

panorama

March 2014



CEE Insolvencies



TABLE OF CONTENTS

- / 02 Executive Summary
- / 05 Focus on Poland
- / 10 Spotlight on Bulgaria
- / 11 Spotlight on Croatia
- / 13 Spotlight on Czech Republic
- / 15 Spotlight on Hungary
- / 17 Spotlight on Baltic States
- / 19 Spotlight on Romania
- / 21 Spotlight on Slovakia
- / 23 Spotlight on Slovenia
- / 24 Conclusions

This Panorama is the second issue of annual publications focused on insolvency trends in Central and Eastern European countries (CEE). It contains the results of a study on insolvencies among the CEE economies, a region experiencing a sharp rise in the rate of insolvencies in many countries during 2013 (e.g. up 39% in Bulgaria and 32% in the Czech Republic). This edition also provides an explanation of this deterioration together with an overview of the economic situation which companies experienced in each country. The macro performance undoubtedly affects a company's situation and profitability. The years 2012 and 2013 were challenging from this perspective as the real GDP growth averaged at 1.2% - below the potential of the CEE economies. Does this mean that companies are already experiencing a gradual recovery driven mainly from the advanced economies, the traditional trading partners of the CEE region? This publication also investigates how the micro environment was affected by the slowdown. Has the construction sector finally rebounded from a long term downturn? Which business sectors were mainly affected in 2013? To begin with this issue of Panorama focuses on Poland as the largest economy in the CEE region providing an in depth analysis of the insolvency statistics, followed by brief reviews of the other CEE countries and finally, the last section provides our assessment of the overall companies' situation in the CEE region in 2013 and expectations as to how it will evolve further.

DISCLAIMER:

This document reflects the opinion of Coface Central Europe on the date of publication and subject to the available information, and may be modified at any time. The information, analyses and opinions presented are drawn from multiple sources that were judged reliable and credible. However, Coface does not guarantee the accuracy, completeness or representativeness of the data contained in this document. The information, analyses and opinions are provided for information only and should be used in conjunction with other information the reader might already possess. Coface is not bound by an obligation of results but by an obligation of means and shall not be held responsible for any losses incurred by the reader arising from the use of the information, analyses and opinions contained in this document. This document, and likewise, the analyses and opinions which are expressed are the sole property of Coface. The reader may consult or reproduce them for internal use only and subject to mentioning Coface as the source; the data may not be altered or modified in any way. The information may not be used, extracted or reproduced for public or commercial purposes without prior permission from Coface. The reader is asked to refer to the legal notices on the Coface website.

Publisher: Coface, Niederlassung Austria, Stubenring 24, 1010 Vienna
 Contact: www.coface.at, susanne.kroenes@coface.com

By **Grzegorz Sielewicz**
 Economist, Central Europe

Executive Summary

2013 WAS A CHALLENGING YEAR FOR COMPANIES IN EASTERN EUROPE.

The last year was challenging for companies in the CEE region. The continued deterioration of the economic situation with some governments introducing fiscal measures to tackle rising budget deficits impacted households' ability and propensity to spend money on daily and occasional shopping. Access to credit was further constrained in line with reduced supply and demand for new loans. This situation affected companies directly and forced them to revise downward their sales targets. Moreover, the previous contributor to the GDP growth – exports, suffered from the Eurozone slowdown where Eastern European economies traditionally send most of their foreign trade.

The above economic picture was reflected in insolvency statistics with nearly 70,000 entities becoming insolvent in Eastern Europe in 2013. The regional yearly

dynamics assessment is affected by the Hungarian figures which are not comparable with previous data due to a high number of automatic insolvencies resulting from implemented law amendments which boosted 2012 numbers. For all countries within the CEE region, excluding Hungary, the number of insolvencies increased on average by 9% per year, with Bulgaria and the Czech Republic increasing by more than 30% and just one economy recording a decrease in the number of insolvencies, namely Latvia by 7%.

The sector overview proves a direct impact of subdued demand and decreased household spending with the deterioration of the retail and wholesale trade sectors. In addition, increasing competition and consolidation processes affected these sectors which during the second half of 2013 had already begun a slow rebound from the doldrums, supported by low inflation and signs of returning consumer confidence. The construction sector remains a constraint in the CEE countries and the long-term poor performance of the sector has not

TABLE 1: Insolvencies in Central and Eastern Europe in 2013

	Total Insolvencies		of which Bankruptcies		Dynamics total insolvencies		Total number of active companies*	Insolvency rate
	2013	2012	2013	2012	2013/2012	2012/2011	2013	2013
Bulgaria	834	601	646	580	38.8% ▲	20.4%	400,000	0.21%
Croatia	3,186	3,033	787	630	5.0% ▲	174.2%	150,000	2.02%
Czech Republic	10,653	8,045	5,496	3,770	32.4% ▲	26.1%	1,471,000	0.72%
Estonia ²⁾	514	495		146	3.8% ▲	-20.5%	139,000	0.37%
Hungary	13,489	22,840	n.a. ¹⁾	22,644	-40.9% ▼	11.9%	595,000	2.27%
Latvia	818	883	612	875	-7.4% ▼	7.2%	229,600	0.36%
Lithuania	1,517	1,400	1429	1,278	8.4% ▲	10.0%	90,800	1.67%
Poland	883	877	718	711	0.7% ▲	21.3%	1,795,000	0.05%
Romania	27,145	25,842	n.a. ¹⁾	n.a. ¹⁾	5.0% ▲	20.2%	421,900	6.44%
Serbia ²⁾	8,498	8,333		2,647	2.0% ▲	-43.8%	111,700	7.61%
Slovakia	507	452	394	362	12.2% ▲	-9.6%	540,000	0.09%
Slovenia	994	980	944	n.a. ¹⁾	1.4% ▲	39.2%	185,500	0.54%

1) not published in public sources

2) 2013 data as estimated by Coface due to unavailability of official data

* expert organisations' estimation, average.

Bankruptcy proceedings: This term refers to insolvency proceedings that are directed to achieve the orderly windup of an insolvent enterprise with the objective of liquidating or reorganising the business.

improved during 2013. With the ‘domino effect’ it also affected other industries linked to construction, i.e. manufacturers of metals, machinery and other products and equipment used by construction companies. Factors supporting the improvement of the construction sector are not foreseen in the near future. The inflow of EU funds from the new budget for 2014-2020 will be noticed in the companies’ financial situation at the end of this year at the earliest. Additionally, companies are still reluctant to start fixed asset investments as they are not convinced about a definite end to the economic slowdown and an economic revival.

2013 was difficult for CEE companies but given no further internal or external shocks they should gradually benefit from the improving macro situation during the course of 2014. The predicted recovery in the advanced economies and consequent rising demand will be supportive for the CEE region and help to almost double the average growth rate from 1.2% in 2013 to 2.2% in 2014. The main source of growth will come from increased exports, however private consumption will contribute more and more to the economic growth. In such an improving environment companies should feel more comfortable with their business decisions.

Insolvencies in Central and Eastern Europe in 2013

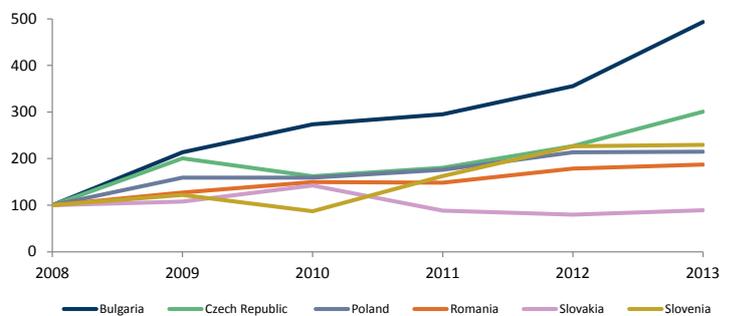
The year 2013 brought a significant number of 69,038 insolvencies in the CEE region. Three economies, namely Bulgaria, the Czech Republic and Slovakia recorded a sharp double-digit increase in insolvencies compared to a year ago. Just two countries recorded a decrease - Latvia and Hungary. Data for the latter were affected by a law amendment and should not be compared to previous figures. Insolvencies in the entire CEE region (excluding Hungary) increased by 9% and with the inclusion of Hungary the average regional increase amounted to +5%.

The individual countries within the region recorded very diverse insolvency numbers, reflecting the diversity of the region itself. Bulgaria and the Czech Republic recorded the worst results where insolvencies increased by more than 30%, although most of the other economies recorded significant increases as well. The insolvency rates ranged from 0.05% in Poland up to as high as 6.44% in Romania. The overall regional rate increased slightly from 0.94% in 2012 to 1.12% in 2013.

