
Coverholder at **LLOYD'S**

FCIB Webinar
Doing Business in Germany

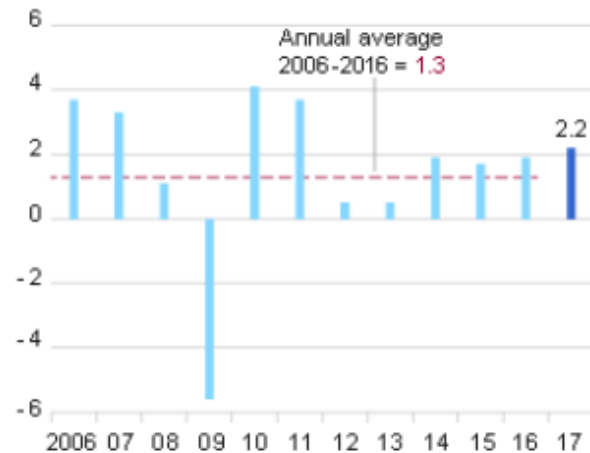
Antje Seiffert –Murphy, CFA

6 February 2018



- Economy and Outlook
- Insolvency statistics and average payment experience
- Where to find financial information
- Corporate structures
- Group structures

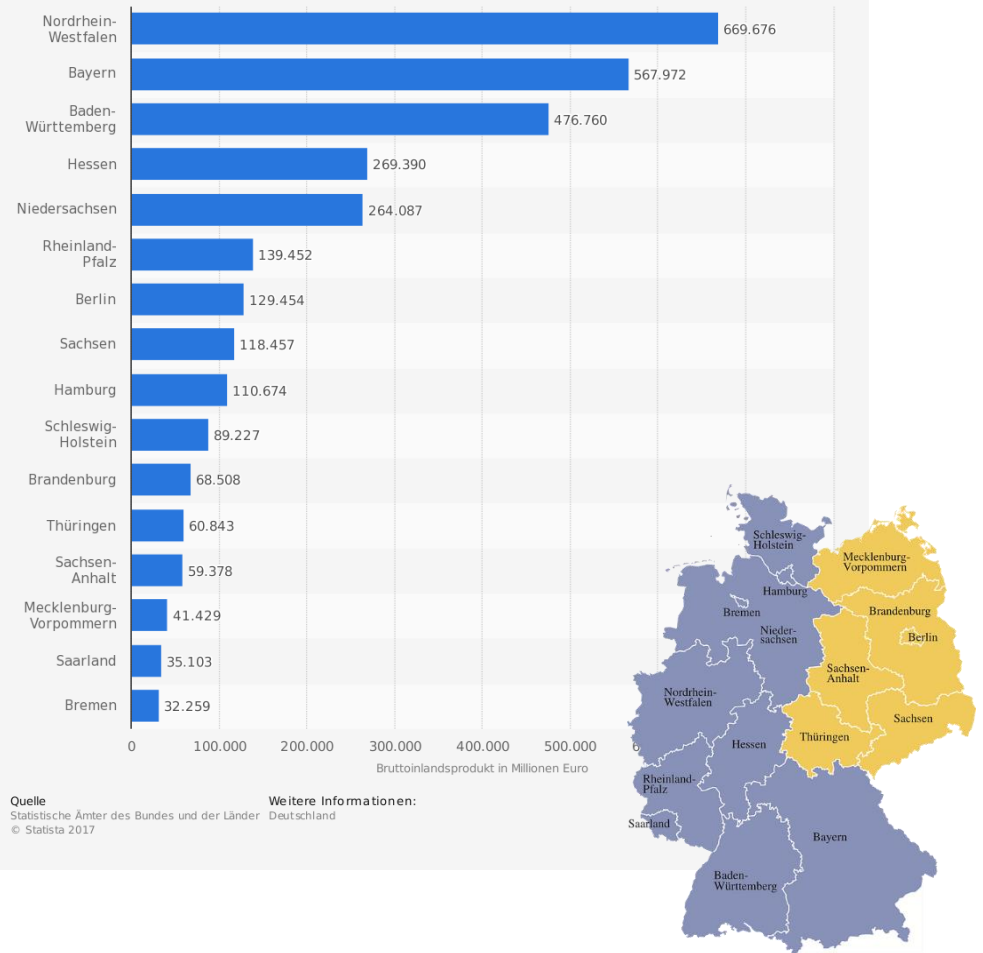
Gross domestic product, price-adjusted
Change on the previous year in %



