Facilitating Open Account – Receivables Finance

Annual Review 2016

FCI is the Global Representative Body for Factoring and Financing of Open Account Domestic and International Trade Receivables. With more than 400 member companies in 90+ countries FCI offers a unique network for cooperation in cross-border factoring.

FCI is building bridges:

- To global business opportunities
- To new markets
- To new partnerships
- To innovative products and services
- To know-how and leading expertise

Annual Review 2016

Content

FCI

Facilitating Open Account – Receivables Finance

For a strong future

Letter by Michel Leblanc, Chairman of FCI

2015 can be seen as an exceptional year for the factoring industry in terms of volume (growth in general) and also for the merger of the two major players (FCI + IFG) to create this "one voice for the industry, for a strong future". However, even if factoring achieved an all-time high in 2015: € 2,373 billion, up 1.14% from 2014, this excellent news means the figures are well below the seven-year trend annual growth rate of 9%. Europe, the largest factoring market worldwide remains the strongest region while Asia and Americas suffered a decline. Africa is now an active region which unfortunately also fell in 2015.

On the positive side, with the UNION, FCI+ strengthened its distinctive feature as the leading factoring organisation in the world, by enlarging its network. Furthermore, now we (FCI+) can talk with a stronger voice with the actors of the economic world and better promote and deploy our five pillars: Education, Rules, Communication System, Advocacy and Networking.
As Industry leader we have to continue to build this "recognition" of our role and influence in the economic environment.

I invite all of you to join me being optimistic about the future of our factoring industry; we have to look beyond the current financial worldwide difficulties, as otherwise it would be a biased viewpoint of our business. In my opinion, factoring has a very positive outlook with a future of continuous growth. Factoring is a financial and credit service, which provides the most convenient solutions to solve exporters' and importers' needs, becoming a powerful financial and credit engine, particularly for SMEs.

Although the UNION took a lot of our energy, a few projects have been initiated while others are on the right path. The ad-hoc Supply Chain Financing committee sent a Request for Proposal (RFP) to several Vendors who reverted positively. Discussions with ICC Banking Commission for the creation of Universal Rules for International Factoring (URIF) is progressing well. Our relations with established and well known organisations like European Bank of Reconstruction and Development (EBRD), the Inter-American Investment Corporation (ICC) and others continue on a positive trend. In April 2016 Peter Mulroy, Secretary General of FCI, Lee Kheng Leong, Chapter Director for Asia and the undersigned were

Yadanabon Bridge,Sagaing City, Burma.

invited by EBRD to participate in a Seminar about International Factoring in Ulaanbaatar in Mongolia opening up new opportunities and markets. Several participants from Mongolia took part in this event.

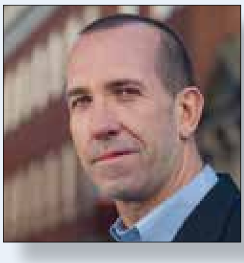
One of our pillars, EDUCATION remains for me the "jewel" of our organisation. In 2015 several seminars and courses took place around the world. Last April FCI was invited to meet with a renowned Chinese University (Jiao Tong University) to explore the opportunity to develop a joint course/seminar about International Factoring. Our past chairman, Mrs. Daniela Bonzanini visited Jiao Tong University in Beijing and came back with very positive ideas and projects.

The European Union Federation (EUF) is now chaired by our Deputy Secretary General, Erik Timmermans. Part of FCI, it comprises 14 national and 1 international industry associations that are active in the EU. Its members represent over 200 factoring providers in Europe, and together they represent around 97% of the total volume of the industry. The Federation acts as a platform between the factoring and commercial finance industry and key legislative decision makers across Europe bringing together national experts to speak with one voice.

Not many years ago our Secretary General was known as being the man with a suitcase acting mainly as our unique developer. As of today we have a Regional Chapter in Latin America (Alberto Wyderka) where the number of members continues to grow. Late in 2015 an Asian Regional Chapter was created and Lee Kheng Leong is now our voice in Asia. With the Union with IFG, representatives on a volunteer basis are active in Africa and Eastern Europe.

My vision for the near future, and I hope we will all work in the same direction towards, is to **brighten up** our branding (image) in order to reflect the strength of our association and its leading role in the business community: Ruling, Compliance, Knowledge. It is also to continue to **enhance** our Education programme in order to remain the reference point about Open Account Receivables Finance Business. And **conclude and put in place** in collaboration with our partner ICC the set of international rules for factoring, URIF.

Introduction



By Peter Mulroy, FCI Secretary General

The Factoring and Receivables Finance industry has entered a "golden era" as the service continues to grow unlike any other trade or working capital finance offering. The state of the global factoring and receivables finance industry is strong. The industry achieved an all-time high in 2015, generating € 2,373 billion, up 1.14 percent from the previous year. FCI has helped lead this growth, as evidenced in the doubling in size in the industry since the start of the financial crisis in 2009. The two stellar performers in 2015 were first Europe, which accounts for nearly two-thirds of the global volume and had recorded a most impressive rate of growth of 8 percent compared to 2014. The increase from Europe has mainly been driven by the strategic emphasis towards receivables finance by the commercial banking sector. The other driver of growth was the rise in international cross-border factoring. In 2015, domestic factoring declined by 1 percent over 2014, indicative of the general slowdown in global GDP. However, cross-border factoring grew at a much faster pace, increasing at a rate of 8 percent. This follows seven years of unparalleled growth in cross border factoring, increasing at a compounded annual growth rate of 22 percent since 2009. In simple terms these two forces have been the leading and primary driver for growth in factoring and receivables finance around the world.

The challenges within the industry have stemmed more from the economic slowdown in Asia, which is the second largest global factoring market behind Europe. It decreased by 8 percent to €563 billion. The decline was led by China, which generated a 13 percent decline, a direct correlation of the economic slowdown, resulting in a softening in international trade. Companies in the region are more reluctant to purchase in larger quantities due to the decline in retail sales in the region and the uncertainty that this brings to the market. The decline in commodity prices has also impacted volume, resulting in reduced valuation of invoices, however we have seen a reprieve in recent months. The slowing economy has also resulted in a contraction in financing, especially affecting SMEs as more financial institutions struggle with deteriorating financial performance within their portfolios.

Factoring is an alternative and flexible means of finance which is widely used especially amongst SMEs. This is achieved by the supplier assigning and selling its accounts receivables to a bank or non-bank financial institution. The factor will provide a range of services to its clients, including providing capital against the assignment of their receivables, accepting the risk of bad debts and collecting on past due accounts. Factoring has been considered a stable financing alternative by many companies, particularly since the start of the financial crisis. As many SMEs were unable to obtain traditional bank funding during the crisis, due to the fact that SMEs are perceived to have a higher probability of default compared to larger firms, factoring filled the void. Central banks around the world have come to appreciate the product as a safe and secure method of financing trade. In fact, the economic crisis has shined quite a positive light towards receivables finance in general.

Tokyo Gate Bridge, Tokyo, Japan.

Founded in 1968, FCI is a global network of leading factoring and receivables finance companies, whose common aim is to facilitate international trade through factoring and related financial services. FCI provides four pillars of service: cross border services, education, advocacy and networking. FCI is a business network first, providing its members a framework to conduct cross-border correspondent factoring. The General Rules of International Factoring (GRIF) form the legal basis under which nearly all cross-border correspondent factoring business transactions are conducted. FCI members also use a proprietary communication system called edifactoring.com. Like SWIFT, edifactoring.com provides a sound and secure means by which members can issue factor guarantees, send invoice data, issue dispute notices, and send payment messages. FCI maintains a high level of service excellence by requiring all members to follow certain standards, including the requirement to enroll their employees in various e-learning courses and seminars, which are offered to all FCI members upon admittance, and to follow all rules as stipulated in the FCI Constitution, the General Rules of International Factoring (GRIF), and the Rules of Arbitration.

In 2016, International Factors Group (IFG) together with FCI formed a Union, creating the largest global association of factoring and receivables finance companies in the world today. As a result, FCI has over 400 members located in 90+ countries. And the Union created an even stronger platform for growth, by providing our members with a much larger and broader network, offering enhanced education, creating an increased level of advocacy, and delivering new products and services to our members. Together FCI built one point of contact for the receivables finance industry worldwide.

FCI has launched an exciting agenda for the industry. We are building alliances with the ICC Banking Commission, World Trade Organisation, and the Development Banks, expanding our network like never before. We are incorporating a wider view of supply chain finance by expanding our reach into reverse factoring, creating value for our members who are interested in developing cross-border buyer-centric led programmes. We are increasing the promotion of our industry in developing markets, enhancing the awareness of the many benefits the service offers SMEs, and taking a more assertive role in lobbying and influencing to tell the story that the industry represents the safest and most secure means of financing to SMEs around the world.

As open account trade continues to expand, the growth of the industry can be mirrored in the growth of FCI itself, which culminated in bringing the industry together like never before. This was a necessity, as the industry needs to have discipline, minimum standards of excellence and a shared vision for the future. I believe our industry is in a Golden Era, however there are threats to the industry out on the horizon, and it is imperative that we prepare ourselves to ensure the next decade is as successful as the last. Ultimate aim is to ensure that our members produce a healthy and long lasting business model, but ultimately, FCI is the “voice of the invoice”!

