

BUYER CREDIT FACILITIES

Interbank buyer credit

The interbank buyer credit facility is created in order to indirectly finance, through lending, the purchase of goods and/or services under a commercial contract concluded between a Hungarian exporter and a foreign buyer through the foreign buyer's bank, which is typically covered by a buyer credit insurance policy provided by MEHIB (Hungarian Export Credit Insurance Plc.). In this scheme, Eximbank provides a loan to the buyer's bank in order to on-lend to the buyer.

BORROWER **Appropriately rated (Class I-II) foreign, state or privately-owned local, regional or international banks, which pose an acceptable risk to Eximbank and MEHIB.**

FOREIGN BUYER State or privately-owned companies, municipalities, sovereign or sub-sovereign entities that take the loan directly from the borrower, and purchase from the exporter

EXPORTER Business entities registered in Hungary

CREDIT AMOUNT At least EUR 1 million or USD 1 million;
Maximum extent of financing in the case of fixed-interest loans with a term of at least 2 years, and with interest equalisation, in accordance with the provisions of the OECD Arrangement:

- maximum 85% of the export contract value,
- local costs, to the extent of maximum 40% (Category I. countries¹) and 50% (Category II. countries²) of the export contract value, and
- as much as 100% of the insurance premium.

VALUE OF EXPORT CONTRACT The amount payable by or on behalf of the foreign buyer for the exported goods and/or services, excluding local costs.

LOCAL COSTS Expenditures incurred in the foreign buyer's country in relation to goods and services that are necessary for the performance of the exporter's contract.

CURRENCY EUR or USD

DISBURSEMENT PERIOD To be determined individually depending on the transaction.

¹ Category I. countries: High Income OECD countries, see more: OECD Arrangement, Chapter II., point 10

² Category II. countries: All countries other than Category I. countries

MATURITY

- At least 2 years, but the repayment period cannot exceed the useful life of the exported goods and services or, where appropriate, the useful life of the project to which the goods and services are exported.
- Up to 15 years
- For certain sectors (climate change, nuclear power plants, civil aircraft, railways, ships) in accordance with the relevant provisions of the OECD Arrangement

REPAYMENT

- In the case of loans with a term of at least 2 years, the principal is to be paid with a frequency of at least one year, basically in equal instalments, in such manner that the first principal and interest instalment must be paid by not later than the expiry of 1 year following the starting point of the credit.
- In the case of transactions subject to sector agreements, with a schedule in accordance with the provisions of the sector agreements³.

STARTING POINT OF CREDIT

Not later than (a) the date on which the buyer physically takes possession of the goods or the complete equipment / service delivered under the contract, or (b) the date of commissioning.

INTEREST BASE

In the case of fixed-interest rate loans with a term of at least 2 years, in accordance with the provisions of the OECD Arrangement:

- Minimum CIRR⁴ or in the case of sector agreements, the specific CIRR for the sectors, which is fixed by EXIM on the day of the conclusion of the agreement.

FEES AND COMMISSIONS

On the basis of list of conditions / individually, for each transaction:

- up-front fee based on the amount of the loan,
- commitment fee calculated for the amount not yet drawn down
- monitoring fee: depending on the transaction,
- contract amendment fee based on the amount of the loan,
- insurance premium, if a buyer's credit insurance is also linked to the transaction.

OTHER COSTS

Occasionally, it may be necessary to involve technical inspectors and/or financial experts and/or a laws firm and/or other experts, the costs of which are borne by the Borrower.

COLLATERAL

"V" type insurance or no collateral: in the case of a Borrower of appropriate classification and limit (typically international, class I-II), Eximbank can take the risk of a foreign bank, subject to individual appraisal
Other collaterals may also be stipulated, if necessary.

³ See: OECD Arrangement Chapter I. point 7

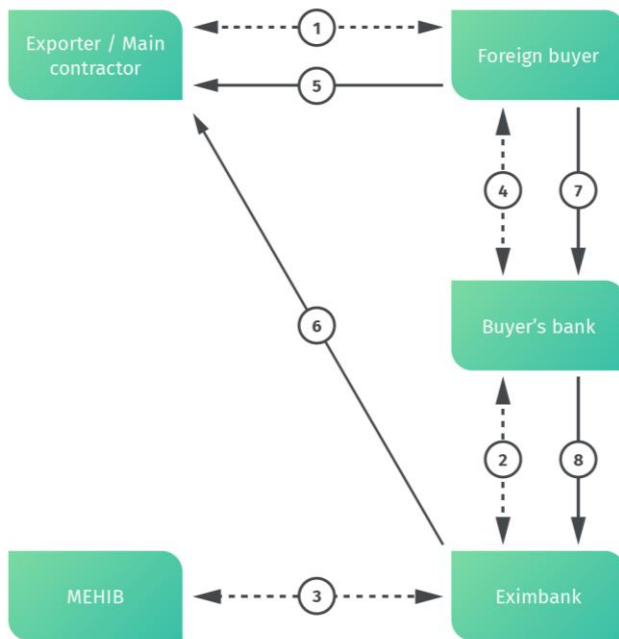
⁴ Commercial Interest Reference Rate (CIRR) applicable to fixed-interest loans determined in accordance with the OECD Arrangement and published by the Secretariat of the OECD.

CERTIFICATION OF HUNGARIAN ORIGIN

According to the provisions of the Government Decree 85/1998 (V.6.) on the interest equalization system of Eximbank being in force at the time of the conclusion of the contract.

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INTERBANK BUYER CREDIT



1. Commercial Contract, performance to the buyer
2. Interbank buyer credit agreement
3. Type V insurance covering the risk of non-payment by loan debtor (if required)
4. Loan agreement between the buyer's bank and the buyer
5. At least 15% of the Commercial Contract is paid in advance
6. Disbursement of a loan granted for maximum 85% of the Commercial Contract
- 7-8. Loan repayment