© Statistisches Bundesamt (Destatis), 2018

OECD forecast GDP: 2.3% (2018) and 1.9% - 2019

Bruttoinlandsprodukt (BIP) in Deutschland nach Bundesländern im Jahr 2016 (in Millionen Euro)

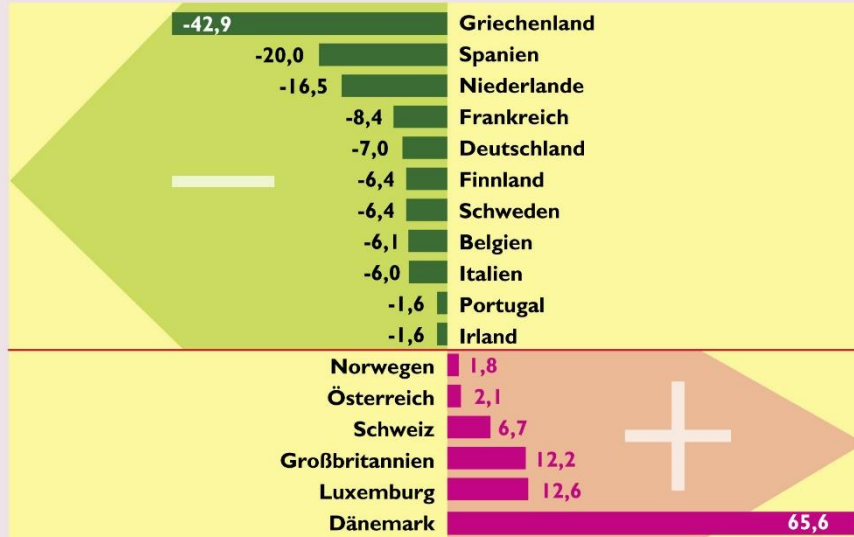


Quelle: Statistische Ämter des Bundes und der Länder Deutschland © Statista 2017

Weitere Informationen: Deutschland

Veränderungen Westeuropa

Veränderungen bei den Unternehmensinsolvenzen in Westeuropa 2015/16:



EU/2017/02

Angaben in Prozent

Quelle: **Creditreform**

Insolvenzquoten

Insolvenzquoten in Westeuropa 2016:



Insolvenzen je 10.000 Unternehmen	
Luxemburg	283
Dänemark	256
Schweiz	192
Belgien	140
Frankreich	138
Norwegen	123
Österreich	95
Schweden	82
Großbritannien	73
Portugal	71
Finnland	68
Deutschland	67
Irland	56
Italien	34
Niederlande	31
Spanien	12
Durchschnitt	70