FCI Vision Statement & Mission Statement

FCI Vision Statement

FCI's Vision is to be the Global Association for the Open Account Receivables Finance Industry.

FCI Mission Statement

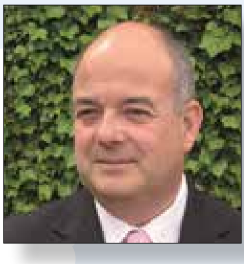
Receivables Finance is the core focus of the association and includes Factoring, Invoice Discounting and other Supply Chain Finance solutions.

FCI is the Global Voice for Open Account Receivables Finance:

- **FCI facilitates and promotes International Factoring through a Correspondent Factoring platform.**
- **FCI actively supports the growth of the Industry and works jointly with policy makers and stakeholders worldwide**
- **FCI promotes best Industry practices through education**
- **FCI publishes Information & Statistics about the Industry**
- **FCI endorses financial stability, the prevention of financial crime and respect for regulatory compliance and conduct**

Meydan Bridge, Dubai, UAE.

Global Economic Prospects



John Brehcist, FCI Advocacy Director, takes a look at the future for the global economy

Long before becoming involved with the world of factoring and receivables finance, I was a research scientist; one of my heroes was the Danish quantum physicist Niels Bohr. He said that "prediction is very difficult, especially about the future". And having moved into the financial world, I recall seeing a dollar perfect five-year business plan for Lehman Bros produced in June 2008 about three months before they collapsed into bankruptcy. So, armed with this warning that forecasting can be a fool's game, let's try and take a look at what we might be facing in the global economic outlook – and our Industry – over the next year or two.

Whilst the world never stands still, recent global events have without doubt placed us in an environment of more ambiguity in forecasting than could have been anticipated in what has been a generally low growth, low commodity price, low interest rate period.

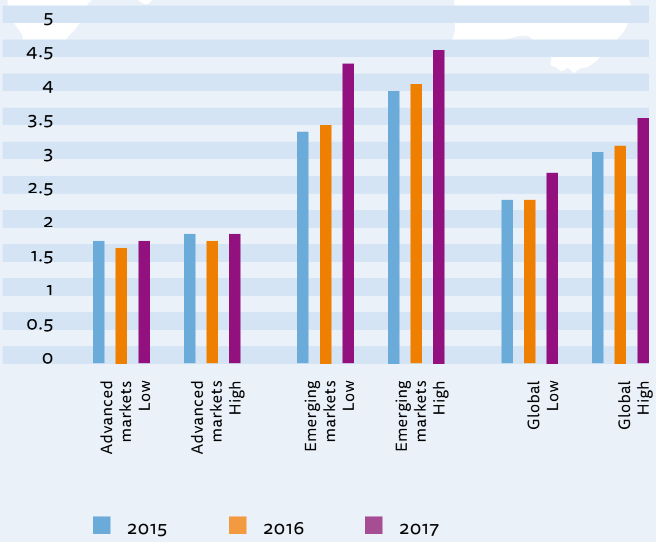
The challenge is that the situation is complicated by the uncertainty created by a range of dramatic and intense influences. For example, the allegedly "new normal" of single digit growth in China, the general malaise of some of the emerging market economies, the ripples from the Brexit decision, concerns about instability in some European banks, especially in Italy, continuing concerns about the Euro, emergence of globally spread terrorism and continuing migrant refugee crises, a near coup in Turkey, Brazil's recession… The list goes on; all in all, an environment where prediction is more than just difficult, it might even appear futile.

But we need to be able to forecast; the markets demand it and we need to give guidance to our customers.

Estimates from the established sources like the World Bank, IMF and OECD show variation in their detail but broadly agree that there is a general weakness in prospects, with slow growth in advanced economies and a slightly firmer position in the emerging markets.

Based on my analysis of a key selection of the published forecasts, I would propose the following ranges of expectation:

Low to high predictions for % GDP growth rates



There is a continuing clear distinction between the predictions of the prospects for advanced and emerging economies. That said, the forecasters tend to follow a similar pattern, which suggests advanced economies will face a dip in the rate of growth in 2016 compared to 2015 but should recover to a similar level through 2017. Emerging economies should improve marginally in 2016 and more strongly so in 2017. The global economy picture of course blends these two distinct sets of expectations.

Of the many uncertainties forecasters have to contend with, commodity prices and especially the oil price are one of the principal drivers. This latter has been the subject of considerable speculation (both in the trading and forecasting sense). At the time of writing, oil prices have dropped to a three-month low (but look unlikely to test the February 2016 $26) when world markets were anticipating a crisis in China leading to global recession. But other commodity prices (metals and grains) are largely moving in line with global stock markets (which themselves were rocked by the Brexit news, but seem to have stabilised rapidly).

Governments are unleashing fiscal packages to boost economies. For example, Japan has advised plans to invest $270 billion, around 5% of GDP – twice the size of its post-crash package. China's growth rebounded to 6.7% in the second quarter with a clear pick up in June. The IMF, once seen as the public voice of fiscal restraint, is currently recommending high-multiplier growth supporting spending on infrastructure to build the world economy.

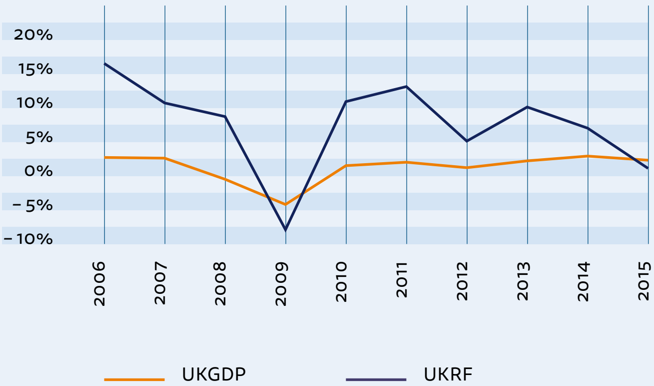
The United Kingdom post-Brexit decision has signalled a change to its approach, flagging an autumn "post-austerity" spending budget. Presidents Hollande and Renzi appear also to be becoming (even) more willing to support moves away from tight financial constraints in Europe.

Money supply and liquidity appear to be on the up. The global M1 measure is currently rising at around 10% p.a., which is the fastest since the stimulus packages following the Lehman crash. Whilst eventually such money supply growth would be expected to lead to inflation, this seems some way off, with the low (and negative) interest rates currently generally prevalent.

What does this mean for the f actoring industry? Historically there has been a perception that factoring is countercyclical, and that it should perform well when the general economy is less strong. But my recent analysis of the markets indicates that it is not only positively correlated with growth, but demonstrates a high beta coefficient; when the economy growth rate rises, factoring rises quickly, and vice versa.

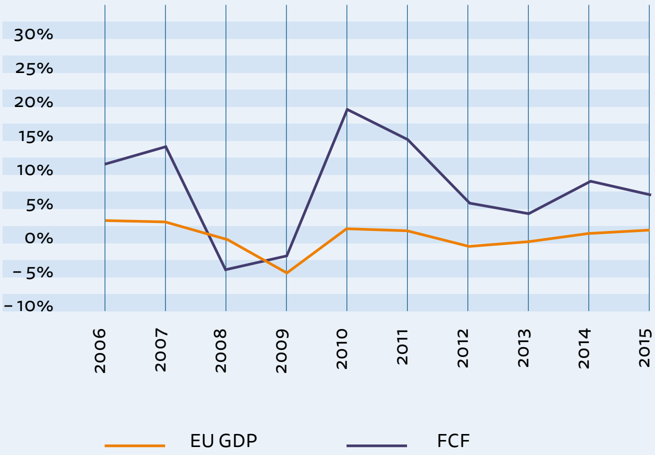
The following graph plots the relative annual growth rates of the UK Factoring and Invoice Discounting industry and UK GDP.

Comparison of UK RF and GDP Growth rates



Of course this is only one country, so let's expand the analysis. A similar pattern is visible if we extend the exercise to the Factoring and Commercial Finance (FCF) in the EU 28 countries of Europe:

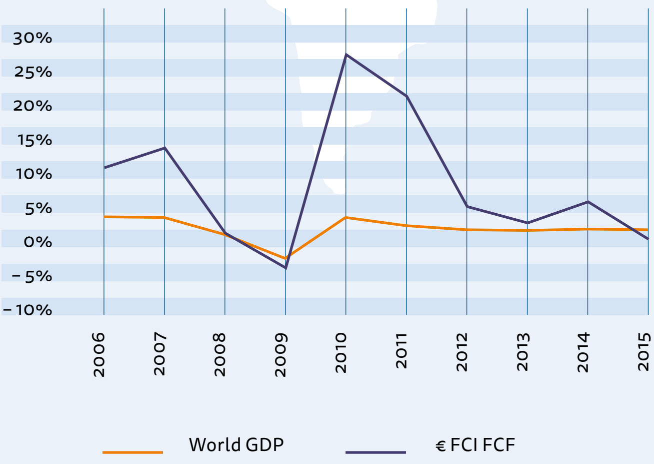
FCF v EU GDP % Growth



Juscelino Kubitschek Bridge, Brasilia, Brazil.

