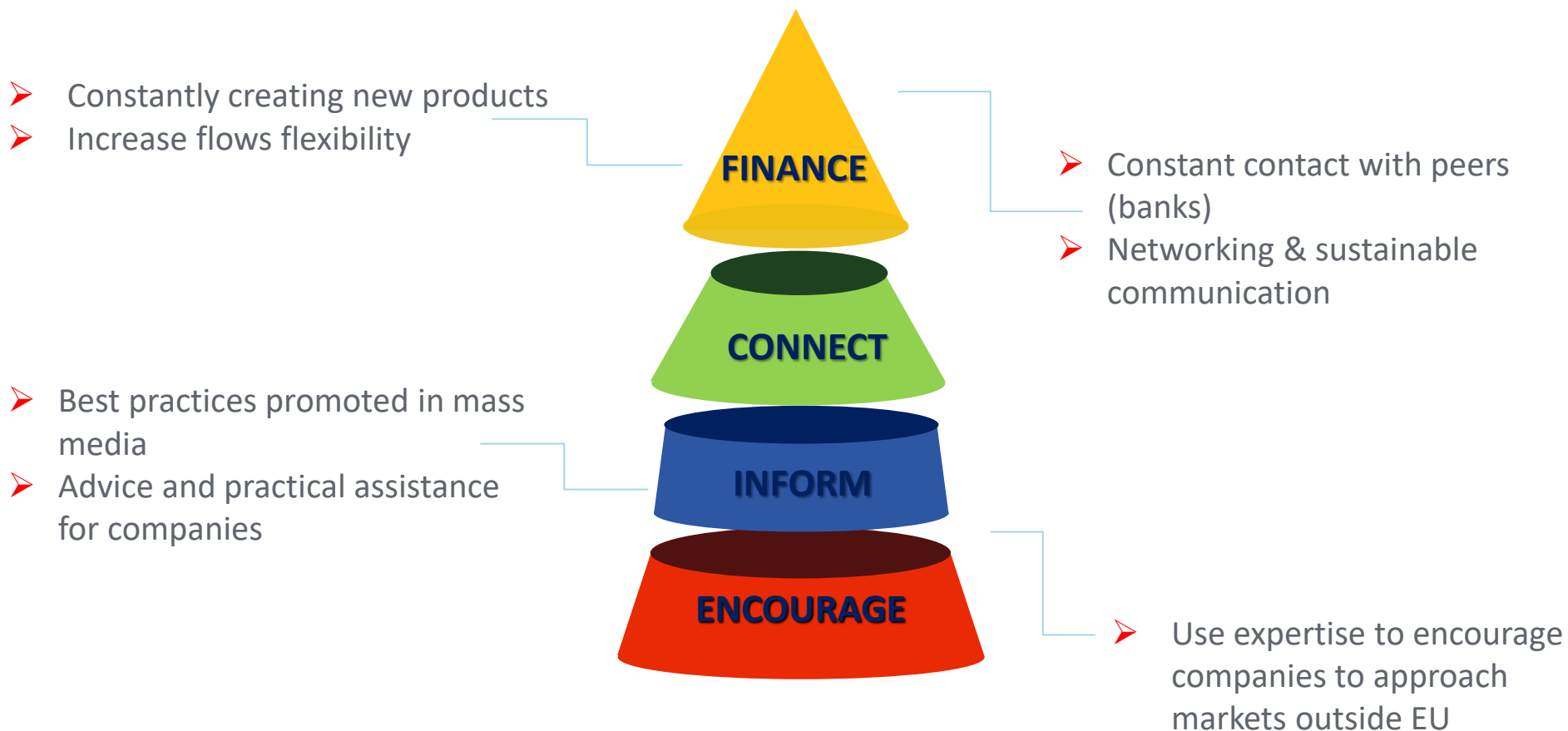


EXIMBANK PORTFOLIO STATE MANDATE

2020

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EximBank offers to the banks on local financial market state guarantees and insurance policies facilitating the speeding up of crediting for local companies of any type (SME, big companies, exporters) in better risk mitigation conditions.





