INNOVIA WHITE PAPER

Romanian companies, read from public data.

01 NOVEMBER 2026

Two speeds

Construction grows, industry and retail shrink, bankruptcies climb. What the 2025 accounts show, a rating from AAA to D for every line of business, and what it means for the interest rate and the down payment.

BBB

RATING OF THE TYPICAL ACTIVE COMPANY, 2025 ACCOUNTS

The middle company has a 0.20% probability of entering insolvency in the next 12 months. The average risk, 0.53%, falls in BB. The rating covers 641,490 companies and uses public data only.

IN THIS PAPER

2 Two speeds IN BRIEF

3 More work, more failures THE ECONOMY IN 2026

4 Just above inflation THE 2025 ACCOUNTS

5 A rating from public data THE RATING

6 Typically BBB, on average BB RATING BY LINE OF BUSINESS

7 What BB means for the rate THE PRICE OF RISK

8 How much down covers repossession THE COLLATERAL

9 What we do not know METHOD AND LIMITS

PUBLISHED BY INNOVIA SYSTEMS · INNOVIASYSTEMS.IO

IN BRIEF

Two speeds

Construction grows, industry and retail shrink, bankruptcies climb. What the 2025 accounts show, a rating from AAA to D for every line of business, and what it means for the interest rate and the down payment.

IN THE first eight months of 2026 Romania's builders produced 11.6% more than a year earlier. Manufacturing produced 4.8% less. Retailers sold 5.1% less by volume. The fall in retail began in August 2025, the month value-added tax went up; the link is one of timing, not a proven cause.

Bankruptcies are rising. Eurostat's index of bankruptcy declarations was 7% higher in the first half than in the first half of 2025: 19% higher in construction and 13% in transport. Meanwhile the share of active companies already in insolvency, judicial reorganisation or bankruptcy reached 0.73% in October 2026, from 0.58% in July 2025.

The 2025 accounts, published by the Ministry of Finance on October 14th, show an economy that grew only slightly faster than inflation. Across the same 836,360 companies, turnover rose by 7.5% against consumer-price inflation of 6.8%. Net income rose by 5.5%, slower than prices. Debt rose by 10.6%, faster than sales.

0.84 discriminatory power of the rating (AUC)

On the 2024 accounts and the insolvencies of July 2025 to July 2026, data the model had not seen. 0.5 is chance, 1 is perfect. An adapted Altman score reaches 0.70.

From public data alone, we built a credit rating on the agencies' usual scale, from AAA to D. The model learns from one year's accounts which companies enter insolvency in the following 12 months, according to their status at the trade register. Its grades line up with the default rates observed: 0.06% for A, 0.20% for BBB, 0.82% for BB, 3.4% for B.

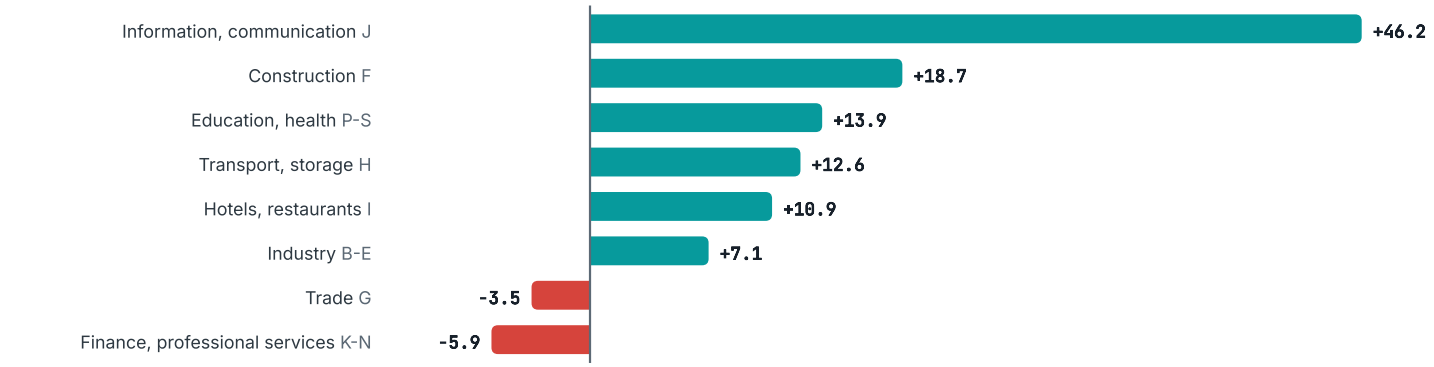
The typical Romanian company is BBB, the lowest investment grade. Average risk, though, falls in BB, the first step below, because the riskiest companies pull the average up. Lines of business differ less than one might expect: from an average probability of default of 0.18% in accounting and legal services to 1.04% in electrical equipment. Companies within a line of business differ far more. A rating by sector is a first impression; the borrower's own accounts still make the credit decision.

