

CREDENDO OFFERS **DIRECT FINANCING TO FOREIGN BUYERS** OF BELGIAN PRODUCTS AND/OR SERVICES IN THE FORM OF BUYER CREDIT.

What is Buyer credit Credendo?

Where neither an exporter nor its bank is willing to take responsibility for financing an export contract by granting a payment term, the exporter may ask Credendo to grant the buyer credit intended to finance the export contract. This credit facility is known as 'Buyer credit Credendo'. It provides a competitive advantage for the exporter, which is able to be paid by Credendo in cash on a progressive basis during performance of the export contract.

The conditions governing Buyer credit Credendo are simple and can be found in a standardised credit agreement. The amount of the credit is in EUR or USD. It may not exceed 85% of the export contract and the interest rate is fixed. This credit is repaid in equal quarterly payments.

What does Credendo offer exporters?

Credendo offers a solution that makes it possible for exporters to avoid all non-payment risk.

Indeed, with Buyer credit Credendo, the exporter is directly paid by Credendo as soon as the former has completed performance of all of its obligations under the export contract.

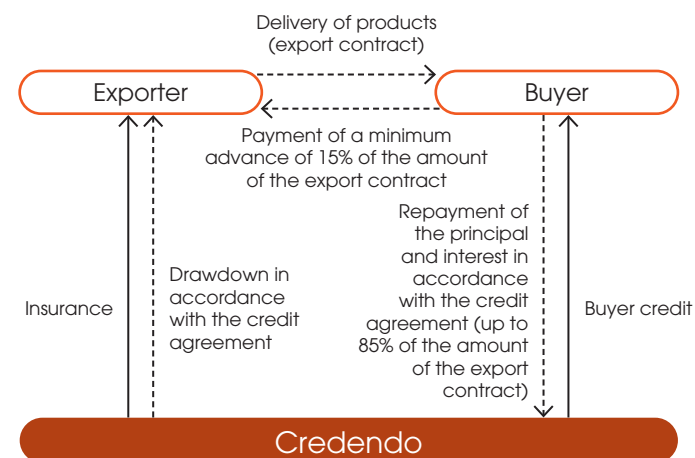
Furthermore, with the assistance and support of the exporter, Credendo takes that party's place in discussions with the buyer regarding the financing.

The exporter can also be insured against termination risk (see the product brochures on 'Supplier credit insurance', 'Buyer credit insurance' and 'Cash transaction insurance').

What does Credendo offer buyers?

In order to purchase Belgian products and/or services, the buyer receives financing from Credendo, a sound, reliable lender operating under the Belgian State guarantee. Credendo can lend the buyer up to 85% of the amount of the commercial contract.

Structure of Buyer credit Credendo



Who can obtain this credit?

Any foreign buyer interested in purchasing Belgian goods and/or services can obtain credit offered by Credendo, subject to certain conditions laid down by the OECD.

What are the conditions for granting Buyer credit Credendo?

Credendo may grant buyer credit for any export contract covering capital goods and services for amounts from EUR 2 million to EUR 8 million and with a term of between 2 and 5 years.

How much does Buyer credit Credendo cost?

The credit rate depends on the creditworthiness of the buyer, the destination country and the term of the transaction and covers all financing costs for the buyer.

EXAMPLE



Please contact Credendo if you would like a credit rate estimate for a specific transaction. No fee is payable for estimates.

Further information
 E solutions@credendo.com
 T +32 2 788 87 76
 www.credendo.com

Credendo refers to Credendo – Export Credit Agency, the official Belgian export credit agency, created in 1939. It is covered by the Belgian State guarantee and has an AA rating from S&P Global.

TIMELINE

- 1 **1. Before the contract**
 At any time during the preparation of its export project, an exporter may approach Credendo for information and details about premiums and financing options.
- 2-3 **2. Credendo insurance application**
 The exporter informs Credendo about its export contract currently being negotiated with the buyer and provides the necessary information about the buyer so that credit can be structured. The exporter completes an insurance application form.
- 3 **3. Buyer credit application**
 The buyer submits a credit application to Credendo and provides the information necessary to enable structuring of that credit.
- 4 **4. Promise of insurance**
 Following analysis, Credendo makes a decision and confirms that it is possible to grant credit to the buyer on the basis of a bilateral credit agreement. Credendo confirms its cover position for the exporter in a promise of insurance and its credit position for the buyer in a promise of credit. These promises are valid for six months.
- 5 **5. Signing of contractual documents**
 The exporter signs an export contract with the buyer and the insurance policy with Credendo, and pays the premium. The buyer signs an export contract with the exporter (which includes payment of an advance of 15% of the amount of the export contract to the exporter), and the credit agreement with Credendo.
- 6 **6. Delivery of products and services**
 The exporter provides the delivery documents required to Credendo, which verifies whether all of the conditions of the credit agreement have been met. Credendo then transfers the total amount of the credit to the exporter and confirms this payment to the buyer, along with the schedule for repayment of the credit.
- 7-8 **7. Repayment of the credit**
 The credit is repaid in equal quarterly payments over a maximum period of five years.
- 8. Indemnification**
 If the credit is not repaid, Credendo will assume the associated risk.