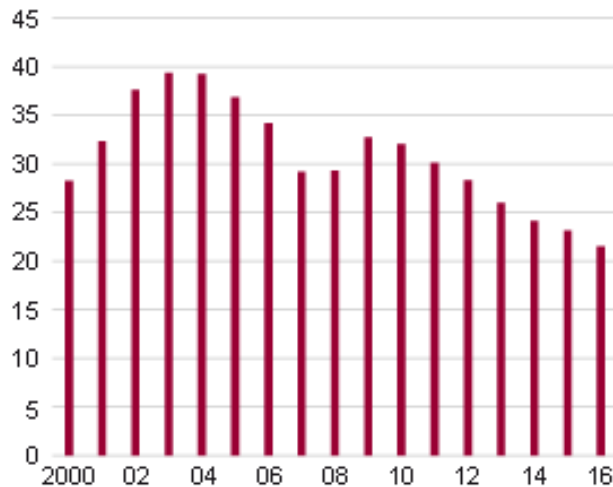
Quelle: Eurostat, eigene Berechnungen

EU/2017/03

Creditreform

Development of business insolvencies

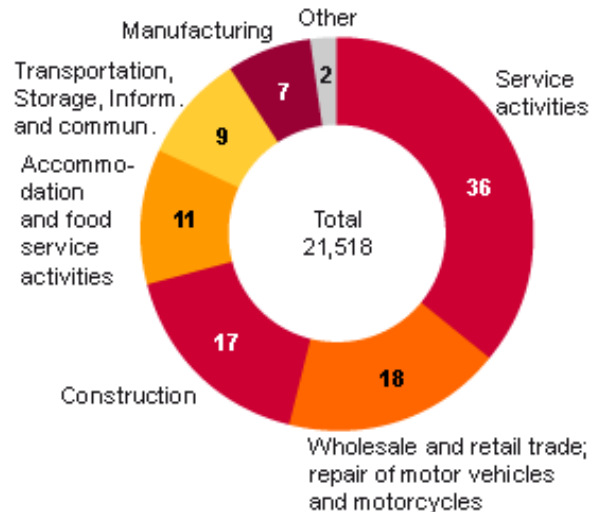
Number, in thousands



© Statistisches Bundesamt (Destatis), 2017

Business insolvencies 2016

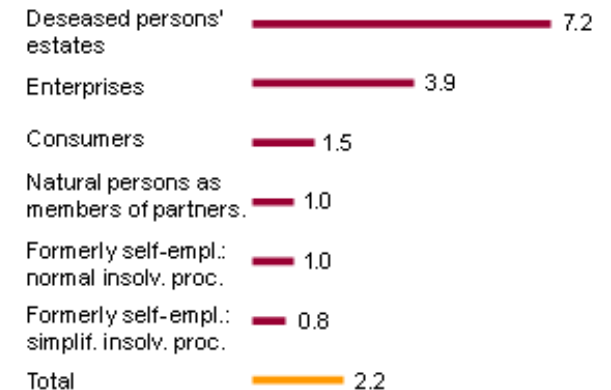
by branches of economic activities, in %