And then if we then look at FCI data globally for Factoring Industry growth (expressed in euros) against global GDP growth, the pattern remains very similar, if perhaps even more intense:

Global FCF (€) v Global GDP Growth



Of course, although there is this high level of correlation, many other factors can affect the precise relationship between factoring growth and GDP, the principal and obvious element being exchange rates. So we have to be careful not to see this relationship as the sole predictor of relative performance; that said, the fit has shown itself nonetheless to be close.

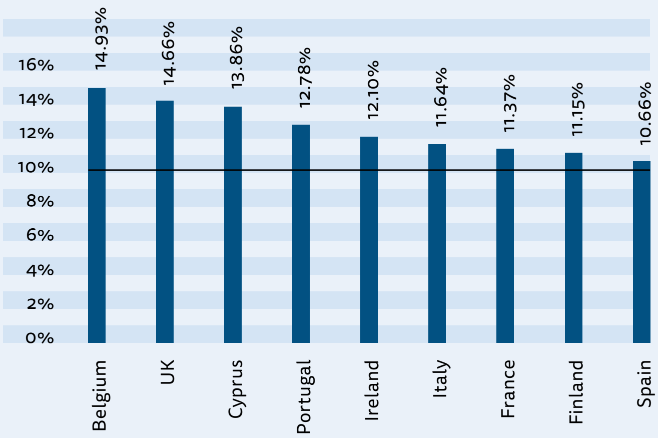
All three analyses (single country, region, global) have indicated a tail off in the rate of factoring growth in the last year, which must be a source of concern. However, the increase in money supply, the apparent recovery in China, the investment packages and the general move away from austerity all suggest that the forecasters' perspective of a gentle improvement in advanced economies and a stronger boost to emerging economies – if proved correct – indicate a short term neutral/ positive and longer term positive outlook for the global economy. And if the relationships shown above remain true, that presages volume growth in our Industry. As an Industry we need to be ready to support this; the FCI union means that we can bring the joint capabilities of 400+ members in 90+ countries together to take on the challenge.

Europe Leading Market

By Erik Timmermans, FCI Deputy Secretary General, in charge of membership and stakeholders development in Europe, Middle East and Africa

With a turnover of € 1,557 billion, in 2015 Europe represented two thirds of the World Market in Factoring. Of this total, the 28 EU countries together realised € 1,471 billion which represents an impressive share of 62% of the total world factoring volume. With an annual growth percentage of 5.43% in 2015 and a penetration ratio (factoring turnover related to GDP) of 10.16%, the EU performed much better than the total world of factoring (1% of growth in 2015 and an average penetration ratio of 4.36%). The most important markets in the EU are UK (€ 377 billion), France (€ 248 billion), Germany (€ 209 billion), Italy (€ 190 billion) and Spain (€ 115 billion). In non EU markets, there is still important room for development of best practices in factoring and for improvement of legal and/or regulatory environments. This is the reason FCI puts a specific focus on Eastern Europe through its Central East European Chapter. The role of the Chapter is to represent members of the region within FCI and to organise a yearly conference, focusing on a regional view on the Factoring Industry.

Highest 2015 GDP penetration ratios



EU average 10.16%

Source: EUF

One of the challenges our Industry faces is the growing amount of regulation coming from different EU sources (EU Commission, EU Parliament, European Banking Authority, European Central Bank...). To defend the interests of the Factoring Industry in the EU, FCI has an important division, steered from the Brussels office: the EUF (EU Federation for Factoring & Commercial Finance: see **www.euf.eu.com**). 14 important National Associations in Europe are represented in the EUF and together they represent 97% of the factoring industry in the EU, which gives full relevance to the platform when interacting with different stakeholders.

Factoring & Receivables Finance is now on the table and on the radar of the EU Parliament, the EU Commission, the EBA and the Basel Committee... which gives us a window of opportunity to increase further awareness about our Industry and about its specific benefits. The Factoring Industry in Europe supports SME Lending, supports the real economy and therefore also employment and does this at a low financial risk for the financial system. The recently published EUF White Paper on the Factoring Industry in Europe has demonstrated that the expected losses in case of Factoring Finance are around 4 times lower than in the case of traditional non-secured Bank lending.

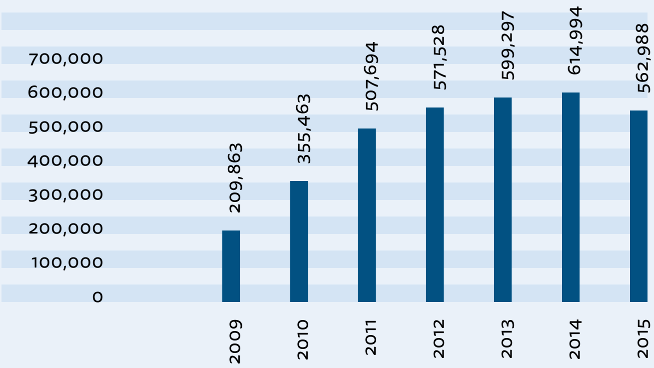
Vasco da Gama Bridge, Lisbon, Portugal.

Dynamic Asia

By Lee Kheng Leong, FCI Asia Chapter Director

Having grown at a CAGR of 19.63% since 2009 to a new high of € 614 billion in 2014, Asia's factoring volume in 2015 slipped by 8% to € 563 billion reflecting the slower economic growth both in the region and the world. The growth in the region was mixed. Whilst there were 8 countries with negative growth, the other 10 countries showed positive performance. However, the downturn in heavy weight countries such as China –13% and Taiwan –7% pulled down the overall growth of the region. Notwithstanding the volume reduction in 2015, Asia is still the second largest continent for factoring forming 23.8% of the world total factoring volume.

Asia Factoring Volume



Going forward, the factoring volume in China, the largest factoring market in Asia, is not expected to experience such high growth as before as the Chinese economy is expected to grow at a single digit which is called the "new normal" according to our Chinese members.

Despite this, there are some bright spots in the Asian market as the Chinese embarked on the "one belt one road" strategy and the Trans Pacific Partnership are also expected to bring in substantial benefits to participating countries. These will translate into higher factoring volumes. Furthermore, there is also a mushrooming of commercial factors in China. To date there are more than 2,500 commercial factors in China. This will also contribute to the growth of factoring in the region.

Higher domestic and international factoring volume is also expected from the Indian market following the deregulation of some of the rules on factoring by the Reserve Bank of India. In terms of membership, FCI has made substantial gains during the year. The membership in Asia has increased by 45% from 101 in 2015 to 147 to date.

Our countries coverage in Asia has also increased.

Membership	June 2015	Current
Membership	101	147
Countries	18	23
Countries gained		Azerbaijan, Cambodia, Kazakhstan, Mongolia, Oman

To ensure that Asia continues to be an important part of factoring, the Education Committee has conducted two trainings in Asia, one in Kunming China and the other in Singapore, both in April. Apart from the visit to Asian members by the Secretary General, Asia Chapter Director as well as the Executive Committee members, the Communication Committee has also conducted its first ever meeting with the members in Hong Kong and Taiwan in June. These meetings were greatly appreciated by the members and they have requested for more of such meetings.

We also managed to get further recognition of our Education programme with the accreditation of the FCI international factoring course for non-members by the Institute of Banking and Finance of Singapore.

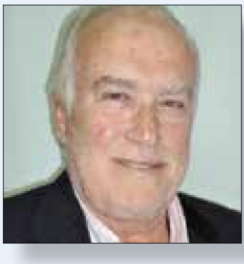
FCI continues to build bridges with the other like-minded organisations to promote international factoring. In this connection, we have organised conferences and workshops with the following organisations:

Organisation	Activities
IFC	APEC finance minister – Manila
	Workshop on factoring – Ho Chi Minh City
	International factoring conference – Ho Chi Minh City
	Workshop on factoring – Hangzhou
CFEC	Seminar on factoring – Hong Kong
ICC-Bangladesh	Workshop for international factoring
EBRD	International factoring seminar – Ulaanbaatar
FA* in China	Factoring seminar – Shenzhen
BAFT	Indonesia Trade Finance workshop – Jakarta
GTR	Institutional partner for their seminar in Asia

The ensuing period will be more challenging as some major countries continue to experience slowdown in growth. Nonetheless, with active collaboration with international trade organisations as well as finding new growth areas, Asia will continue to be the key region in global factoring.

(*) Factoring Associations in China

Latin America's Stabilisation



By Alberto Wyderka, FCI Latin America Chapter Director

Regional Trade flows

Intra-regional trade during 2015 was erratic, dropping during the last quarter, a reduction that continued in the first Q 2016 but stabilised in April 2016. However, volumes are lower than those reached in 2013.

This lack of dynamism in intra-regional trade was determined, at least partially, by the marked slowdown in Regional economic activity. While in 2010 Regional GDP expanded 6%, in 2014 the expansion was 1.2% and in 2015 was about –0.2%.