For a BB borrower, risk adds 0.5–1 percentage point to the rate.

For a lender, a BB borrower adds 0.2–0.4 points of expected loss and 0.2–0.6 points of capital cost to the rate: 0.5–1 point in all, depending on the collateral and on how capital is calculated. Funding and the lender's own costs remain the bulk of the price. The down payment matters more: for the asset alone to cover the debt at repossession, a car needs about 28% down and a tractor unit over 40%.

Where bankruptcies are rising

Bankruptcy declarations, Romania, first half of 2026 against first half of 2025, % (average of the seasonally adjusted index)



Source: Eurostat, sts_rb_q, updated October 29th 2026. The index is 2021 = 100, so changes are relative to each sector's own level. Information and communication starts from a very low base.

More work, more failures

What happened this year, from the monthly and quarterly series of Eurostat and the National Institute of Statistics. All series are seasonally adjusted.

Construction output climbed almost every month, from 130 in January to 174 in August (2021 = 100). Builders' confidence improved too, from −11.4 to −9.3. Yet construction bankruptcies rose by 19% in the first half. More output and more failures in one sector could be explained, for instance, by work concentrated in large firms ahead of the EU recovery-fund deadline of August 2026, leaving small ones without orders. Public data do not let us test that explanation.

Transport has the highest churn. The index of new registrations reached 164 in the first half, 42% above its 2024 level. Transport bankruptcies reached 100.8 in the second quarter, the second-highest reading since 2024. Companies open and close at a pace no other line of business matches.

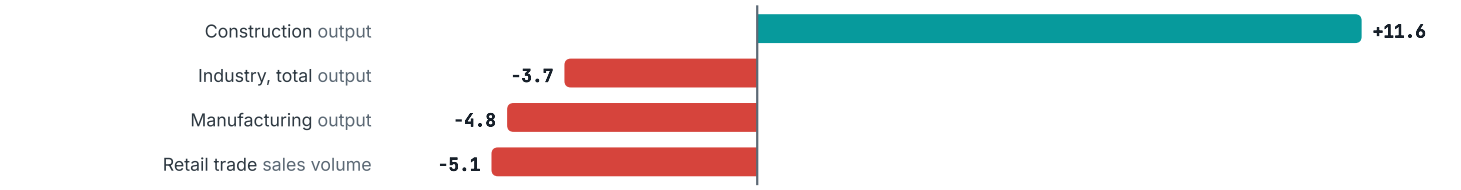
New registrations appear to have risen by 31% on the first half of 2025. That is a base effect: the first half of 2025 was the weakest in years. Against 2024, the 2026 level is 3% lower, and 20% lower in trade.

The economic sentiment indicator stayed between 91 and 94 all year, below its long-run average of 100, with no month of recovery. Retail confidence improved clearly from July, from −8.2 to +4.6 in October. Industry and services slipped to −3.7 and −3.8. Consumers remain gloomy, at around −33.

The European Union is moving the same way, more sharply. Its bankruptcy index reached 196 in the second quarter, the highest since 2019. In transport the EU index stands at more than 2.5 times its 2021 level. Romania's reading of 52 cannot be compared with it directly: the first quarter of 2021 saw an unusual spike, 208.7, which lifts the base.

Construction alone in the black

Volume of output and of sales, Romania, January–August 2026 against January–August 2025, %



Sources: Eurostat sts_copr_m (construction, updated October 31st 2026) and sts_trtu_m (retail volume, November 2nd 2026); National Institute of Statistics IND104P (industry, adjusted series, October 13th 2026).