EximBank's product portfolio
state mandate activity

➤ **Financing**

➤ **Guarantees**

➤ **Export Credit
Insurance**

Temporary framework – granting
facilities in a flexible way, market
conditions

&

NEW temporary schemes to
mitigate COVID-19 outbreak
economic effects

EXIMBANK STATE FINANCING

EximBank grants financing to Romanian companies for supporting investments projects and/or current business in priority domains: SME development, infrastructure, utilities projects, supporting research & development, environment protection, employment and human resources training, regional development and international transactions.

ELIGIBLE COSTS

- ✓ **Investments** – equipment, land, buildings, licenses, patents, software, various costs up to 30% of the financed amount.
- ✓ **Export** – services/goods production and distribution.
- ✓ **Business as usual costs** for activity in priority domains.

TEMPORARY FRAMEWORK

Considered fulfilled if there are
payment incidents & debts occurring
after 16.03.2020 (emergency state date)
& induced by COVID -19 outbreak

ELIGIBLE COMPANIES

- ✓ are not facing financial difficulties as per the provisions of the European Commission Communication regarding *directions for state aid for supporting and restructuring the non-financial companies in distress*;
- ✓ are not in the insolvency state as per the regulations in place;
- ✓ **have not major payment incidents with cheques and payment orders during the last 12 months as per the Payment Incidents data base**;
- ✓ have not outstanding debt to the state budget that are not subject to settlements;
- ✓ **have class A debt service as per Central Credit Register**;
- ✓ are not involved in litigations as defendants with the Ministry of Public Finance, including the National Agency for Fiscal Administrations and EximBank.

EximBank finances in the name and on the account of the state large companies and SMEs with a turnover higher than 20 million Lei for **working capital and investments** under a temporary scheme approved by the European Commission.

Eligibility – legal persons organized as per Law31/1990 that fulfil the following cumulative criteria

- ✓ were not in difficulty state at 31.12.2019 according to European Commission definition;
- ✓ are not subject to state aid recovery decisions or the respective decisions have been already executed;
- ✓ are not in foreclosure, operational closure, dissolution, liquidation or under special management;
- ✓ have not major payment incidents with cheques and payment orders during the last 12 months as per the Payment Incidents data base;
- ✓ have class A debt service as per Central Credit Register;
- ✓ are not subject to demands registered in courts for opening the preventing agreement or insolvency procedures;
- ✓ do not have registered outstanding debts related to tax, charges and contributions and other amounts due to consolidated state budget;
- ✓ are not involved in court procedures with EximBank or the Ministry of Public Finance, including National Agency for Fiscal Administration (ANAF).

DIFFICULTY STATE

- **Minimum 50% of the registered capital has been overwritten by accumulated loss;**
- **At least one of the shareholders has unlimited liability for company's debt and minimum 50% of the registered capital has been overwritten by accumulated loss;**
- **Are subject to collective insolvency procedure or presents the conditions for such procedure;**
- **For the last two years:**
 1. *Company's debt/own capital ratio is larger than 7,5;*
 - and
 2. *Interest cover capacity based on EBITDA is under 1,0.*

EximBank finances in the name and on the account of the state large companies and SMEs with a turnover higher than 20 million Lei for **working capital and investments** under a temporary scheme approved by the European Commission.

