

## **FINANCIAL SUPPORT OF EXPORT CONTRACTS**

### **1. Buyer's Credit**

The growth of every business is associated with seeking new markets.

PMPoland as a dynamic company, place great weight on cooperation with new customers in all business areas: marketing, engineering, manufacturing, logistic and also financial.

In last two years, when the Global Cash Flow crisis came true, financial subjects became the main point of all business projects. At this time, when the companies face the credit crunch, PMPoland offers its assist in reach of the financial support from Polish banks as Buyer's Credit.

Basic requirements:

- contract with PMPoland for export services or/and goods
- scope of delivery – new investment's projects in paper industry business (new paper machines)
- financing period – minimum 2 years
- country of origin for scope of delivery – min. 50% of total value from Poland
- advance payment – min. 15% of contract value must be paid by importer outside of credit
- max. up to 85% of contract value could be covered by credit, fixed value of instalments paid in fixed periods (max 6 months)

### **Credit description:**

Debtor: foreign company / importer or importer's bank

Lender: Polish bank

Insurer: KUKA S.A. (Export Credit Insurance Corporation Joint Stock Company) – the statutory aim of KUKA is to create conditions which facilitate the promotion of Polish exports as well as strengthen the position of Polish exporters and their products and services on the international markets. KUKA's insurance facilities have been adapted to meet European standards.

Credit amount: max. up to 85% of contract value covered by buyer's credit

**PMPoland S.A.**

Credit period:	more than 2 years
Repayment of credit period:	2 years and more from the date of finishing contract
Instalment schedule:	instalments paid in fixed periods (max. 6 months), first instalment paid max. up to 6 months after the date of finishing contract
Credit risk insurance:	insurance policy issued by KUKÉ
Cost:	- bank arrangement charge – fixed % of credit amount, paid by Debtor; - interests / bank margin – fixed % p.a. based on LIBOR/EURIBOR related to proper credit currency, paid by Debtor; stand-by charge – 50% of bank margin calculated from unused credit amount, paid by Debtor; - insurance policy cost – fixed % of credit amount, paid once by Debtor, according to insurance rate calculated by KUKÉ (insurance policy value can be added to credit amount).
Legal cost:	The Debtor cover all charges, including legal costs related to the Buyer's Credit, especially external opinion and lawyer office charge.

**Documents:**

Basic documents: credit agreement signed by importer / importer's bank (Debtor) and Polish bank (Lender)  
KUKÉ's Insurance Policy issued to Polish bank

Documents required by bank before credit decision:

KUKÉ's insurance application;  
Exporter's statement confirming polish origin of goods (a min. 50% share of Polish producers on total value of exported services or goods), environment issue and stated that contract was concluded without corruption activities;  
Exporter's registration documents and financial data;

Debtor's (importer or importer's bank) Financial Reports approved by auditors, for last three fiscal years;  
Debtor's registration documents;  
Debtor's bank opinion;  
Debtor's shareholders list.

Law regulation: Credit Agreement will be governed by and constructed in accordance with the laws of Poland.

## **2. Leasing**

Leasing is an alternative way of finance investment projects in paper business. In case of an international projects leasing should be operated by lease company registered in country of tenant.  
PMPoland offers its assistance with contact to most international or local lease companies in many countries.

If you need any additional information please don't hesitate contact our Financial Department:

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