How many active companies

The statistics institute counted 724,228 active enterprises in 2024, 2.0% more than in 2023, when growth had been 5.7%. In 2024 construction (−3.0%) and manufacturing (−0.8%) shrank; IT, health and education grew by about 9% each. The 2025 count is not yet published.

Just above inflation

The same companies in both years, so that a complete set is not compared with one still incomplete. Amounts in lei, nominal.

MARKET	MEASURE	VALUE	PERIOD	CHANGE	BASIS
Romania	Net turnover	RON 2,570bn	2025	+7.5%	836,360 companies filing in both 2024 and 2025. Average HICP inflation was 6.8% in 2025: real growth is under 1%.
Romania	Net income (profit less loss)	RON 158.9bn	2025	+5.5%	Same companies. Grows more slowly than prices.
Romania	Total liabilities	RON 1,485bn	Dec 31st 2025	+10.6%	Same companies. The published balance sheet does not split short- from long-term debt.
Romania	Cash and bank balances	RON 214bn	Dec 31st 2025	+6.4%	Same companies.
Romania	Average employees	3.85m	2025	+2.1%	Same companies. Not the economy's total employment.
Romania	Companies with negative equity	23.8%	Dec 31st 2025	2024: 24.0%	Share of companies with turnover above zero.
Romania	Loss-making companies	28.0%	2025	2024: 28.8%	Share of companies with turnover above zero.
Romania	Active companies in insolvency, reorganisation or bankruptcy	0.73%	Oct 19th 2026	Jul 2025: 0.58%	Companies with accounts and turnover in the prior year, by trade-register status. Deregistered companies excluded.
Romania	Bankruptcy declarations, index	52.3	Q2 2026	H1: +7%	2021 = 100, seasonally and calendar adjusted. EU: 195.9, highest since 2019.
Romania	New company registrations, index	99.6	Q2 2026	H1 on H1 2024: -3%	Same series. Against H1 2025 it shows +31%, but the 2025 base is exceptionally weak.

Computed by Innovia on November 2nd 2026 from the annual financial statements the Ministry of Finance publishes on data.gov.ro (files WEB_BL_BS_SL and WEB_UU). The 2025 set is a first release (October 14th 2026) with 918,232 statements, against 968,594 for 2024 in the June 2026 update; hence only companies present in both years are compared. The files carry no published legend; the columns were identified from the accounting identities, which hold for every 2024 statement and for all but 11 of the 2025 ones.

On paper, 2025 was not a bad year. Companies sold a little more, about as many stayed in profit, and they kept more money in the bank. But debt grew three points faster than sales. A company entering 2026 with more debt and a margin thinned by inflation is more exposed to a fall in demand, which is what happened in industry and retail.

A rating from public data

What default means here, which years the model learns from, and how well it separates companies that enter insolvency.

Default here means that a company enters insolvency, judicial reorganisation or bankruptcy, according to the status codes published by the National Trade Register Office. It does not mean a payment more than 90 days late, the definition banks use. On the banks' definition there would be more defaults.

The model learns from one year's accounts which companies enter proceedings in the 12 months after filing. Training uses the 2023 accounts and register status between July 7th 2024 and July 2nd 2025: 630,539 active companies, of which 2,777 entered proceedings. The test uses a year the model had not seen: the 2024 accounts and the insolvencies between July 2nd 2025 and July 8th 2026, 3,898 companies out of 669,920. The current rating uses a model trained on both years.

The model uses 16 indicators from the accounts and the register: working capital, reserves, pre-tax result and equity relative to assets, leverage, liquidity, net margin, negative equity, losses, size, headcount and the company's age. It is a gradient-boosting model, which also captures non-linear relationships between indicators. The rating is the average of eight such models trained on the same data, because a single model moves part of its grades from one run to the next.

On the test year the model separates companies that enter insolvency from the rest with an AUC of 0.84. The Altman score for emerging markets, adapted to the same indicators, reaches 0.70. On a different target, any exit from the market (a company that stops filing), the Altman score separates nothing, with an AUC of 0.50. Small consultancies close often, but rarely through insolvency.