EXEMPTIONS

- ✓ Gambling and betting industry
- ✓ Production and distribution of weapons, ammunition, explosives, tobacco, alcohol, substances subject to national control, plants, substances and psychotropic
- ✓ Investigating and protection services
- ✓ Real estate
- ✓ Financial intermediation and insurance
- ✓ Credit disbursements may be accepted for companies that have more than 10% out of their turnover in the above mentioned categories only based on supporting documents offered to the financing bank

DIFFICULTY STATE

- **Minimum 50% of the registered capital has been overwritten by accumulated loss;**
- **At least one of the shareholders has unlimited liability for company's debt and minimum 50% of the registered capital has been overwritten by accumulated loss;**
- **Are subject to collective insolvency procedure or presents the conditions for such procedure;**
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 1. Company's debt/own capital ratio is larger than 7,5;
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EximBank finances in the name and on the account of the state large companies and SMEs with a turnover higher than 20 million Lei for **working capital and investments** under a temporary scheme approved by the European Commission.

ELIGIBLE COSTS

WORKING CAPITAL LOANS

- Costs related to commercial contracts/ orders for acquisition of raw materials, production, distribution, business as usual (including payment of overdue taxes to the State budget).

INVESTMENT LOANS

- acquisition of equipment, building services for, development or upgrading production facilities,
- Land and building works (building acquisitions, production units, developing and upgrading existing ones, land acquisition)
- intangible assets (licenses, patents, software) consultancy costs.
- Other costs related to investment implementation, including VAT

- ✓ Granted in Lei
- ✓ Maximum tenor – 6 years for investments, 4 years for working capital
- ✓ Maximum value
 - 2 x salaries expenses in 2019 OR
 - 25% of the 2019 turnover OR
 - estimated value of cash from granting the loan up to 12 months (large companies) or 18 months (SMEs) – **exceptional cases**
- ✓ grace period – maximum 24 months, equal, monthly or quarterly instalments
- ✓ Necessary guarantees for the debtor – minimum 100% at EximBank in the name and on the account of the state accepted values, must include mortgage on current accounts and first rank mortgage on the goods acquired with the investment loans
- ✓ Minimum 10% own contribution of the company entirely used before credit disbursement
- ✓ Progressive costs 0,25% - 1% p.a. for SMEs and 0,50% p.a – 2% p.a for large companies.

EXIMBANK STATE GUARANTEES

EximBank issues guarantees in the name of and on the account of the Romanian State that reduce financing associated risks thus enabling companies to access loans from commercial banks for national or international projects.

STATE GUARANTEE is associated to cash/non cash facilities granted for investment projects or working capital, up to a maximum 80% of the loan value (without interest)

Exceptions:

- ✓ Maximum 70% for cash facilities for working capital
- ✓ Maximum 50% for re-financing of loans

TEMPORARY FRAMEWORK

- ✓ Considered fulfilled if there are payment incidents & debts occurring after 16.03.2020 (emergency state date) & induced by COVID -19 outbreak
- ✓ Maximum 80% for working capital loans

ELIGIBLE COMPANIES

- ✓ are not facing financial difficulties as per the provisions of the European Commission Communication regarding *directions for state aid for supporting and restructuring the non-financial companies in distress*;
- ✓ financial performance rated A-D;
- ✓ have class A debt service as per Central Credit Register;
- ✓ have not major payment incidents with cheques and payment orders during the last 12 months as per the Payment Incidents data base;
- ✓ present to the financing bank collateral guarantees up to at least 20% of the loan value;
- ✓ are not involved in litigations as defendants with the Ministry of Public Finance, including the National Agency for Fiscal Administration (ANAF) and EximBank.

STATE GUARANTEES ON GOING FINANCING FACILITIES

ON GOING FINANCING FACILITIES WITH STATE GUARANTEES

- ✓ Cash facilities for working capital - the state guaranteed percentage may increase up to 80%.


ON GOING FACILITIES WITHOUT STATE GUARANTEES

- ✓ For cash/ non-cash facilities the guarantees mix may include state guarantee up to 50%

CONDITIONS

In the situation when the guarantees mix for an on going facility becomes insufficient following the COVID-19 outbreak, it may include the state guarantee:

- ✓ Existing collaterals are not covering credit risk anymore;
- ✓ Beneficiary and the financing bank prove that initial credit conditions changed due to COVID-19 outbreak;
- ✓ All the other guarantees in the mix maintain
- ✓ State guarantee may be granted upon financing bank request when the financed amount is maintained or increased, the tenor is extended or not but will not be granted for financed amount increased due to postponed payment of interest rates



EximBank covers up to 80% of the banking guarantee letters issued by the commercial banks for infrastructure development projects, public utilities, support of research-development activities, environment protection, human resources, SME development, etc.

