

AMCC



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



KRUK


KREDYT INKASO

 **MELLON**
ROMANIA S. A.

 **otp** Factoring

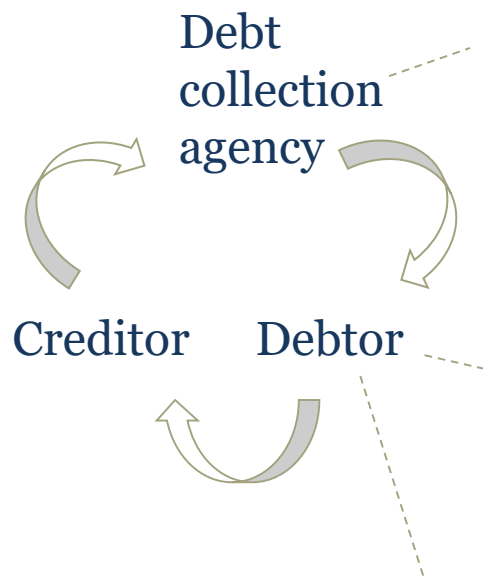
 **RECOLLECTION**
we speak facts

■ 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?

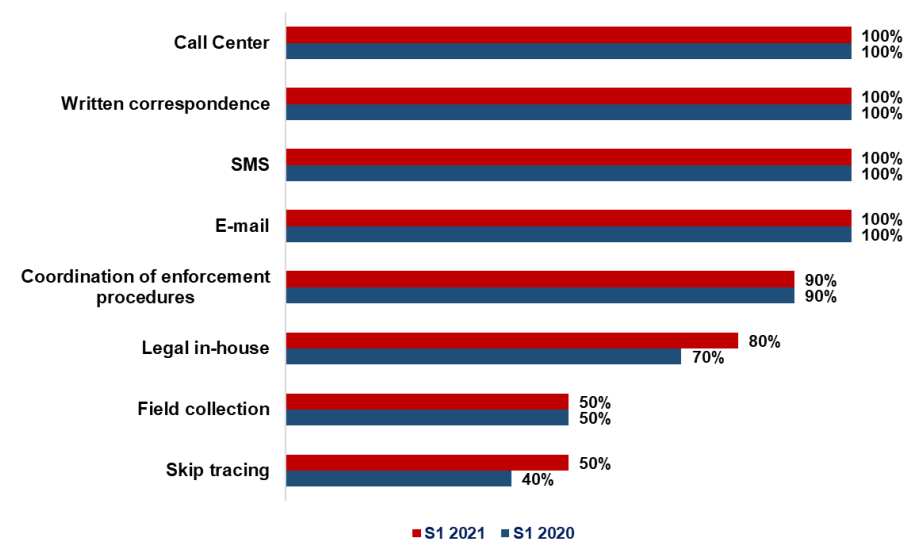
- Phone calls
- E-mail
- Written correspondence
- Field activities

What is the general approach?

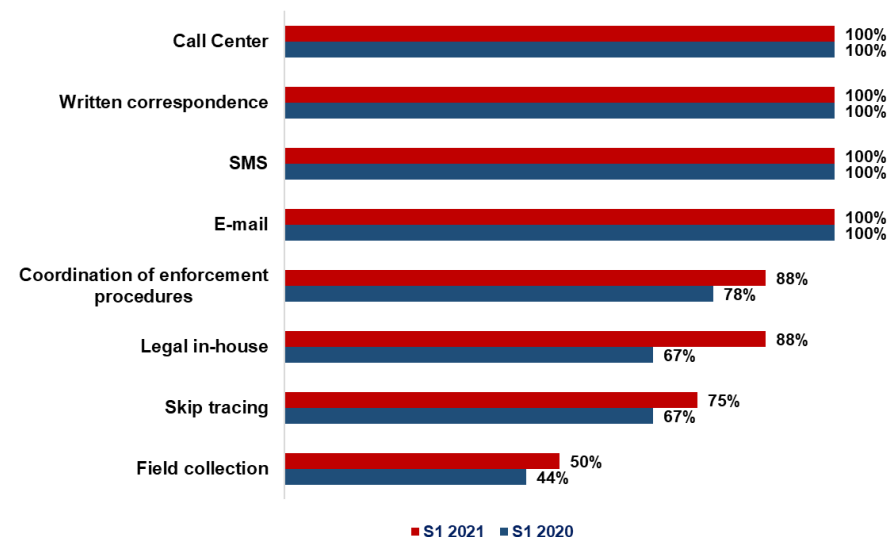
- Discussions with the debtor include:
- 1. Identify solutions** for payment of debt;
 - 2. Decide** on the **best option** for both the debtor and the creditor;
 - 3. Agree** and **sign a written agreement** based on previous discussions.

Debt collection services

Type of services offered - B2C
S1 2021 vs. S1 2020



Type of services offered - B2B
S1 2021 vs. S1 2020

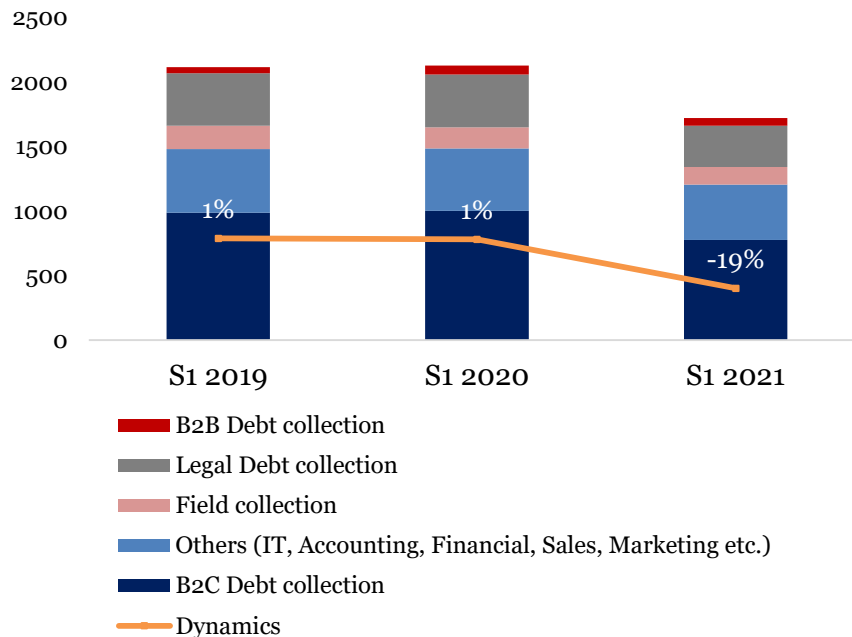


- **Services provided for the B2C sector:** All of the respondents use call-center services, SMS, written correspondence & e-mails to communicate with B2C clients. Skip tracing and legal in-house have seen a slight recovery as the pandemic comes to an end.
- **Services provided for the B2B sector:** Similar to B2C services, e-mail, written correspondence services, call-center services and SMS are being used by all respondents. As in S1 2020, field collection remains the least used service by respondents.

