



PICM Risk Index ©

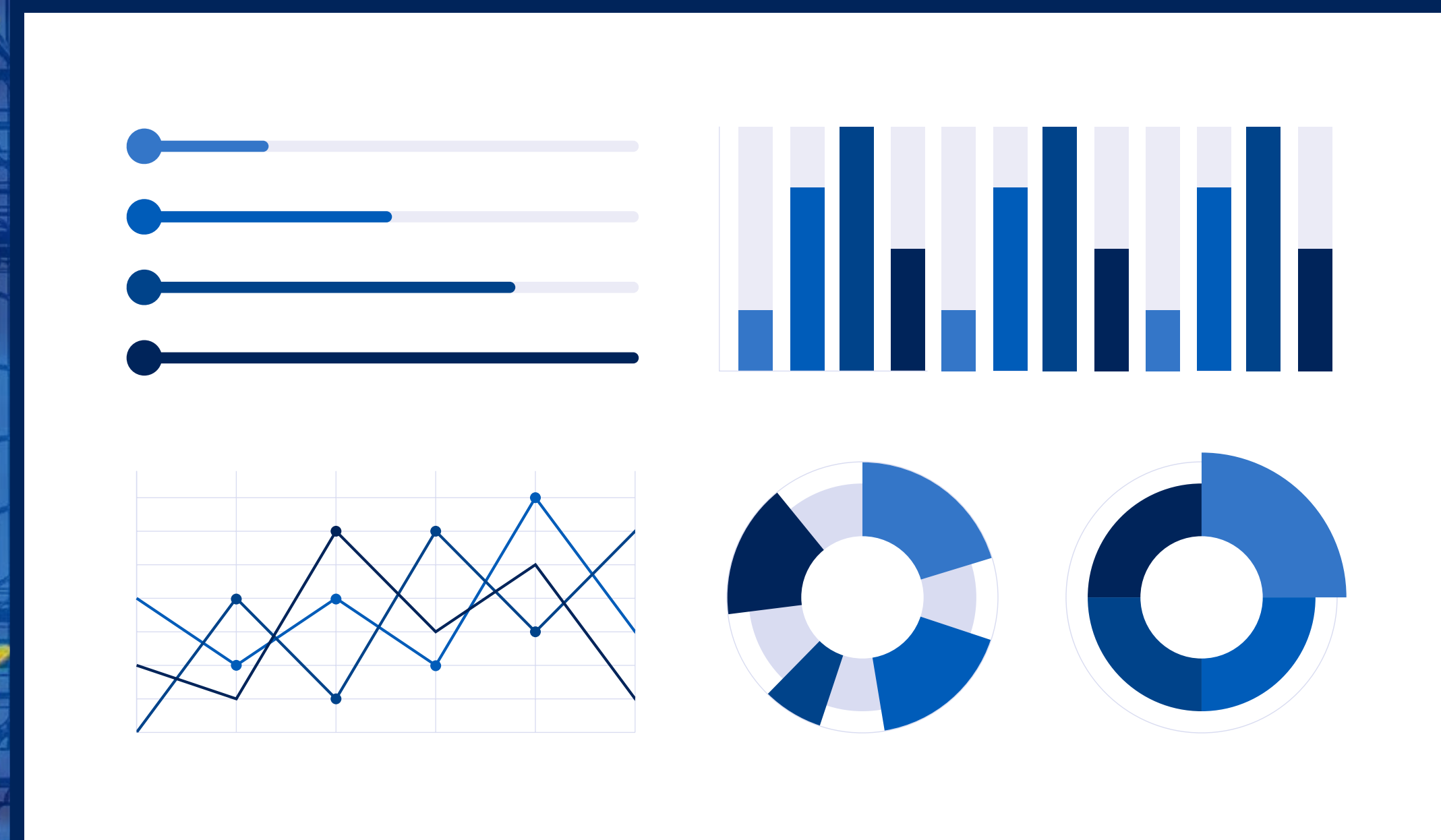
INDUSTRY INDICATOR OF TRADE CREDIT RISK

PICM Risk Index © **allows you to quickly and easily assess the risk of insolvency** for EU countries and individual sectors of the respective economies.

The indicators are **based on long-term time series of business trends** developed on national level by European Commission's partner institutes such as ministries, statistical offices, central banks, research institutes, business associations or private companies.

PICM Risk Index © **ranges from 0 to 100, where the higher the value of the index, the higher the risk of insolvency** of enterprises in a given industry.

It is assumed that a **significant risk arises when the indicator exceeds 50 points**.