TEMPORARY FRAMEWORK

Considered fulfilled if there are
payment incidents & debts occurring
after 16.03.2020 (emergency state date)
& induced by COVID -19 outbreak

ELIGIBLE COMPANIES

- ✓ are not facing financial difficulties as per the provisions of the European Commission Communication regarding *directions for state aid for supporting and restructuring the non-financial companies in distress*;
- ✓ financial performance rated A-D;
- ✓ have class A debt service as per Central Credit Register;
- ✓ have not major payment incidents with cheques and payment orders during the last 12 months as per the Payment Incidents data base;
- ✓ present to the counter guarantee beneficiary collateral guarantees up to at least 20% out of the LBG value;
- ✓ are not involved in litigations as defendants with the Ministry of Public Finance, including the National Agency for Fiscal Administrations, EximBank and Compania de Asigurari - Reasigurari EXIM România.

Commercial banks may access facilities agreements allowing them to use guarantees issued by EximBank in the name of and on the account of the state for credits granted to SMEs.

SME Facility Agreement

Guarantees for financing:

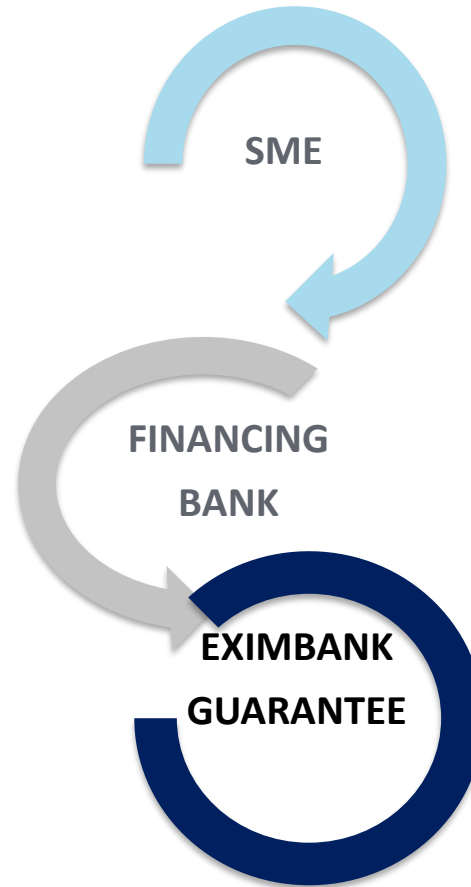
- ✓ investments - up to 80%
- ✓ working capital - up to 70% /80%

TEMPORARY FRAMEWORK

- ✓ used by the bank to complete the individual guarantees
- ✓ issued in Lei
- ✓ maximum value of 1.5 Million Lei

TEMPORARY FRAMEWORK

- ✓ Improved workflows agreed with beneficiary banks
- ✓ Flexible eligibility criteria



SME European Funds Facility Agreement

Guarantees for financing:

- ✓ eligible & non-eligible costs – own SME contribution
- ✓ eligible & non-eligible costs – own SME contribution + eligible costs until the repayment by the management authority
- ✓ 80% cover of the necessary guarantees
- ✓ issued in Lei
- ✓ no maximum value



EximBank offers to commercial banks and Romanian companies flexible, low costs guarantees schemes under the Temporary Framework approved by European Commission for mitigating COVID –19 outbreak effects and European regulations regarding state-aid measures

✓ GUARANTEE SCHEME FOR NEW LOANS

✓ GUARANTEE SCHEME FOR ON GOING LOANS

Guarantees granted by EximBank in the name and on the account of the State under the temporary scheme approved by the European Union Commission target large companies and SMEs with a turnover higher than 20 million Lei in 2019, as an add-on to the guarantee mix for covering loans for **working capital or investment projects**.

