

EXPORT CREDIT GUARANTEES OF THE
FEDERAL REPUBLIC OF GERMANY

► **Hermes Cover**

YOUR BUSINESS BACKED BY THE FEDERAL REPUBLIC OF GERMANY

Export Credit Guarantees: an instrument to promote
foreign trade and investment provided by the



Federal Ministry
for Economic Affairs
and Energy



‘The German government helps companies all around the world to optimize their investments in capital goods by offering an inexpensive financing structure over long periods.’



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Topics

- 01** Sourcing capital goods
Challenges and opportunities
- 02** Your requirements - our solutions
- 03** How does this work?
- 04** Our next steps together



Financing strategy

The purpose of capital investments
is to fuel growth
and their financing structure
is the key to ensuring that they are best-in-class value creators.





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What do
companies require
to optimize their
investments in
capital goods?



These are the challenges we see.

Are we right?

- ⚠ Very high interest rates charged by local banks
-
- ⚠ No fixed interest rate over the repayment period
-
- ⚠ Repayment period often less than 5 years



These are the challenges we see.

Are we right?

- ⚠ Availability of local credit line causes tight liquidity
-
- ⚠ Greater commitment towards the local bank
-
- ⚠ Higher costs by using other financial instruments





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...what if our solution
exactly fits your needs and
you can benefit from a
promotion instrument
offered by the **Federal
Republic of Germany?**

This is what we can **do for you.**

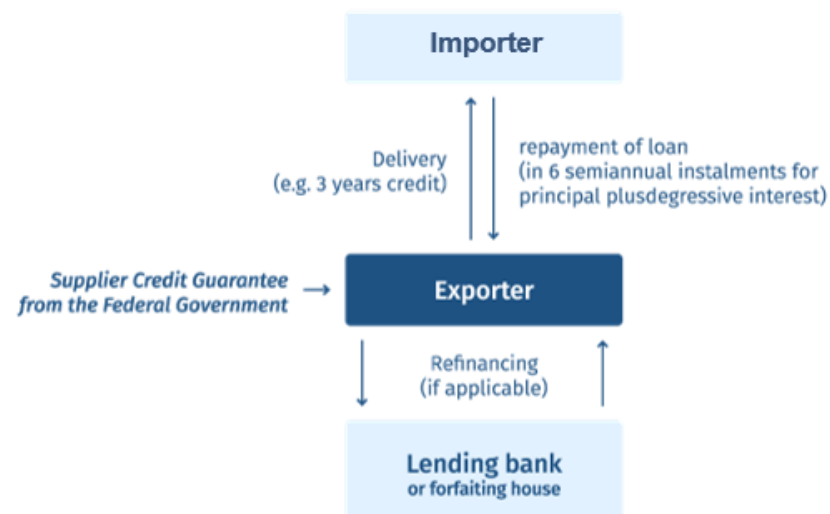
Benefits from loans covered by the German Export Credit Agency (ECA) when buying products and services “made in Germany”

-  A tailor-made and long-term finance solution
-  Our partner banks finance 85% of the contract value
-  Competitive overall cost structure
-  Repayment terms of up to 22 years

Financing options for your imports from Germany

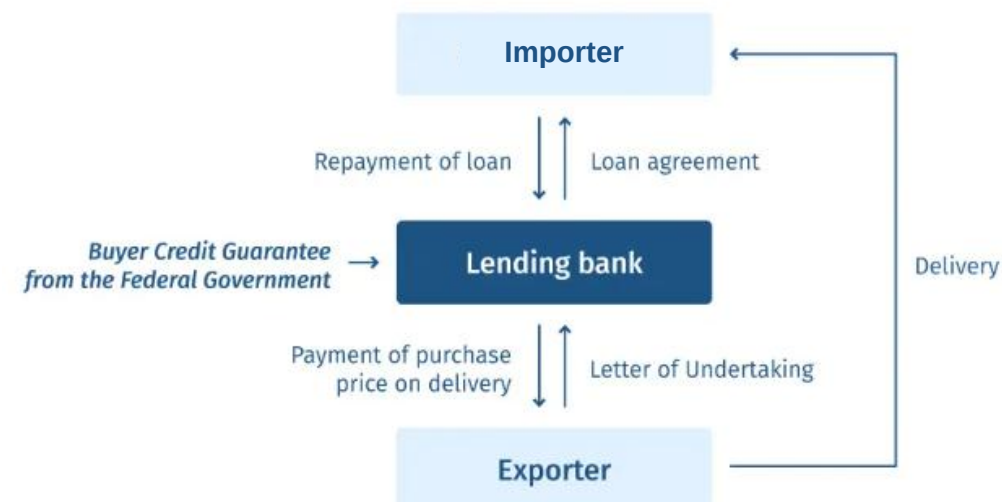
SUPPLIER CREDIT

With supplier credit, the exporter grants the importer a loan. Under a supplier credit guarantee, the Federal Government covers the associated risks and thus enables a bank to purchase the receivable.



BUYER CREDIT

With a buyer credit, the bank grants the foreign buyer (importer) a direct loan for an export transaction. This is a tied buyer credit as the credit or loan is used solely to finance this export transaction.