The Romanian debt collection industry employs ~1700 people, half of them being in the B2C & B2B collection segment

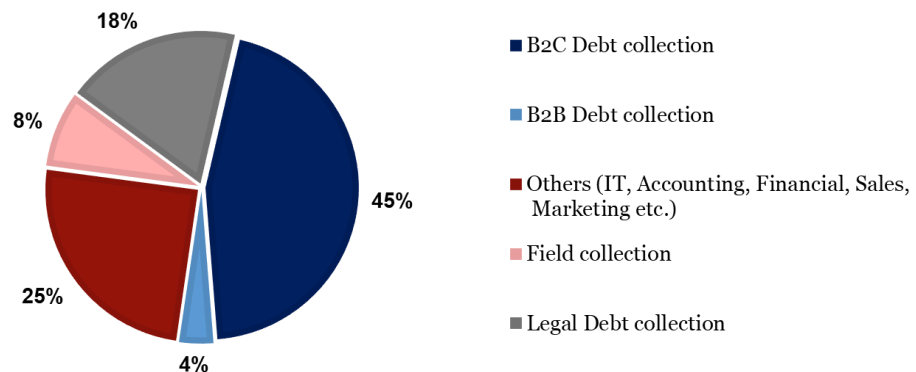
Employee structure

Total number of employees by service performed (full & part time)
S1 2019- S1 2021 evolution

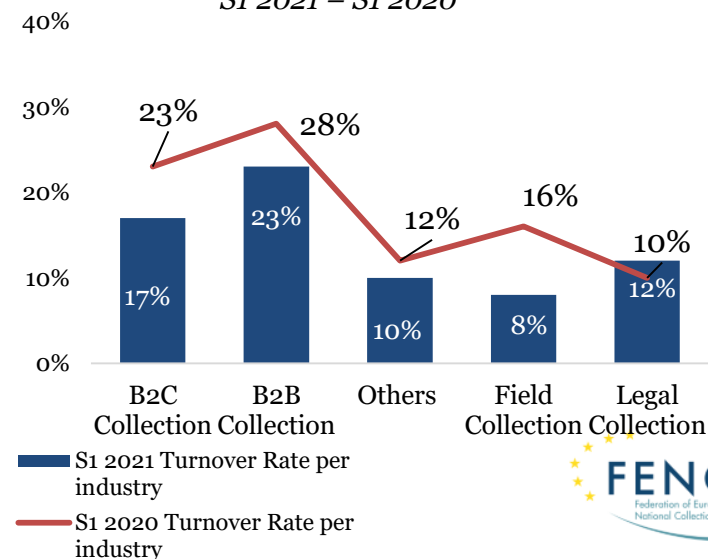


- Significant decrease in total number of employees in S1 2021 vs S1 2020.
- B2C debt collection is the most employee-intensive function, accounting for approx. 45% of the total full-time employees.

Full-time employee structure by service performed
S1 2021

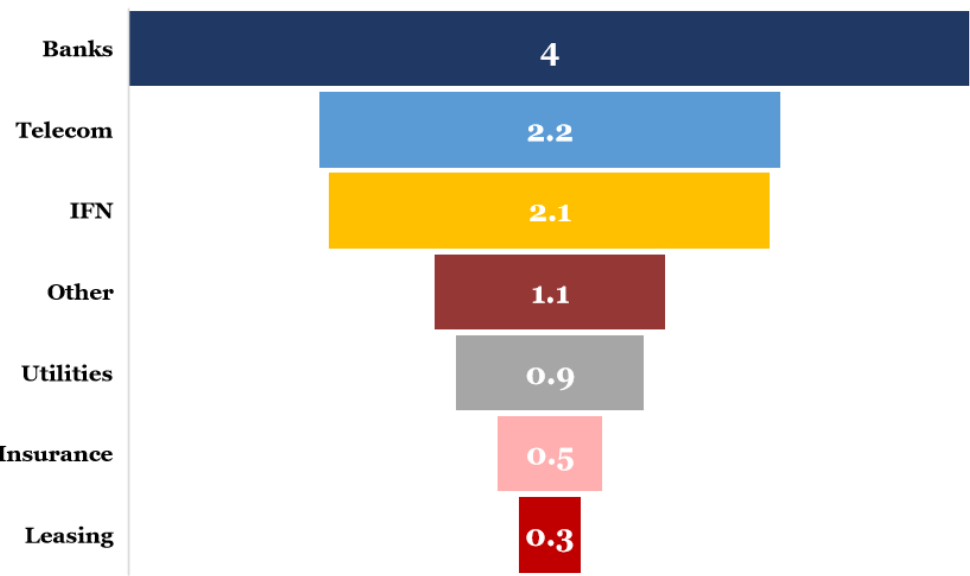


Employee turnover rate by service performed
S1 2021 – S1 2020

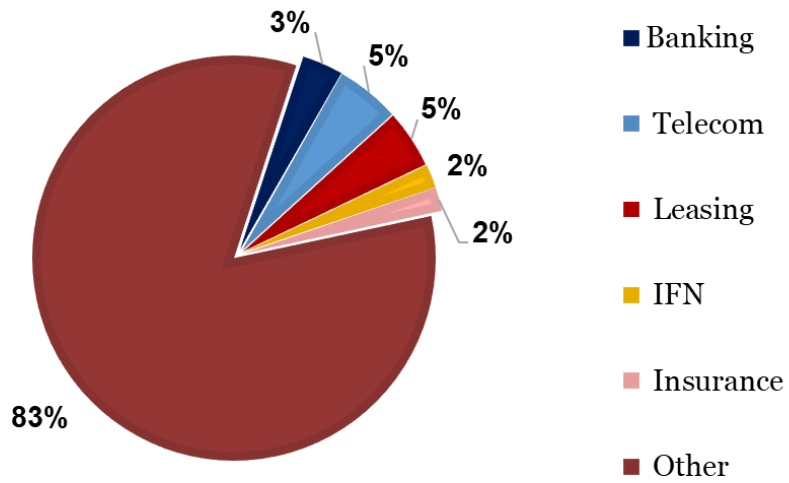


Active clients

B2C – Average clients per respondent 2021



B2B - Active clients by activity sector
S1 2021



- **B2C segment:** The number of active Banking and Telecom clients has decreased in S1 2021 compared to S1 2020.
- **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 S1 2021, 62% of B2C active clients were from the financial services sector (Banking, NBFI, Insurance and Leasing).

*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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- B2C – Purchased debt

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Debt collection market in 2020

Romanian B2C debt collection market – Serviced debt.

- In S1 2021, serviced debt outsourced rose by 3% in terms of debt value, but decreasing by 23% in terms of number of cases.
- The value recovered from B2C cases and returned into the economy by debt collecting companies was ~64 mil EUR, a ~4% decrease compared to S1 2020.
- Average value per case for serviced debt outsourced in S1 2021 was 186 EUR/case, while for debt recovered was 81 EUR/case.
- The most important sector in terms of number of cases outsourced remains the Telecom sector.

Romanian B2C debt collection market – Purchased debt.

- The value of purchased debt sold is recovering in S1 2021 having a significant 56% increase compared to S1 2020.
- Average value per case for purchased debt sold in S1 2021 was 675 EUR/case, while for debt recovered, 185 EUR/case.