The rating scale is the agencies'. The thresholds between grades are the geometric means of the long-run one-year default rates S&P publishes for adjacent grades. A company's probability of default becomes a letter as follows: below 0.01% AAA, up to 0.03% AA, up to 0.09% A, up to 0.30% BBB, up to 1.4% BB, up to 9.2% B, above that CCC/C. Companies already in proceedings are graded D.

GRADE	COMPANIES	PREDICTED DEFAULT	OBSERVED DEFAULT	S&P, LONG RUN
AAA	1	0.01%	0.00%	≈0.00%
AA	59,884	0.02%	0.04%	≈0.02%
A	150,263	0.06%	0.06%	≈0.05%
BBB	233,613	0.17%	0.20%	≈0.15%
BB	176,268	0.62%	0.82%	≈0.6%
B	48,417	2.8%	3.4%	≈3%
CCC/C	1,474	13.1%	14.4%	≈26–28%
Total	669,920	0.47%	0.58%	

Test on the 2024 accounts, default between July 2025 and July 2026. S&P rates are long-run one-year averages quoted from secondary sources. A single company fell into AAA.

The model slightly underestimates: it predicted 0.47% and 0.58% was observed. The gap fits the 2026 wave of insolvencies, which a model trained on the previous year could not see. The order of the grades holds from AA to CCC/C, which is what matters for a credit decision.

RATING BY LINE OF BUSINESS

Typically BBB, on average BB

Rating on the 2025 accounts and trade-register status on October 19th 2026. Average rating is the grade of the average probability of default; median rating is the grade of the middle company.

GRADE	COMPANIES	% OF COMPANIES	% OF TURNOVER
AAA	5	0.0%	0.0%
AA	39,072	6.1%	0.2%
A	134,762	21.0%	13.3%
BBB	223,362	34.8%	34.6%
BB	183,943	28.7%	32.4%
B	54,018	8.4%	18.2%
CCC/C	1,663	0.3%	0.5%
D	4,665	0.7%	0.8%

641,490 active companies with turnover and assets of at least RON 10,000 in 2025. The average probability of default is 0.53% (BB); weighted by turnover, 0.91%. The middle company has 0.20% (BBB). The average is higher because B and CCC/C companies, only 9% of the total, account for half of the summed probabilities of default. Only five companies are AAA, all without employees and just below the threshold. The data do not support an AAA grade, though: in the 2024 test, even the best 5% of companies defaulted at 0.03%, three times the AAA threshold of 0.01%.

NACE	ACTIVITY	COMPANIES	AVERAGE PD	AVERAGE / MEDIAN RATING	ALREADY D
69	Accounting, legal	11,972	0.18%	BBB / BBB	0.1%
66	Auxiliary financial services	6,112	0.22%	BBB / A	0.2%
86	Human health	27,330	0.29%	BBB / BBB	0.1%
62	Software, IT	28,906	0.30%	BBB / BBB	0.1%
49	Land transport	49,368	0.50%	BB / BBB	0.9%
47	Retail trade	90,691	0.52%	BB / BBB	0.5%
43	Specialised construction	29,352	0.56%	BB / BBB	0.9%
45	Motor trade and repair	22,652	0.62%	BB / BBB	0.6%
52	Warehousing, transport support	3,991	0.70%	BB / BBB	1.3%
16	Wood products	4,107	0.72%	BB / BBB	1.5%
46	Wholesale trade	44,962	0.73%	BB / BB	0.8%
01	Agriculture	14,726	0.76%	BB / BB	1.6%
28	Machinery and equipment	974	0.76%	BB / BBB	2.3%
25	Fabricated metal products	6,572	0.77%	BB / BBB	1.5%
10	Food products	9,021	0.82%	BB / BB	1.6%
41	Construction of buildings	34,947	0.87%	BB / BB	1.7%
14	Wearing apparel	3,508	0.91%	BB / BBB	2.9%
42	Civil engineering	3,834	0.95%	BB / BB	3.9%
80	Security services	2,026	0.97%	BB / BB	3.6%
08	Other mining and quarrying	948	1.03%	BB / BB	1.8%
27	Electrical equipment	564	1.04%	BB / BB	1.2%

NACE Rev.2 divisions with at least 500 companies. In 2025 some companies already report under the new classification (103,003 changed code), so the code from the 2024 accounts is used. "Already D" means companies that filed 2025 accounts and were in proceedings on October 19th 2026.