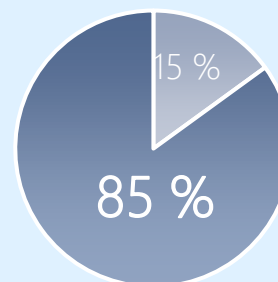
Loan details

Payment terms



monthly, quarterly,
semi-annual and
annual instalments,
annuities

Credit

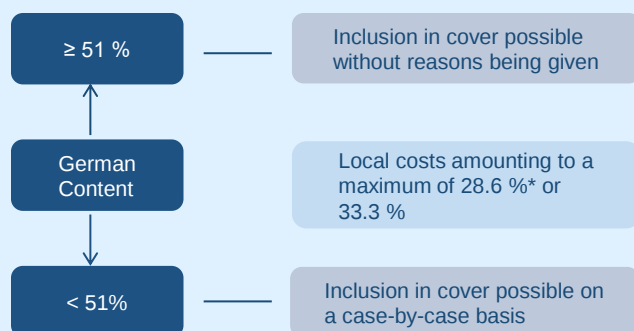


■ down
payment
■ loan amount

Available for

- Capital and fixed assets
- Transaction is eligible for cover and justifiable in terms of risk

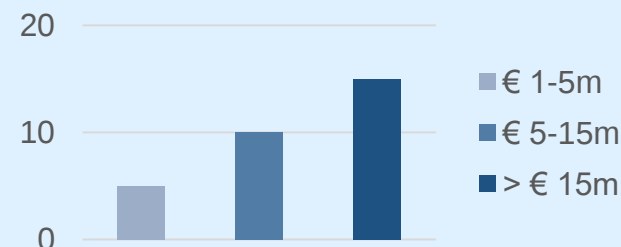
German content



Credit period

Years

Amount



■ € 1-5m
■ € 5-15m
■ > € 15m

Requirements



Financial
statements for the
last three years
(audited)

Your benefits in a nutshell



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ACT NOW!

Make the ECA option work for your project.



Financing your imports – what does it cost?

Obtain an indicative all-in premium
and your financing schedule



Financing your imports and getting ECA cover – What does it cost?

► Find out an indicative all-in premium and get your financing schedule

BASIC DATA	YOUR FINANCING SCHEDULE
Where are you located? Country Please select your country	What is the expected total contract value (EUR)? Amount * Please input the total contract value in Euro
What is your assumption on the interest margin from the financing bank (optional)? Overall Rate Please input rate (basis points) in %	How long is the favored repayment period (semi-annual rates)? Repayment Period * Please input the repayment period in years
The premium is only indicative. Among other assumptions about your cross-border business, we presuppose a moderate to average* creditworthiness of the buyer (*basis is so-called CC3 resp. CC2 in countries with country classification 7). Calculate →	

Type of cost/fee		Total loan amount	
your location	Brazil	contract value (100 %)	€1,000,000.00
Interest on the loan	n/a	- down payment (15 %)	€150,000.00
*ECA premium, payable upfront	€56,600.00	= loan amount (85 %)	€850,000.00
based on cred period	5 years	+ ECA premium	€56,600.00
All-in (interest + ECA premium p.a.)	2.42%	= Total loan amount	€906,600.00

Instalment No.	Remaining Capital Amount	Instalment net	Interest	Total instalment
1	€906,600.00	€90,700.00	n/a	€90,700.00
2	€815,900.00	€90,700.00	n/a	€90,700.00
3	€725,200.00	€90,700.00	n/a	€90,700.00
4	€634,500.00	€90,700.00	n/a	€90,700.00
5	€543,800.00	€90,700.00	n/a	€90,700.00

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*The premium depends in particular on the country risk and the buyer's presumptive creditworthiness. The values calculated here are indicative only and not binding. The actual premium may differ from this indication. Premia does not include ECA fees which might be charged. Besides, the calculation does not constitute a conclusive statement on the project's eligibility for cover.

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Our next steps together

Let's talk about your projects

- What projects are you planning?
- What tenor do you require?
- Do you know already a German supplier?
- When do you want to start?

Who to contact – please do not hesitate to reach out to us

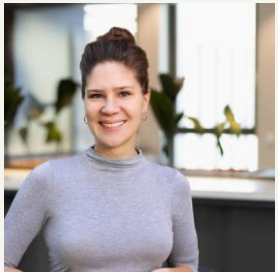
OUR FINANCE EXPERTS IN YOUR REGIONS



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Cover from the Federal Republic of Germany for foreign business

Export Credit Guarantees and Untied Loan Guarantees have been established and effective foreign trade promotion instruments of the Federal Government for decades. Export Credit Guarantees (so-called Hermes Cover) protect German exporters and banks financing exports against political and commercial risks. Untied Loan Guarantees are to support raw material projects abroad regarded as eligible for promotion by the Federal Government.

Both promotion instruments play an important role in fostering economic growth as well as in protecting and creating jobs. Federal Government commissioned Euler Hermes Aktiengesellschaft to manage the federal funding instruments Export Credit Guarantees and Untied Loan Guarantees.

Information on other foreign trade promotion instruments of the Federal Government can be found at www.bmwk.de/en under the heading Promotion of Foreign Trade and Investment.

Export Credit Guarantees and Untied Loan Guarantees:
instruments to promote foreign trade and investment
provided by the



Federal Ministry
for Economic Affairs
and Energy

Commissioned to implement the federal
funding instruments Export Credit Guarantees
and Untied Loan Guarantees:



EULER HERMES