Romanian B2B debt collection market – Serviced debt

- In terms of serviced debt outsourced, the number of cases in S1 2021 registered an increase of ~31% compared to S1 2020, mainly due to the high average value of the cases in the Telecom sector.
- The average value per case for serviced debt outsourced was 899 EUR/case in S1 2021, while the average recovered value per case was 822 EUR/case.

Romanian B2B debt collection market – Purchased debt

- In S1 2021, there were no sectors active on the B2B purchased debt sold market.

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. Skip tracing, legal in-house and field collection services have slightly recovered compared to last year's semester.
- **Employee structure.** B2C and B2B collection segments are the most employee-intensive sector accounting for 49% of total number of employees.
- **Operational improvement.** The respondents' main focus for S1 2021 was to improve monitoring of company activity followed by preparing the company for future development and client-focus initiatives.
- **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.

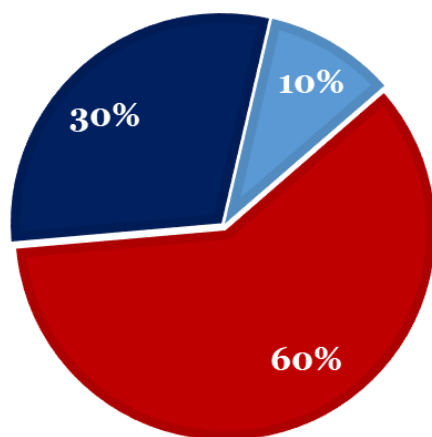
The Survey was commissioned by AMCC to MEDNET Research and was prepared in accordance to data submitted by each participating AMCC member.

Debt total market S1 2021 (EUR)				Debt recovered S1 2021 (EUR)				Revenues S1 2021 (EUR)			
Romanian Market				Romanian Market				B2C			
B2C	3%	▲	402,815,893	B2C	5%	▲	166,766,540	Collection	146%	▲	7,948,974
B2B	-46%	▼	75,314,576	B2B	29%	▲	38,373,152	Collection	-10%	▼	2,792,931
Total	-10%	▼	478,130,469	Total	9%	▲	205,139,692	Debt purchased	-15%	▼	19,468,285
								Total	3%	▲	30,210,190

- Debt total market in 2021 has dropped 10% in terms of total value, with a staggering 46% drop in the B2B sector. The debt recovered sector is slightly recovering from the drop in 2020.
- Revenues have slightly increased in 2021 compared to 2020 by 3% in total.

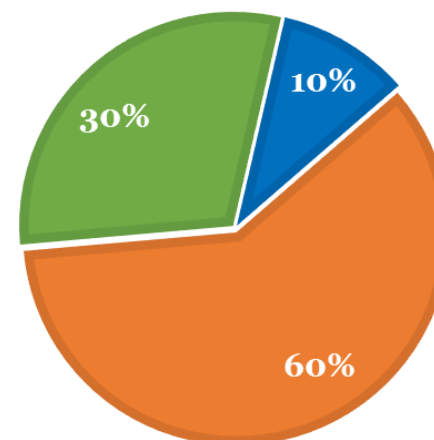
Market trends for the second semester of 2021

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



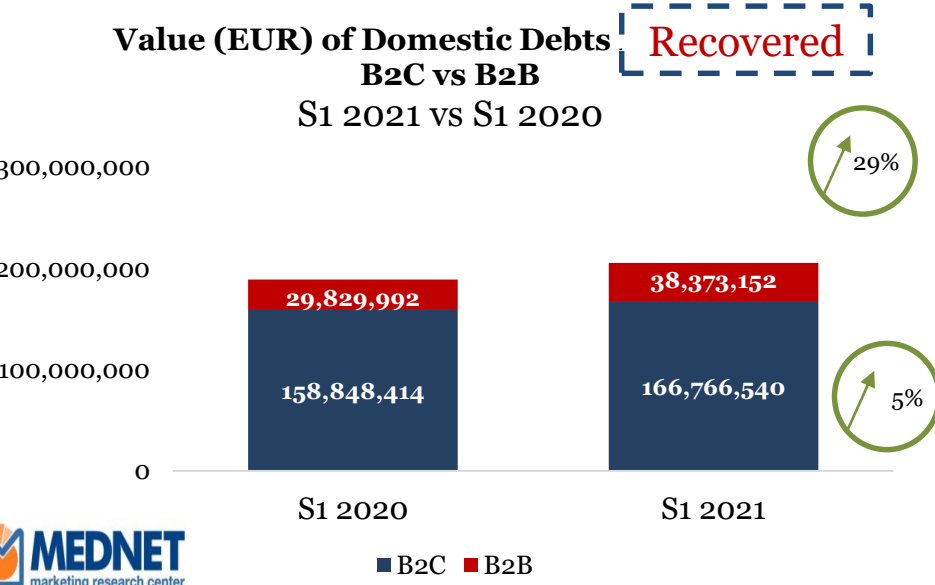
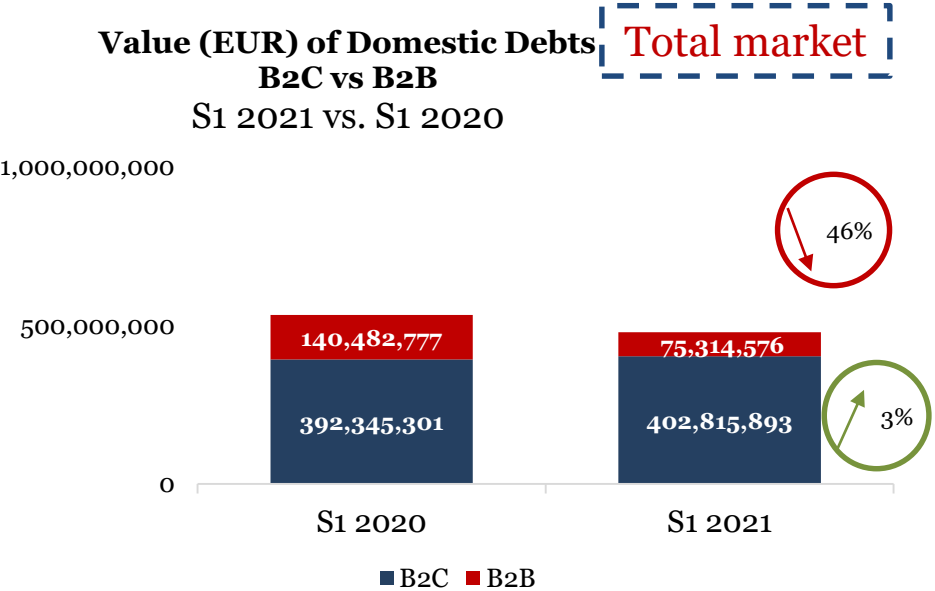
■ Decrease ■ Increase ■ Constant

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



■ Decrease ■ Increase ■ Constant

Sector evolution in S1 2021 vs. S1 2020



Sector evolution. Most sectors have registered slight recoveries in terms of value of debt referred and recovered in S1 2021, compared to S1 2020. We can notice a significant decrease 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 still expect the market to be highly influenced by the pandemic but are expecting revenues to start recovering.

The respondents, on average, expect the market to continue to increase or stagnate in the second half of the year.