Insolvencies represent a huge social problem especially in small towns where a large company can often be the sole provider of employment for the majority of the community. Additionally bankruptcies also affect other businesses having commercial links with the insolvent company - such being the case with the biggest insolvencies in the CEE region with the Ukio Bank in Lithuania impacting the situation with local entrepreneurs, and the Latvian manufacturer of iron and steel Liepajas Metalurgs which impacted foreign partners as well.

FIGURE 1: Change in insolvencies in Central and Eastern Europe since 2008

(base 100: 2008)



The low economic growth rate in the region was mainly the result of the ongoing deleveraging process within the private sector which has affected domestic demand. Earlier, following the admittance of the CEE countries to the European Union there was an increased flexibility of financial markets with foreign banks providing financing of loans.

Credit booms have been recorded in CEE countries with a recorded high of 60% in yearly credit growth in the Baltic countries in 2007 and indeed the same level in Bulgaria and Romania in 2008. Other CEE countries also recorded high annual increases of 30% at that time. The collapse of the Lehman Brothers bank triggered a period of volatility in financial markets and worsened the access to credit. On the supply side availability of credit was constrained by the cautious approach of banks which themselves suffered from a rising number of non-performing loans and reduced foreign financing.

On the demand side household and company confidence deteriorated in line with their weakening financial situation and increased interest payments on existing loans, of which a substantial number

were denominated in foreign currencies and were as such exposed to exchange rate risks. As a result the availability of new loans was severely restricted.

Although some countries introduced measures to stimulate an increase in new loans both to households and corporates, private sector lending remains constrained. Whereas the Czech Republic, Slovakia and Poland recorded weak yearly growth of 3-4% in new loans in recent months, other countries reported decreases, with Slovenia, Croatia and Lithuania recording an acceleration in this trend. Any improvement will be gradual and continue to be constrained by weak demand and a cautious supply. Insolvency numbers vary between countries as they are affected not only by the economic situation but mainly by insolvency definitions in particular countries.

Hence, Hungary recorded more than 13,000 insolvencies in 2013 with the insolvency term determined as being the debtor request for assistance to meet its financial commitments in order to ensure its own survival, if possible. At the same time Poland, the largest economy in the region, recorded one of the lowest insolvency numbers within the CEE region – just 883 entities. However the whole scale of Polish companies' liquidity problems is much bigger and liquidations, the suspension of activities or going out of business without conducting official insolvency proceedings are more common. Therefore it makes most sense to compare the insolvency figures as being an indicator of the micro situation faced by companies exposed to the recovery and slowdown cycles, either domestically or globally.

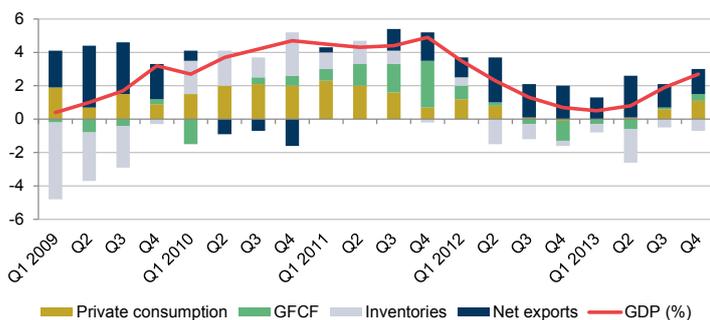
Focus on Poland

Economic overview

Poland is the only country in the European Union that didn't experience a recession over the past few years, which proved so challenging and harmful for many economies. Although the Polish zloty weakened noticeably in line with other emerging market currencies during late 2008 and 2009, the economy grew mainly due to domestic demand fuelled by relatively low unemployment and an increase in wages. Companies that experienced stable internal demand in addition to the currency depreciation were in a position to offer their products and services at an attractive price to export markets. With an increase in confidence due to economic conditions and future sustainability of Poland's economic growth, companies have stated to expand and increase capital investments, which grew 10% on a yearly basis in the last quarter of 2011. At the beginning of 2012 however, Poland started to see a gradual slowdown in internal demand and hence GDP growth. The unemployment rate reached 13% and with wage increases slowing month by month and with an inflation rate of 4% consumer purchases became more and more expensive. In the meantime the main source of growth has switched from internal to external demand. It should be noted that this weak consumer confidence influenced negatively on imports thus making the impact of net exports to the GDP growth more significant.

FIGURE 2: Poland - Contributions to GDP growth

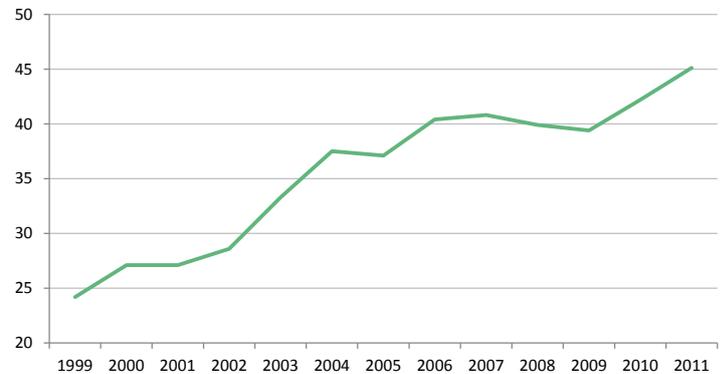
(y/y, percentage points)



In the face of poor domestic demand Polish companies became more focused on export markets. Due to subdued demand from their traditional trading partners, the advanced economies within the European Union (which accounted for 3/4 of all exports) Polish companies started to explore new markets, especially those emerging economies where middle class society is expanding. The share of Polish exports to these markets increased from 6.1% in 2007 to 8.7% in 2013. Reduced

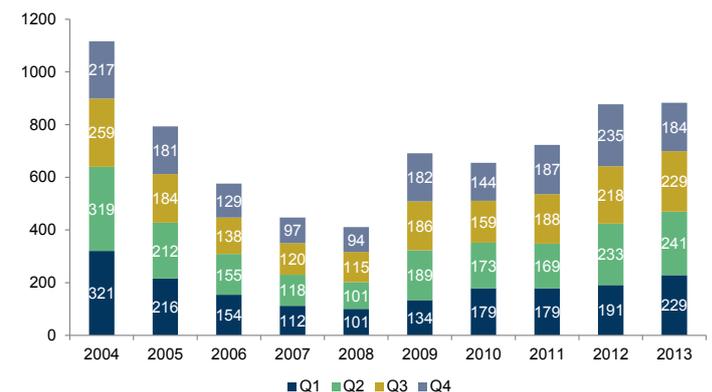
household spending has also significantly affected companies during 2013, resulting in the highest level of insolvencies in 9 years.

FIGURE 3: Poland - Exports to GDP ratio (%)



Even after the collapse of Lehman Brothers bank and the resulting market volatility in many economies around the world, Poland has not experienced so many insolvencies, regardless of the stage of the crisis. These 883 insolvencies announced by the courts in 2013 equate to an increase of 1% on the year before. However two factors should be borne in mind here: the data is preliminary and is affected by a holiday period which due to calendar differences was longer than usual, and in particular, the first half of 2013 was a dramatic period with rising insolvencies.

FIGURE 4: Poland - Insolvencies in 2004-2013



Further analysis leads us to conclude that the economic situation impacts all businesses in a market regardless of the sector in which they operate. The correlation coefficient between the quarterly insolvencies figure and the GDP growth rate in recent years is -0.74. Personal private consumption which drives internal demand for production and services directly or indirectly via suppliers to these companies shows a higher correlation - the correlation coefficient is -0.91. This

correlation is straightforward – the better the economic situation and the more people are willing to spend money on goods and services the lower the company insolvency rate.