When and why is it worth using?

NO FINANCIAL STATEMENTS

The level of industry risk may be useful when assessing customer risk without financial statements

SCORING MODEL

The level of industry risk may be an additional element of the scoring model for clients with financial statements

EARLY WARNING SIGNALS

In a dynamically changing environment, current information is important to assess the potential risk of insolvency

What is the basis for calculations?

COMPREHENSIVE ASSESSMENT

The scope of the research sample not available for other similar studies:

RELIABILITY OF THE DATA

The calculation is based on information provided by the European Commission's partner institutes in the monthly and quarterly surveys of the economic situation

INDUSTRIAL PROCESSING

37,790

entities

CONSTRUCTION

24,000

entities

SERVICES

34,700

companies

TRADE

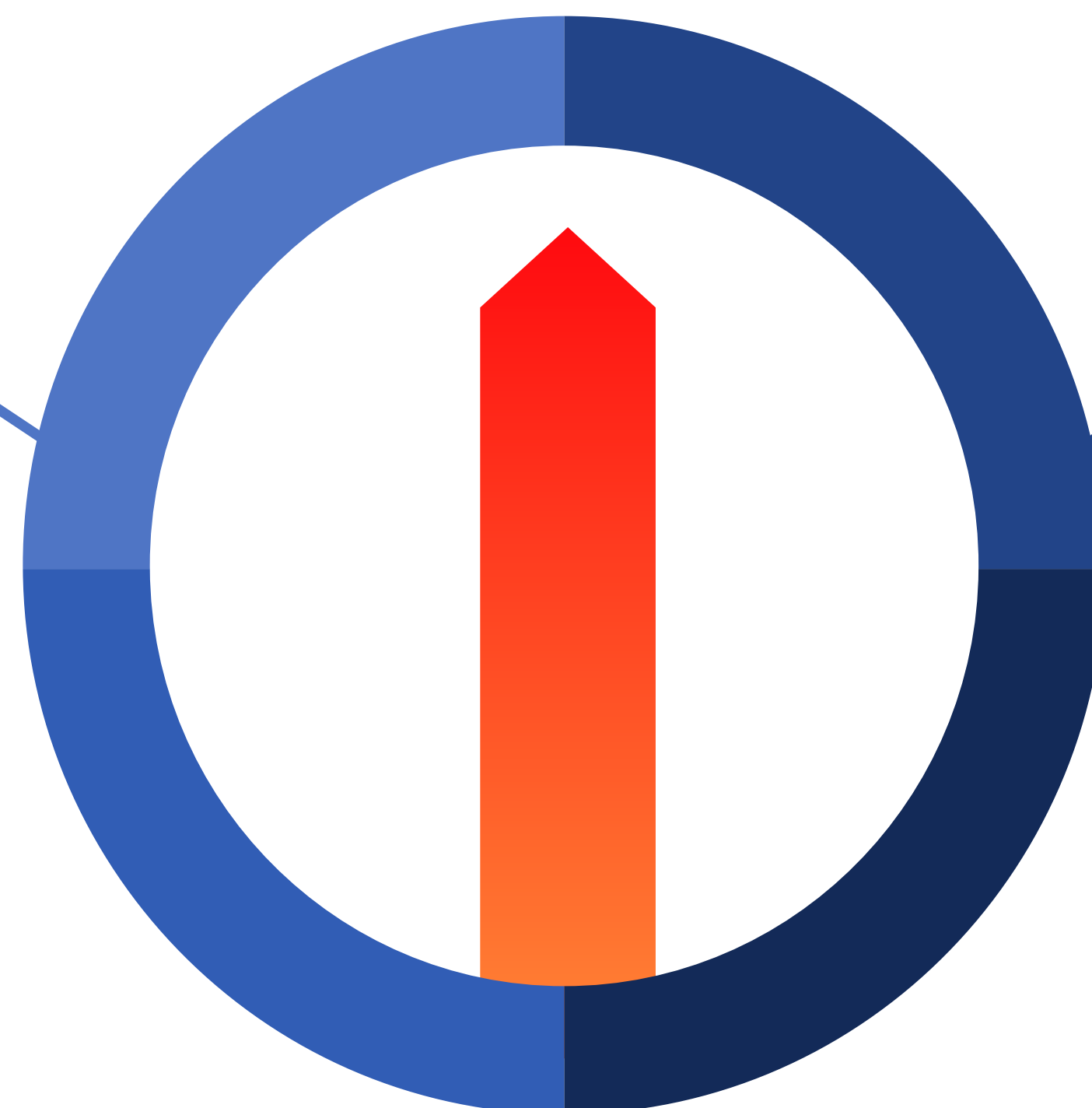
29,740

entities

Which countries & industries are assessed?