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

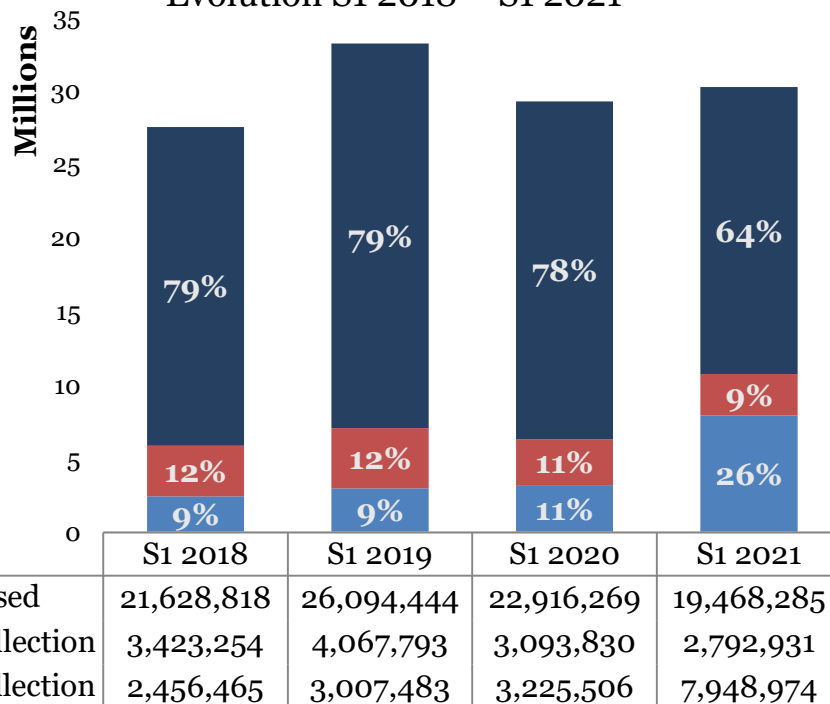
We can notice a slight increase of 3% in revenues in S1 2021, mainly due to the B2C sector which had strong recovery.

Revenues

S1 2020/2021	Revenues (EUR)		Dynamics
	S1 2020	S1 2021	
B2C Collection	3,225,506	7,948,974	146%
B2B Collection	3,093,830	2,792,931	-10%
Debt purchased	22,916,269	19,468,285	-15%
Total	29,235,605	30,210,190	3%

- **Volume.** The reported revenues for S1 2021 reached ~**30 mil EUR**, a slight increase of 3% when compared to S1 2020.

Revenues (EUR/Millions)
Evolution S1 2018 – S1 2021

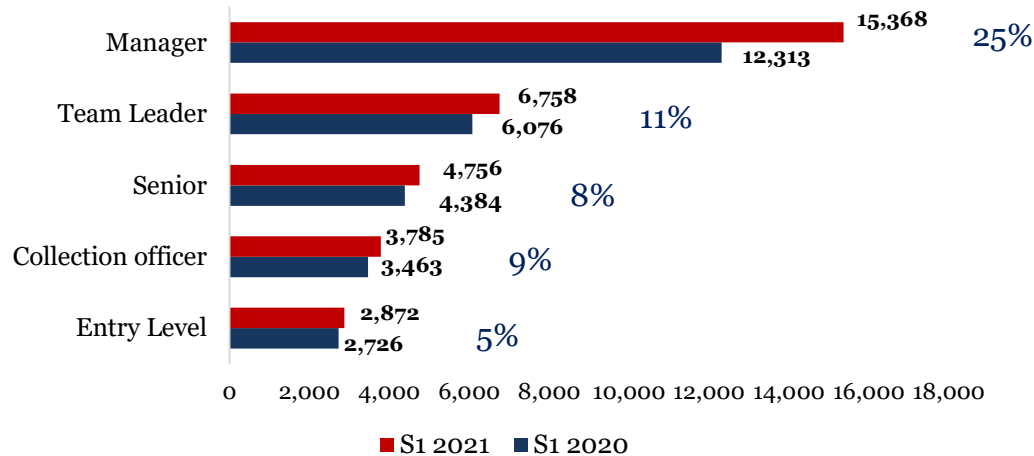


- **Revenue split:** 64% of the revenues from S1 2021 originated from debt purchase.
- We notice that the relative and absolute values of revenues coming from B2C Debt collection have had a significant increase compared to previous years.
- B2B and Debt purchased sectors have registered slight decreases in S1 2021 compared to S1 2020.

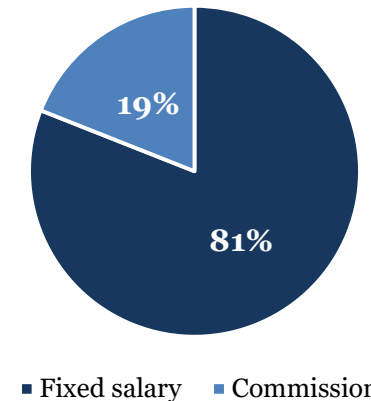
Salaries in the debt collection sector have seen a significant increase during the first semester of 2021 compared to S1 2020.

Salaries

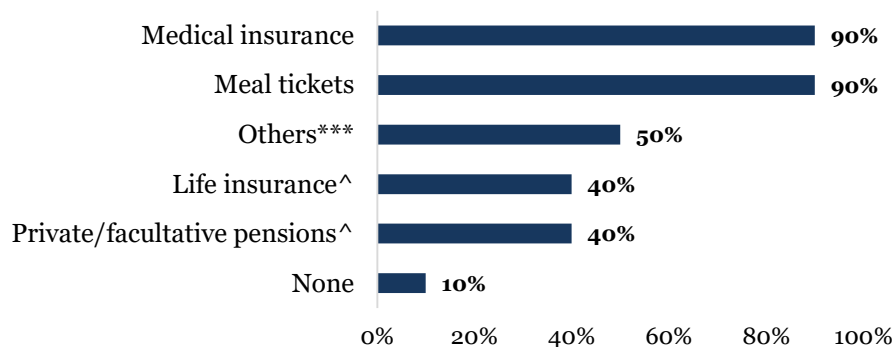
Monthly salaries (Gross)*
RON, S1 2020 vs. S1 2021



Share of fixed salary and commission in monthly salary** RON, S1 2021



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



- **Salaries.** The share between fixed salary and commission has decreased in S1 2021 (19%) compared to S1 2020 (21%) for commission-based income.
- When compared to S1 2020, all salaries have increased between 5-25%.
- **Employees benefits.** 9 of the 10 respondents offer meal tickets and medical services coverage, with almost half of them extending benefits to other services such as transportation. We can notice that 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 75/25% and 100/0% fixed salary/commission).

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

^Some respondents only offers these types of benefits to managers or the field dept.