FIGURE 5: Poland - Insolvencies and GDP growth rate

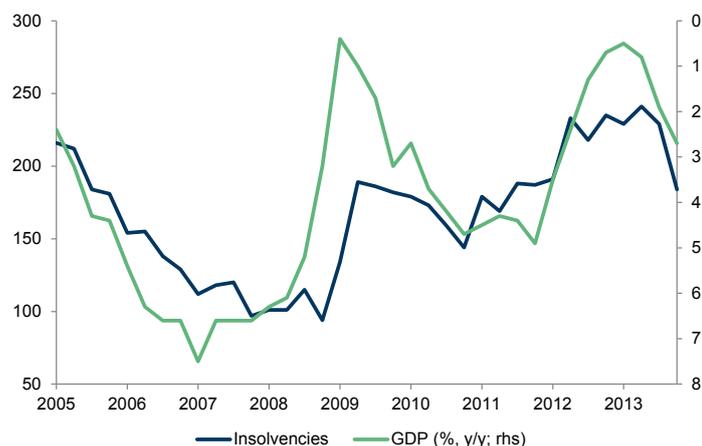


FIGURE 6: Poland - Insolvencies and private consumption dynamics



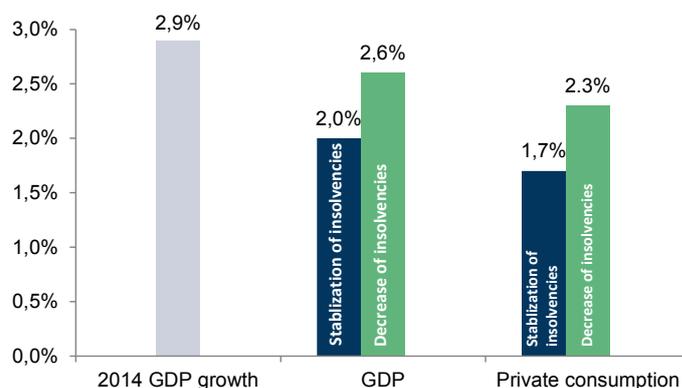
Further theoretical considerations have led to an assessment of the level of economic growth required to stabilize the number of insolvencies in Poland. Coface calculates that the insolvency rate ceases to rise further when GDP growth is at least 2%. The insolvency rate tends to decrease noticeably when the growth rate reaches 2.6%, which matches exactly the Coface predicted rate for 2014. When compared with private consumption the corresponding levels are 1.7% and 2.3%, respectively.

Sector Review

Looking back on 2012 the construction sector saw an increase of 53% on the insolvency level of the previous year. The situation was not only due to the previous boom and subsequent collapse of the construction

sector but paradoxically also the Euro 2012 football championships which triggered the deterioration in the sector.

FIGURE 7: Poland - The level of GDP and private consumption dynamics stabilizing/decreasing the bumer of insolvencies



For the championship construction companies were competing for public contracts on building the infrastructure and buildings related to the event. These also included projects improving communications between cities and the construction of fast roads in particular. The length of highways and expressways in Poland increased by 2.5 times from 1100 km in 2007 to 2739 km in 2013.

Although the championships contributed significantly, creating a milestone in the history of Polish infrastructure development, the resulting fierce competition and contractor selection based on the lowest offered price drove many companies into debt and substantially increased the payment risk. Banks have become increasingly reluctant to finance construction companies which they noted as high risk. Limited own funds and rising overdue contributed to many entities becoming insolvent.

The construction sector has not seen a recovery during 2013 with the Courts registering a similar number of insolvencies. It should be noted however, that the number of active entities has been decreasing noticeably and there is a high base effect. This stabilizing situation could be read as a positive factor, indicating a slowdown in the deterioration and providing a gradual improvement but at the earliest in the second half of 2014. There are no convincing reasons to suggest a rapid recovery of the sector. Prudential restrictions implemented at the beginning of 2014 caused

some increase of demand in the real estate market at the end of 2013. A limited number of recipients of the governmental housing support programme do not however, contribute to a sustained improvement in the primary housing market.

The EU budget for 2014-2020 will be more relevant for the future of the construction sector, as Poland is going to be the biggest beneficiary amongst all the EU member states with the projection of substantial funds to be allocated for its cohesion policy. The financial effects of the above activities will however not be noticeable for the enterprises until the end of 2014 at the earliest. Moreover, the heat map below reveals that the construction sector is the worst performer on a historic basis – where insolvencies have been a constraint since the start of 2009 and no other sector with such a long maintained deterioration.

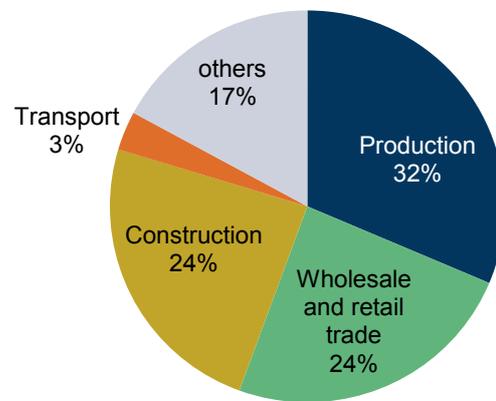
TABLE 2: Poland - Insolvencies in the construction sector in 2002-2013

Year	Construction insolvencies*	Construction share in all insolvencies	Real estate market activity
2013	213	24.1%	16
2012	218	24.9%	37
2011	143	19.8%	28
2010	98	15.0%	12
2009	82	11.9%	14
2008	59	14.3%	6
2007	49	11.0%	9
2006	81	14.1%	15
2005	129	16.3%	17
2004	226	20.3%	12
2003	361	20.0%	27
2002	431	23.1%	18

*excluding manufacturers and suppliers of construction materials

The performance of the construction sector also hit companies linked with it significantly. Due to over-capacity in 2013 many manufacturers, suppliers and distributors of construction materials, steel and wooden constructions and reinforcing bars as well as machinery manufacturers experienced delays in payment schemes and had to file for insolvency. This ‘domino effect’ triggered the highest insolvency levels among manufacturing companies in 2013 and increased their share of all insolvencies to nearly 1/3.

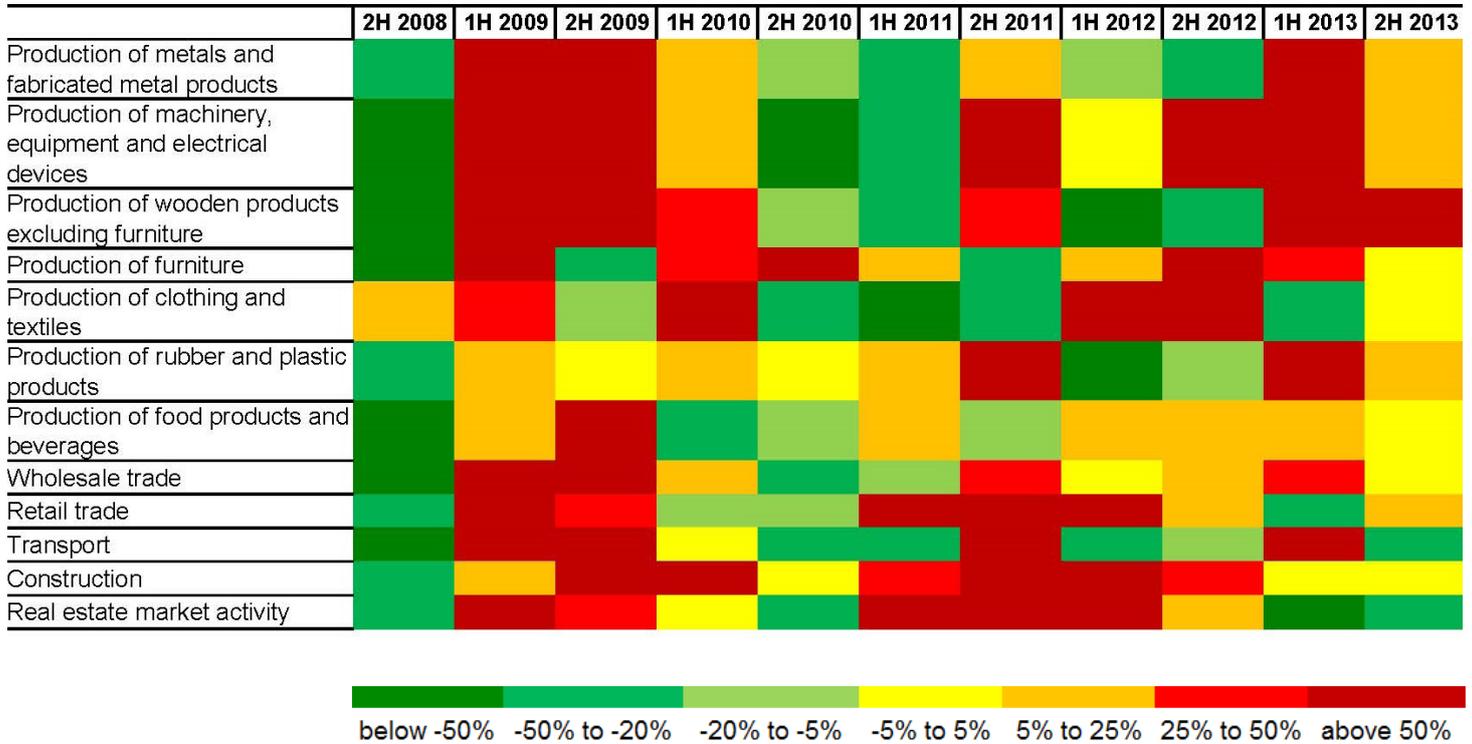
FIGURE 8: Poland - Share of insolvencies in 2013



The subdued domestic demand and a low propensity to spend money especially in the first half of 2013 resulted in a challenging period for wholesale and retail trade companies. However the previous consolidation that had taken place, especially within the retail trade, meant that those companies who had survived were better prepared for the continued hard times and, together with the slow improvement of the internal market, the subsequent year-end-figures are not dramatic.