Eligibility – legal persons organized as per Law31/1990 that fulfil the following cumulative criteria

- ✓ were not in difficulty state at 31.12.2019 according to European Commission definition;
- ✓ are not subject to state aid recovery decisions or the respective decisions have been already executed;
- ✓ are not in foreclosure, operational closure, dissolution, liquidation or under special management;
- ✓ have not major payment incidents with cheques and payment orders during the last 12 months as per the Payment Incidents data base;
- ✓ have class A debt service as per Central Credit Register;
- ✓ are not subject to demands registered in courts for opening the preventing agreement or insolvency procedures;
- ✓ do not have registered outstanding debts related to tax, charges and contributions and other amounts due to consolidated state budget;
- ✓ are not involved in court procedures with EximBank or the Ministry of Public Finance, including National Agency for Fiscal Administration (ANAF).

DIFFICULTY STATE

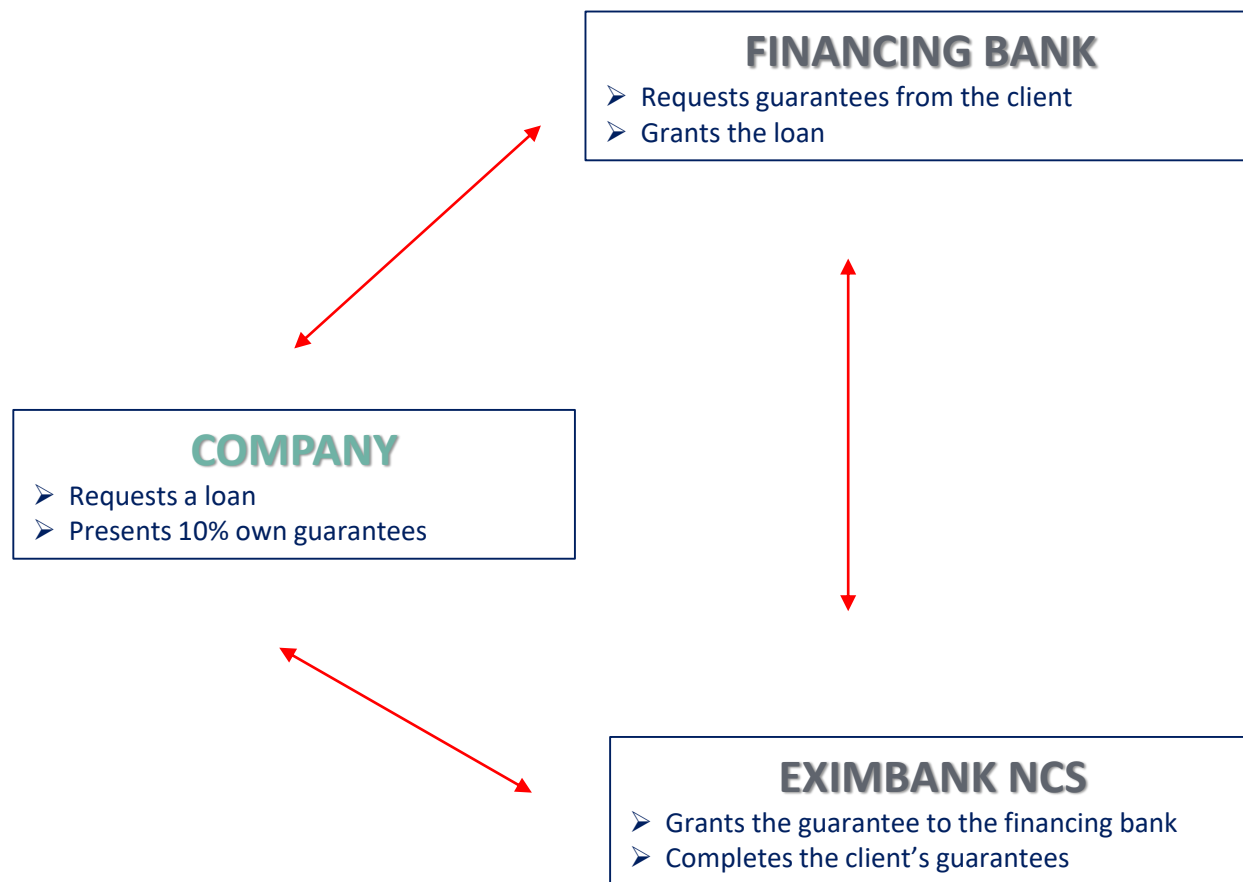
- **Minimum 50% of the registered capital has been overwritten by accumulated loss;**
- **At least one of the shareholders has unlimited liability for company's debt and minimum 50% of the registered capital has been overwritten by accumulated loss;**
- **Are subject to collective insolvency procedure or presents the conditions for such procedure;**
- **For the last two years:**
 1. *Company's debt/own capital ratio is larger than 7,5;*
 - and
 2. *Interest cover capacity based on EBITDA is under 1,0.*

