

Factoring with loss payee clause

FUNDING OF SECURED RECEIVABLES

With UniCredit Factoring, you may also **draw funds** for receivables you have insured against a customer's unwillingness and inability to pay under an **agreement with a commercial re-insurance company**. What is more, you will get professional management of these receivables, collection included.

✔ FACTORING WITH LOSS PAYEE CLAUSE IS THE RIGHT CHOICE FOR YOU IF:

- you wish to **improve your liquidity without increasing your loan burden**;
- you wish to **continue in the insurance of your receivables** with your existing re-insurance company;
- you wish to **enhance your competitiveness** and offer your customers a longer maturity period;
- waiting for money from customers **hinders the growth** of your company;
- you wish to reduce the volume of receivables in your balance sheet with the aim to **increase the creditworthiness of your company**;
- your company currently does **not meet loan requirements**.

✔ HOW DOES IT WORK AND WHAT CAN WE DO FOR YOU?

- Contact our **sales representative**.
- Once we receive your business results and analyse your receivables, we will **conclude a factoring agreement** with you.
- You, your commercial re-insurance company, and UniCredit Factoring will enter into an **agreement in case of an insured accident**.
- You **supply** goods or provide a service **to your customers** and send them an invoice.
- Then you **enter** the receivable arisen and owed from your customer **into our electronic system**.
- As soon as we check all the essentials, you may **draw on the factoring advance of up to 90% of the nominal value of the invoice (including VAT)**.
- We will send you the remainder of the receivable once the customer pays the invoice.
- If the **customer fails to pay the invoice on the agreed due date**, you will receive a guarantee payment in accordance with the agreement concluded between you, the commercial re-insurance company, and UniCredit Factoring.
- The service includes the **professional management, recovery, and collection of receivables**.

✔ PRICE FOR THE SERVICE

The price for factoring with loss payee clause consists of the **administrative fee** (usually amounting to tenths of a percent of the receivable being assigned) **and the price for the factoring advance**. This price consists of the **floating inter-bank rate** based on the invoice currency (e.g. PRIBOR, EURIBOR, LIBOR) and a fixed margin. The invoice is sent following the close of each calendar month. You pay the **costs of receivable insurance** in accordance with the arrangements with your commercial re-insurance company.