The following heat map confirms a significant increase in company insolvencies linked with the construction sector as mentioned above. Metal and machinery producers as well as manufacturers of steel and wooden constructions have been hit with the highest insolvency figures recorded especially in the first half of 2013. Although the heat map starts to lose its ‘red’ colors, most sectors continue to record rising insolvencies and the overall performance is far away from the decreasing trend of bankruptcies recorded in 2008 before the crisis.

FIGURE 9: Poland - Heat map of insolvencies by selected sectors in respective semesters (dynamics, y/y)



Size and age of companies going bankrupt

Analysis of the turnover of companies which became bankrupt in 2013 reveals that they were predominately small and medium size enterprises. Of the enterprises whose financial data is available to Coface (60% of the total number of enterprises), 29% were companies with a turnover up to PLN 5m (6 percentage points lower than in 2012). Companies with revenues between PLN 5m and PLN 50m accounted for the biggest share of insolvencies at 59%. Enterprises with more than PLN 50m turnover represented 12% of the bankrupt companies in 2013, exactly the same share as a year before. It should be noted however, that the largest companies (with turnover over PLN 100m) received decisions of bankruptcy as part of judicial composition proceedings much more frequently (in 40% of the cases), meaning that the parties were more happy to go for the scheme of arrangement option as the best chance to retain the enterprise and the associated jobs. The majority of companies whose financial data Coface does not have access to, were small enterprises. The overall structure of Polish companies is dominated by entities employing below 10 people (nearly 96% of all Polish companies).

TABLE 3: Poland - Share of insolvencies by companies turnover in 2011-2013

Turnover yearly	Share in 2011	Share in 2012	Share in 2013
up to PLN 5m	42%	35%	29%
PLN 5 to 50m	52%	53%	59%
above PLN 50m	6%	12%	12%

Company bankruptcy is a large social problem too. Once restructuring is completed, many jobs can be saved, however, bankruptcy of a large employer especially in a small town or village can create problems for the entire region. When analysing employment in companies which became bankrupt, among 60% of enterprises whose financial data Coface had access to, 28% represented companies with up to 10 employees, 63% - between 10 and 20 employees and 19% represented the biggest enterprises. Companies with over 100 employees employed over 27,000 people.

An analysis of the age of those companies which went bankrupt shows that 87% of them were established af-

ter the economic transformation, which took place in 1989, and 16% were during the “recent crisis” period after the collapse of Lehman Brothers.

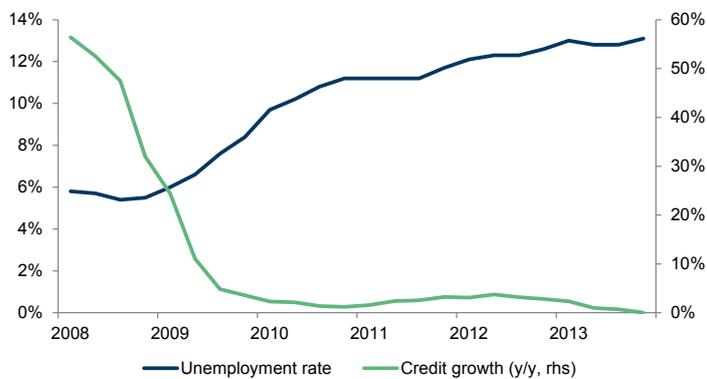
TABLE 4: Poland - 5 biggest insolvencies in 2013

	Company name	Sector	Number of employees	Total liabilities in Euro
1.	Mix Electronics S.A	Wholesale	250	53,006,341
2.	IDEON S.A.	Energy	160	40,552,927
3.	NOMI S.A.	Wholesale	1,466	90,612,927
4.	FOTA S.A.	Wholesale	550	32,867,561
5.	Energomontaż-Południe S.A	Construction	1,500	67,927,561

Spotlight on Bulgaria

Bulgaria is one of two countries in the CEE region with a stronger exposure to the agricultural economy compared to other countries. Together with Romania, Bulgaria benefits from a southern location making weather conditions favorable. The agriculture, forestry and fishing sector in Bulgaria created on average 6.3% of the country's gross value added with 20% people employed in the sector in 2005-2012 (For the European Union during that period, the average amounted to 1.7% and 5.5%, respectively with the CEE's average 4.8% and 11%, respectively). Although weather conditions can influence the economy both positively as well as negatively, Bulgaria benefited last year from a solid grain harvest. This was accompanied by rising exports as a result of more sustained European demand and higher government spending which helped the economy to grow 0.9% in 2013. This low figure was influenced by lower private consumption resulting from increasing unemployment (up from 5.1% in 2008 to 13.1% at the end of 2013) and sluggish credit growth since 2010.

FIGURE 10: Bulgaria - Unemployment rate and private sector credit growth



Source: Eurostat, Bulgarian National Bank

Bulgaria was the scene of protests in 2013 starting in February as a result of significant increases in electricity prices. Although the government of Boiko Borisov was forced to resign, tensions didn't calm down and continued for economic and political reasons. The next parliamentary elections are scheduled for 2017 but continued protests however could result in possible early elections this year. Such political uncertainties favor higher precautionary savings and therefore add to downward pressures on household spending. The contraction of private consumption which creates nearly 2/3 of Bulgarian GDP influenced the situation

for companies directly. Bulgaria recorded the highest increase in insolvencies in the whole CEE region – in 2013 there were 834 insolvent companies, an increase of 39% on the year before. Besides the decrease in demand entrepreneurs also suffered from indebtedness, insufficient programmes supporting business activities and in general difficult access to credit.

The sector breakdown makes the insolvency overview even more serious – all sectors crucial for the economy were impacted significantly by rising insolvencies. Indeed, decreased consumer confidence affected the wholesale and retail trade sectors and as a next step in the chain, manufacturing in particular started to experience demand and payment problems. The good agricultural year was not compensation enough however for companies active in this sector, and their position is confirmed in the list of Flop 5 sectors.

Top sectors are sectors with the lowest insolvency ratios, flop sectors are those with the highest insolvency rate.

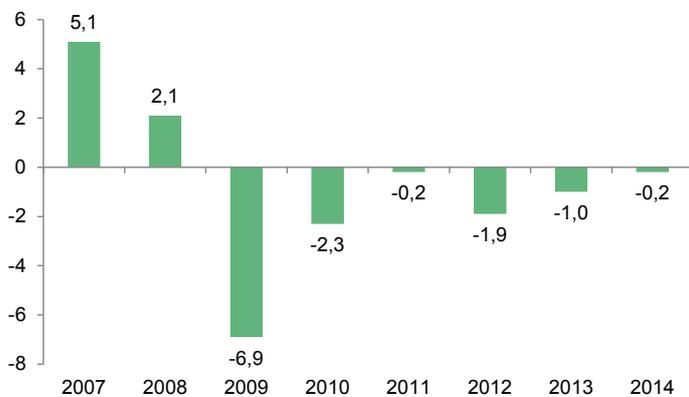
Top 5 sectors
IT
Pharmacy
Telecommunications
Electricity, gas and water supply
Outsourcing

Flop 5 sectors
Wholesale trade
Construction
Retail Trade
Agriculture
Manufacture

Spotlight on Croatia

In 2014 Croatia will not come out from a recession ongoing since 2009. However, a weak GDP growth of -0.2% as forecasted by Coface depends on the economy's ability to benefit from increasing European demand. The recent export performance has been rather modest caused among other things by the reorganisation of the publicly-owned naval shipyards representing one of the Croatia's main export products. Thanks to its geographical location, Croatia, as the 28th member of European Union, benefits from services related to tourism which account for nearly 20% of GDP.

FIGURE 11: Croatia - Real GDP growth rate (% , y/y)



2014 = Coface projection

Source: Eurostat

The domestic situation is however not favorable. A significant deterioration of public finance with the general government deficit estimated at -5.5% and the public debt at 60% in 2013 has forced the government to implement socially unpopular measures resulting in VAT rate and excise tax increases. The freezing of public administration wages further reduced domestic demand at a time when Croatia's unemployment rate reached its highest level at 18.6% in December 2013. Croatia has the lowest consumer confidence index in the entire European Union and the Excessive Deficit Procedure initiated by the European Commission in late 2013 can prolong such a situation.

Croatia's accession to the European Union is undoubtedly positive with common EU standards making for a favorable business and investment climate. In the multiannual financial framework of 2014-2020 Croatia will benefit from cohesion policy funds of nearly EUR 9 bn, approximately 20% of the current yearly GDP level. The difficult economic conditions described above have af-

ected the whole economy. The 3,186 insolvencies in 2013 represent an increase of 5.0% over the previous year. The analysis shows that Croatian companies were severely affected during the recession of the previous years. In 2012 insolvencies increased by 174% on the year before. Companies which survived were able to adapt to the deteriorated economic environment during 2013. Continued challenging and turbulent business conditions however, will probably lead to an increase in the number of insolvent companies during the course of this year.