PRODUCT FEATURES

- ✓ Covers up to **90%** of the financed facility for investment projects/ working capital granted by any commercial bank;
- ✓ Tenor equals financing tenor – maximum 6 years for investments and 4 years for working capital (including grace period)
- ✓ **Maximum value* of the guaranteed credit:**
 - 2 x total salaries expenses in 2019 **OR**
 - 25% of the 2019 turnover **OR**
 - Estimated value that covers liquidity needs for 12 months (large companies) or 18 months (SMEs) since granting the facility - *exceptional cases as defined in the Norm*
- ✓ Grace period – 24 months and for ongoing credits maximum half of the remaining tenor/ new tenor for changes in the credit due date
- ✓ Granted in facility currency;
- ✓ 100% covered by guarantees that must include mortgage on current accounts and first rank mortgage on the goods acquired with the investment loans
- ✓ **Progressive costs:** 0,15% p.a – 2% p.a.

STATE AID GUARANTEES NEW LOANS TEMPORARY PRODUCT II

Approved by European Commission by Decision C(2020) 4565



* Beneficiary may obtain several guarantees for investment or working capital loans if the added value fulfils the limits

Guarantees granted by EximBank in the name and on the account of the State under the temporary scheme approved by the European Commission target large companies and SMEs with a turnover higher than 20 million Lei in 2019, as an add-on to the guarantee mix for covering loans for **working capital or investment projects**.

Eligibility – legal persons organized as per Law31/1990 that fulfil the following cumulative criteria