Extraregional trade experienced the same behaviour. April 2016 was also a turning point, where the Regional exports to the world grew 0.1%, showing some stabilisation but at a level well below that reached in mid-2014 (–14.6%).

Regional exports have been negatively affected by the slowdown in the global economy, whose growth rate lowered from 5.2% in the 2nd Q of 2010 to 3.3% in last Q of 2015. In the same period the Chinese economy slowed from 10.3% to 6.8%.

Meanwhile, global imports of the Region recorded a slight rise in April this year (0.2%), after a twenty-month slump.

Within the Central American Region & Caribbean in particular, the intra-regional trade in goods has shown very dynamic behavior. The trade bloc formed by the United States, Mexico and Canada, members of the North American Free Trade Agreement (NAFTA) has been the main trading partner of the Central America Sub-Region.

The European Union has had an important role in the trade of the Central America sub-Region & Caribbean, purchasing 13.4% all Central American exports and selling 7.8% of all imports.

In short, after a period of sharp contraction, Regional trade flows, both intra-regional and global have begun to show signs of stabilisation. In the case of exports the signal is clearer, while intra-regional trade and in global imports is a more recent development, and we should wait a few months to confirm this trend.

This picture indicates that the international factoring business in LA & Caribbeans will create intra-regional business opportunities as well as with the rest of the world. We can expect a growth of Regional volumes for 2016, part of which should influence the industry in the rest of the world.

Source: ALADI and CARICOM.

The industry in general

LA & Caribbean is one of the richest regions in the world, with enormous opportunities and economic growth. This environment supports expansion of domestic and international factoring, invoice discounting and SCF as tools for financing and risk mitigation. Nevertheless it is still a virgin region in the use of these tools. Why?

- Limited knowledge and availability of domestic factoring.
- The lack of a legal framework or specific law in some countries.
- Bank Risk Managers are often confused by the concept.
- Regulators generally have only a vague idea of the product and as a result don't support it.

Domestic Factoring

Due to closer Governments tax controls, there is a general regional trend to secure electronic invoicing; this combined with the availability of e-factoring platforms is strongly influencing the growth of domestic factoring business.

This situation combined with the introductions of specific laws for financing invoices has fueled the domestic industry, lowering the risks in the process.

International Factoring

Knowledge and experience of domestic factoring together with a supportive legal and foreign exchange regulation environment helps build international factoring capability. This exists to different degrees and while there are some opportunities for these to be improved, Latin America & Caribbean is still a region with a huge growth opportunity for the service.

Both importers and exporters need a secure solution within which developing their businesses; the economic growth in Latin America as well as the growth of the intra-regional and global trade needs support. These facts are increasingly perceived by both banks and finance companies.

Currently, FCI is present in 17 countries of the Region: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Netherland Antilles, Nicaragua, Panama, Perú, Trinidad & Tobago and Uruguay, which means an expansion of 6 countries compared to 2014, and 36 members, 6 of them as the result of the Union.

Africa's Developments

By Mrs. Kanayo Awani, FCI African Chapter Chairman, Managing Director, Intra-African Trade Initiative, African Export-Import Bank

In the current year, we noted important strides and a strong momentum in the development and promotion of factoring in Africa that saw not only the increase in factoring activities but also the emergence of factoring companies as well as heightened interest from regulators and law makers. We also saw a shift in the focus of international factoring organisations from the more established factoring jurisdictions to Africa. The African Export Import Bank (Afreximbank or the Bank) remained a major champion and facilitator of a number of initiatives in this direction placing strong focus on making factoring a strategic priority, building on its activities in the past years and backing it as an alternative instrument to traditional commercial loans in the support and financing of small and medium-sized enterprises (SMEs). The Bank has anchored its support on an approach that exposes African factors to the international factoring market and that influences the creation of a favourable environment for factoring in Africa and in the current year, it is worthy to mention that it made significant strides in this regard through a soon to be launched Factoring Model Law which African countries can directly implement as local law or draw guidance in implementing theirs. The Bank had identified one of the impediments to the roll-out of factoring in Africa as the absence of facilitative legal and regulatory environments.

Current State of Factoring in Africa

Of the 54 African countries, factoring was significant only in 5, namely Egypt, Mauritius, Morocco, South Africa and Tunisia but positively, a number of small sized factoring companies are emerging across the continent, particularly in Cameroon, Ghana, Kenya, Mauritania, Nigeria, Senegal and Zimbabwe. We expect a doubling of Africa's factoring volume over the next decade, with factoring business reaching US$50 billion by 2025.

Specifically the sectors that will drive projected growth are:

- Light manufactures and semi-manufactures in addition to commodities processing in support of growing intra-African trade earlier mentioned.

- Telecommunication Services as a result of a rapid growth of this sector and the tendency of telecom companies to outsource key services, e.g. cell sites, etc.

- Travels, Tourism and Retail sectors drawing from the rapid growth of the middle class.

- An increase in non-traditional export sector to be driven by a larger share of Southern Africa's trade

- Agribusiness due to Africa's rise as a major centre for contract farming and as most African countries look to fostering exports diversification.

Opportunities for Factoring

- The growth of intra-African Trade and the growing need for Factors to handle cross border trade. For instance, Egypt's factoring business grew by over 20% in 2015 from about $400 million in 2014. Trade between Egypt and the rest of Africa has also been growing rapidly from deliberate government strategies and some of the requests we have experienced are on the need for import factors to support the trade and provide collection services. By the Bank working with Partners, the goal is to expand intra-African trade by a minimum of 50% from its current level of about US$170 billion and by so doing ensure that intra-African trade share of Africa's total trade reaches 22% from the current 15% by 2021.

- The current economic difficulties and foreign currency challenges in most African countries and the need to diversify exports and sources of foreign currency revenues including various industrialisation programmes undergoing implementation not only provide opportunities for supply chain financing and factorable transactions but also requires encouraging Open Accounts trade terms which are more relaxed than Letters of Credit especially in the context of limited correspondent banking lines available for Africa.

The Role of Afreximbank

The Bank remains influential and has continued to, among others:

- Pursue its educational activities and factoring promotion campaigns.

- Progress work on creating enabling environments through the development of a model law on factoring and organisation of sensitisation seminars on the law.

The Reasons for the Union

Perhaps the most seismic shift in the representation of our Industry took place at the beginning on 2016 with the union of FCI and IFG. To recognise this ground-breaking occasion, John Brehcist (JB), Advocacy Director, spoke with some of the key actors who were involved in making this change happen, to seek their views and hear their expectations for the future.

JB: Having 400 members in 90 countries brings real scale and depth to the new Organisation; it also brings opportunities and challenges. What do you see as the single greatest benefit of the Union? What does it enable us to do now that we could not do before?

Michel Leblanc, *Chairman FCI (ML):* The Union brings and gives credibility to FCI and the industry in general. Now we can talk with a stronger voice with world economic actors like ICC and EBRD.

Margrith Lutschg-Emmenegger, *ex-Chairman IFG (MLE)* agrees: Talking to counterparties of one organisation and not wasting time to explain why there are two!

Erik Timmermans, *Deputy Secretary General FCI (ET)* reinforced the point: The Union between FCI and IFG has made it possible to speak for the Factoring Industry with one Voice all over the world. Factoring plays an important role in the financing of open account trade and offers a solution to small, medium sized and also larger corporates. FCI now has full relevance to spread this important message and to create more awareness for this vital financial service.

Peter Mulroy, *Secretary General FCI (PM)* follows this up:
In my mind, the single greatest benefit of the union is to allow one point of contact for the industry as a whole. There has always been confusion in the past as to why there were two industry associations, especially from government officials, central and development bankers, our industry peers, and other NGOs.

We are already reaping the benefits of the Union, from a reduction in redundant costs, increased resources that can better tackle the needs of the industry, and together a vast increase in our country demographic and membership.

Patrick de Villepin, *Global Head of Factoring, BNP Paribas (PdV):* The Union is very powerful; the greatest benefit should be seen in image & recognition. Being able to "Act as one" authorises FCI to speak with one voice as the representative of the whole business worldwide. The benefits are not only in terms of quantitative growth and increased budget opportunities.

Peter de Koning, *Director of Strategy ABN Amro ComFin (PdK):* Today, financial markets are going through their biggest change in history. Political tension, digital revolution, changing client demand and regulatory pressure are driving this change. The union of FCI and IFG into FCI+ is our answer to the complex environment.

Daniela Bonzanini, *Chairman FCI Education Committee (DB)*, sums up the view: Having one organisation fully concentrated on a common goal is the great benefit. Confusion in the market has been eliminated. FCI+ has the opportunity to develop more business, and its influence on different organisations and regulators worldwide is much stronger.

JB: What do you see as the greatest opportunities? How do we leverage the Organisation's capabilities to take advantage of and maximise these opportunities?