Top 5 sectors

Miscellaneous

Metals

Utilities and public services

Mechanics and precision

Electrical equipment, Electronics and Information & Telecommunication Technology

Flop 5 sectors

Textiles, leather and clothing

Construction

Wood and furniture

Non specialised trade

Agriculture, meat, agro food and wines

Insolvencies of more than 3,200 entities in one of the smaller CEE economies is still a significant number representing an insolvency rate of above 2%. In addition to the economic environment insolvent companies have also suffered from an excess level of indebtedness and have been affected by the law on financial operations and pre-bankruptcy agreements which came into

force in October 2012. This introduced an obligation for entrepreneurs to pay their due monies within 60 days. If the deadline is not adhered to an administrative procedure of another 60 days is opened and with the company's bank accounts blocked, which usually leads to a triggering of pre-bankruptcy agreements. Additionally, the insolvency procedure can be initiated in

line with "fast bankruptcy procedures based on official duty" in the case of lack of assets or employees or not providing financial statements to the authorized body for two consecutive years. As a large number of inactive companies exists the number of "fast insolvencies" is expected to rise further in 2014.

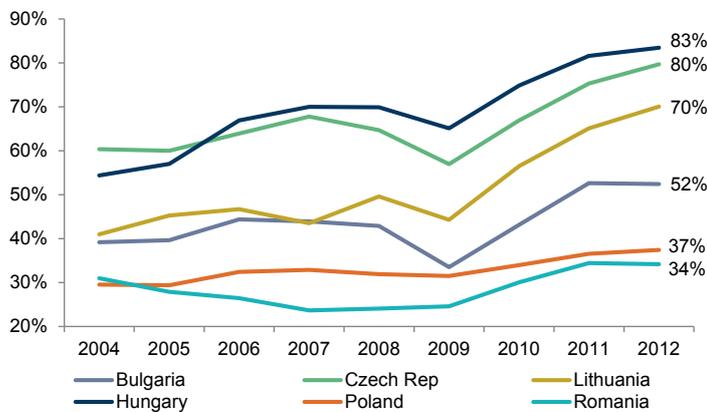
TABLE 5: Croatia - 5 biggest insolvencies in 2013

	Company name	Sector	Number of employees	Total liabilities in Euro	Town
1.	CENTAR BANKA	Services (commercial bank)	118	175,192,976	Zagreb
2.	DIOKI Organska petrokemija	Production (chemical industry)	423	129,639,728	Zagreb
3.	ALPINE BAU GmbH (Croatia branch)	Construction	12	63,642,917	Zagreb
4.	M B R d.o.o.	Construction (real estate)	n.a.	35,784,449	Zagreb
5.	JARUŠČICA PROJEKT d.o.o.	Construction (real estate)	1	31,906,692	Zagreb

Spotlight on Czech Republic

The Czech economy is highly open to international trade and has suffered noticeably from the slow-down that has impacted the Eurozone. Domestic demand however, has weighed even more heavily on the contraction in growth, which has been negative for two consecutive years. The reasons are two-fold - the Czech government was fighting with reducing the budget deficit which had reached 5.8% of GDP in 2009. Actions implemented were related to increasing taxes, reducing public investment as well as freezing pensions and public administration wages. On the other hand with an unemployment rate the lowest in the region (6.7% in December 2013) wages increase were restricted to the rate of inflation at most. People were reluctant to spend money and a reduced consumer confidence in addition to an increased savings rate lead to a pessimistic assessment of future prospects.

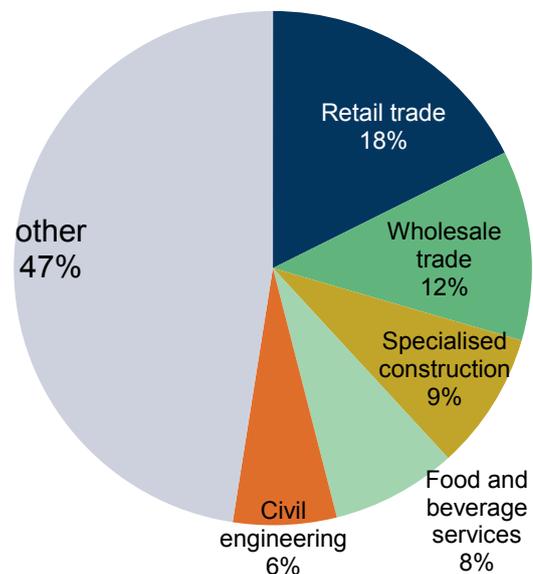
FIGURE 12: Economic openness of selected CEE countries (% , y/y)
Economic openness calculated as the average of exports and imports to GDP ratio in a particular country
Source: Eurostat



This year should bring a better outlook for the Czech economy. Thanks to its position in the global supply chain and the rebound in the automotive industry, it will benefit from the recovery in the EU. Although the Czech average monthly labor cost of EUR 10.60 is the highest within CEE countries it is still well below the Western European average and the economy remains attractive to investors with the lowest minimum wages

in the EU and modern manufacturing plants. The fixed capital formation trend which has been negative since the beginning of 2012 reflects among other things the difficult situation for companies. Although the Central Bank has set the main interest rate at 'technical zero' (0.05%) it has intervened on the currency market to make the Czech Koruna more supportive for exporters, boost economic activity and to increase inflation. These actions are anticipated to continue to at least the end of 2014.

FIGURE 13: Share of insolvencies in the Czech Republic in 2013



The ongoing impact of the crisis was not the only reason which has led to dramatic increase of insolvent companies to nearly 11,000 entities in 2013, i.e. 32% more than the year before. Entrepreneurs were also impacted by unpaid receivables in addition to the deep and long-term crisis within the construction sector and to other business sectors related to it. Accordingly a large increase in insolvencies were reported with regard to transport equipment and chemical companies (increases of +267% and +114%, respectively), both sectors linked closely with the construction sector. Last but not least, the insolvency number includes procedures against inactive self-employees who failed to tackle their liabilities.

Analysis of the sectors with the highest insolvency rates as well as share of all insolvencies ('Flop' sectors) confirms that lacklustre domestic demand and sluggish exports have affected a wide range of sectors in 2013. 'Direct victims' sectors like retail, wholesale as well as food and beverage services represent more than 1/3 of all insolvencies whereas the 9% share for construction companies proves that the sector remains at risk. Other sectors with a high insolvency

rate include services such as remediation activities, office administrative and postal services through to civil engineering and mining of coal and lignite. As many as 9 out of 10 waste management services entities declared insolvency mostly due to the newly implemented EU law which resulted in a reorganisation of businesses with the result that smaller companies were not able to compete with the price level offered by global group entities.

Top 5 sectors

Extraction of crude petroleum and natural gas

Mining of metal ores

Mining support service activities

Manufacture of tobacco products

Manufacture of coke and refined petroleum products

Flop 5 sectors

Remediation activities and other waste management services

Civil engineering

Office administrative, office support and other business support activities

Postal and courier activities

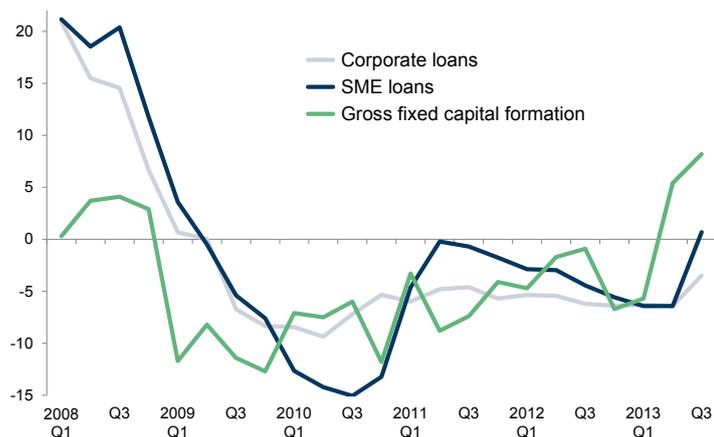
Mining of coal and lignite

Spotlight on Hungary

After five consecutive quarters of recession and with investment remaining in negative territory since the start of 2009, business confidence in Hungarian companies has finally recovered in the second half of 2013. The Central Bank of Hungary (MNB) introduced in June 2013 a device called the Funding for Growth Scheme (FGS) aimed at supporting small and medium-sized enterprises with accessing forint-denominated loans and refinancing their FX debt, both capped with new loans at a rate of 2.5% i.e. below the central bank's base rate. SMEs which are the drivers of the Hungarian economy were encouraged with this tool to boost their investment and, as a consequence, the country's economic growth.