© Statistisches Bundesamt (Destatis), 2017

Coverage ratio in insolvency proceedings 2015

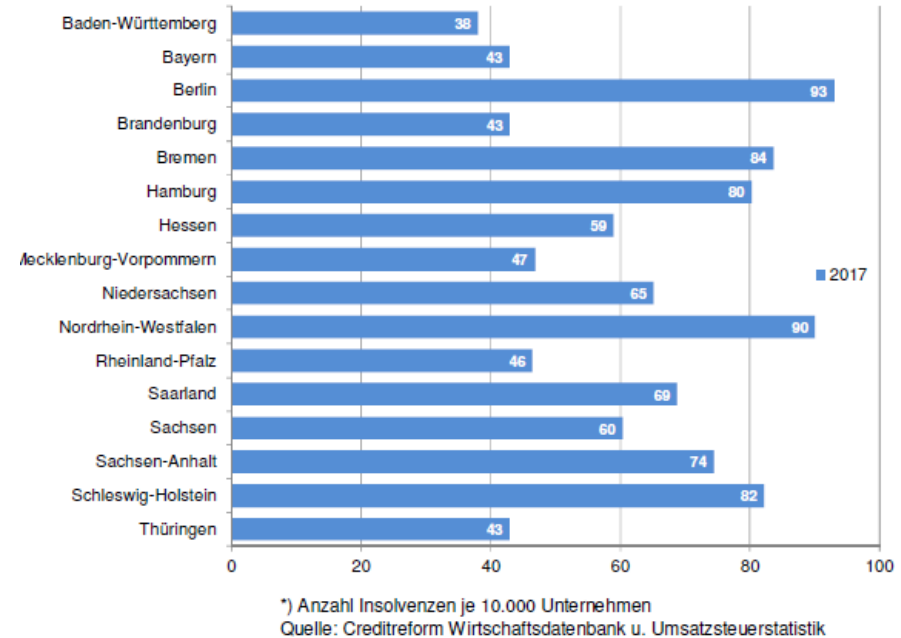
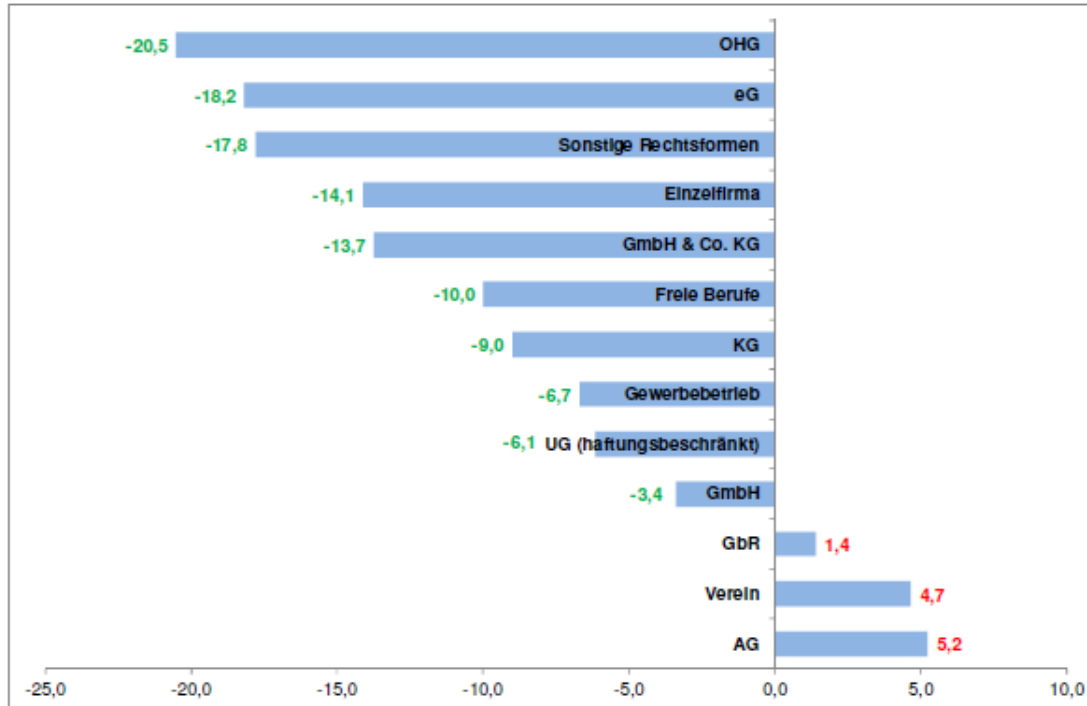
by type of debtor, %



Insolvencies opened in 2011, completed by 31 Dec 2015

© Statistisches Bundesamt (Destatis), 2017

- 2017: 20,200 no of insolvencies (-6.3%) projected by Creditreform
 - EUR 935,000 avg default
 - 55.8% of # of insolvencies related to companies up to 10 years old
 - 82.7% of # of insolvencies companies with up to 5 employees
 - 97.5% of # of insolvencies companies with up to EUR 5 mio in turnover
- Avg recovery 3.9%



