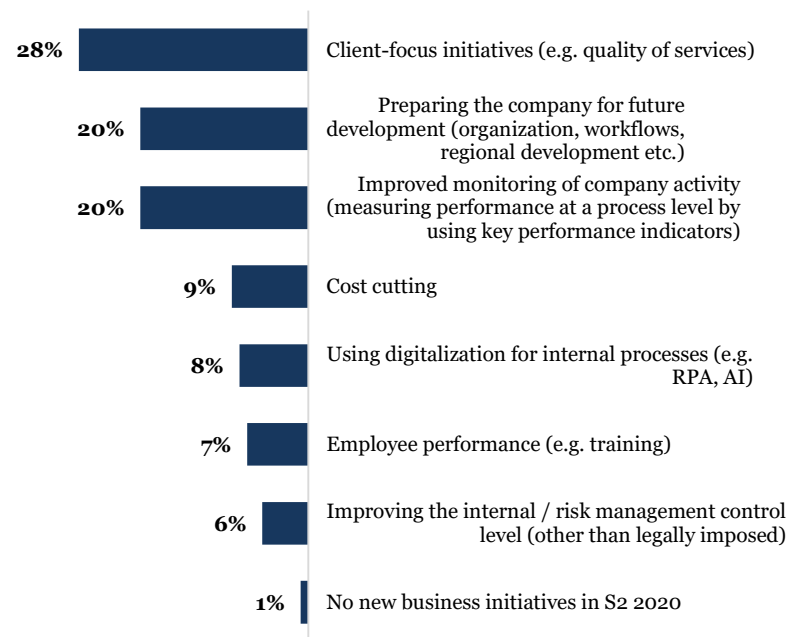
2020

Objectives of business improvement initiatives

B2C Collection



B2B Collection



- **B2C business improvement.** In 2020 focus shifted on preparing the company for future development (22%), while also focusing on client initiatives. In order to adapt to market requirements due to the covid pandemic, debt collectors in 2020 have launched cost cutting initiatives and have improved the monitoring of company activity.
- **B2B business improvement.** The main business initiative mentioned by the respondents is client-focus. Preparing the company for future development, improved monitoring of company activity and cost cutting are also seen as important improvements for the B2B sector.

Thank You!

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