

True Sale of Receivables



WHO IS THE PRODUCT FOR?

This product is for large/medium-sized businesses/companies, that wish to optimise their net financial debt, by using a financial instrument which allows them to derecognize their receivables in respect of IAS principles.



PRODUCT DESCRIPTION

UniCredit Factoring acquires trade receivables claimed by the assignor from some of its debtors. The sale of receivables enables the assignor to transfer to UniCredit Factoring the related risks and benefits, allowing the recognition of the receivables from its balance sheet pursuant to IFRS9 accounting standards.

The consideration of the receivables is usually determined through the discount formula, deducting from the consideration for the assignment the total amount of fees and interests.

On the debtor's request, UniCredit Factoring may grant an extension of the payment terms of the assigned receivables.



PRODUCT COSTS

The product foresees the following cost items:

- factoring fee related to the management of assigned receivables and the undertaking by UniCredit Factoring of the debtor's insolvency risk
- interest representing the financial cost of the transaction
- additional expenses

Should UniCredit Factoring grant to the debtor an extension of the original payment terms, specific costs will be charged to that debtor, without any additional costs on the assignor.

ADVANTAGES FOR THE ASSIGNOR

- Transfer to UniCredit Factoring of the risks and benefits related to the assigned receivables, with the possibility of derecognizing them in the balance sheet, benefiting from the consequent improvement of the financial ratios
- Optimisation and planning of treasury and cash flows
- Optimisation of working capital

ADVANTAGES FOR THE DEBTOR

- In the case of a deferred payment, the debtor benefits from an extension of the payment of its debts and can optimise and plan its treasury and cash flows, with the availability of a financial instrument in addition to bank loans

Solutions that matter.



Advertising message for promotional purposes.

For the contractual terms and conditions governing the UniCredit Factoring products described, please consult the "Fact Sheets" available online at www.unicreditfactoring.it. UniCredit Factoring S.p.A. reserves the right to assess creditworthiness for the purpose of concluding transactions.