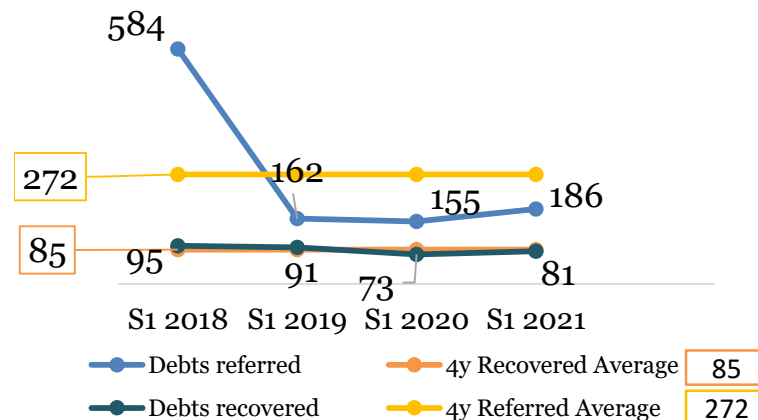
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Romanian B2C debt collection market – Serviced debt

Serviced debt	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	S1 2020	S1 2021	S1 2020	S1 2021	S1 2020	S1 2021
Debt Outsourced	2,056,514	1,546,503	318,647,614	287,910,172	155	186
Debt Recovered	911,625	784,746	66,194,812	63,855,350	73	81

- **B2C market dynamics.** The B2C serviced debt outsourced in S1 2021 decreased by 10% in terms of value managed and also by 25% in terms of number of cases.
- **B2C market volume.** The total value of serviced debt recovered decreased by ~4% from its S1 2020 value, while the average value per case also increased by ~11% to 81 EUR/case.

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



Telecom and Banking serviced debt represent together 76% of the total B2C service debt outsourced cases in S1 2021

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		
	S1 2020	S1 2021	S1 2020	S1 2021	S1 2020 ('000)	S1 2021 ('000)	S1 2020 ('000)	S1 2021 ('000)	S1 2020	S1 2021	S1 2020	S1 2021	
Sectors													
Banking	188,494	153,021	157,895	129,544	68,183	111,755	27,264	23,488	362	730	173	181	
Telecom	1,357,214	1,081,172	438,918	420,787	179,402	107,273	14,025	19,885	132	99	32	47	
Leasing	560	87	215	65	891	117	178	87	1,593	1,348	830	1,354	
NBFI	105,100	72,652	61,185	45,607	29,377	43,639	7,170	6,688	280	601	117	147	
Insurance	122	110	82	79	38	31	7	15	318	290	95	196	
Utilities	387,459	216,604	246,810	120,495	39,206	23,663	17,004	6,806	101	109	69	56	
Other*	17,565	22,857	6,520	68,169	1,546	1,427	543	6,886	88	62	83	101	
Total	2,056,514	1,546,503	911,625	784,746	318,647	287,910	66,194	63,855	155	186	73	81	

- **Guaranteed/Non-Guaranteed debt.** Guaranteed serviced debts outsourced in S1 2021 represent ~15% out of the total Romanian Banking debt referred in terms of value, while guaranteed recovered debt accounts for ~28% 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 70% 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 S1 2021 are Telecom, Banking and Utilities.

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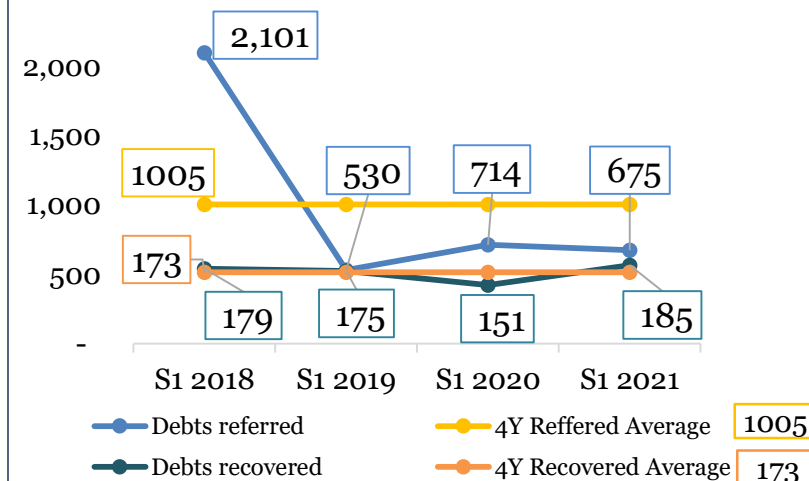
The value of purchased debt has registered a significant increase (56%) compared to S1 2020, reaching ~114 mil EUR

Romanian B2C debt collection market – Purchased Debt

Purchased debt	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	S1 2020	S1 2021	S1 2020	S1 2021	S1 2020	S1 2021
Debt Purchased	103,205	170,236	73,697,687	114,905,721	714	675
Debt Recovered	614,782	556,269	92,653,602	102,991,190	151	185

- **B2C by category split.** In S1 2021, purchased debt referred accounted for ~10% of the total Romanian B2C debt (serviced and purchased) in terms of number of cases. Purchased debt recovered accounted for ~5% of the total number of cases of B2C debt outsourced (serviced and purchased).
- **B2C market dynamics.** In S1 2021, the number of cases of purchased debt referred has increased by ~65%, compared to S1 2020.
- **B2C market volume.** The value of purchased debt recovered slightly increased to ~103 mil EUR in S1 2021 compared to the previous year, while the average value per case also increased to 185 EUR/case.

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



In terms of recovered purchased debt, ~78% 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	
		S1 2020	S1 2021	S1 2020	S1 2021	S1 2020 ('000)	S1 2021 ('000)	S1 2020 ('000)	S1 2021 ('000)	S1 2020	S1 2021	S1 2020	S1 2021
Banking		29,851	3,717	450,639	384,675	47,330	5,120	74,860	79,930	1,586	1,377	166	206
Telecom		51,777	124,533	56,486	59,404	11,230	62,499	3,533	4,258	217	502	63	72
NBFI		21,577	41,986	89,458	95,935	15,138	47,287	11,219	15,840	702	1,126	125	165
Insurance		-	-	18,146	16,222	-	-	3,040	2,881	-	-	168	178
Utilities		-	-	-	-	-	-	-	-	-	-	-	-
Other*		-	-	53	33	-	-	2,130	1	-	-	40	37
Total		103,205	170,236		556,269	73,698	114,906	92,652	102,911	714	675	151	185

- **Guaranteed/Non-Guaranteed debt.** No guaranteed consumer debt was reported in S1 2021 for purchased debt sold. While recovered guaranteed purchased debt was ~5% 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 69% and NBFI with 17%, while in terms of value, Banking tops at 78% share, with Telecom and NBFI at 4% and 15% respectively.

*Other sector: FMCG, Services, etc.

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■ **Romanian B2B debt collection market**

- Debt collection market for international clients
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The total value of B2B debt outsourced in S1 2021 decreased (~45%) to ~75 mil EUR

Romanian B2B debt collection market

Serviced debt	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	S1 2020	S1 2021	S1 2020	S1 2021	S1 2020	S1 2021
Debt Outsourced	63,753	83,765	140,482,453	75,314,576	2,204	899
Debt Recovered	25,736	37,717	24,092,050	31,011,461	936	822

Purchased debt	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	S1 2020	S1 2021	S1 2020	S1 2021	S1 2020	S1 2021
Debt Purchased	1	-	324	-	324	-
Debt Recovered	2,112	2,181	5,737,942	7,361,691	2,717	3,375

- **B2B by category split.** In S1 2021, in terms of value, serviced debt outsourced accounted ~66% of the total Romanian B2B market.
The number of B2B debt portfolios for sale has increased, compared to the previous year.
- **B2B market dynamics.** In S1 2021, there were no purchased debts reported.