Across lines of business the average probability of default ranges only from 0.18% to 1.04%. Of the 63 lines of business with at least 500 companies, 55 have an average rating of BB and 45 a median rating of BBB. Within each, there are companies in every grade from AA to CCC/C. Civil engineering and construction of buildings carry the highest risk among the sectors that buy equipment, and the most companies already in proceedings: 3.9% and 1.7%.

What BB means for the rate

The minimum price of a loan or lease to a BB borrower, broken down. Where something is an assumption, it says so.

BB is the first grade below investment grade. The borrower pays its debts today but is sensitive to a fall in sales or a rise in rates. Its one-year probability of default is 0.82% in our data. Over a five-year contract, at the same annual rate, that compounds to about 4%. In practice it is more, because some BB companies slip to B during the contract.

Expected loss per year is the probability of default times the loss given default (LGD). Unsecured, the reference LGD in bank regulation is 45%. In leasing the financed asset reduces the loss: with a reasonable down payment, LGD falls to 25% or less.

COMPONENT, % A YEAR	RON	EUR
Reference rate (3 months)	5.72	2.64
Funding spread (assumption)	1.25	1.25
Expected loss, LGD 25–45%	0.21–0.37	0.21–0.37
Cost of capital	0.24–0.43	0.24–0.43
Operating cost (assumption)	1.25	1.25
Margin (assumption)	0.75	0.75
Total	9.4–9.8	6.3–6.7

Reference rates: Eurostat irt_st_m, September 2026. The lender's funding spread, operating cost and margin are assumptions. Capital from the CRR internal-ratings formula for small and medium-sized firms, at a cost of capital 8 points above funding.

The risk of a BB borrower therefore raises the rate by 0.5–0.8 points at a bank with internal models, and by 0.7–1 point under the standardised approach used by non-bank lenders and many banks. The difference shows between grades: from BB to B expected loss rises almost fourfold, from 0.21% to 0.80% a year at an LGD of 25%. Required capital rises from 3.0% to 4.4% of the exposure.

GRADE	ONE-YEAR PD	EXPECTED LOSS	CAPITAL
BBB	0.15%	0.04%	1.3%
BB	0.82%	0.21%	3.0%
B	3.2%	0.80%	4.4%

LGD 25%, internal-ratings formula for small and medium-sized firms, effective maturity 2.5 years.

The standardised approach

The internal-ratings formula is for banks with approved models of their own. Under the standardised approach, an exposure to an unrated company needs 8% capital, or 6% if it qualifies as retail, whatever the internal grade: 0.5–0.65 points a year in the price. There the internal grade changes the expected loss and the down payment, not the capital.

THE COLLATERAL

How much down covers repossession

Recovery value of the asset against the debt outstanding, month by month, on a 60-month contract. Depreciation curves and costs are assumptions, not measurements.

ASSET	DEPRECIATION YEAR 1 / THEN A YEAR	FORCED SALE, COSTS	DOWN PAYMENT FOR FULL COVER	LGD AT 10% DOWN	20%	30%
Car	20% / 13%	10%, 3%	27–29%	11–13%	4–5%	0%
Light commercial vehicle	22% / 14%	15%, 4%	34–35%	18–20%	10–12%	2–4%
Tractor unit	25% / 15%	20%, 5%	42–43%	27–29%	19–21%	10–12%
Construction equipment	15% / 10%	25%, 7%	40–41%	22–24%	15–17%	7–9%
Agricultural machinery	15% / 10%	25%, 6%	39–40%	21–23%	14–16%	6–7%

Ranges: EUR at 6.5% a year, then RON at 9.5%. Six months pass between the last instalment paid and the sale, while interest accrues. Recovery = market value × (1 – forced-sale discount) – repossession and resale costs. Expected LGD weights the months by a default probability that is higher in the first two years. Amounts before VAT, fees and residual value.

