



Credit Matters



Bureau van Dijk

Take off at Credit Matters V

External factors impacting on credit risk

- a) Country risk factors – heritage of corruption, regulatory environment
- b) Company structure – chain of ownership and subsidiaries
- c) Political stability
- d) Business and product risk – different risk for producer or for service providers
- e) AML and Compliance risk - sanctions
- f) Reputation factors

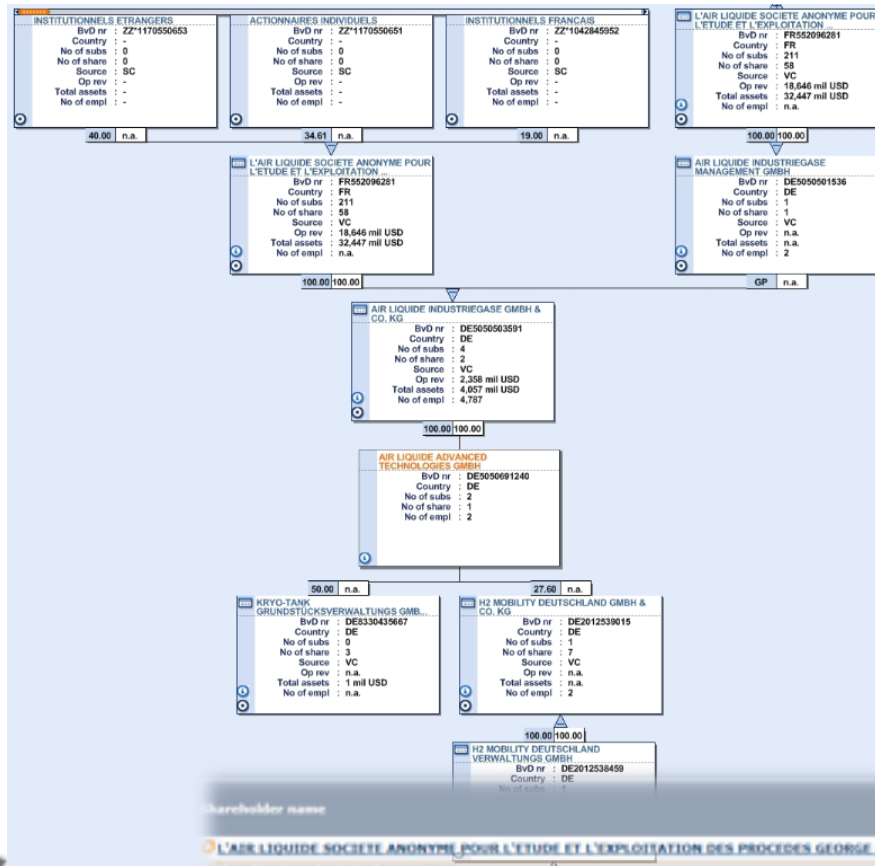


Cash collection in a new political map spread and possible risk connected

Non-financial related risk – sanctions

Payment overdues





- Detailed ownership structures
- More than 45 million links
- Ownership percentage below 1 %
- Transparent ownership diagrams
- Calculation of total ownership
- Historical data by ach closing year
- Display a whole corporate group
- Related persons and shareholders



- Know Your Client, Customer Due Diligence
 - Automated process for on-boarding with monitoring
 - External data combined with internal sources and client questioner
 - Automation of special procedures – offshore companies
- AML/CFT investigations
 - Background check of unusual transactions
 - Links between persons and entities
- Sanctions
 - Portfolio screening – within whole corporate groups
 - Alerts on matches with WorldCompliance database – 1205 sources
- FATCA
 - Identifications of US shareholders and contacts in corporate group
- Conflict of interest



Payment behavior and invoice due : longer due = higher risk

One of the most significant feature for business in non-regulated environment

Valid for all legal entities (not only private business)












- Financial reports in standardized format
- 56 items from balance sheet and P&L and 32 ratios
- Historical data up to 10 years
- Peer reports
- Ratings from 6 independent providers
- Probability of default and credit limit
- Financial estimates for 3 years
- Rating evaluation with 200 mil. comparables
- Rating for companies with limited financials






Local registry filing	31/12/2013		31/12/2012		31/12/2011	
	th EUR	%	th EUR	%	th EUR	%
Unconsolidated						
Operating revenue (Turnover)	1,191,728	2.06	1,167,718	-1.57	1,186,310	
P/L before tax	163,758	6.03	154,441	-24.91	205,681	
P/L for period [=Net income]	100,858	3.69	97,270	-39.68	161,256	
Cash flow	169,450	0.58	168,476	-23.99	221,660	
Total assets	1,030,469	6.27	969,658	-0.57	975,248	
Shareholders funds	662,692	16.86	567,085	-1.34	574,814	
Current ratio (x)	1.12	18.86	0.94	-0.11	0.95	
Profit margin (%)	13.74	3.89	13.23	-23.72	17.34	
ROE using P/L before tax (%)	24.71	-9.26	27.23	-23.89	35.78	
ROCE using P/L before tax (%)	22.86	-5.90	24.30	-25.70	32.70	
Solvency ratio (Asset based) (%)	64.31	9.96	58.48	-0.78	58.94	









Financial strength summary



Probability of default		PD	Credit Limit	
 MORE	A 	0.25%	16,200 th EUR	
 FALCON	9 	0.19%	18,600 th EUR	
 WVB	B+ 			

Proper assessment will require consideration of the UO: [CONTINENTAL AG](#)


Financial stability	Peers			
	Min	Avg	Max	
 CRIF	802 	161	560	809 

Propensity of bankruptcy		
 VADIS	A 	

Environmental risk		
 TRUCOST	3.81 	

Enterprise valuation (based on comparable companies)		
	EV/EBITDA	EV (based on comp. cos)
 BvD	7.34x	1,671.83 mil EUR 

Click on any provider logo for a detailed analysis




interactive question

Do you think that developed risk model diminish your risk of invoices overdue ?

- a) Yes, significantly
- b) Yes, but partly
- c) Has neutral impact
- d) Not at all





Any questions?

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Thank you