

CREDENDO OFFERS EXPORTERS **PROTECTION IN TRANSACTIONS PAYABLE IN CASH AGAINST NON-PAYMENT AND TERMINATION RISKS** RESULTING FROM DEBTOR DEFAULT OR POLITICAL EVENTS.

### What is a cash transaction?

A transaction is classified as a 'cash transaction' where it is payable on a progressive basis during performance of the export contract. Unlike transactions payable on credit, payment for works performed as part of a cash transaction is not deferred over time.

Cash transactions primarily cover exports of capital goods, contract works, dredging operations, industrial projects and engineering services.

### What does Credendo offer exporters?

In a cash transaction, an exporter is exposed to the risk that the buyer might not meet its payment obligation (non-payment risk) or that the export contract might be terminated (termination risk).

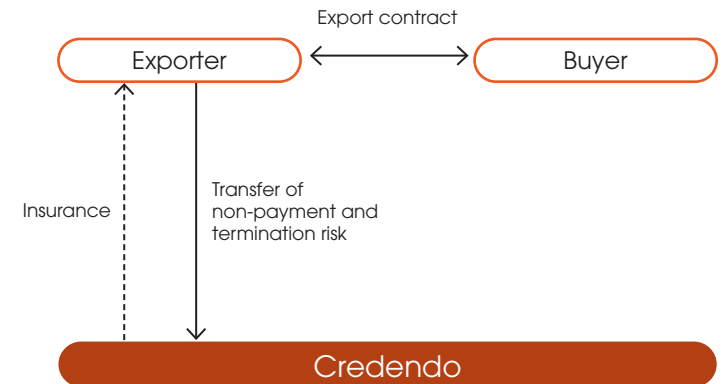
Credendo insurance protects the exporter from the risk of non-payment by the buyer, irrespective of whether that non-payment is due to debtor default (bankruptcy, financial difficulties experienced by the buyer, etc.) or a political event (war, government fiat, shortage of currency, natural disaster, etc.). In such a case, Credendo will indemnify the exporter on the basis of the amount of the unpaid claim.

Credendo insurance also offers the exporter protection against the risk of termination of an export contract. Here too, termination may result from debtor default or a political event. Credendo will indemnify the exporter for all costs incurred by that party in performing the export contract.

Credendo will use its expertise to help the exporter recover any amount payable by the buyer and will participate in the costs of recovery.

An exporter can also be insured by Credendo against the risk of calling of bank guarantees issued in favour of a buyer, where the calling of those guarantees is the result of an act by the debtor that is not lawful under the contract or of a political event (see the product brochure on 'Bank guarantee insurance').

### Structure of cash transaction insurance



### What is the maximum percentage payable by Credendo?

Cash transaction insurance covers an exporter up to a maximum percentage, referred to as the 'percentage of cover', generally set as 95% or 98% of the loss sustained.

The exporter is therefore still responsible for covering a portion of the risk (5% or 2%).

### Who can obtain this insurance?

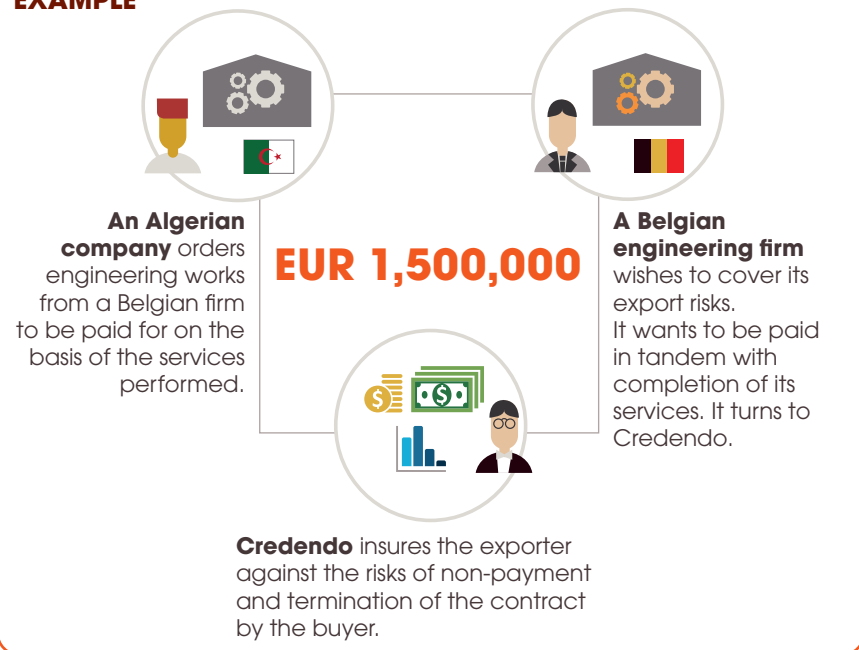
Any exporter signing an export contract payable in cash with a link to Belgium may obtain this insurance offered by Credendo.

### How much does cash transaction insurance cost?

The premium depends on the solvency of the buyer, whether the transaction involves a guarantor or a payment by means of documentary credit (letter of credit), the destination country and the period of performance of the transaction. The premium is expressed as a percentage of the amount covered.

This premium is payable when the policy is issued.

## EXAMPLE



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

### Further information

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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. Before the contract**  
An exporter approaches Credendo for information and details of premiums during negotiation of its contract.
- 2. Insurance application**  
During negotiations with its foreign buyer, the exporter informs Credendo about its commercial contract and completes an application form.
- 3. Promise of insurance**  
Following analysis, Credendo makes a decision and confirms its cover position in a promise of insurance valid for six months.
- 4. Signing of contractual documents**  
The exporter signs its commercial contract with the foreign buyer, signs its insurance policy with Credendo and pays the premium.  
Credendo insures the exporter against the risks of termination of the contract and non-payment on contracted payment dates.
- 5. Delivery of products or services**  
The exporter delivers the products or services as agreed in the commercial contract.
- 6. Payment of contracted payments by the buyer**  
The foreign buyer pays the contracted amounts on the dates stated in the commercial contract.
- 7. Indemnification**  
If the agreed amounts are not paid or the contract is terminated by the buyer, Credendo will indemnify the exporter.