

PURCHASE OF SHORT-TERM INSURED RECEIVABLES

EXIM’s facility (Eximbank and MEHIB) combined with insurance, allows the insurer to provide a C-facility insurance for exporting clients and a CF-facility insurance for the bank, besides the coverage of these insurance facilities, the bank purchases receivables without recourse in the case of export transactions where the buyer cannot provide a bank guarantee or letter of credit as security for the deferred payment.

The facility may be used by exporters for financing short-term transactions performed with deferred payment, to countries outside the marketable relationships specified in the EU communication that regulates short-term insurance¹. By purchasing the receivables arising from deferred payment, the bank transforms the transaction into a prompt-payment one, and thus relieves the exporter from the

- commercial,
- country (political and transfer),
- exchange rate, and
- collection

risks arising from the receivable.

EXPORTERS ELIGIBLE FOR FINANCING²

A business with at least one year of operating history

- With a registered office or a fixed establishment in Hungary, or
- a registered office in the territory of the European Economic Area and a branch in Hungary, or
- with a foreign seat, whose Hungarian subsidiary or branch is the manufacturer of the product delivered.

AMOUNT OF THE RECEIVABLE

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CURRENCY

EUR or USD

TERM

Typically 90-365 days, maximum 23 months
In the case of agricultural products, no more than 18 months³
(minimum term remaining at the time of discounting: 30 days)

GRACE PERIOD

5 working days

¹ For the exact list of countries, see the MEHIB list of conditions

² In the case of service - if the collateral is MEHIB C or CF insurance - the entity providing the service must have a registered office in Hungary.

³ From 1 January 2018, in the case of goods listed in the annex to the WTO Nairobi agreement

(in addition to the term of the receivable, we take additional interest days into account when forfaiting, depending on the country risk)

COLLATERAL

- MEHIB C-facility insurance (with assignment or as a co-insured arrangement)
- MEHIB CF-facility insurance (indirectly through the bank's insurance)
- Other supplementary collateral (surety, guarantee, collateral deposit, recourse, etc.)

THE EXTENT OF FINANCING

Maximum 100%, typically decreased with the insurer's self-retention (In the absence of an insurance, to be determined individually)

DISCOUNT INTEREST (DISCOUNTING FEE)

EURIBOR or CME Term SOFR corresponding to the term of financing + premium rate, and the MEHIB insurance fee

COMMITMENT FEE

If a forfaiting limit is made available, the based of the commitment fee is the unutilised part of the limit, payable in arrears every 3 months following the opening of the limit, and upon expiry of the availability period.
Fee according to the list of terms and conditions.

ONE-OFF FEE

According to the list of terms and conditions.

HUNGARIAN ORIGIN

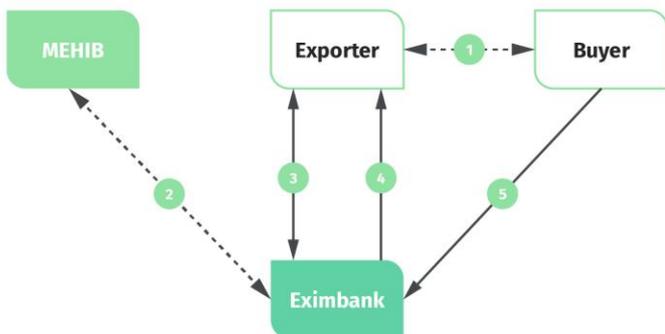
Hungarian content of at least 50% required (in the case of goods).

TYPICAL SECTORS

Farming, agriculture, food industry, medical technology, chemical industry, pharmaceutical industry, smaller machinery and equipment, etc.

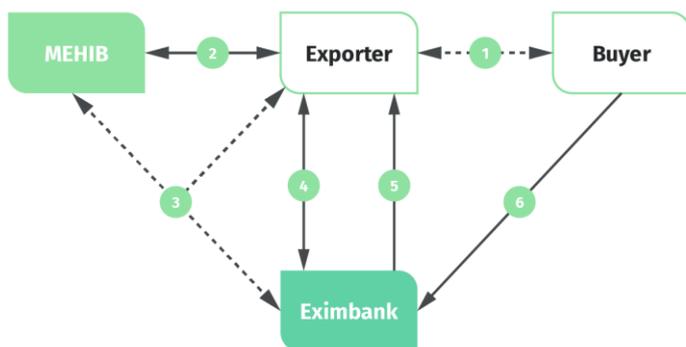
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Purchase of receivables with MEHIB CF-facility insurance



1. Conclusion of a foreign trade contract with deferred payment
2. MEHIB insurance CF-facility
3. Receivables purchase agreement
4. Payment of value of the receivable (at discounted value)
5. Payment of the receivable upon the due date of the invoice

Purchase of receivables with MEHIB C-facility insurance



1. Conclusion of a foreign trade contract with deferred payment
2. MEHIB insurance C-facility
3. Assignment of claim payment under the insurance policy, or a co-insured agreement
4. Receivables purchase agreement
5. Payment of value of the receivable (at discounted value)
6. Payment of the receivable upon the due date of the invoice