MLE: Working together actively we have increased resources to improve education and increase awareness

ET: With more members in more countries who are now all on the same two-factor platform, there are huge opportunities to develop and strengthen safe cross-border factoring transactions. With a global reach and regional presence, the Union is capable of developing a pro-active advocacy programme; it is crucial for the Factoring Industry to have its voice heard and to make sure that regulation is adapted to the specific needs of this efficient risk management Industry. FCI+ is the centre of knowledge for factoring worldwide; our education

From left to right:
Michel Leblanc
Margrith Lutschg – Emmenegger
Erik Timmermans
Peter Mulroy

programmes have the possibility to become even more of a standard for the industry.

ML: I also see an additional major opportunity; with this Union and a greater number of members on four continents, we certainly can better promote and deploy our five pillars: Education, Rules, Communication System, Advocacy and Networking.

PM: The ability to raise awareness that the industry represents the safest and most secure means of financing to SMEs around the world. Regulators, central bankers and government officials around the world have come to recognise that factoring and receivables finance is the safest means to finance trade, and as such is afforded a much enhanced capital reserve requirement under the Basel guidelines. The Union between FCI and IFG allows us to preach this important story with enhanced global resources.

PdV: To me the union signifies moving from a pioneer phase to a maturity phase; opportunities should be great in terms of turnover expansion and business development. If we work to promote together Factoring & Invoice finance as a secured way of financing companies, then we will find great interest and success in return.

To leverage the Organisation's capabilities to take advantage and maximise these opportunities, we need to have small and efficient headquarters as well as strong local Chapters in four continents: Europe, Asia, America & Africa. Being in a dangerous changing world, we also need to tackle Compliance issues within a very risk aware Compliance Committee.

JB: The global economic and political environment is in a state of flux; with performance so tightly linked to sentiment, what can FCI+ do to support its members through what may be very challenging times?

ET: Whilst we cannot influence the external environment, which indeed is rather challenging both economically and politically, we can give tools to our members to be better armed. By supporting and improving a reliable two-factor business platform, we offer our members additional business opportunities in import and export. By delivering best-in-class educational programmes, we offer our members the possibility to improve their skills and their competitiveness. By influencing the legal and regulatory environment for factoring, we can help our members in doing business in an easier and more cost-effective way.

ML: And I would reinforce that with our Networking in more than 90 countries spread out on 4 continents with more than 400 members we can certainly bring business opportunities to our members.

DB: The latest period has been very challenging and volatile and improvements are unlikely in the coming months. In a difficult environment, having skilled and educated people can make the difference. FCI+ has decided to invest in education, new educational strategies have been recently approved by the Executive Committee to expand the scope of factoring education through delivering a state of the art education programme.

MLE: Yes, and for example we can organise networking events that include informative lecturers and support the promotion of the product with potential clients.

PdK: Today, financial markets are going through their biggest change in history. Political tension, digital revolution, changing client demand and regulatory pressure are driving this change. The shift from trading by people towards trading by computers forces new business and operating models. To keep track the financial industry needs to invest in technology and people. FCI+ gives them access to relevant information, training, guidance and lobbying in each part of the globe.

PdV: For the future, FCI+ and its members will surely live in challenging times: terrorism, its impact on economic environment, new crises of any kind, digital disruptions, Brexit & EU evolutions... Some could have negative effects, but others could be positive and lead to new opportunities. Promoting a clear and new vision of our industry (secured, transparent & compliant) would greatly help to differentiate ourselves from

From left to right:
Patrick de Villepin
Peter de Koning
Daniela Bonzanini
John Brehcist

short term loans & plain vanilla products sold by the Banks. We are different in vision, strategy and day-to-day business.

JB: How can we equally effectively meet the needs of a near start-up business in an emerging market and those of a global leader in a developed market?

DB: Definitely, the needs of small companies investing in emerging markets totally differ from the ones of large banks operating in developed markets. The former need support to spread the knowledge of factoring at different levels: stakeholders, financial institutions, regulators and clients, the latter will benefit from more sophisticated products and the statistics about the industry. For this reason, we are rethinking the organisation to get closer to members through education, and the delivery of joint events thanks also to the presence of the Chapter Directors locally. The goal is to establish a partnership with the members aimed at building the future together.

PM: FCI has educated over 10,000 students over the past decade, all under FCI's proprietary education system, so they all are speaking from the same book, and can provide factoring services to SMEs and large corporates alike, whether they are based in developing or developed markets.

ET: The combined resources of the Union make it possible to think global and act local. This means that we can for instance focus on improving the factoring environment in the mature EU markets (primarily though our division, the EUF) and at the same time focus on the regional development in more emerging markets in Asia, Africa or Latin America. More segmentation in our services and value propositions towards big global banks and more local independent players will also be an important aspect in the future.

ML: Furthermore, our members based in the mature markets can certainly play a role of ''mentor or educator'' with the ones coming from the emerging markets.

PdV: Such a challenge is feasible and doable if we prove our capability to network more together in order to understand better product types & clients' needs of any kind: from SMEs to midcaps and large corporates, from innovative start-ups to conservative mature players. Open account through our new FCI+ will definitely need to be more precise in the type of products we want to accept and promote within the Chain.

JB: What are your long term goals? How do you see the Union in five years' time?

ET: There many opportunities for developing our membership and services, but this will require a permanent focus on the creation of more membership value for a similar or a lower cost. We can't copy-paste exactly the same things we have done in the past. Adapting our offer to different regions and different types of members will be key to future success. As will adapting our offer to a world in which cost savings and compliance issues

Brooklyn Bridge, New York City, USA.

are a permanent concern for our members. We will have to develop smart networking solutions, both through a regional approach and by using more technology.

PM: FCI+ wants to build an even larger network of high quality banks and privately held companies dedicated to the growth of factoring and RF around the world. We can easily see FCI+ having more than 600 members in over 100 countries in the next five years, rivaling other global associations in membership.

DB: I expect to see that the large majority of active factoring companies will become members of FCI+, recognising it as the highest authority in the factoring industry able to guarantee the strong support they need to make their business grow.

MLE: I do hope that the Union will also be a well-known leading force in the Supply Chain Finance industry

PdV: Long term goals are clear: to transform FCI in a best in class "Open account" worldwide Chain for receivables and payables, unique compared to short term financing (partly replacing Bank short term loans and plain vanilla in terms of security and efficiency) & unique compared to Trade finance (replacing Letters of Credit).

In five years' time, the Union could lead to new ways of cooperation between members. Instead of having a quantitative approach, the Chain should have a qualitative ambition in terms of client satisfaction: clear products, swift answers, digital innovations... FCI should evolve as a responsible financial institution, respectful of social environment, with a good image.

PdK: The union of FCI and IFG into FCI+ is our answer to the complex environment. FCI+ will have the capacity to review new opportunities and make it possible to invest in first class training, technology and compliance techniques. FCI+ will be the business network to meet global and local industry leaders, policy makers and relevant stakeholders, share best industry practices and to obtain first class education.

JB: Thanks to all of you for these insights; and now, the last word goes to the Chairman:

ML: My long term goals are to bring and maintain FCI+ at the same level of recognition with other international trade players like ICC, SWIFT and others. I would like the world to see FCI+ as the key player in Open Account Receivables Finance, based on 1) its strong Education programme and probably with its academy with satellites in universities and business schools around the world. 2) the large range of its networking (in all the continents), because of its various associations with other key players. The biggest challenge will be to make sure rules of all kind regarding Open Account Trade Finance be initiated and led by FCI+; here I am thinking about Compliance and Accounting rules for the industry. And in order to reach those long term goals we will need clear vision and discipline among ourselves.

FCI Expressed in Figures

By Harry Biletta, FCI Planning and Development Director

The growth of the factoring volume which had showed a constant upward trend over the past years has apparently stopped and the 2015 figures reported indicate that the numbers differ very little from those of 2014: 2,373 billion euro versus 2,347. The same can be said for the Domestic and International volumes which maintained their proportions of 78% and 22%.

Total Factoring Volume 2009–2015

in millions of Euros

	2009	2010	2011	2012	2013	2014	2015	Variation 2014/2015
World Domestic Factoring	1,118, 100	1,402,331	1,750,899	1,779,785	1,827,680	1,857,410	**1,842,814**	–1%
World International Factoring	165,459	245,898	264,108	352,446	402,798	490,114	**530,189**	8%
World Total	**1,283,559**	**1,648,229**	**2,015,007**	**2,132,231**	**2,230,477**	**2,347,513**	**2,373,003**	**1%**

In spite of this, the compound annual growth rate over the last 5 years shows a figure still over 7.5%.

2010–2015 CAGR

in millions of Euros

	2010	2015	5 year CAGR
World Domestic Factoring	1,402,331	1,842,814	6%
World International Factoring	245,898	530,189	17%
World Total	**1,648,229**	**2,373,003**	**8%**

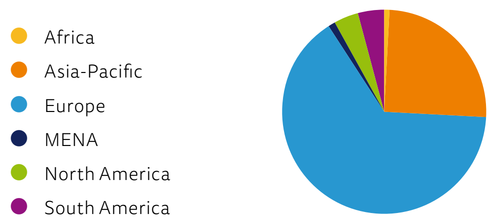
The volumes of business handled by the Members of FCI followed the industry trend the slowdown in figures mainly attributable to the sharp decrease in factoring volumes out of Asia. The entire Asia region declined in 2015, all affected in part from the contagion effect stemming from the slowdown in China and the overall effect from the slowdown continues to be felt going into 2016. The impact of a slowing economy, including lower commodity prices, a slowdown in cross border trade (exports declined 1.8% and Imports declined 13% in China), and a declining retail sector ultimately resulted in an increase in commercial risk, resulting in a more conservative financing measures, adversely impacting SMEs in China especially from the four largest state banks.