The most important sectors in terms of value for B2B debt serviced outsourced are Banking (~34% share) followed by Telecom (~29%)

Romanian B2B debt collection market – Serviced Debt

		Number of cases				Values (EUR)				Avg. Value in EUR/Case			
Serviced debt	Sectors	Debt Outsourced		Debt Recovered		Debt Outsourced		Debt Recovered		Debt Outsourced		Debt Recovered	
		S1 2020	S1 2021	S1 2020	S1 2021	S1 2020 ('000)	S1 2021 ('000)	S1 2020 ('000)	S1 2021 ('000)	S1 2020	S1 2021	S1 2020	S1 2021
Banking		1,827	1,800	440	2,006	106,334	25,769	11,208	11,565	58,201	14,316	25,473	5,760
Telecom		32,968	40,288	10,506	18,863	13,031	21,763	1,923	6,032	395	540	183	320
Leasing		6,657	6,155	4,425	4,810	9,644	10,967	5,580	7,634	1,449	1,782	1,261	1,587
NBFI		186	615	38	202	479	824	251	427	2,574	1,339	6,615	2,116
Insurance		243	137	57	24	370	132	114	41	1,552	963	2,001	1,714
Utilities		162	2,390	36	1,305	247	3,727	73	1,389	1,552	1,559	2,016	1,064
Other*		21,710	32,380	10,234	10,505	10,378	12,133	4,942	3,922	478	375	483	373
Total		63,753	83,765	25,736	37,717	140,482	75,315	24,091	31,011	2,204	899	936	822

- **Guaranteed/Non-Guaranteed debt.** Guaranteed B2B serviced debt outsourced in S1 2021 is 1% out of the total Banking B2B serviced debt outsourced in terms of value, and 20% 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 ~48% of the total number of B2B serviced debt referred cases in S1 2021, followed by Other with a ~39% share. In terms of value, B2B Banking serviced debt referred in this semester registered the highest share (~34%) among Romanian B2B debt referred, with a value of approx. 25 mil EUR.

The main source of B2B debt recovered in S1 2021 (99%) is the Banking sector with a total value of ~ 7 mil EUR

Romanian B2B 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	
		S1 2020	S1 2021	S1 2020	S1 2021	S1 2020 ('000)	S1 2021 ('000)	S1 2020 ('000)	S1 2021 ('000)	S1 2020	S1 2021	S1 2020	S1 2021
Banking		-	-	1,870	1,788	-	-	5,528	7,233	-	-	2,956	4,045
Telecom		-	-	84	224	-	-	14	11	-	-	167	49
Leasing		-	-	-	-	-	-	-	-	-	-	-	-
NBFI		1	-	154	163	0,00324	-	195	114	324	-	1,263	697
Insurance		-	-	-	2	-	-	-	2	-	-	-	1,026
Utilities		-	-	-	-	-	-	-	-	-	-	-	-
Other*		-	-	4	4	-	-	857EU	2	-	-	214	562
Total		1		2,112	2,181	324 EU		5,737	7,361	324		2,717	3,375

- **Guaranteed/Non-Guaranteed debt.** 85% of Banking purchased debt recovered in S1 2021 was guaranteed.
- **Sector split.** The Banking sector has accounted for the largest share, in terms of value and number of cases, both in sold and recovered debts.
It has registered an average value of 4k EUR/case for recovered.

- What is debt collection?
- Debt collection market evolution and trends in 2019
 - Romanian B2C debt collection market:
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 - 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 significant decrease of cases and value in the B2C sector

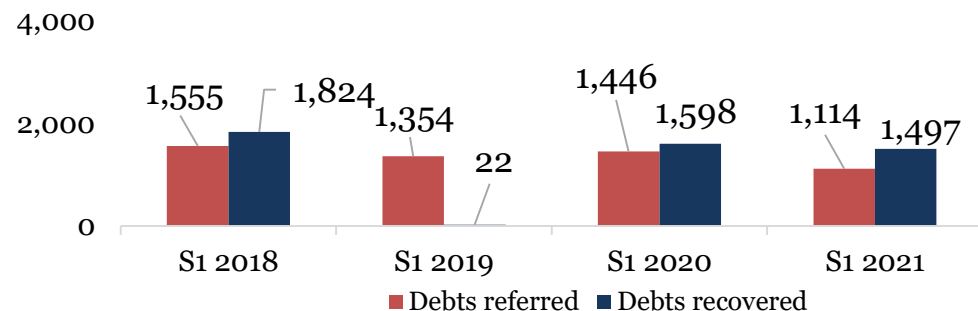
Collection market for international clients – Debts referred & recovered

International debt referred	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	S1 2020	S1 2021	S1 2020	S1 2021	S1 2020	S1 2021
B2C	398,920	283,782	598,072,923	325,522,491	1,499	1,147
B2B	23,623	20,857	13,021,975	13,791,320	551	661

International debt recovered	Number of cases		Value in EUR		Avg. Value in EUR/Case	
	S1 2020	S1 2021	S1 2020	S1 2021	S1 2020	S1 2021
B2C	191,469	117,119	323,516,213	188,415,637	1,690	1,609
B2B	16,604	14,932	9,021,861	9,313,998	543	624

- **B2C by category split.** In S1 2020, international B2C debt accounted for 93% 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 massive decrease compared to S1 2020.

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



The most important sectors for S1 2021 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	159,032	5,248	75,645	2,858	293,484	1,837	176,560	1,238	1,845	350	2,334	434
	Telecom	29,661	2,658	7,843	994	7,598	533	1,025	153	256	200	131	154
	Leasing	558	239	371	159	8,515	3,649	5,185	2,222	15,260	15,269	13,975	13,975
	NBFI	32,915	576	861	216	131	20	236	10	4	36	275	48
	Insurance	-	-	-	-	-	-	-	-	-	-	-	-
	Utilities	35,568	11,875	32,049	10,642	6,899	6,733	5,360	5,651	194	567	167	531
	Other*	26,048	261	350	63	8,895	1,019	48	38	342	3,904	137	601
	Total	283,782	20,857	117,119	14,932	325,522	13,791	188,416	9,314	1,147	661	1,609	624

- **Guaranteed/Non-Guaranteed debt.** No guaranteed consumer debt was outsourced or recovered in S1 2021.
- **Sector split.** Banking (25%), Telecom (13%) and Utilities (57%) account for 95% of the total B2C number of cases outsourced in S1 2021.