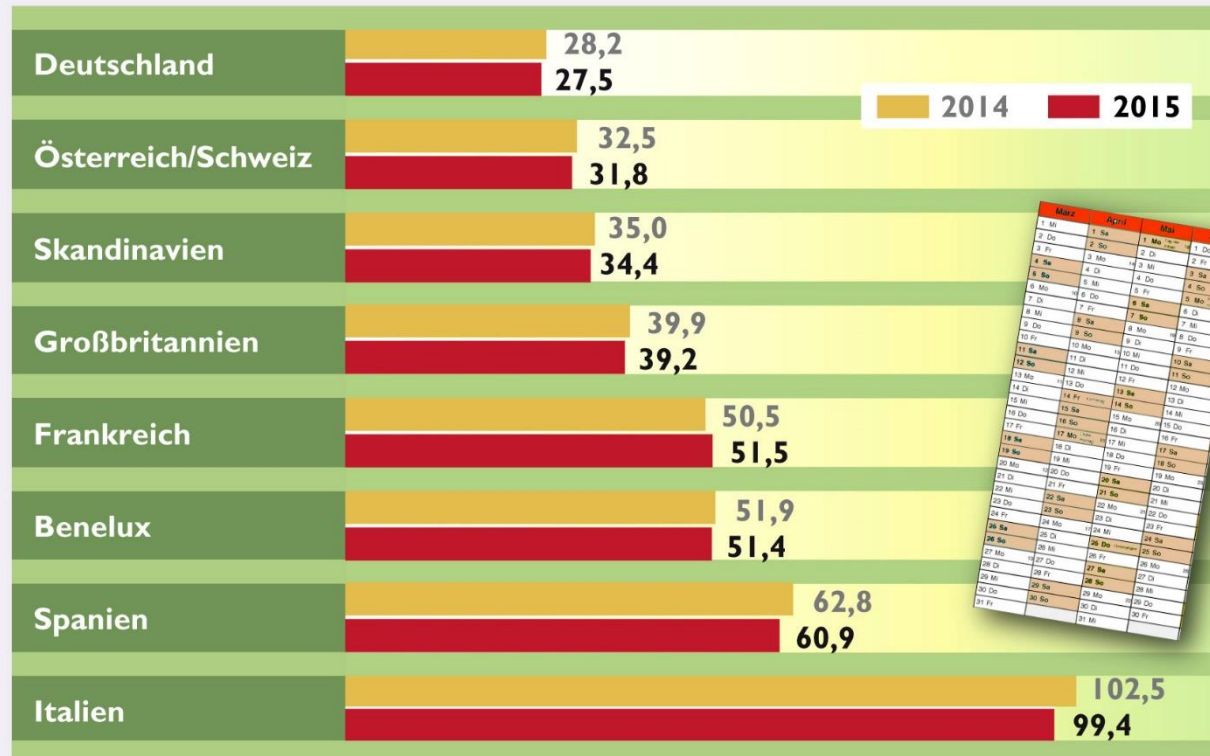
Large insolvencies 2017

- Air Berlin (airline)
- TEMPTON (staffing)
- ALNO AG (kitchen manufacturer)
- Rickmers Holding AG (shipping)
- SolarWorld AG (solar panel manufacturer)

Source: Creditreform Insolvenzen in Deutschland Jahr 2017

Forderungslaufzeiten

Forderungslaufzeiten in Westeuropa 2014 und 2015:



Medianwerte; Laufzeit mind. 1 Tag

EU/2017/04

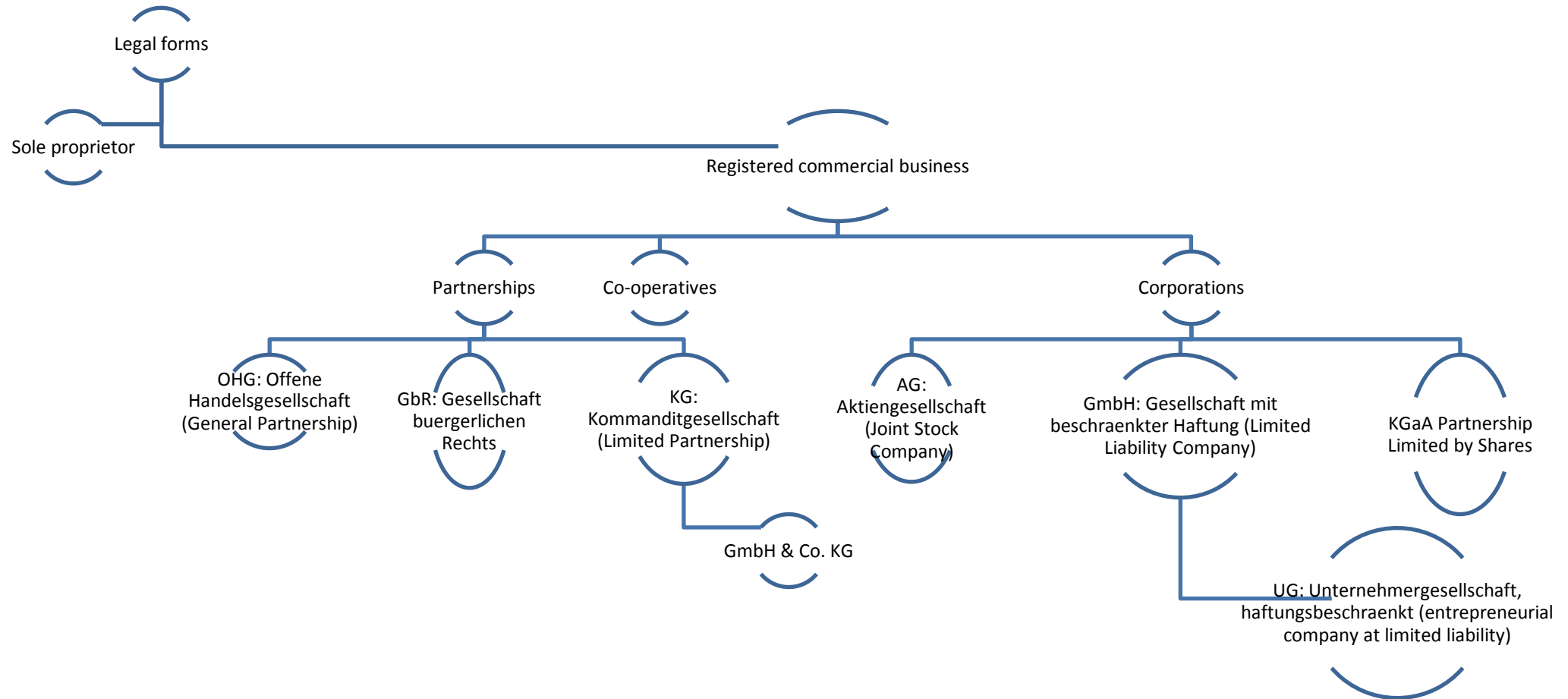
Angaben in Tagen

Quelle: **Creditreform**

- Avg 32.51 days TOP offered in 1H 2017 (vs 31.52 on avg 1H2016)
 - 35.16 days on avg for large customers 1H 2017 / + 1.35 days vs 1H2016
 - 28.84 days on avg for small firms 1H 2017
- Longer terms of payment offered also increased avg DSO to 42.62 days in H1 2017 but delays were slightly reduced vs avg DSO of 41.97 days H1 2016
 - Avg 48 days for retail, avg 46.67 days construction

Source: Creditreform Payment Indicator Report Summer 2017

- Commercial register (Handelsregister)
https://www.handelsregister.de/rp_web/welcome.do?language=en
- Companies directly
- German Company house “Bundesanzeiger” (free)
www.bundesanzeiger.de (English language version / filings in German)
- Creditreform, D&B
- Other data providers, i.e. CompanyWatch, BvD etc
- Insolvency info:
<http://en.justiz.de/onlinedienste/insolvenzbekanntmachungen/index.php>



- Associations of people, not independent legal entities
- Individual partners responsible for liabilities of the company (including private assets)
- Limitations of liability for individual partners possible, but to limited extend
- **OHG** – at least 2 partners, unlimited personal liability, legal entities may be a member of an OHG, no minimum share capital required
- **KG** – 2 partners (1 general partner “Komplementaer” with unlimited personal liability and 1 limited partner “Kommanditist” with limited share liability), no min share capital
 - **GmbH & Co KG** - 2 partners: General Partner – GmbH (unlimited personal liability) & Limited Partner – KG (limited to share investment) whereby the General Partner is typically the limited partner of the KG

Example KG – Limited Partnership

- Dr August Oetker KG shareholder (source BvD)

CURRENT LISTING INFO

	Shareholder name	Country	Type	Ownership		S
				Direct (%)	Total (%)	
1.	CARL FERDINAND OETKER	DE	I	12.50	n.a.	
2.	GRAF DOUGLAS LUDWIG	DE	I	12.50	n.a.	
3.	MR ALFRED OETKER	DE	I	12.50	n.a.	
4.	MR AUGUST OETKER	DE	I	12.50	n.a.	
5.	MR CHRISTIAN OETKER	DE	I	12.50	n.a.	
6.	MR RICHARD OETKER	DE	I	12.50	n.a.	
7.	MR RUDOLF SCHWEIZER	DE	I	12.50	n.a.	
8.	MRS JULIA OETKER	DE	I	12.50	n.a.	
9.	MR ALBERT CHRISTMANN	DE	I	GP	n.a.	
10.	MR OTTMAR GAST	DE	I	GP	n.a.	

