

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

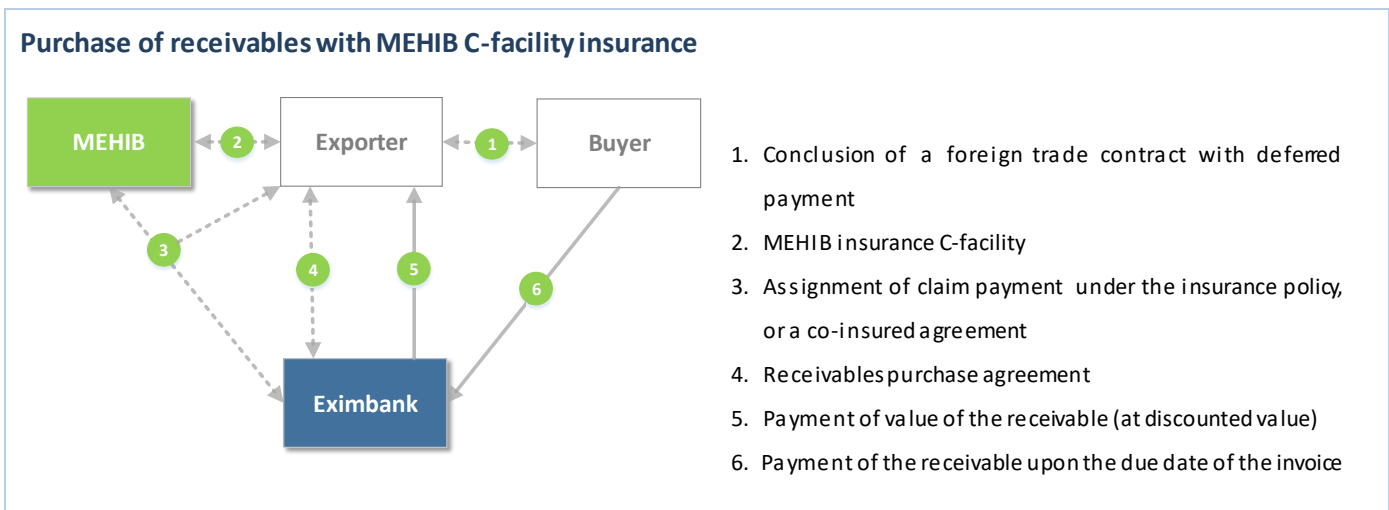
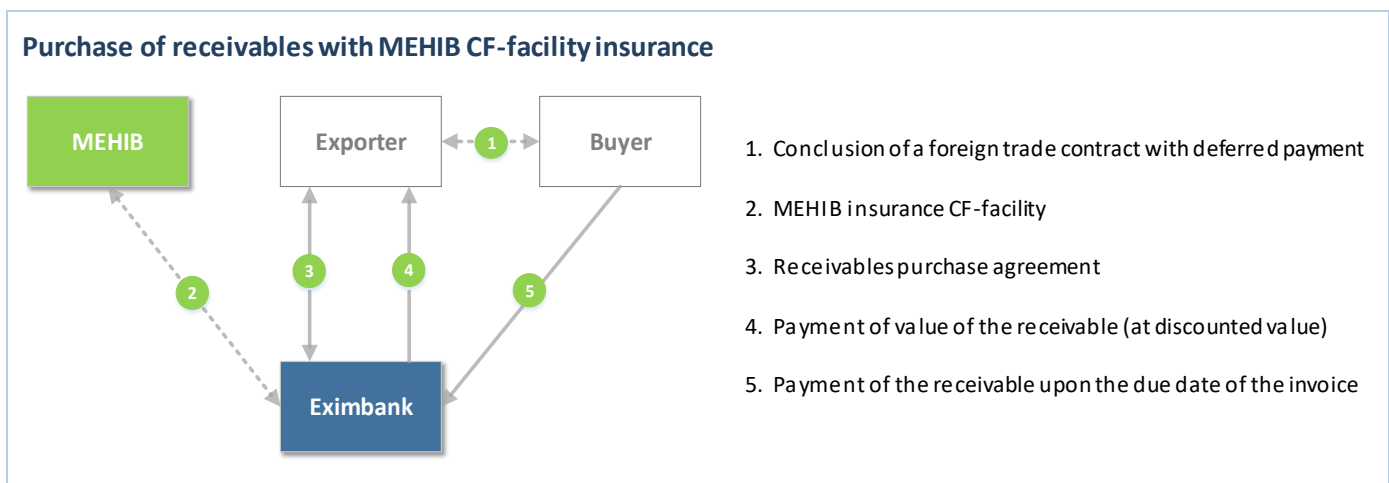
risks arising from the receivable.

Exporters eligible for financing	A business with at least one year of operating history <ul style="list-style-type: none"> - 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	-
Currency	EUR or USD
Term	Typically 90-365 days, maximum 23 months In the case of agricultural products, no more than 18 months ² (minimum term remaining at the time of discounting: 30 days)
Grace period	5 working days (in addition to the term of the receivable, we take additional interest days into account when forfaiting, depending on the country risk)
Collateral	<ul style="list-style-type: none"> - 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)

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

² From 1 January 2018, in the case of goods listed in the annex to the WTO Nairobi agreement

Discount interest (discounting fee)	EURIBOR or USD LIBOR corresponding to the term of financing + premium rate, and the MEHIB insurance fee
Commitment fee	If a forfaiting limit is made available, the commitment fee is maximum 0.5% of 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.
One-off fee	Max. 0.1%
Hungarian origin	Hungarian content of at least 50% required (both in the case of goods and services).
Typical sectors	Farming, agriculture, food industry, medical technology, chemical industry, pharmaceutical industry, smaller machinery and equipment, etc.



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