exim
EXPORT BANK INSURANCE

Hungarian Export-Import Bank Plc.
Hungarian Export Credit Insurance Plc.

BUYER CREDIT FACILITIES

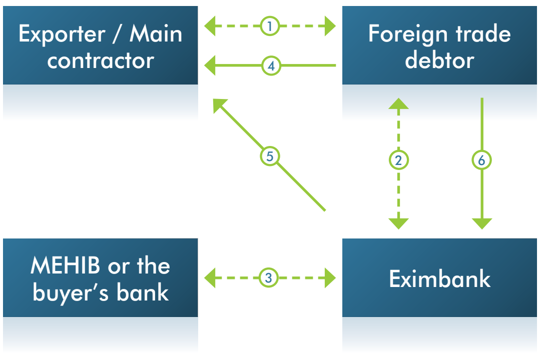
CLASSIC BUYER CREDIT

Buyer credit is one of Eximbank's classic financing facilities, providing the buyer with a fixed or variable interest flexible form of financing after shipment has occurred or the services have been rendered. The buyer credit facility was established in order to finance the purchases of goods and/or services supplied under a commercial contract concluded between the Hungarian exporter and a foreign buyer.

Subject of financing	Financing is customised to the subject of the export transaction. Eximbank has this arrangement on offer for the financing of export transactions in the following industries and areas: food industry, healthcare, education, machinery, chemical industry, social infrastructure and environmental protection.
Borrower	State or privately owned companies, municipalities, sovereign or sub-sovereign entities.
Loan amount	Generally, buyer credit is at least EUR 1 M (or the equivalent amount in USD), under which Eximbank provides ad-hoc financing. If the tenor of the fixed interest credit is longer than 2 years, the loan amount may not exceed 85% of the value of the financed trade agreement.
Currency	EUR or USD.
Tenor	Typically 2–5 years, but no more than 10 years as allowed by the OECD Agreement. Tenors of less than 2 years but no less than 6 months are available for the funding of agribusiness or lower-value processing industry export transactions.
Repayment terms	For tenors equivalent to or exceeding 2 years: in equal size installments every 3 or 6 months; For tenors of less than 2 years: to be determined individually for every transaction.
Standby	To be determined individually depending on the transaction.
Interest	Tenors of 2 years/more than 2 years: fixed, CIRR[1] + premium; For tenors of less than 2 years: variable, EURIBOR or USD LIBOR + premium. Interest becomes payable on the facility with a frequency of 3 or 6 months after the first disbursement, at the same time as the principal repayments are made.

[1] Commercial Interest Reference Rate (CIRR) applicable to fixed interest loans determined in accordance with the OECD Arrangement and published by the Secretariat of the OECD.

Fees and commissions	**One time fee:** 0.5% of the loan amount. **Standby fee:** 0.5% p.a. (calculated on the part of the loan that is available but has not been drawn down yet). **Monitoring fee:** to be determined depending on the transaction. **MEHIB insurance premium:** in the event that the transaction is insured. To be paid in advance of the first disbursement, or paid pro-rata during the disbursement period. The insurance premium may be added to the loan amount. The ultimate rate of the fees and commissions applicable will be determined individually for every transaction.
Other costs	Occasionally, it may be necessary to involve technical inspectors and/or legal counsel, the costs of which are to be borne by the client.
Collateral	Type V MEHIB insurance (buyer credit insurance) or a bank guarantee provided by a bank with an appropriate rating, class I-II banks.
Certification of Hungarian origin for fixed interest loans	**For goods:** with the certificate of origin issued by the territorially competent Hungarian Chamber of Commerce and Industry available for at least 50% of the goods exported under the financed transaction. **For services:** at least one half of the persons employed by the financed client must be persons who are in a contractual relationship with the client that creates a social security insurance obligation for the client pursuant to the provisions of the Act on Eligibility for social security insurance benefits, private pension and on the coverage of these services, as well as the Act on the itemised tax-payment obligation of small tax-payer enterprises and on the small business tax. **For general construction, assembly contracts:** at least one quarter of the value of the general contract less the costs of financing should be of Hungarian origin, certified by a certificate of origin issued by the territorially competent Hungarian Chamber of Commerce and Industry.



1. Trade agreement
2. Loan agreement
3. Facility V insurance covering the risk of non-payment by loan debtor or a loan guarantee
4. At least 15% of the export trade agreement is paid in advance
5. Disbursement of a loan granted for maximum 85% of the export trade agreement
6. Loan repayment

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