



CRATONE ADVISORY SERVICES

EXPORT FINANCE

*Purchases of accounts receivable /
Refinancing of supplier
credit covers*

**SUPPLIER CREDIT COVER FROM
GERMAN, SWISS OR AUSTRIAN ECA'S**

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TYPICAL TERMS & CONDITIONS

- Supplier credit cover enables exporters to insure trade receivables arising from a single export transaction (delivery of goods or rendering of services)
- Contracts between €1m & 10m
- Finance only in Euros
- Average interest rate of 3-7% p.a., depending on maturity and credit worthiness of supplier
- 6 to 60 months finance, if more than 2 years at least 15% down payment required
- Repayment plan quarterly or bi-annually

TARGET PROFILE OF POTENTIAL CUSTOMERS

- The Bank does not need any figures of the foreign debtors, as these are generally subjected to a blanket rating
- An international credit check is obtained from the bank itself. In exceptional cases, figures are required from the importer
- The annual turnover of the foreign debtor (importer) must currently show a turnover of less than EUR 1 billion
- No military or defense

WHAT DATA & DOCUMENTS ARE REQUIRED?

- Description of goods / project memorandum
- Company name / address of the foreign customer
- Contract value
- The amount of the deposit
- Amount of interim payments
- Delivery date
- Date of operational readiness
- Forfeiting amount
- Financing term
- Repayment structure (half-yearly installments / quarterly installments) --- Half-yearly installments are preferred
- Collateral provider (Euler Hermes Bund)

SUPPLIER'S BENEFITS

- Limitation of financial loss resulting from commercial and political risks in international projects
- High cover ratios: political risk 85 - 95%, commercial risk usually 95%
- Long repayment terms, difficult countries and major projects
- Small fees – also for minor projects Guarantees in EURO or contractual currency

WHAT ARE OTHER FRAMEWORKS CONDITIONS?

- Investment goods, e.g. machines, medical devices, renewable energy equipment
- Goods that are at least 51% of the Country (Germany, Austria & Switzerland) origin
- Projects including services component are possible, if share of services is not exceeding 30%
- Maximum local costs of 23% in projects (e.g. for energy projects)