The Scheme has passed the test - gross fixed capital formation rose by 5.4% in Q2 and 8.2% in Q3 2013 compared to the corresponding period the previous year. Although household consumption is still sluggish it has emerged from negative territory, and together with investment and rising exports due to the Eurozone recovery, it will contribute positively to the economic outlook, which has come from a recession of -1.7% in 2012 to GDP growth of 1.1% in 2013 and a projected 2.1% this year.

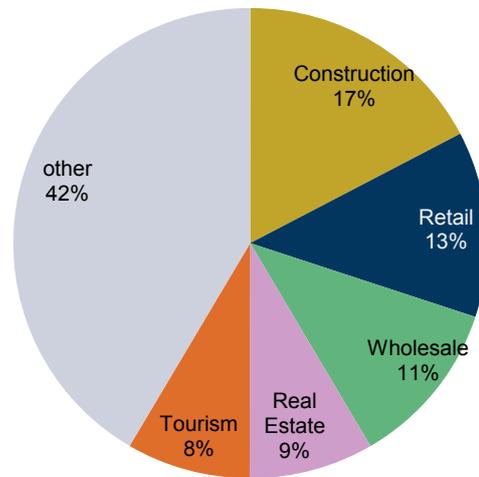
FIGURE 14: Hungary - Growth of loans and investment (% y/y)



Source: The Central Bank Of Hungary, Hungarian Central Statistical Office

The Excessive Deficit Procedure (EDP) which has been imposed on Hungary for nine years was revoked in June 2013. Obviously it has been a positive factor keeping the budget deficit below 3% but its sustainability is subject to the government's actions in a year of parliamentary elections. The political environment remains controversial, especially since 2012 when the government adopted a new Constitution Act restricting the independence of some autonomous entities.

FIGURE 15: Hungary - Share of insolvencies in 2013



Nevertheless the implemented FGS program was the result of a deteriorating situation for Hungarian companies which suffered high indebtedness and low demand for their products and services. The economic recession was still evident through to the end of the first half of 2013 and impacted entrepreneurs directly. For 2013 nearly 13,500 company insolvencies were announced which represents an insolvency rate of 2.3%. As in other CEE countries most of the insolvencies were the result of reduced consumption (retail and wholesale constituted a quarter of all insolvencies) but also pending problems within the construction sector (construction and real estate accounted for another quarter of all insolvencies).

The list of Flop sectors confirms that reduced consumer confidence and a low propensity to spend affected not only daily shopping but also delayed other purchasing decisions. As a result, businesses within the food, textile, transport, tourism and security sectors were affected. The annual insolvency decrease of 41% was mainly a consequence of the amendment of law regulation in

Hungary implemented in 2012 which boosted the numbers. The 'forced dissolution' automatically terminated long term pending insolvency proceedings and also had a cleaning effect on inactive companies. Although the 2013 number reflects the real picture of insolvent companies it is not comparable with previous statistics.

Top 5 sectors 👍
Healthcare
Education
Electronics and IT
Energy
Engineering

Flop 5 sectors 👎
Security
Tourism and hospitality
Food
Transport
Textile

Spotlight on Baltic States

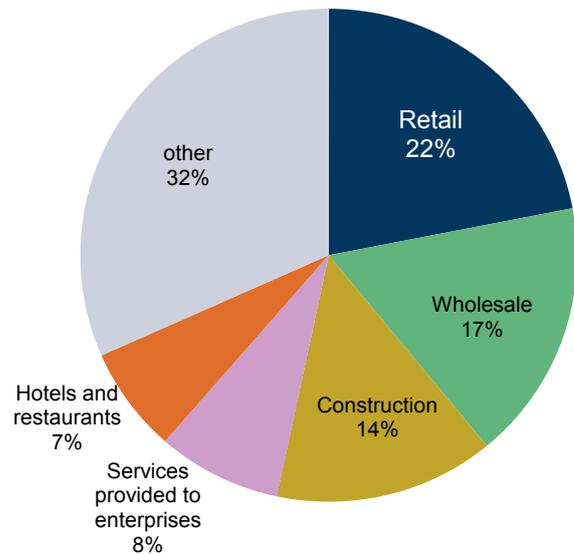
The Baltic economies have provided the highest growth rates within the CEE region in the last three years following a deep contraction of GDP in 2009; in the case of Latvia by almost 18%, 15% in Lithuania and 14% in Estonia. The export exposure for the Baltics' differs from other CEE countries - they trade more closely with the CIS countries, namely Russia, Ukraine and Belarus. This is a result of their geographical location and historical links. Latvia and Lithuania in particular, have been able to benefit from the demand from CIS economies at a time of Eurozone slowdown. Although they suffered from their weak position in the value-added chain they were able to increase exports noticeably (particularly Lithuania which increased exports by 18% in Q1 and 16% in Q2 2013).

Latvia is performing well among the Baltic countries. Not only with regard to GDP growth, which increased at an estimated 4.1% (the highest within the EU) compared with 3.3% for Lithuania and 0.8% for Estonia, but it is also forecast to maintain its leading position with a growth rate of 4.2% (against 3.4% and 2.7%, for Lithuania and Estonia respectively). Private consumption in Latvia has been growing and is projected to increase further, supported by a decrease in the unemployment rate and an increase in the minimum wage of 12.5%. Additionally the NPL ratio fell to 12% in September 2013 from 19% in 2011. A recovery in investment is anticipated with business confidence remaining stable thanks in part to the recent euro adoption.

The positive business environment helped Latvia to reduce the number of insolvencies by 7%, with 818 entities becoming insolvent in 2013. At the time of print of this Panorama no sector breakdown of insolvencies in Latvia was available. However, it can be concluded that companies recorded lower demand compared to recent years which has affected trade sectors. The main insolvencies in Latvia were Liepajas Metalurģis AG, manufacturers of iron and steel, and Plus Punkts, a provider of newspapers and magazines distribution services. Both companies made almost 2.500 employees redundant and with liabilities of nearly EUR 200 million, had a significant impact in a country of 2 million inhabitants. Given Lithuania's situation and the overall situation of the CEE economies the construction sector still remains a concern.

Lithuanian construction companies recorded the highest insolvency rate at 4.1% and 1 out of 6 companies became insolvent. The highest share of insolvencies was recorded by wholesale and retail trade entities accounting for nearly 1/3 of the total.

FIGURE 16: Lithuania - Share of insolvencies in 2013



Top 5 sectors

- Public administration and defence
- Education
- Human health and social work
- Other service activities
- Arts, entertainment and recreation

Flop 5 sectors

- Construction
- Accommodation and food services
- Administrative and support service
- Transportation and storage
- Water supply, waste management and remediation

Overall Lithuania's economy registered 1,517 insolvent companies, i.e. 8% more than the year before. The deterioration of the transportation and storage sector in line with the lower demand for such services resulted in an increase of companies' insolvencies in this sector of 48%. The largest's bankruptcy in Lithuania of Ukie Bankas was not only harmful for its workforce of 732 people but also affected the bank's clients and partners. Other reasons of the high number of insolvencies in-

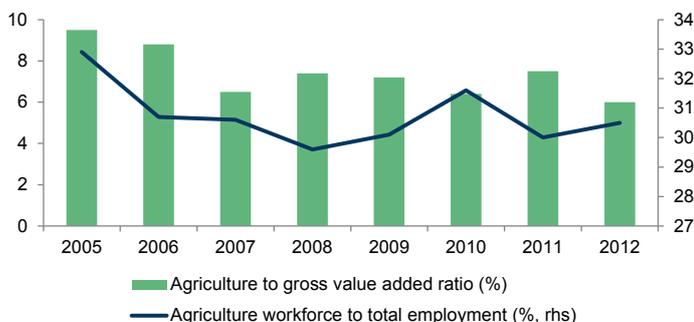
clude the increase of the minimum wage in Lithuania as from 1st January 2013 to EUR 285 (an increase of 18%). This led to improved household purchasing ability but paradoxically also hit companies with a rise in labour costs. Finally, the number of insolvencies includes cases when a bankruptcy proceeding was deliberately started in order to avoid liabilities with creditors and where a new company was opened with the transferal of assets from the previous one ("phoenix syndrome").

Spotlight on Romania

Romania is one of the countries most heavily dependent on the agriculture sector within the European Union – the share of the agriculture, forestry and fishing sector to the gross value added averaged 7.4% in 2005-2012 with almost 31% of the population employed in the sector (The European Union’s average at 1.7% and 5.5%, respectively and the CEE average at 4.8% and 11%, respectively). Accordingly the economic output is strongly influenced by the weather conditions which are generally good for the country being located in Southern Europe.