As far as share of the FCI volume is concerned, Europe still maintains its leading position at 66% with a slightly larger figure – 1,557 billion euro – which makes up for the Asian drop to 25% , North America and South America both remaining stable around 4%, Africa also dropping to just over 0.5%

Global Factoring Volumes by Region

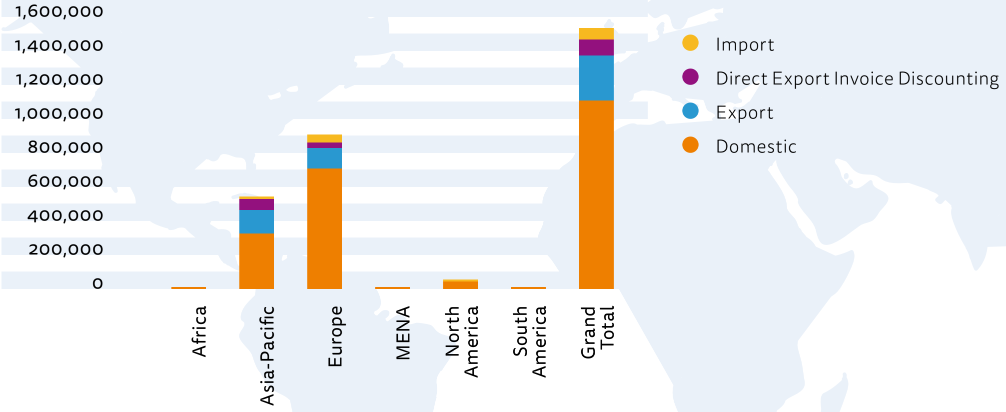
in millions of Euros

Continent	2014	2015	Share
Africa	16,104	13,487	0.57%
Asia-Pacific	648,711	596,513	25.14%
Europe	1,449,467	1,557,202	65.62%
MENA	13,426	11,627	0.49%
North America	103,501	100,530	4.24%
South America	103,124	93,644	3.95%
Grand Total	**2,334,333**	**2,373,003**	



FCI Members 2015 volume breakdown by continent

in millions of Euros



The breakdown by product confirmed the shares of previous year with the exception of the "with" and "without recourse" domestic factoring where we notice a shift towards the latter.

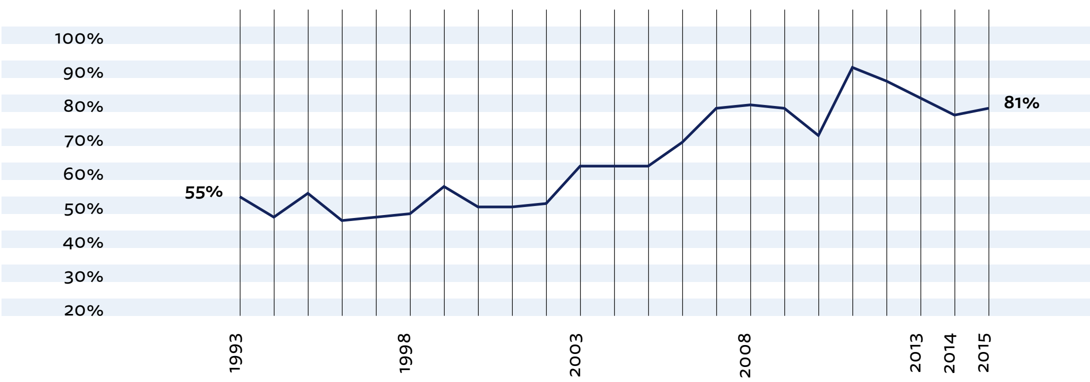
Accumulative FCI Factoring Turnover

in millions of Euros

	2009	2010	2011	2012	2013	2014	2015	Variation 2014/2015
Invoice Discounting	197,993	204,527	279,113	302,030	330,518	299,930	310,313	3%
Recourse Factoring	159,037	234,889	267,523	306,187	339,644	356,058	301,948	–15%
Non-Recourse Factoring	242,444	283,198	331,257	352,353	344,863	372,115	434,456	17%
Collections	23,806	23,394	26,018	27,786	31,399	40,123	57,725	44%
Total Domestic	**623,280**	**746,008**	**903,912**	**988,529**	**1,046,425**	**1,068,226**	**1,104,441**	**3%**
Export Factoring	75,654	126,032	162,972	192,573	219,285	242,472	264,008	9%
Import Factoring	17,626	23,584	30,943	36,707	50,481	54,081	66,997	24%
Export Invoice Discounting	40,353	29,818	51,069	85,163	87,447	89,025	96,871	9%
Total International	**133,633**	**179,434**	**244,983**	**314,442**	**357,213**	**385,579**	**427,876**	**11%**
Grand Total FCI	**756,913**	**925,442**	**1,148,895**	**1,302,971**	**1,403,638**	**1,453,804**	**1,532,317**	**5%**

Figures for International Factoring also show an increase in the offer of credit protection in the direct business, with a subsequent decrease of cross border two factor business, more noticeable in Import Factoring.
Several indicators lead to questioning how much of this "direct import" refers to reverse factoring or confirming, but the answer to this is not known at this stage. The interest of many players in the various facets of Supply Chain Finance is growing fast and this leads to believe that indeed the future will bring with it not merely remarkable increase in volumes, but also refined products and more tailor made to suite the national needs.

FCI's Share of World International Cross Border Factoring



Global Industry Activity Report for 2015

By John Brehcist, FCI Advocacy Director

The FCI Global Industry Annual Report GIAR for 2015 has now been completed and it builds upon the annual work done early in the year to collate information on country turnovers.

As well as looking at the quantitative aspects of the industry, this survey (which was first run in IFG in 2009) looks at some of the qualitative aspects of the Industry and considers the general sentiment of its key participants.

But first let's look at some of the numbers that it highlights.

The 79 countries involved in the survey represent around 93% of global GDP.

Detailed responses were received from a range of countries representing both large and small, mature and emerging markets; the combined turnovers of the respondents represent around 75% of the global Industry total turnover and so the results can be considered highly representative of the worldwide picture.

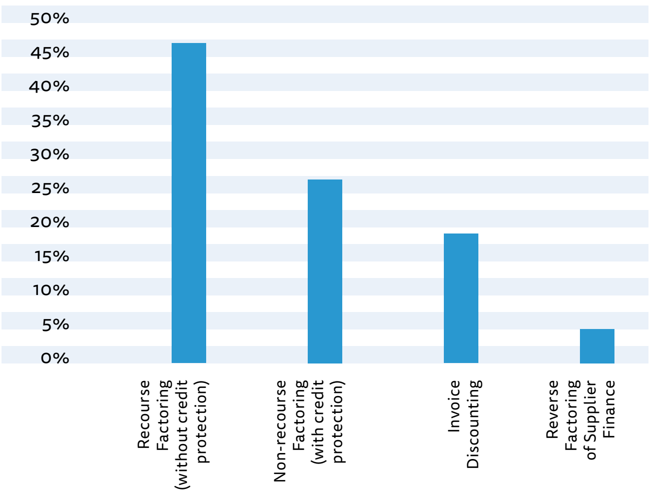
That said, the infrastructure in various countries to collect and analyse data varies, and so too the levels of detail that individual markets are able to provide. There is still a need for better information. However, to meet this challenge, we can use appropriate statistical techniques to help inform where information is either limited or it is not possible to acquire directly.

Let's look at some of this key information and how we have collated it.

Adomi Bridge, Atimpoku, Ghana.

Product analysis information was received which indicates that the main product solutions continue to be:

Product Market Distribution



Of course this is the overall picture and the relative proportions in individual countries varies and reflects the local market conditions, legal and regulatory environments. For example, many countries do not record any reverse factoring type business but for Spain it represents half the market.

Where reported, the proportion of Export Factoring was given as a mean 16% of individual country turnover and Import Factoring 3% by country – so a typical country would present these levels – but in terms of absolute value the totals were around 21% and 4% of the global volume respectively.

Annual Reported turnover of €2.37 trillion represents 3.8% of the sum of the GDP of countries where there is a factoring industry and 3.5% of total global GDP. The most developed region is the EU 28 where the average GDP penetration is now over 10%.

Advances against invoices were estimated to be over €360 billion at the end of the year – this figure is drawn from actual reported advances where they are available and from imputed average days outstanding calculations.

Client numbers are estimated to have reached around 570,000; again this figure is derived from actual reported numbers and average turnover per client ratios for developing and mature markets.

Debtor numbers are estimated to be around 18 million. This figure is derived from the actual numbers reported and imputation from the median of actual debtor number to turnover ratios.