COUNTRIES

Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovak Republic, Finland, Sweden, Montenegro, North Macedonia, Albania, Serbia, Turkey

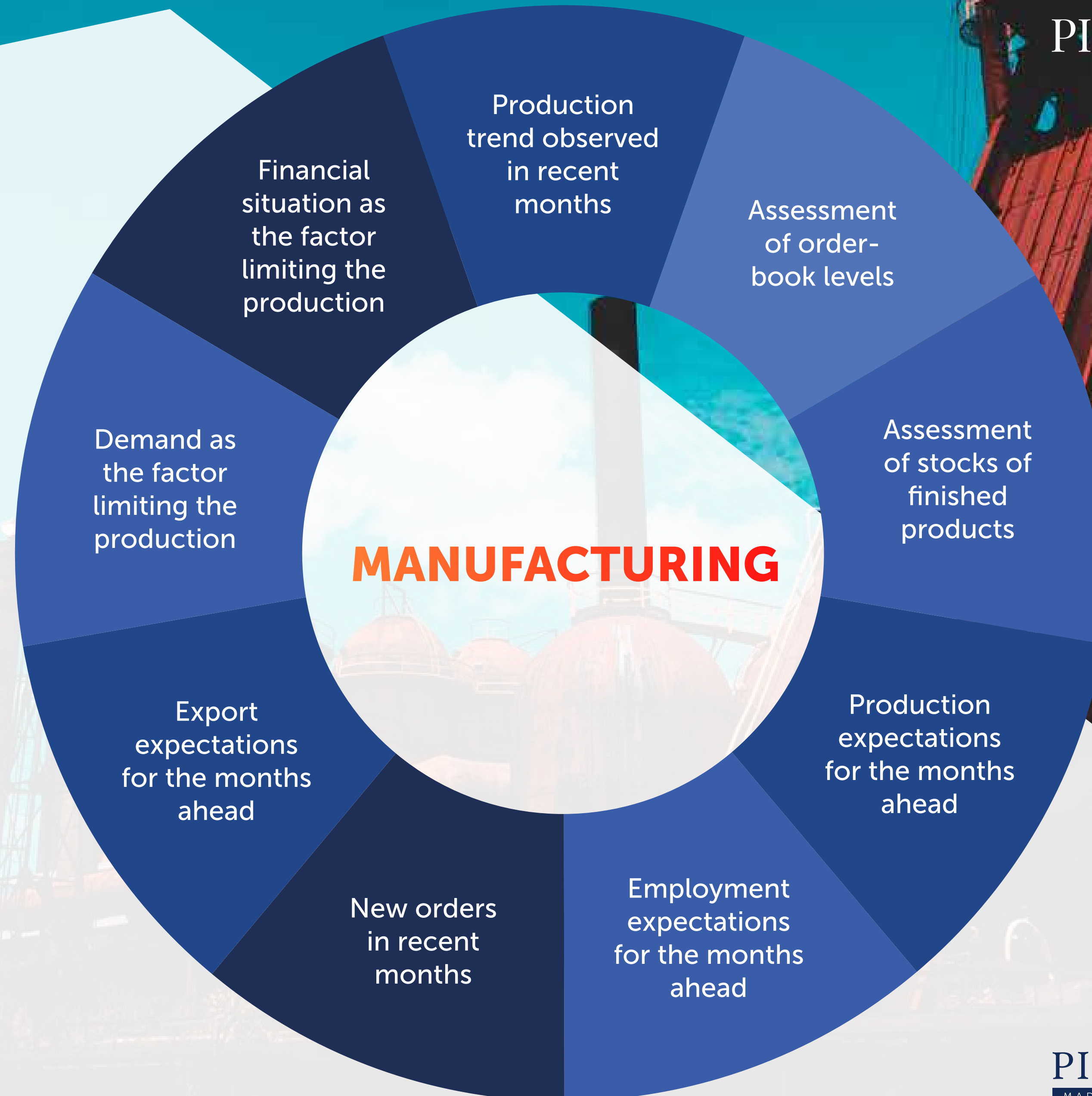


INDUSTRIES

manufacturing, retail, construction & services

Components

Each component is a separate sub-index for the industry PICM Risk Index ©



Components

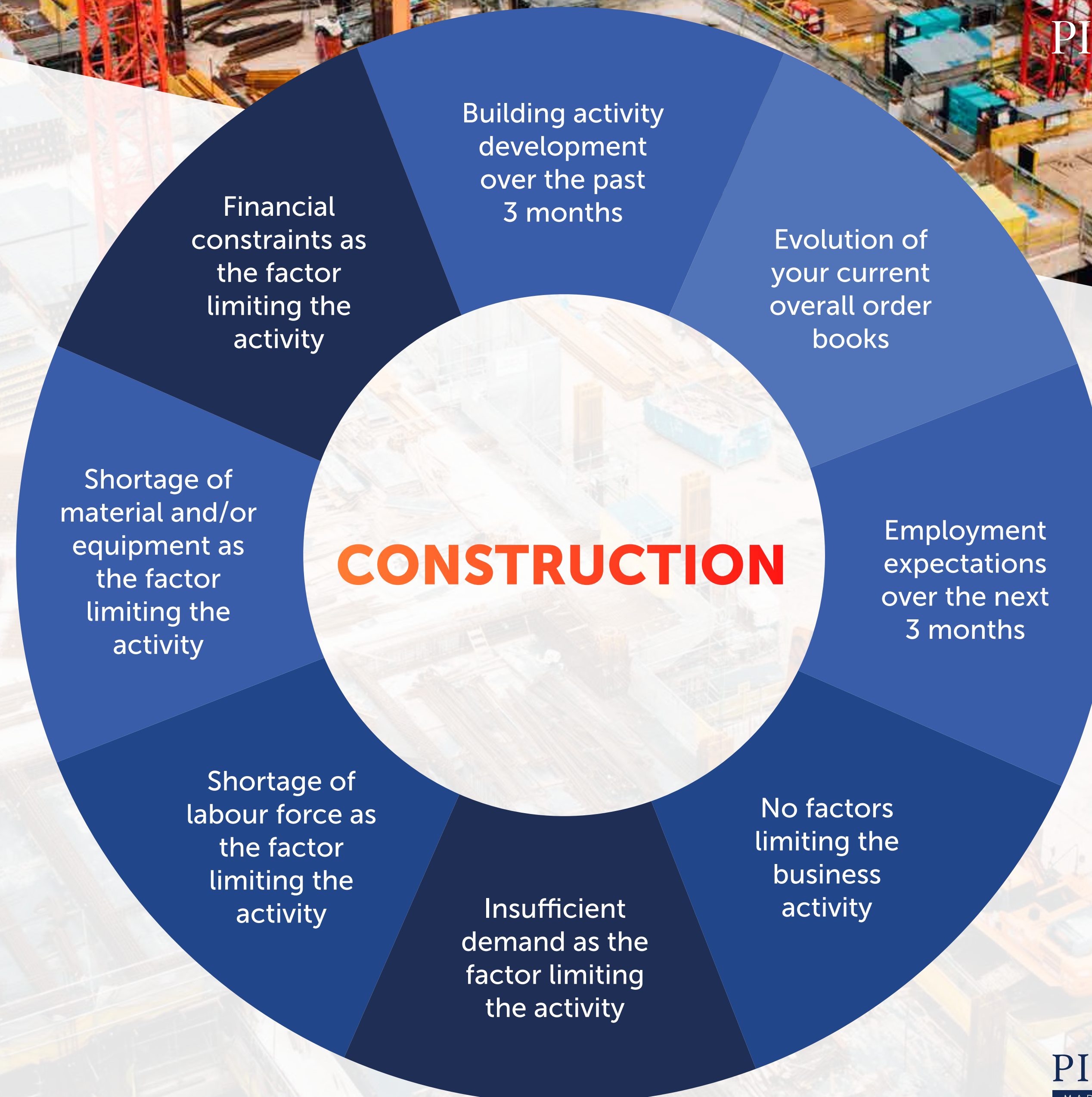
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The calculation method

STEP 1

Determination of risk levels depending on the balances of responses indicated in the surveys

STEP 2

Calculating the average risk levels for all components for a given period

STEP 3

Smooth the trend by calculating the 12-month moving average

STEP 4

Index normalization to range from 0 to 100

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Please contact me with any questions:

**Robert Dyrzcz, PICM
Founder & CEO**

E-mail: rdyrzcz@picm.pl

cell: +(48) 600 09 33 72

PICM POLSKI INSTYTUT CREDIT MANAGEMENT
POLISH INSTITUTE OF CREDIT MANAGEMENT
MĄDRE ZARZĄDZANIE RYZYKIEM KREDYTOWYM

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