Droughts in 2012 resulted in a poor performance for the agriculture sector which translated directly to a decrease in domestic demand leading to a slump in the GDP growth rate from 2.2% in 2011 to 0.7% in 2012. Subsequently, Romania experienced a very good harvest in the summer of 2013 which led to positive supply factors. These factors, combined with strong exports which increased 13% in the second quarter of 2013 and 19.4% in the third quarter of 2013, resulted in Romania becoming the fastest growing economy within the CEE region (4.2% yoy in Q3 2013 and 5.1% yoy in Q4 2013) with an estimated GDP growth of 2.3% for 2014 (Coface projection). The sustainability of the recovery is however questionable – due to the agricultural sector not being a constant positive contributor to GDP as well as the difficulty in sustaining such an intense growth in foreign trade. Domestic demand should finally bottom out supported by lower inflation but it will not fully rebalance the exports adjustment. In 2014 Coface forecasts that Romania will be the only one CEE economy where the GDP growth rate will not improve.

FIGURE 17: Romania - Share of agriculture in the economy

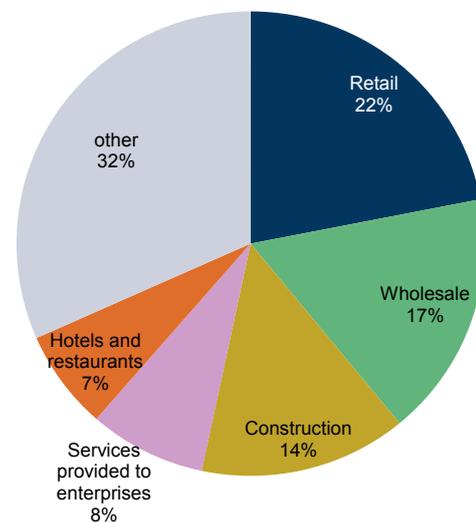


Source: Eurostat

After Bulgaria, Romania offers the most attractive hourly labor costs in the European Union (EUR 3.60 and EUR 4.40 respectively). Consequently it is able to manufacture with a lower cost base compared to its regional peers. A large part of the increase in exports mentioned above was the result of the growing automotive sector, with the local factories of Dacia (Renault group) and Ford.

The factors which contributed to the economic situation in 2013 i.e. rising exports, good harvests and improving industrial production were not sufficient to contribute positively however to the general situation for companies, especially amid subdued local demand. Romania recorded the highest number of insolvencies in the whole CEE region – 27,145 companies representing an insolvency rate of 6.4%. To note is that a substantial number of insolvencies have been observed in Romania for several years as data are affected by a very permissive legislative framework which favors the debtor side. Indeed, the share of insolvencies started by debtors is slightly above 50%.

FIGURE 18: Romania - Share of insolvencies in 2013



Bankruptcies in Romania were also caused by the internal situation of companies – these suffered from large balance sheet discrepancies, increasing debts with high level of capital locked in current assets, in addition to increasing financing needs covered by short term debt, limiting predictability and other ongoing

concerns. Another problem faced by insolvent entities was the poor revenue quality caused by a high share of sales on credit and non-performing receivables caused by overstated market demand estimations. Additionally 2012 was a period of microenterprises insolvencies which impacted medium and large companies with a lag effect in 2013 as they accepted lengthening payment terms from their micro counterparties. According to preliminary data and Coface estimations there were 5%

more insolvent companies in 2013 than the year before. Subdued domestic demand affected the wholesale and retail sectors, which represented 39% of all insolvencies. The challenging situation within the construction sector accounted for 14% of all insolvencies in 2013. The highest position within the Flop sectors is recorded by textiles companies which suffered not only low internal demand but were subject to strong competition from low cost Asian companies.

Top 5 sectors

Health and social care

IT

Machinery and equipment

Other services provided to enterprises

Real Estate

Flop 5 sectors

Manufacture of textiles and clothing

Construction

Production and supply of electric and thermal energy, gas and water

Mining and quarrying

Hotels and restaurants

TABLE 6: Romania - 5 biggest insolvencies in 2013

	Company name	Sector	Number of employees	Total liabilities in Euro	Town
1.	OLTCHIM SA	Chemicals	3,318	775,517,649	Râmnicu Vâlcea
2.	Regia Autonoma Pentru Activitati Nucleare	Chemicals	3,653	174,947,151	Drobeta-Turnu Severin
3.	GRUP ROMET SA	Wholesale and Distribution	62	57,051,476	Buzău
4.	AROMET SA	Metallurgy	207	20,69,9107	Buzău
5.	ECOFORREST SRL	Wholesale and Distribution	12	10,087,293	Buzău

Spotlight on Slovakia

The Slovak economy is driven mainly by the automotive sector with the car plants of Volkswagen, PSA and Kia located there. Domestic demand accounts for approximately 10% of production with the remainder shipped worldwide. The slowdown in the Eurozone and weaker demand from the major emerging countries for cars however, resulted in a slower increase in the country's overall exports. Whereas in the first nine months of 2012 the increase in exports was above 9%, the pace of growth has slowed amounting to just 3.7% in the corresponding period in 2013.

At the same time domestic demand was not supportive for the economy outcome. The high unemployment rate of 14.2% in 2013 (twice as high as in the neighbouring Czech Republic) with an almost flat growth in real wages resulted in low purchasing propensity. Furthermore the government's commitment to keep within the fiscal deficit target of 3% resulted in an increase of CIT tax rates, selected social insurance contributions and the exclusion of people with high incomes from the flat rate tax regime (although this affects only around 1% of taxpayers).

Companies were not able to keep production and manufacturing at full capacity due to the general slowdown and had to reduce their investments plans. The reduction in fixed capital formation which reached two-digit levels, seems however to be slowly rebounding, although it still remains in negative territory. The poor economic performance resulted in a rise in insolvencies of 12% to 507 entities, out of 540,000 active companies. In addition to the economic slowdown, high unemployment and weak consumer purchasing power all mentioned above, other factors leading to company insolvencies included the worsening payment discipline of business partners as well as secondary insolvency proceedings. (According to the European Court of Justice the secondary insolvency proceedings may be begun in the member state where the debtor has an establishment, when main proceedings with a protective purpose are already pending in another member state). The sectors which subsequently suffered the most were the wholesale and retail sectors but the

problems within the construction sector also spread to many manufacturing companies linked with it.

Top 5 sectors

Mining and quarrying

Electricity, gas, steam and air conditioning supply

Water supply, waste management and remediation activities

Education

Arts, entertainment and recreation

Flop 5 sectors

Wholesale and retail trade

Manufacturing

Construction

Real estate activities

Professional, scientific and technical activities

Slovakia was allocated EUR 11.5 bn in structural and cohesion funds from the EU budget for 2007-2013 which is not significant when compared, for example to Poland's allocation of EUR 69 bn but it does constitute a quite sizeable amount relative to the Slovak economy (15.8% of GDP). However, Slovakia hasn't used the funds as extensively as its neighbors - the take up rate is below 50%. The latest decision of the EU Council granting Slovakia (and Romania) one more year to draw on the funds makes for brighter prospects regarding a recovery of the economy, especially with the support of EUR 13.9 bn in the new EU programme for 2014-2020.

TABLE 7: Slovakia - 5 biggest Insolvencies

	Company name	Sector	Number of employees	Total liabilities in Euro	Town
1.	EXIsport s.r.o.	Retail sale of sporting equipment in specialised stores	250	30,741,241	Košice
2.	Fenestra SK	Manufacture of plastic ware for construction	250	14,773,607	Zlaté Moravce
3.	Galand	Manufacture of footwear	350	915,563	Snina
4.	Gas Oil engineering	Engineering activities and related technical consultancy	150	16,570,903	Spišská Teplica
5.	MBM-STAV, s.r.o.	Construction of residential buildings	280	7,266,590	Námestovo

Spotlight on Slovenia

Slovenia will be one of two economies in the CEE region where a recession will endure in 2014. The economy has been contracting since early 2012 with its previous main driver of growth – investment showing a decreasing trend from 2009 due to limited public investment and the deterioration of the construction sector due to the bursting of the real estate bubble. The fiscal consolidation remains a constraint with the budget deficit target of 2.9% of GDP appearing very ambitious, despite plans for the privatisation of 15 companies. Domestic demand is subdued to a much larger extent than in other countries within the region, with the contraction since 2011 affected by high unemployment, decreasing wages, a new property tax and possible further public sector wage cuts.

The crisis within the banking sector was triggered by high demand for consumer and investment loans. These started to rise when Slovenia joined the European Union and subsequently the Eurozone and were financed mostly from foreign sources. Although the ratio of private sector loans to GDP has been decreasing, it remains above 100% of the country's GDP. Companies are more focused on the repayment of their high indebtedness rather than taking on new loans. The weak banking sector suffers from a high ratio of non-performing loans (17.5%) which has affected the whole economy. Thanks to the transferal of NPLs to 'the bad bank' created in July 2013, bank assets will be relieved but this measure may be not sufficient to address the full scope of the banking sector's difficulties.