Employee numbers are estimated to be around 56,000. This figure is derived by looking at the actual client to staff ratios in both emerging and developed markets where known and applying these on a mean basis to the countries where staff data is not currently available.

The total number of companies active in the Industry is estimated at around 2,500. This figure is lower than was reported in 2014 and reflects the exclusion of micro spot factors in Brazil, USA and the revision of provider numbers in China. It is derived from actuals and turnover per client averages for developed and emerging markets.

Client turnover per employee appears to have remained relatively constant at a global average of around €42,000, with average turnover per client around €4 million, placing the factoring service squarely in the SME market place.

Global average productivity appears to have remained relatively constant with an average of just over ten clients per employee.

Asset Based Lending advances totalling €91 billion were reported from five countries, with still far and away the largest market being the USA, representing €80 billion of this total.

The Industry continues to demonstrate a high level of concentration. Where the figures are available, the top five concentration ratio (CR5) is 82% of the market. Bank divisions represent 40%, bank owned subsidiaries 25% and Independents 18% respectively.

Thirty-two new operations were reported in 2015; of these, 14 were set up as bank divisions, 2 as bank subsidiaries and 16 as independents. So whilst it is clear from the concentration ratios that the overall market is dominated by banks, these figures again suggest the independent sector continues to punch above its weight in start-ups and innovation.

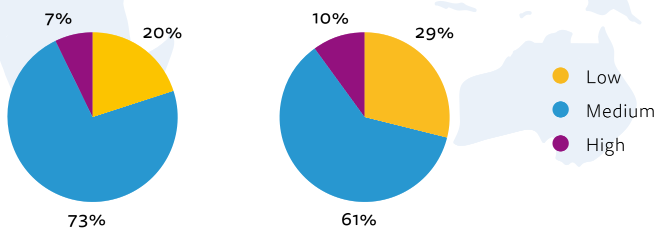
Let's now move on from the quantitative analysis and look additionally at some of the qualitative sentiment highlights measured by the GIAR survey.

Each year we ask respondents to give their view on the status and direction of the Industry in their own country.

Awareness and Acceptance levels show that in general there remains considerable opportunity to build and develop the impact of the Industry:

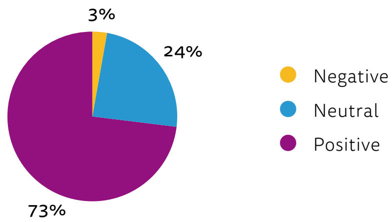
Awareness Level

Acceptance Level



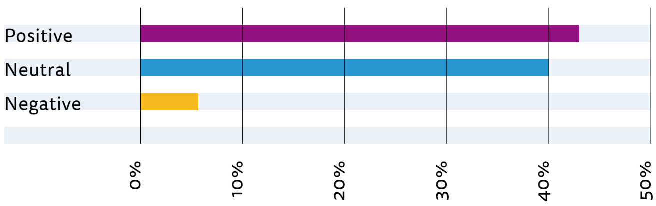
At the same time respondents demonstrate that there is significant confidence and optimism amongst providers that the Industry has the capacity to continue to grow its role in supporting the real economy on a global scale:

Industry Development Outlook

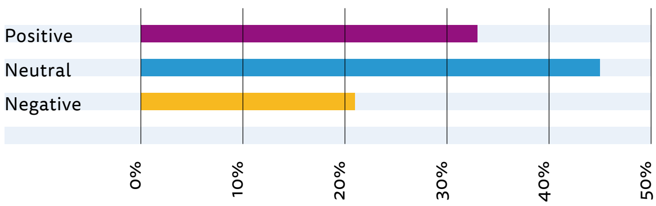


From an internal Industry perspective, the responses suggest that markets are highly competitive, with both turnover and profitability expectations reflecting this reality:

Turnover Level Outlook

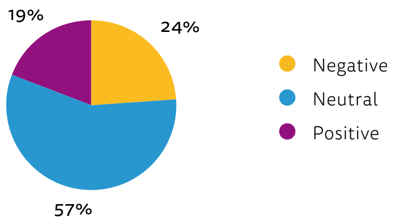


Profitability Level Outlook

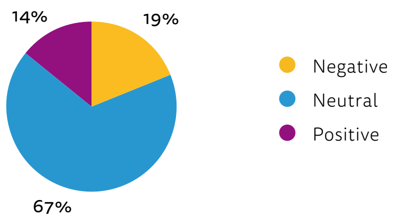


Respondents were asked about their perceptions of risk in their markets; the answers indicate a generally neutral or positive position regarding the buyer/debtor (81%) risks and seller/client (76%) risks that they face:

Client Risk Outlook

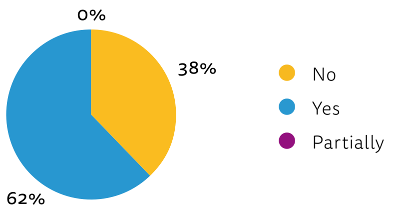


Debtor Risk Outlook

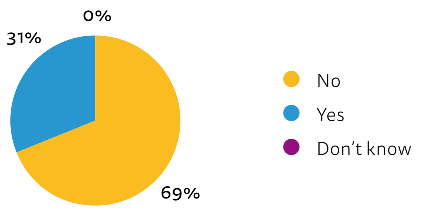


Over recent years there has been an increasing focus on legal and regulatory environments. Respondents were asked to report on the legal status of the Industry in their country. For those that answered, in the majority of them factoring is subject to regulation but only in a minority is there a specific factoring law:

Is Factoring regulated?

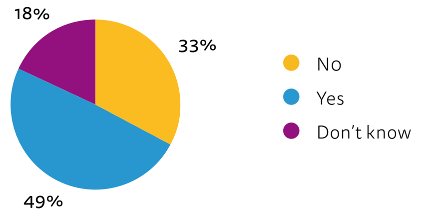


Is there a specific Factoring Law?



Where no law was reported, almost half of the respondents believed that a factoring law would be desirable:

Is a Factoring Law desirable?



So what does all this research tell us? It's clear that for the factoring Industry that awareness, impact, penetration, prospects, regulation and law are not homogenous across countries and markets. And it's also true that the infrastructure for markets to collate their analytical information can be developed further.

The opportunity for FCI to continue to work with members and stakeholders through its Committees and Chapters locally and globally to enhance knowledge, opportunity and capability is demonstrated by these survey results. They provide the observer a real window of insight into the growing success that is the Global Factoring Industry.

Note for the 2 following pages on volume

(*) no feedback received – used same figure as last year.

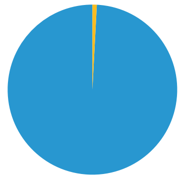
(**) For South Africa we have for the first time had access to the official market figures and for sake of accuracy we have exceptionally corrected all figures from 2010 using the exchange rate as at 31/12 of the pertaining year.

Factoring Turnover by Country in 2015

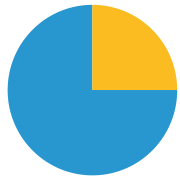
in millions of Euros

Country	Domestic	International	Total	Companies
Kenya	193	22	215	3
Mauritius	225	10	235	2
South Africa	12,965	72	13,037	15
Africa Total	**13,383**	**104**	**13,487**	**20**
Australia	41,751	10	41,761	15
China	226,600	126,279	352,879	
Hong Kong	7,703	25,722	33,425	17
India	2,500	1,200	3,700	10
Indonesia	680	2	682	2
Japan	53,129	1,055	54,184	4
Korea	7,790	5,304	13,094	19
Malaysia	100	230	330	3
Singapore	22,200	16,700	38,900	9
Sri Lanka	100	16	116	1
Taiwan	13,410	39,283	52,693	22
Thailand	4,367	48	4,414	16
Vietnam	50	285	335	3
Asia-Pacific Total	**380,380**	**216,134**	**596,513**	**121**
Armenia	55	20	75	6
Austria	12,754	5,510	18,264	4
Azerbaijan	13	-	13	1
Belarus	130	190	320	5
Belgium	35,881	25,288	61,169	5
Bulgaria	1,456	364	1,820	7
Croatia	2,787	98	2,885	15
Cyprus	2,400	14	2,414	2
Czech Republic	3,392	1,672	5,064	6
Denmark	6,596	6,010	12,606	8
Estonia (*)	1,729	281	2,010	4
Finland	18,000	5,095	23,095	5
France	180,745	67,448	248,193	12
Georgia	13	1	14	3
Germany	149,401	59,600	209,001	190
Greece	10,919	1,950	12,869	7
Hungary	3,455	324	3,779	18
Ireland	24,419	1,559	25,978	6
Italy	148,448	42,040	190,488	40
Kazakhstan	106		106	21
Latvia	651	216	867	6
Lithuania	1,450	1,700	3,150	7
Luxembourg (*)	331	8	339	1
Malta	70	205	275	2
Moldova	10	7	17	2
Netherlands	56,098	9,600	65,698	6
Norway	15,919	2,557	18,476	6
Poland	27,868	7,152	35,020	30
Portugal	19,921	3,000	22,921	12
Romania	2,903	748	3,651	18
Russia	23,086	246	23,332	59
Serbia	400	45	445	12
Slovakia (*)	621	415	1,036	5
Slovenia	202	127	329	3
Spain	98,798	16,422	115,220	18
Sweden	25,296	782	26,078	30
Switzerland (*)	3,760	72	3,832	6
Turkey	31,414	7,896	39,310	65
Ukraine	432	10	442	17
United Kingdom	351,950	24,651	376,601	49
Europe Total	**1,263,879**	**293,323**	**1,557,202**	**719**
Egypt	452	85	537	7
Israel	1,833	275	2,108	10
Lebanon	400	108	508	3
Morocco	2,603	105	2,708	5
Qatar (*)	62	-	62	1
Tunisia	337	17	354	2
United Arab Emirates	4,660	690	5,350	10
MENA Total	**10,347**	**1,280**	**11,627**	**38**
Canada	3,598	1,932	5,530	58
United States	80,000	15,000	95,000	120
North America Total	**83,598**	**16,932**	**100,530**	**178**
Argentina	1,519	32	1,551	5
Bolivia	27	17	44	1
Brazil	28,868	97	28,965	1118
Caribbean	45	-	45	10
Chile	21,300	1,000	22,300	70
Colombia	9,968	365	10,333	33
Costa Rica	2,709	1	2,710	25
Honduras	7	15	22	2
Mexico	18,904	387	19,291	18
Peru (*)	7,798	495	8,293	11
Uruguay	82	8	90	2
South America Total	**91,227**	**2,417**	**93,644**	**1295**
Grand Total	**1,842,814**	**530,189**	**2,373,003**	**2,371**