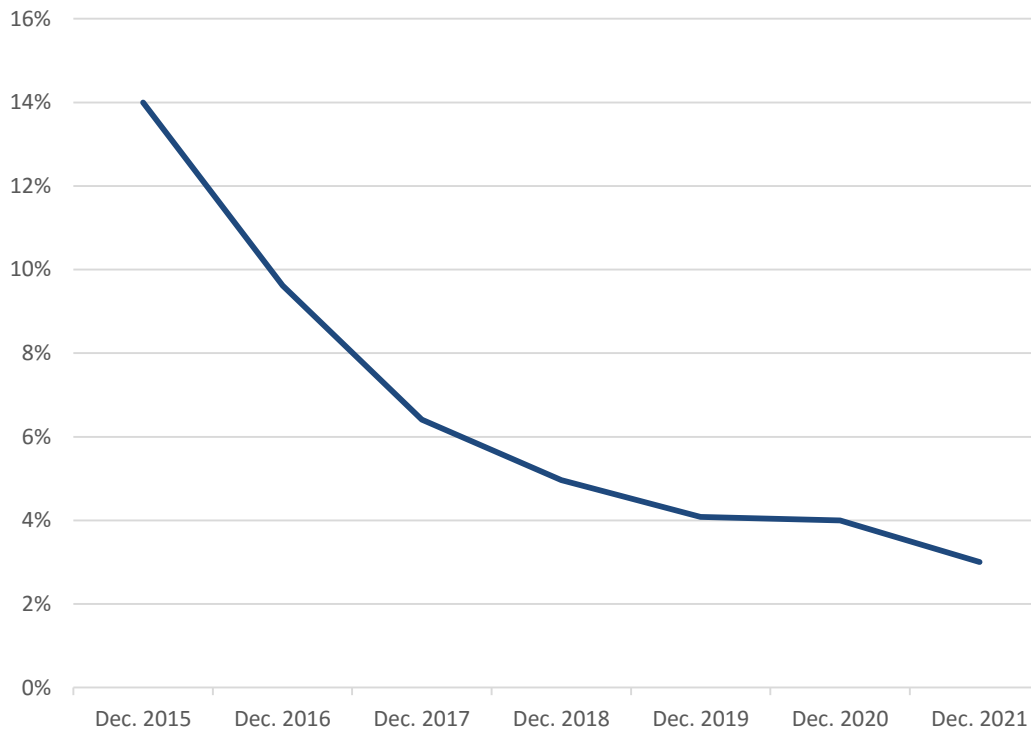
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 - International collection

■ Macroeconomic environment

- Continuous improvement measures

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

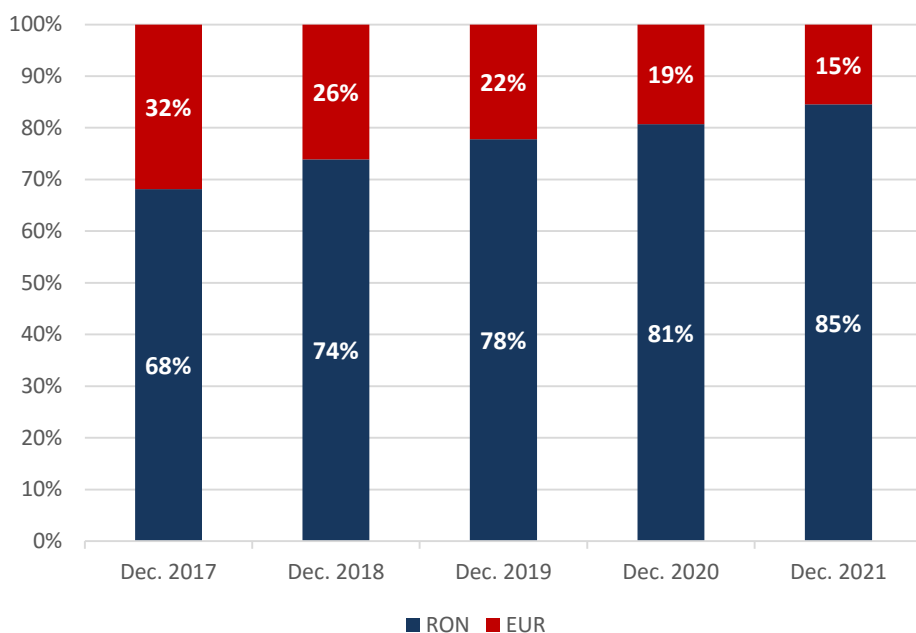
Non-performing loans %
Evolution 2015-2020



- The non-performing loan rate has slightly decreased as the retail and corporate debtors become more self-sustainable as the economy grows.
- After a significant drop, the situation seems to have now stabilized

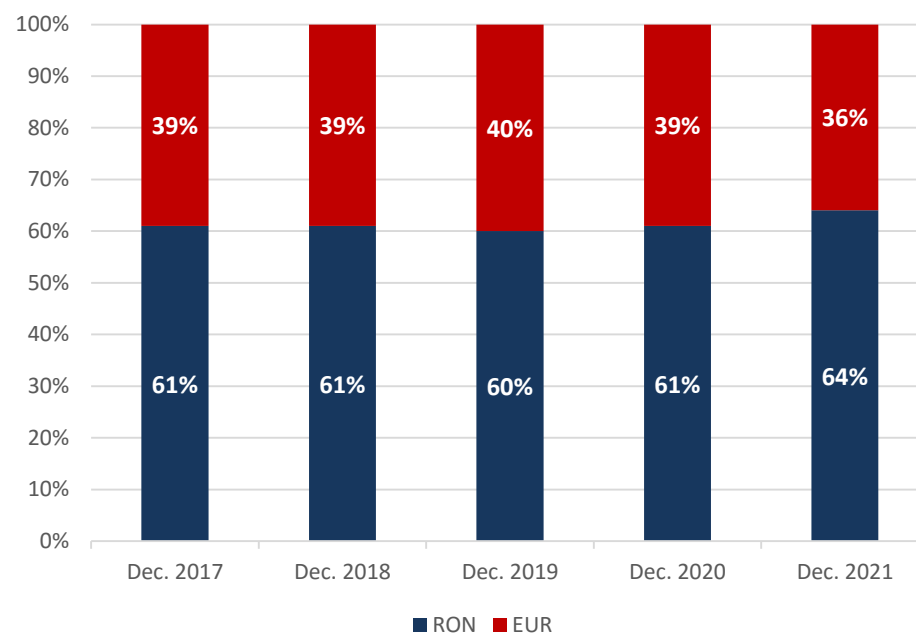
The number of retail and corporate clients preferring to borrow in RON remains on an increasing path in 2021.

Retail credit split evolution
Evolution 2017-2021



- NBR's strong support for credits in the national currency resulted in credits to retail in RON being more than 85% of total credits to retail in 2021.