- General Partner (GP) – personally liable without limitation
- Limited Partner (LP) – liable up to their respective share of the partnership capital
- KG more flexibility as capital can be increased while adding LP

- GKG Mineraloel Handel GmbH & Co KG shareholder (source BvD)

	Shareholder name	Country	Type	Ownership		Source			Company information	
				Direct (%)	Total (%)	Source ident.	Date of info.	Variation	Op. Revenue (m USD)*	No of employees
1.	FRIEDRICH SCHARR KG	DE	C	50.00	n.a.	VC	01/2018	↔	790	510
2.	JET TANKSTELLEN DEUTSCHLAND GMBH	DE	C	50.00	n.a.	VC	01/2018	↔	3,368	249
3.	<u>GKG MINERALÖL HANDEL VERWALTUNGSGESELLSCHAFT MBH</u>	DE	C	GP	n.a.	VC	01/2018	↔	n.a.	4

Orbis - company report of GKG MINERALOEL HANDEL VERWALTUNGSGESELLSCHAFT MBH

Current shareholders

Current filter: No filter

The companies underlined and displayed in bold blue are available on **ORBIS**

	Shareholder name	Country	Type	Ownership		Source			Company information	
				Direct (%)	Total (%)	Source ident.	Date of info.	Variation	Op. Revenue (m USD)*	No of employees
1.	FRIEDRICH SCHARR KG	DE	C	50.00	n.a.	VC	01/2018	↔	790	510
2.	JET TANKSTELLEN DEUTSCHLAND GMBH	DE	C	50.00	n.a.	VC	01/2018	↔	3,368	249

- Typically shareholders of the GP GmbH are identical to the LP of the KG with same participating interests in both

- Legal entity, holder of rights and obligations lie with company itself
- Shareholders not personally liable
- Liability limited to corporate's business assets including share capital

- **AG** – 1 or more persons needed to established, listed or not listed, EUR 50,000 minimum capital
- **GmbH** – 1 or more persons needed to established, min share capital EUR 25,00, at time of registration a min of EUR 12,500 must be contributed – verifiable in bank account
 - **UG (“Mini GmbH”)** – not a separate legal form but less minimum capital requirement than “GmbH” of EUR 1.00
 - Has to retain $\frac{1}{4}$ of annual profit until accumulated the minimum shareholder capital of ordinary GmbH of EUR 25,000 – at that point accumulated capital converted into share capital and Mini-GmbH changed into “GmbH”

- Appshere AG – non-listed (info source BvD)

Status Active
National legal form Public limited company - AG
Date of incorporation 24/02/2010
Type of entity Corporate
Information provider Creditreform Germany

The companies/individuals underlined and displayed in bold blue are available

	Shareholder name	Country	Type	Ownership	
				Direct (%)	Total (%)
1.	MR FRANK ROTH	DE	I	36.45	n.a.
2.	MR FRANK SEIBERT	DE	I	24.22	n.a.
3.	MR SIMON HIRTH	DE	I	11.18	n.a.
4.	<u>SYMPASTIS PBV GMBH</u>	DE	C	9.18	n.a.
5.	<u>MR DANIEL VOLLMER</u>	DE	I	8.09	n.a.
6.	<u>MR STEFFEN FUTTERER</u>	DE	I	5.59	n.a.
7.	<u>MR CHRISTIAN KEHL</u>	DE	I	1.13	n.a.
8.	<u>MR JOACHIM BERNECKER</u>	DE	I	0.74	n.a.
9.	<u>MRS MONIKA ROTH</u>	DE	I	0.62	n.a.
10.	SELF OWNED	-	H	0.60	n.a.
11.	<u>MR HAGEN BUCHWALD</u>	DE	I	0.55	n.a.
12.	<u>MR KNUIT BARGEN</u>	DE	I	0.37	n.a.
13.	<u>MR STEGFRIED KINZEL</u>	DE	I	0.23	n.a.
14.	<u>MR ACHIM WIESER</u>	DE	I	0.18	n.a.
15.	<u>MRS KARIN THISSEN</u>	DE	I	0.18	n.a.
16.	<u>MR JOCHEN ESSWEIN</u>	DE	I	0.15	n.a.
17.	<u>MR BERNHARD STREIT</u>	DE	I	0.10	n.a.
18.	<u>MR MANFRED BOETTGER</u>	DE	I	0.10	n.a.
19.	<u>MR MARCEL MUSCHKO</u>	DE	I	0.07	n.a.
20.	<u>MRS CORNELIA FAUTZ</u>	DE	I	0.07	n.a.
21.	<u>MR MICHAEL FRANZ</u>	DE	I	0.05	n.a.
22.	<u>MR JOCHEN WILHELM</u>	DE	I	0.03	n.a.

