

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

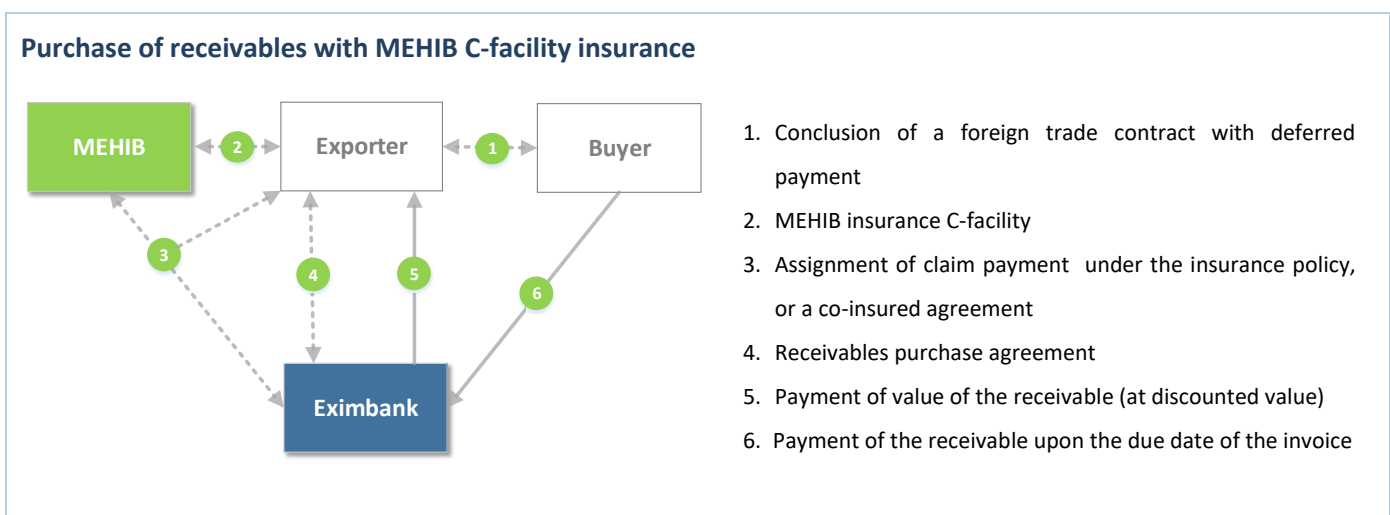
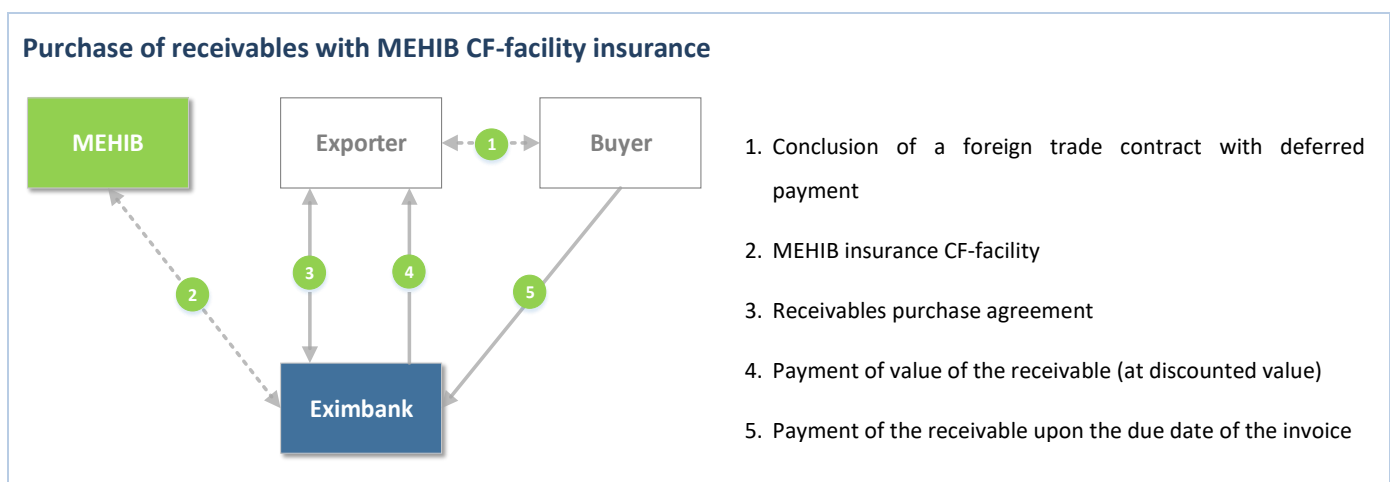
risks arising from the receivable.

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	At least EUR 30 000 or USD 30 000
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

²From 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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