



Press release

Bucharest, May 25th 2017

The domestic debt collection market increased by 45% in 2016 compared to 2015

May 25th 2017, Bucharest: Asociația de Management al Creanțelor Comerciale - AMCC publishes the results of a study, developed in collaboration with Ensign Management Consulting, which highlights the current situation of the debt collection market from the perspective of its members. According to the study, the value of debts managed by Romanian companies in the domestic market increased by 45% in 2016 compared to the previous year.

The expectations for 2017 are more prudent in terms of debt collection due to new market regulations. Both debt management companies and borrowers will need time to adapt to market changes. In spite of these reservations, most members of the association believe that the leverage ratio of the indebted population will grow slightly over the next 6 months due to affordable loans to all, but the number of people with payment difficulties will remain constant.

As regards the volume of referred debts in Romania, the growth trend was maintained in 2016. As compared to 2015, the number of referred cases increased moderately by only 2%.

Outside guaranteed debt in 2016 accounted for 2.5% (EUR 2.6 million) of the total B2C (internal) bank debts that were referred in value, while the purchased debts represented less than 1% (0.89 % or EUR 1.2 million) of the total domestic bank debts purchased.

The telecommunications sector was one of the most active sectors, the number of cases accounting for 68% of the total number of cases of domestic debts referred.

The amount of B2C domestic debts collected a 2% increase in 2016 as compared to 2015, as B2C referred debts increased 31% from the recovered value point of view. An important factor for the influence of this growth is the recent improvement of the economic environment in Romania.

B2B debts (legal entities) collected in 2016 reached EUR 93.6 million for the Romanian market, representing ~ 84,500 cases.

Outstanding debts or purchases of collateral represent, in 2016, 18% (EUR 18.9 million) of the total value of a B2B (legal entities) debts referred in Romania.

The most important sector for the referred domestic segment of B2B (legal entities), in terms of number of cases, is the telecom sector, which represents 44% of the total number. The other sectors (pharmaceuticals, construction, agriculture, FMCG, etc.) recorded a large number of cases (50%) of all cases.

Income from debt collection increased by 39% in 2016 compared to 2015 due to the increase in revenues in all segments of activity, e.g. the collection of debts from individuals (B2C) registering a 6% increase, collection of debts from legal entities (B2B) 197%, and the debt segment to acquire an increase of 43%.

"The debt collection market in Romania is still dynamic and competitive. Debt management companies remain focused on delivering solutions to all the debtors, both corporate and natural persons, having as a priority the amicable settlement," says Georg Kovacs, President of AMCC.

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.

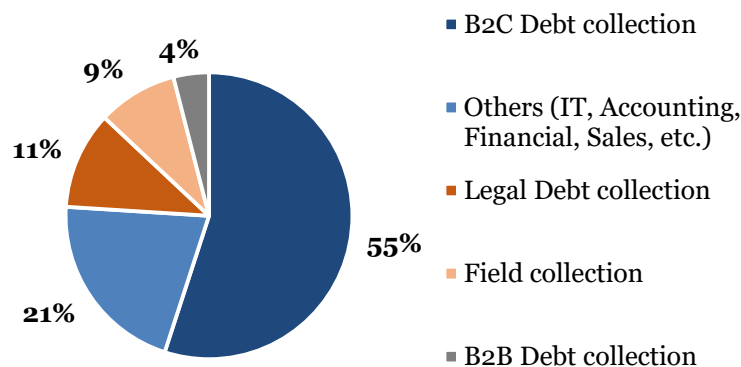
The 15 companies members of AMCC cover a representative estimate of 80% of the total debt collection market (debt servicing and debt purchasing) and 90% in terms of debt servicing market. Currently they have an estimated number of 3000 employees.

The biggest share of debt collection activities targets B2C debt collection, involving almost ~55% of current employees, while the employees dedicated to B2B debt collection represent 4% of all employees.

Only 11% of overall employees currently perform legal debt collection activities.

Employee structure by service performed

S2 2016





Press contact: Ana Donea, ana.donea@amcc.ro, 0722 214 920

AMCC (Asociația de Management al Creanțelor Comerciale) was founded in 2007 and is a full member of FENCA (Federation of European National Collection Associations) www.fenca.com. It currently brings together 14 members, the most important players in the Romanian debt collection market: COFACE ROMANIA, CREDITREFORM ROMANIA, CREDITEXPRESS ROMANIA, CYCLE EUROPEAN, DEBT COLLECTION AGENCY, EOS KSI ROMANIA, FIRE CREDIT, GETBACK RECOVERY, KOLCZE, ILIUTA & ASOCIATII, KREDYT INKASO, KRUK ROMANIA, MELLON ROMANIA, OTP FACTORING, RE COLLECTION and TOP FACTORING. For more information please visit: www.amcc.ro



**The Survey was commissioned by AMCC to Enight Management Consulting and was prepared in accordance to data submitted by 12 AMCC members.*

Flavia Matei, Manager Enight

Mobile: +0743 856736, Flavia.Matei@ensight.ro