Prospects for the Slovenian economy are not favorable. Net exports, which were a weak factor but do nonetheless contribute to the country's economic performance, will increase in line with the recovery of European demand, although it will not bring a substantial improvement of the economy. The internal situation will remain constrained with the private sector deleveraging and socially unpopular actions aimed at fiscal consolidation. The social discontent if it deepens further may trigger tensions.

Slovenian companies, reduced in number by the recession and deteriorated business conditions, have in many

cases had to file for insolvency. 994 entities became insolvent in 2013 representing 1.4% more than in 2012, which were up 39% on the previous year. The constant rise in insolvencies is noticeable amid the continued difficulties of the construction sector despite the real estate bubble having burst as early as 2009. Indeed, most insolvencies are construction companies, which represented 8% of the total. The largest insolvencies included Himar – a company operating in the engineering and related technical consultancy sector, and Novolit – a manufacturer of concrete products. These two insolvencies resulted in 400 people being made redundant from a population of 2 million in Slovakia.

The best performing sectors were the forestry sector with 1 insolvent company and the electro, water, heating installation sector with 2 bankruptcies.

Top 5 sectors

Forestry

Electro, water, heating instalations

Fitting of machinery

Extracting secondary raw materials from scrap

Trade in fruits and vegetables

Flop 5 sectors

Construction companies

Consulting

Restaurants, hotels, catering

Madiation in trade

Transport



Conclusions

Most of the companies within the CEE region perceived last year as one of the hardest periods in their business activity. They were affected by a slowdown in the economies of their main trading partner – the Eurozone, subdued domestic demand as well as overdues impacting their financial liquidity. Against this backdrop companies' business confidence decreased and they were required to revise not only their yearly targets, but also reconsider their long term investments for their long term business development. In general, the situation started to improve in the second half of 2013 in line with a gradual recovery in Western Europe, with domestic private consumption slowly rebounding from the doldrums and supported by low inflation making prices more attractive. The insolvency statistics reflect the economic environment which companies experienced in the course of 2013 with nearly 70,000 entities becoming insolvent in the CEE region.

The regional yearly assessment is affected by the figures from Hungary, which are not comparable with the previous data due to a high number of automatic insolvencies resulting from an amendment of law regulation which boosted the 2012 numbers. For all countries of the CEE region, excluding Hungary, the number of insolvencies increased on average by 9% in 2013, with Bulgaria and the Czech Republic increasing by more than 30%. Just one economy recorded a decrease in the number of insolvencies, namely Latvia by 7%.

Sectors which suffered the most included in particular, those directly exposed to subdued demand and cautious household purchases i.e. the retail and wholesale trade. This challenging situation resulted in many mergers and acquisitions within the sector in addition to many liquidations and suspensions of

business activity. In particular, smaller entities found it hard to compete with larger players who were more able to negotiate more attractive prices and payment terms.

The construction sector remains a constraint in the CEE region and it is still ranked as a negative performer, feeding insolvency statistics in many countries of the region. However, some stabilization is foreseen as a result of the inflow of EU funds from the new Multiannual Financial Framework for 2014-2020 from which CEE countries are due to receive more than EUR 300 billion.

Dangerously the weakened construction sector infects other industries linked with it. As a consequence producers and suppliers of materials, machinery, frames and commodities used by the construction sector have started to suffer problems and many of them already had to file for bankruptcy.

Given the lag between the improvement at the macro level and the individual company level, this year will be a challenging one. The start to 2014 reads more positive in terms of economic prospects however. Coface anticipates that the average growth rate of CEE countries will nearly double, increasing from 1.2% in 2013 to 2.2% in 2014. The engine of this improvement will continue to be fueled by the Baltic States with Latvia and Lithuania at the top of the CEE region and forecasted to grow 4.2% and 3.4%, respectively. Nevertheless the other CEE economies will also experience higher growth rates compared to 2013. The main source of growth will come from increased exports although private consumption will contribute more and more to economic growth. In this improving environment companies should feel more comfortable



with their business decisions and return to fixed capital formation. Although a recovery in Western Europe is predicted, its growth rate will be at the moderate level of 1.0% in 2014. Two stable economies will be the main drivers of this growth – Germany and Austria, which should record growth rates of 1.7% each. Both of these countries will benefit from the upturn in household consumption supported by the lowest unemployment rates within the EU, rising wages as well as growing external demand for their products which are considered worldwide as a synonym of quality. Companies in the CEE region will benefit from the improved situation of their main foreign trading

partners, although internal demand will gradually support the economies as well. It will take time before companies become less restrained with their business activities and results be seen in their financial results. The general insolvency statistics will stabilize, although the regional average rate could hide significant national differences. Although Poland and Latvia should notice a decrease in the number of insolvencies this year, other Eastern economies will experience a further increment of bankruptcy proceedings, with the Czech Republic, Hungary, Romania as well as Croatia and Slovenia recording the highest increases for the entire year.

Coface Contacts in CEE

Coface Austria & Coface Central Europe

Stubenring 24 - 1010 Vienna
T. +43 (1) 515 54-0 - F. +43 (1) 512 44 15
www.coface.at

Coface Albania

serviced by Coface Croatia

Avenija Dubrovnik 46/III - 10 000 Zagreb
T. +385 (1) 469 75 00 - F. +385 (1) 469 75 35
www.coface.hr

Coface Belarus

serviced by Coface Russia

1st Tverskaya-Yamskaya str., 23, bld. 1 - 125047 Moscow
T. +7 (495) 785 57 10 - F. +7 (495) 785 76 24
www.coface.ru

Coface Bosnia & Herzegovina

serviced by Coface Croatia

Avenija Dubrovnik 46/III - 10 000 Zagreb
T. +385 (1) 469 75 00 - F. +385 (1) 469 75 35
www.coface.hr

Coface Bulgaria

42 Petar Parchevich str. - 1000 Sofia
T. +359 (2) 920 7125 - F. +359 (2) 9207150
www.coface.bg

Coface Croatia

Avenija Dubrovnik 46/III - 10 000 Zagreb
T. +385 (1) 469 75 00 - F. +385 (1) 469 75 35
www.coface.hr

Coface Czech

I.P. Pavlova 5 - 120 00 Prague
T. +420 (2) 460 85 411 - F. +420 (2) 225 40 429
www.coface.cz

Coface Estonia

serviced by Coface Latvia

Berzaunes 11a - 1039 Riga
T. +371 (6) 732 34 60 - F. +371 (6) 782 03 80
www.coface.lv

Coface Hungary

Tüzoltó utca 57 - 1094 Budapest
T. +36 (1) 299 20 70 - F. +36 (1) 887 03 25
www.coface.hu

Coface Latvia

Berzaunes 11a - 1039 Riga
T. +371 (6) 732 34 60 - F. +371 (6) 782 03 80
www.coface.lv

Coface Lithuania

Vilnius str. 23 - 01402 Vilnius
T. +370 (5) 279 17 27 - F. +370 (5) 279 17 54
www.coface.lt

Coface Macedonia

serviced by Coface Croatia

Avenija Dubrovnik 46/III - 10 000 Zagreb
T. +385 (1) 469 75 00 - F. +385 (1) 469 75 35
www.coface.hr

Coface Moldova

serviced by Coface Romania

Calea Floreasca 39 - Et. 2-4 - Sector 1 - 014453 Bucharest
T. +40 (21) 231 60 20 - F. +40 (21) 231 60 22
www.coface.ro

Coface Montenegro

serviced by Coface Serbia

Bulevar Oslobođenja 111 - 11000 Belgrade
T. +381 (11) 397 60 51 - F. +381 (11) 397 09 75
www.coface.rs

Coface Poland

Al. Jerozolimskie 136 - 02 305 Warsaw
T. +48 (22) 465 00 00 - F. +48 (22) 465 00 55
www.coface.pl

Coface Romania

Calea Floreasca 39 - Et. 2-3 - Sector 1 - 014453 Bucharest
T. +40 (21) 231 60 20 - F. +40 (21) 231 60 22
www.coface.ro

Coface Serbia

Bulevar Oslobođenja 111 - 11000 Belgrade
T. +381 (11) 397 60 51 - F. +381 (11) 397 09 75
www.coface.rs

Coface Slovakia

Soltésovej 14 - 81108 Bratislava
T. +421 (2) 6720 1611 - F. +421 (2) 6241 0359
www.coface.sk

Coface Slovenia

Slovenceva 22 - 1000 Ljubljana
T. +386 (1) 425 90 65 - F. +386 (1) 425 91 30
www.coface.si

Coface Ukraine

Borisa Gmiri str., 4, of. 10 - 02140 Kiev
T. +380 (44) 585 31 60 - F. +380 (44) 585 31 60
www.coface.ua