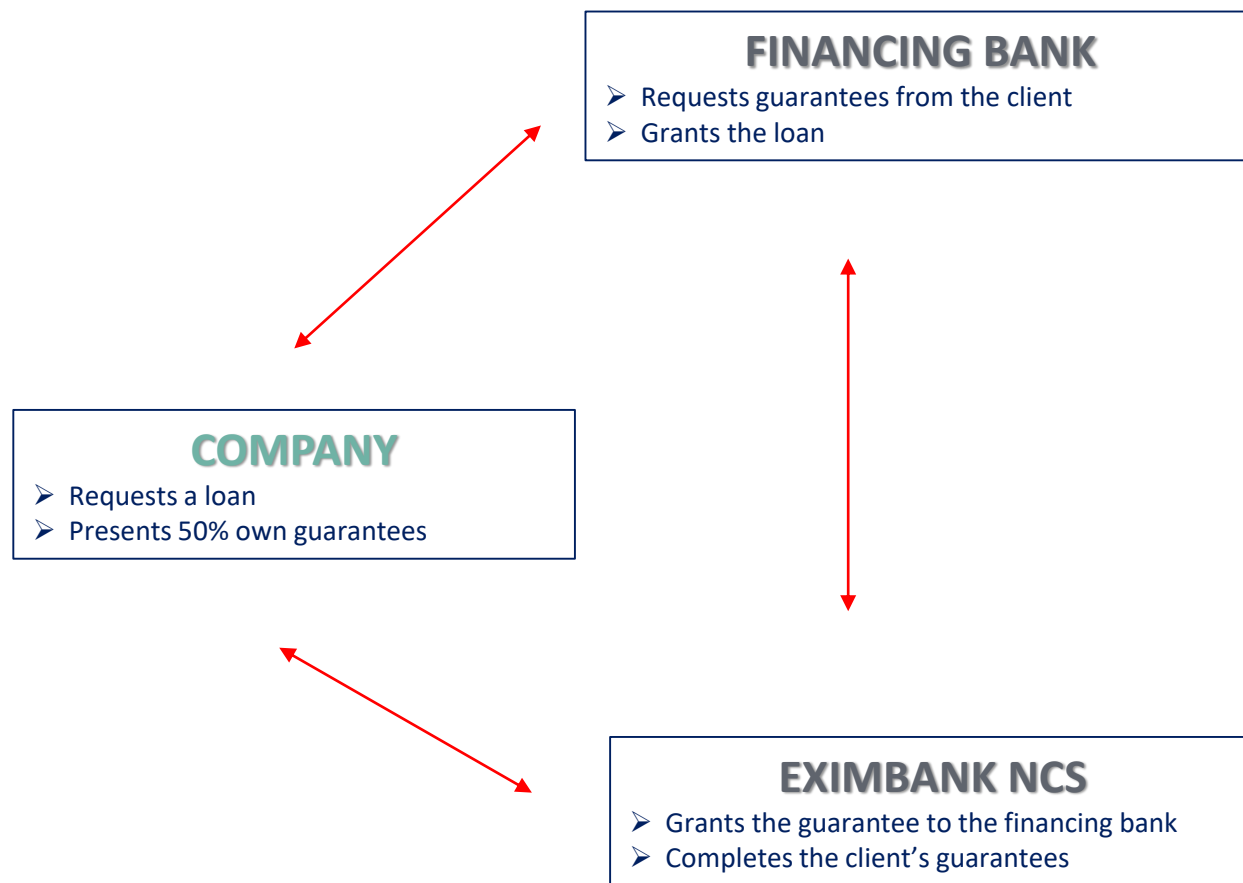
- ✓ were not in difficulty state at 31.12.2019 according to European Commission definition;
- ✓ are not subject to state aid recovery decisions or the respective decisions have been already executed;
- ✓ are not in foreclosure, operational closure, dissolution, liquidation or under special management;
- ✓ have not major payment incidents with cheques and payment orders during the last 12 months as per the Payment Incidents data base;
- ✓ have class A debt service as per Central Credit Register;
- ✓ are not subject to demands registered in courts for opening the preventing agreement or insolvency procedures;
- ✓ do not have registered outstanding debts related to tax, charges and contributions and other amounts due to consolidated state budget;
- ✓ are not involved in court procedures with EximBank or the Ministry of Public Finance, including National Agency for Fiscal Administration (ANAF).

DIFFICULTY STATE

- ***Minimum 50% of the registered capital has been overwritten by accumulated loss;***
- ***At least one of the shareholders has unlimited liability for company's debt and minimum 50% of the registered capital has been overwritten by accumulated loss;***
- ***Are subject to collective insolvency procedure or presents the conditions for such procedure;***
- ***For the last two years:***
 1. *Company's debt/own capital ratio is larger than 7,5; and*
 2. *Interest cover capacity based on EBITDA is under 1,0.*