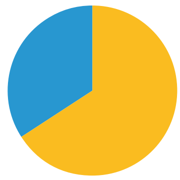
Total factoring volume



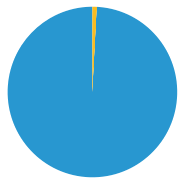
Africa 0,57%



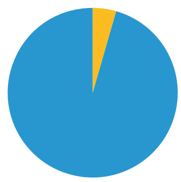
Asia-Pacific 25,14%



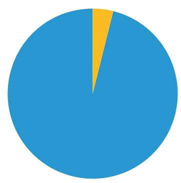
Europe 65,61%



MENA 0,5%



North America 4,24%



South America 3,95%

Total Factoring Volume by Country in the Last 7 Years

in millions of Euros

	2009	2010	2011	2012	2013	2014	2015	Var
Kenya							215	
Mauritius	121	125	127	128	145	206	235	14%
(**) South Africa	13,500	12,608	15,960	17,729	11,807	14,529	13,037	-10%
Africa Total	**13,621**	**12,733**	**16,087**	**17,857**	**11,952**	**14,735**	**13,487**	**-8%**
Australia	39,410	44,915	57,491	49,606	40,206	42,290	41,761	-1%
China	67,300	154,550	273,690	343,759	378,128	406,102	352,879	-13%
Hong Kong	8,079	14,400	17,388	29,344	32,250	30,800	33,425	9%
India	2,650	2,750	2,800	3,650	5,240	4,340	3,700	-15%
Indonesia			3	3	819	810	682	-16%
Japan	83,700	98,500	111,245	97,210	77,255	51,072	54,184	6%
Korea	2,937	5,079	8,087	8,000	12,343	12,713	13,094	3%
Malaysia	700	1,058	1,050	1,782	1,782	1,782	330	-81%
Singapore	4,700	5,800	6,670	8,670	9,970	37,840	38,900	3%
Sri Lanka						38	116	205%
Taiwan	33,800	67,000	79,800	70,000	73,000	56,680	52,693	-7%
Thailand	2,107	2,095	3,080	4,339	3,348	4,144	4,414	7%
Vietnam	95	65	67	61	100	100	335	235%
Asia-Pacific Total	**245,477**	**396,212**	**561,371**	**616,424**	**634,441**	**648,711**	**596,513**	**-8%**
(*) Estonia	1,000	1,227	1,164	1,877	1,899	2,010	2,010	0%
(*) Luxembourg	349	321	180	299	407	339	339	0%
(*) Slovakia	1,130	981	1,171	1,024	1,068	1,036	1,036	0%
(*) Switzerland	5,000	4,000	3,450	3,000	3,100	3,832	3,832	0%
Armenia	7	14	14	0	62	70	75	7%
Austria	6,630	8,307	8,986	10,969	14,110	16,400	18,264	11%
Azerbaijan							13	
Belarus							320	
Belgium	23,921	32,203	38,204	42,352	47,684	55,374	61,169	10%
Bulgaria	340	550	1,010	1,500	1,600	1,728	1,820	5%
Croatia	2,450	2,793	2,269	2,269	3,146	2,498	2,885	16%
Cyprus	3,350	3,450	3,758	3,350	2,823	2,671	2,414	-10%
Czech Republic	3,760	4,410	5,115	5,196	5,302	5,912	5,064	-14%
Denmark	7,100	8,000	9,160	8,800	8,932	10,463	12,606	20%
Finland	10,752	12,400	13,000	17,000	17,699	20,554	23,095	12%
France	128,182	153,252	174,580	186,494	200,459	226,598	248,193	10%
Georgia					0	5	14	180%
Germany	96,200	129,536	158,034	157,420	171,290	189,880	209,001	10%
Greece	12,300	14,715	14,731	12,761	12,094	13,017	12,869	-1%
Hungary	2,520	3,339	2,817	2,676	2,661	2,827	3,779	34%
Ireland	19,364	20,197	18,330	19,956	21,206	25,476	25,978	2%
Italy	124,250	143,745	175,182	181,878	178,002	183,004	190,488	4%
Kazakhstan							106	
Latvia	900	328	371	542	592	680	867	28%
Lithuania	1,755	1,540	2,134	2,488	2,763	5,550	3,150	-43%
Malta	105	136	200	240	178	296	275	-7%
Moldova						13	17	31%
Netherlands	30,000	35,000	46,000	50,000	52,000	53,378	65,698	23%
Norway	15,100	15,075	16,395	18,115	16,296	17,182	18,476	8%
Poland	12,000	16,210	17,900	24,510	31,588	33,497	35,020	5%
Portugal	17,711	20,756	27,879	22,948	22,303	21,404	22,921	7%
Romania	1,400	1,800	2,582	2,920	2,713	2,700	3,651	35%
Russia	8,580	12,163	21,174	35,176	41,960	29,170	23,332	-20%
Serbia	410	500	926	950	679	306	445	45%
Slovenia	650	650	550	650	626	563	329	-42%
Spain	104,222	112,909	122,125	124,036	116,546	112,976	115,220	2%
Sweden	18,760	18,760	29,259	33,149	30,544	28,290	26,078	-8%
Turkey	20,280	38,988	30,869	31,702	32,036	41,229	39,310	-5%
Ukraine	530	540	955	1,233	1,340	1,035	442	-57%
United Kingdom	195,613	226,243	268,080	291,200	308,096	350,622	376,601	7%
Europe Total	**876,621**	**1,045,038**	**1,218,554**	**1,298,680**	**1,353,804**	**1,462,585**	**1,557,202**	**6%**
(*) Qatar	23	23	75	75	88	62	62	0%
Egypt	110	200	200	220	450	435	537	23%
Israel	1,400	1,650	1,650	1,422	1,060	3,000	2,108	-30%
Lebanon	420	450	327	301	352	416	508	22%
Morocco	910	1,071	1,406	1,844	2,755	4,200	2,708	-36%
Tunisia	276	295	340	357	373	355	354	0%
United Arab Emirates	1,910	2,000	1,750	2,900	3,500	5,020	5,350	7%
MENA Total	**5,049**	**5,689**	**5,748**	**7,119**	**8,578**	**13,488**	**11,627**	**-14%**
Canada	3,250	3,723	5,284	7,100	5,680	5,831	5,530	-5%
United States	88,500	95,000	105,000	77,543	83,739	97,670	95,000	-3%
North America Total	**91,750**	**98,723**	**110,284**	**84,643**	**89,419**	**103,501**	**100,530**	**-3%**
(*) Peru	758	2,712	2,461	2,310	8,163	8,293	8,293	0%
Argentina	335	350	475	614	856	1,299	1,551	19%
Bolivia	18	18	35	35	31	22	44	100%
Brazil	29,640	49,050	45,623	43,627	31,552	31,782	28,965	-9%
Caribean							45	
Chile	14,500	16,422	21,500	24,000	25,500	24,850	22,300	-10%
Colombia	2,392	2,784	4,990	4,562	7,076	8,985	10,333	15%
Costa Rica		160	30	180	115	2,337	2,710	16%
Honduras							22	
Mexico	2,120	14,538	21,074	26,130	28,061	25,486	19,291	-24%
Uruguay				61	58	70	90	29%
South America Total	**49,763**	**86,034**	**96,188**	**101,519**	**101,412**	**103,124**	**93,644**	**-9%**
Total World	**1,282,281**	**1,644,429**	**2,008,231**	**2,126,242**	**2,199,605**	**2,346,143**	**2,373,003**	**1%**

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