For every asset the critical month falls in the first year. The asset loses value fastest right after delivery, while the balance falls slowly at first. The down payment covers exactly that gap.

Full cover takes down payments of 27–43%, above what the market usually asks. In practice lenders ask for less and price the partial loss. With 20% down from a BB borrower, expected loss comes to 0.03–0.04 points a year on cars and 0.16–0.18 points on tractor units. A B borrower on a tractor unit with 30% down still carries roughly twice the expected loss of a BB borrower with 20% down. To match it, the down payment would have to be about 36%.

What a lender should replace with its own data

The depreciation, forced-sale discounts and repossession costs above are typical values, not curves measured on the Romanian market. A lender that runs its own resale history through the same calculation gets the down payment its portfolio needs, for every asset type and every grade.

METHOD AND LIMITS

What we do not know

Default is not late payment
We measure entry into proceedings at the trade register. A bank also counts payments more than 90 days late, so its default rates are higher.

Insolvency is not the only way out
Small companies close mostly by being struck off, not through insolvency. In the tenth with the lowest turnover there are almost ten strike-offs for every insolvency; in the tenth with the highest, one strike-off for almost three insolvencies (2024 accounts, register status in July 2026). That is why AA is made up almost entirely of micro-companies with at most one employee. A good grade means a low risk of insolvency, not a strong company.

The largest companies are missing
The 102 companies that report under IFRS, with RON 133bn of turnover, are published in a separate Ministry of Finance file and are not rated. They include OMV Petrom, Rompetrol Rafinare, Hidroelectrica and Romgaz.

Register snapshots
A company's status can only be joined to the register file of the same snapshot: registration numbers moved to a new format, and a join across months loses tens of thousands of companies. A tax ID can carry several registrations, for instance after a move to another county; a company counts as struck off only if all its registrations are struck off.

Two classifications
The 2025 accounts mix the old and new activity codes. Companies founded in 2025 have no 2024 code and appear only in the totals.

The 2025 set is a first release
Late filings will appear in updates. The 2025 totals are computed only on companies present in both years.

The S&P rates
They are quoted from secondary sources as a reference for the scale; the primary S&P study could not be read directly. The model's calibration is checked against rates observed in Romania, not against S&P's.

Pricing assumptions
Funding spread, operating cost, margin, depreciation curves and the timing of defaults are stated assumptions. Reference rates are observed; probabilities of default are estimated by the model and checked against observed defaults.

A HOSTAGE TO FORTUNE

Of the active companies with 2025 accounts that were not in proceedings on October 19th 2026, between 0.45% and 0.75% will enter insolvency, reorganisation or bankruptcy by October 2027. The model estimates 0.53%.

Wrong if: the rate observed in the October 2027 trade-register snapshot is below 0.45% or above 0.75%. Testable by November 2027.

SOURCES. Ministry of Finance: Ministry of Finance, annual financial statements 2023, 2024 (June 2026 update) and 2025, data.gov.ro, 2026-10-14, confirmed, https://data.gov.ro/dataset/situatii_financiare_2025. **Trade Register:** National Trade Register Office, registered companies, snapshots of 2024-07-07, 2025-07-02, 2026-07-08 and 2026-10-19, data.gov.ro, 2026-10-20, confirmed, https://data.gov.ro/organization/onrc. **Eurostat:** sts_rb_q, sts_copr_m, sts_trtu_m, ei_bssi_m_r2, irt_st_m, prc_hicp_aind, 2026-11-02, confirmed, https://ec.europa.eu/eurostat/databrowser/view/sts_rb_q/default/table. **Statistics Institute:** National Institute of Statistics, Tempo Online, IND104P and INT101O, 2026-10-13, confirmed, http://statistici.insse.ro:8077/tempo-online/. **S&P:** S&P Global Ratings, Annual Global Corporate Default and Rating Transition Study, one-year averages quoted from secondary sources, 2025-03-27, secondary, https://www.spglobal.com/ratings/en/research/articles/220413-default-transition-and-recovery-2021-annual-global-corporate-default-and-rating-transition-study-12336975. **Innovia:** Rating model, calibration, pricing and down payment: own calculation, 2026-11-02, estimated, https://innoviasystems.io