PRODUCT FEATURES

- ✓ Covers up to **50%** of the financed facility for investment projects/ working capital granted by any commercial bank;
- ✓ Reimbursements from the loan are not exceeding 30 days and conditions of the loan are maintained or improved
- ✓ When value of the loan does not change, guarantees will only cover the existing collaterals depreciation
- ✓ Tenor equals financing tenor – maximum 6 years for investments and 4 years for working capital (including grace period)
- ✓ **Maximum value of the guaranteed credit:**
 - 2 x total salaries expenses in 2019 **OR**
 - 25% of the 2019 turnover **OR**
 - Estimated value that covers liquidity needs for 12 months (large companies) or 18 months (SMEs) since granting the facility - *exceptional cases as defined in the Norm*
- ✓ Loan has been and still is 100% covered by guarantees that must include mortgage on current accounts and first rank mortgage on the goods acquired with the investment loans; collaterals are maintained or may be replaced with similar collaterals
- ✓ **Progressive costs:** 0,50% p.a – 2% p.a.



EXIMBANK

EXPORT CREDIT INSURANCE

EximBank insurance policies cover international transactions risks and facilitate the exporters access to financing.

- ✓ protects the cashing related to export contracts against risks associated to foreign partners or destination country;
- ✓ facilitates access to financing products offered by the commercial banks;
- ✓ may be assigned to the financing banks for completing the guarantees mix.
- ✓ may cover several contracts of a factoring agency.

COVERS

COMMERCIAL RISKS

- ✓ non-payments of foreign private or governmental debtors
- ✓ insolvency
- ✓ arbitrary termination of contracts

POLITICAL RISKS

- ✓ difficulties and delays in money transfer
- ✓ war, civil war, revolutions etc.
- ✓ non-enforcement of contracts abroad due to lack or bad functioning of legal and judicial systems.

■ SHORT TERM INSURANCE covers non-marketable risks

- ✓ deliveries with repayment terms up to 2 years for buyers in non-EU non-OECD countries
- ✓ indemnification not exceeding 85% of the credit limit
- ✓ covers pre-delivery and post-delivery commercial and political risks.

■ MEDIUM AND LONG TERM INSURANCE - supplier credit (compliant with OECD Consensus)

- ✓ covers deliveries with repayment terms over 2 years
- ✓ indemnification not exceeding 85% of the export credit
- ✓ covers pre-delivery and post-delivery commercial and political risks.

■ MEDIUM AND LONG TERM INSURANCE – buyer's credit (compliant with OECD Consensus)

- ✓ covers the loan for the purchasing of goods or services supplied by a Romanian company with a repayment period between 2-15 years
- ✓ indemnification not exceeding 95% of the loan
- ✓ covers commercial risks and political risks.

■ INSURANCE OF ROMANIAN INVESTMENTS ABROAD

- ✓ covers capital investments in high risk countries
- ✓ indemnification not exceeding 90% of the investment project
- ✓ covers political risks.

■ INSURANCE of LETTERS OF GUARANTEE

- ✓ covers the unfair calling of LGs, risks independent of the will of exporters
- ✓ indemnification not exceeding 95% of the called LG.

EU AND OECD MEMBER STATES – 31.12.2021 (short term up to 2 years)

Scheme prolonged by the European Commission through the Communication C(2017) 679/08.02.2017

- ✓ valid for policies signed up to 31.12.2021

Beneficiaries

- SMEs with total annual export turnover not exceeding 2 Million Euro
- SMEs and corporate – single-risk cover with a risk period at least 181 days and less than two years (including production and payment term)

Covers

- all sales to one buyer
- single contract with one buyer.

TEMPORARY FRAMEWORK

- ✓ Accessible for all Romanian exporters.
- ✓ No need to provide private insurers refusals to cover risks associated with the transaction.
- ✓ Maximum cover percentage - 85 % for commercial and political risks.
- ✓ Cover tenor – maximum 2 years.
- ✓ Indemnification payment – maximum 90 days.
- ✓ Scheme tenor – 31.12.2020

THANK YOU!

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