

Coface Factoring



The safe way to liquidity.

„Never spend your money before you have it.“

Thomas Jefferson (1743 – 1826, 3rd US-President)



Coface Austria & Coface Central Europe

Greater security for your risk management.

■ FROM A LOCAL COMPANY TO A GLOBAL PLAYER.

In keeping with the group strategy, Coface also introduced factoring services in Austria at the start of 2007. Coface Austria Bank AG has entered a rapidly growing market. This wholly owned subsidiary of Coface Austria Kreditversicherung AG has transformed the group into a full-service provider for risk management. With a product line that ranges from credit information to credit insurance and collection services, Coface Austria and Coface Central Europe are the ideal partners for professional risk management – for companies of any size in any branch.

The cornerstone for Coface Austria, the national market leader, was laid in 1954 with the founding of Österreichische Kreditversicherungs-AG. The company's core expertise – both then and now – has been the insurance of credit risk for domestic and export receivables. The growth of export activities, above all to Central and Eastern Europe, has made credit insurance, information and collection services more and more important. To meet this need, Coface Central Europe Holding AG (formerly Coface Intercredit Holding AG) was founded in Vienna in 1990.

In the increasingly globalised business environment a further important step was made in 1997 – the merger with Coface, one of the three global players in credit insurance.

Today, the customers of Coface Austria and Coface Central Europe can profit from more than 50 years of know-how in the area of credit insurance as well as nearly 20 years of experience in providing information on companies in Central and Eastern European countries. With a broad-based product portfolio ranging from credit information to credit insurance and collection services, Coface Austria and Coface Central Europe are the ideal partners for professional risk management.

■ OUR SUCCESS PROVES US RIGHT.

Over 120,000 companies of all sizes from all branches place their trust in the services of this global player and its 7,000 employees. More than 50 million data sets in the Coface Common Risk System are continuously researched and monitored. This unique database provides Coface customers with a decisive competitive advantage.

Information on the Coface products is provided on the following pages as well as under www.coface.at and www.cofacecentraleurope.com.

Factoring: a success story unfolds in Austria.

Shift your focus to liquidity and security.

■ SUCCESS THROUGH FACTORING.

Maintaining sufficient liquidity at all times is essential for companies of any size. Not only to have the necessary financial capacity for investments, but also to react quickly on the marketplace. Liquidity improves your position with competitors, suppliers and banks. Above all, you can avoid the many problems that frequently end in insolvency.

Liquidity shortages are easy to prevent: the simplest way to more financial power is factoring.

Your benefits:

- Liquidity. Coface Austria Bank purchases your receivables.
- Security. With the purchase of your receivables, Coface Austria Bank also takes over the risk of customer default.
- Support. You can also arrange for Coface Austria Bank to supervise the management, dunning and collection of your receivables.

■ WHAT SPEAKS FOR FACTORING.

- Factoring improves your chances on both domestic and export markets through increased liquidity.
- Factoring is growth financing that supports expansion through liquidity.
- Factoring shortens your balance sheet, which strengthens the equity ratio and improves your negotiating position with banks (Basel II).
- Factoring serves as a financing alternative to overdrafts and supplier credits.
- Factoring is a booming global market, which is now also growing rapidly in Austria.



■ WHO NEEDS FACTORING?

Factoring is particularly well-suited for companies with short-term trade receivables. The sale of these receivables increases liquidity and creates sufficient financial capacity to repay liabilities within the discount period. The factoring models offered by Coface Austria Bank make your business relationships even more professional and efficient.

■ WHAT DOES FACTORING REALLY DO?

Coface Austria Bank purchases your short-term receivables and you immediately receive up to 90% of the total invoice amount. The advance payments normally cover receivables that are due within 180 days. However, special agreements are also available for longer payment terms. Coface Austria Bank offers factoring with or without credit insurance, and tailors these services to meet your individual needs. When your receivables are covered by Coface Austria credit insurance, they are purchased without recourse.

■ HOW DOES FACTORING WORK?

Your receivables are sold to Coface Austria Bank within the framework of a factoring contract. The specific handling procedures can be adjusted to meet your individual needs – we offer a variety of options from transmission via fax or e-mail to programmed interfaces. The advance payments on your receivables are transferred directly to your bank account. For foreign payments, Coface Austria Bank utilises the international Coface network and thereby saves fees.

Especially for foreign receivables, Coface provides its clients with clear advantages: we can rely on an extensive network of experts with nearly 100 partners in over 150 countries, who have in-depth knowledge of the local legal situation.

Reduce your risks, increase your chances.

Our factoring products in detail.

■ IN-HOUSE FACTORING.

This option involves the factoring of short-term receivables and, compared with full-service factoring, represents a simplified alternative because you continue to handle collection procedures. The advance payment is based on the invoice amount (incl. VAT). Coface Austria Bank offers in-house factoring with or without credit insurance for domestic and foreign transactions.

■ FULL-SERVICE FACTORING.

Full-service factoring by Coface Austria Bank not only includes the revenue-based financing of your short-term receivables, but also covers receivables management with dunning and collection up to legal execution. Our full-service factoring services are also available with or without credit insurance.

■ COSTS AND FEES.

A fee is charged for expenses related to the purchase of receivables, which generally ranges from 0.1% (in-house factoring) to 1.5% (full-service factoring) of the volume of receivables purchased. The interest rate charged on the advance payments reflects your credit standing, and is usually tied to the Euribor. Your benefit: calculable costs that simplify budget planning.

■ SPECIAL SOLUTIONS.

Our product line also includes specially designed solutions to meet the individual needs of our clients.



■ FACTORING AT A GLANCE.

- Liquidity as soon as the invoice is presented
- Financing to match revenues
- Acceptance of default risk up to 100 %
- Continuous monitoring of customers' credit standing
- Professional risk evaluation
- Faster service through online application
- Support for receivables management
- Collection of receivables on domestic and foreign markets
- Worldwide Coface network

■ PRODUCTS.

- In-House Factoring
- Full-Service Factoring
- Tailored Solutions

■ MORE PRODUCTS AND SERVICES BY COFACE AUSTRIA.

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| ■ Coface Smart | Credit insurance for small companies and young entrepreneurs |
| ■ Coface Advanced | The individual security package for small and mid-sized businesses |
| ■ Coface Best | The flexible credit insurance for large companies |
| ■ Coface Globalliance | The international credit insurance with local support |
| ■ Coface CapitalGoods | Capital goods insurance for project businesses |
| ■ Coface Bond | The guarantee insurance |
| ■ Trade receivables management | Management and Collection of commercial receivables |

Find more: www.coface.at

Your trade risks, under control.

CF 0808/01

Coface Austria & Coface Central Europe

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