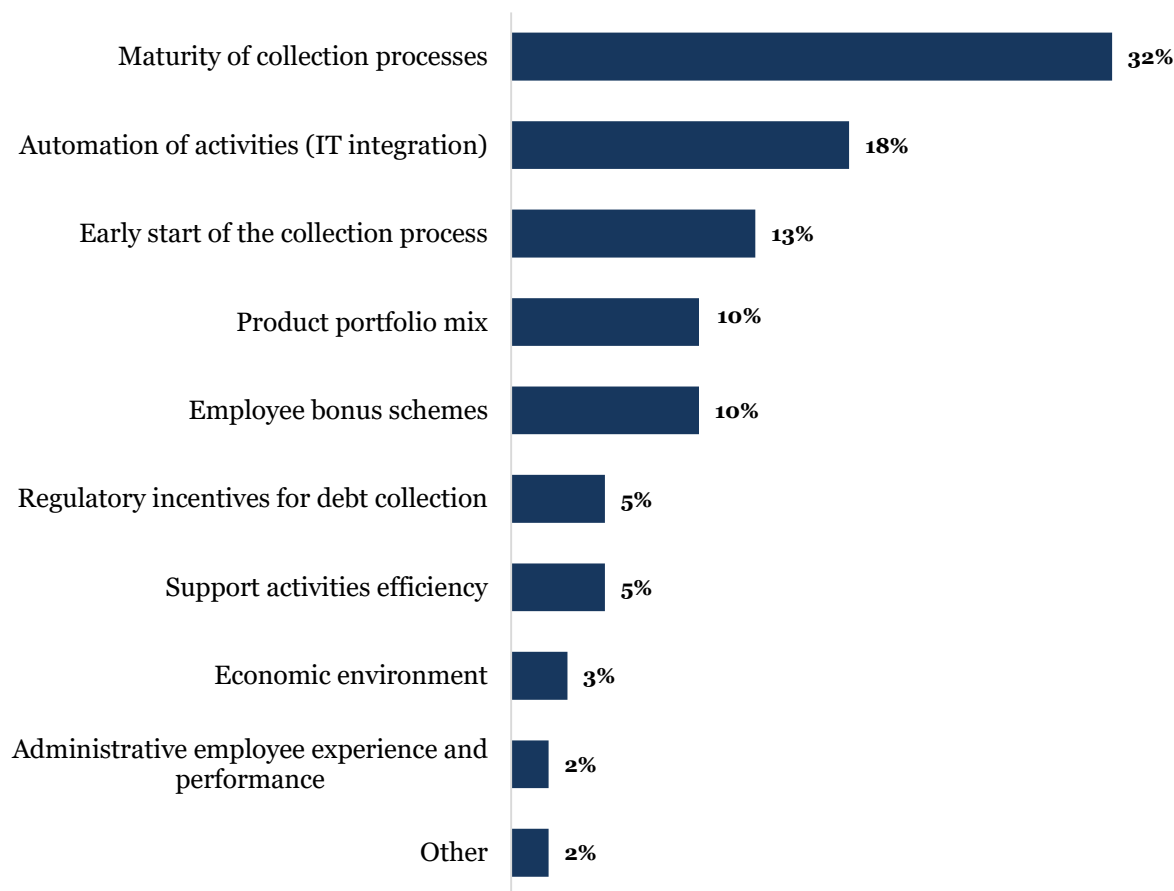
Corporate credit split evolution
Evolution 2016-2020



- Corporate credits in RON have been relatively steady over the past 5 years. 64% of credits were in RON in 2021 whereas 36% of companies still prefer the hard currency.

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- **Continuous improvement measures**

Key Success Factors and Process Maturity*

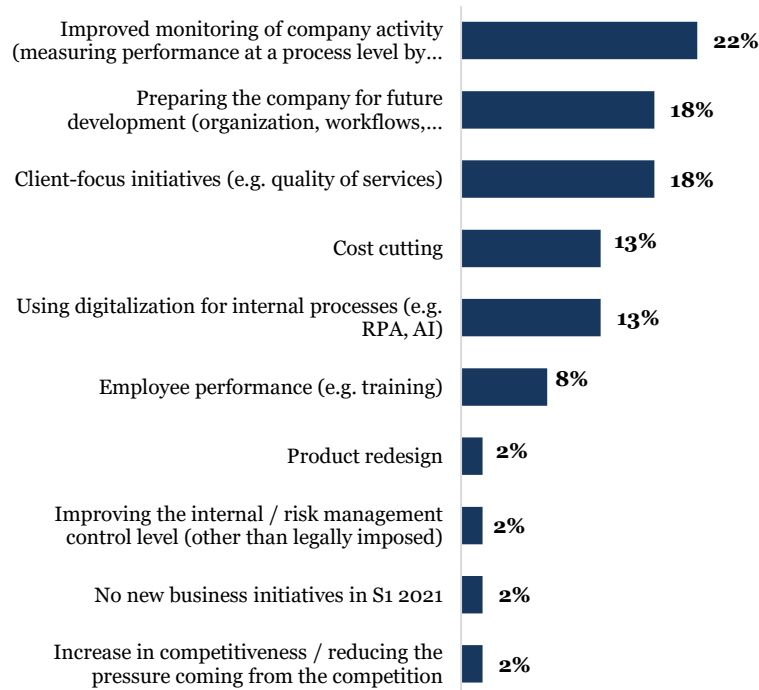


- **Key Success Factors.** The most important KSFs in S1 2021 according to AMCC members remain **maturity of collection processes, automation of activities (IT integration)** followed by **the early start of the collection process.**
- The **most selected** key success factor remains the **maturity of collection processes.**

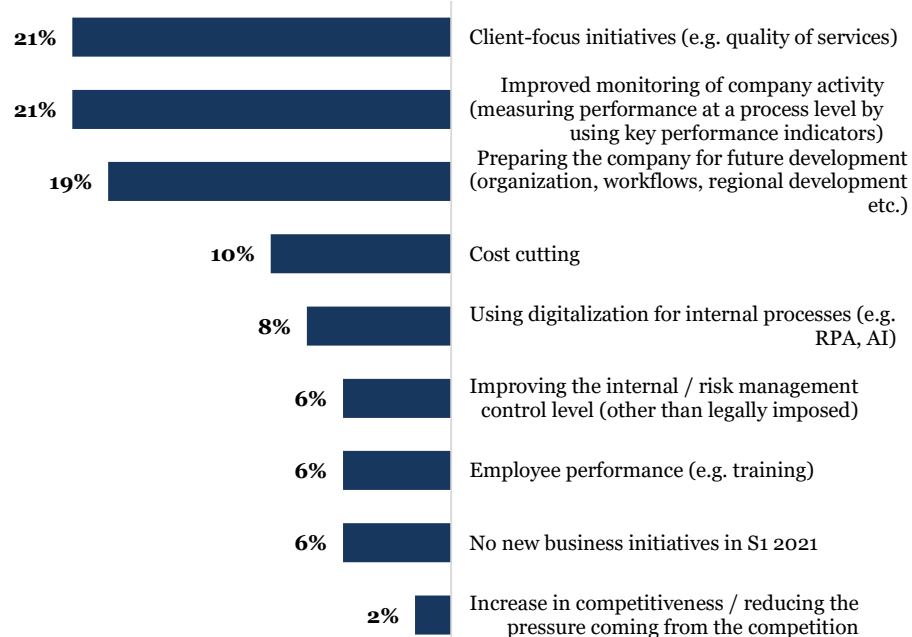
S1 2021

Objectives of business improvement initiatives

B2C Collection



B2B Collection



- **B2C business improvement.** In S1 2021 focus shifted on improving the monitoring of company activity (22%), while also focusing on preparing the company for future development. In order to facilitate better services, the companies have also a keen interest in developing client-focus initiatives.
- **B2B business improvement.** The main business initiatives mentioned by the respondents are client-focus and improving the monitoring of company activity. Preparing the company for future development and cost cutting are also seen as important improvements for the B2B sector.

Thank You!

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