- Enjoys high market reputation among business s partners but costs and founding formalities are relatively high, subject to extensive day to day organization obligations

Example GmbH – Limited Liability Company

- HMBF GmbH (info source BvD)

Also known as	HMBF
Status	Active
National legal form	Limited liability company - GmbH
Date of incorporation	04/02/2005
Type of entity	Corporate
Information provider	Creditreform Germany

Shareholder name	Country	Type	Ownership		Source		Company information	
			Direct (%)	Total (%)	Source ident.	Date of info.	Op. Revenue (m USD)*	No of employees
MR ZORAN RISTIC (Domestic and Global UO)	DE	I	51.00	n.a.	VC	01/2018	-	-
HMBF GMBH	DE	C					n.a.	4

Current shareholders

Current filter: No filter

	Shareholder name	Country	Type	Ownership		Source	
				Direct (%)	Total (%)	Source ident.	Date of info.
1.	MR ZORAN RISTIC	DE	I	51.00	n.a.	VC	01/2018
2.	MBS ANGELIKA KROONEN	DE	I	49.00	n.a.	VC	01/2018

- high flexible form with relatively few obligations
- most widely used legal form for corporations

Local registry filing/Unconsolidated	31/12/2016 EUR
	12 months
	Local GAAP
Balance sheet	
Assets	
Fixed assets	242,566
Intangible fixed assets	2,607
Tangible fixed assets	239,909
Other fixed assets	50
Current assets	942,375
Stock	40,930
Debtors	0
Other current assets	901,445
Cash & cash equivalent	1,207
TOTAL ASSETS	1,184,941
Liabilities & Equity	
Shareholders funds	93,104
Capital	25,000
Other shareholders funds	68,104
Non-current liabilities	1,091,837
Long term debt	1,046,303
Other non-current liabilities	45,534
Provisions	45,534
Current liabilities	0

Source BvD

	31.12.2016 EUR	31.12.2015 EUR
A. Anlagevermögen	242.566,00	270.195,00
I. Immaterielle Vermögensgegenstände	2.607,00	3.274,00
II. Sachanlagen	239.909,00	266.871,00
III. Finanzanlagen	50,00	50,00
B. Umlaufvermögen	937.232,03	835.263,60
I. Vorräte	40.930,00	76.900,00
II. Forderungen und sonstige Vermögensgegenstände	895.094,78	756.890,22
III. Kassenbestand, Bundesbankguthaben, Guthaben bei Kreditinstituten und Schecks	1.207,25	1.473,38
C. Rechnungsabgrenzungsposten	5.142,93	9.808,55
Bilanzsumme, Summe Aktiva	1.184.940,96	1.115.267,15
Passiva		
	31.12.2016 EUR	31.12.2015 EUR
A. Eigenkapital	93.104,29	91.236,83
I. gezeichnetes Kapital	25.000,00	25.000,00
II. Gewinnvortrag	66.236,83	77.769,30
III. Jahresüberschuss	1.867,46	-11.532,47
B. Rückstellungen	45.534,00	94.023,00
C. Verbindlichkeiten	1.046.302,67	930.007,32
davon mit einer Restlaufzeit von mehr als einem Jahr	246.329,82	258.647,39
Bilanzsumme, Summe Passiva	1.184.940,96	1.115.267,15

Source Bundesanzeiger