

EXIM COMPENSATION WORKING CAPITAL LOAN



UniCredit Bank offers working capital loan refinanced by Eximbank within the Compensation Loan Program with favourable interest rate in HUF, EUR and USD for domestic enterprises that faced financial difficulties as a result of the negative economic effects of the COVID-19 outbreak.

The purpose of the loan program is to help maintain the viability of these businesses and to finance their working capital needs by providing refinancing source with attractive interest rate to ensure the continuity of their economic activities.

The loan provided with favourable interest rate in frame of this program is considered as state aid and its form is considered as favourable interest rate loan according to COVID-19 Communication from the Commission¹.

Why is this loan advantageous to your company?

- The loan is available for SME's and large enterprises.
- Long term working capital loan with favourable, state-subsidised fixed interest rate, which changes on yearly basis during the term.
- Available as revolving working capital facility too.
- In case of non-revolving loan the term of the facility can be maximum 3 years.
- You can finance with this working capital loan wide range of expenses. For disbursement no invoices are needed to submit.

To whom do we recommend the Exim Compensation Working Capital Loan?

To any resident business organization complying with the conditions of the Loan Program and that is an exporter or supplier of exporters or having export potential according to NACE list of Exim and that was not in difficulty² on 31 December 2019, but faced difficulties or entered in difficulty³ thereafter as a result of the negative economic effects of the COVID-19 outbreak.

Main parameters of the Exim Compensation Working Capital Loan:

Loan type:	Revolving facility or non-revolving loan.
Loan amount:	The loan amount cannot be higher than one of the following values, based on the customer's choice: <ul style="list-style-type: none"> • the double of the annual wage bill of the client (including social charges as well as the cost of personnel working on the undertakings site but formally in the payroll of subcontractors)⁴, or • 25% of total turnover of the client in 2019, or • with appropriate justification and based on a self-certification by the client of its liquidity needs or a cash-flow plan, the amount of the loan may be increased to cover the liquidity needs from the moment of granting for the coming 18 months for SMEs and for the coming 12 months for large enterprises. <p>All the loans contracted under COVID-19 temporary state aid as financing based on clause Nr. 3.3 or as guarantee based on clause Nr. 3.2. of the COVID Regulation has to be aggregated and may not exceed the above mentioned maximum loan amount.</p>
Term:	In case of revolving loan maximum 1 year, in case of non-revolving loan maximum 3 years.
Currency:	HUF or EUR or USD.
Interest:	In case of loans with amount not exceeding HUF 720 million, denominated in HUF and provided to client considered as SME, the interest rate is fixed 0.1% p.a. during the whole term. For other loans, the interest rate varies from year to year, but is fixed for the given years as follows:

¹ 19.3.2020, C(2020) 1863: Communication from the Commission - Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak

² within the meaning of the General Block Exemption Regulation (651/2014/EU) Article 2 (18).

³ The difficulty must be justified by the borrower with accounting records.

⁴ For 2019, or for the last year available. For enterprises established on or after 1 January 2019, the maximum loan may not exceed the estimated annual wage cost for the first two years of operation.

In case of SME clients:

interest rate for HUF loans: year 1: fixed 0.55% p.a., year 2-3: fixed 0.80% p.a.,

interest rate for EUR loans: year 1: fixed 0.10% p.a., year 2-3: fixed 0.19% p.a.,

interest rate for USD loans: year 1: fixed 2.25% p.a., year 2-3: fixed 2.50% p.a.,

In case of large companies:

interest rate for HUF loans: year 1: fixed 0.80% p.a., year 2-3: fixed 1.30% p.a.,

interest rate for EUR loans: year 1: fixed 0.19% p.a., year 2-3: fixed 0.69% p.a.,

interest rate for USD loans: year 1: fixed 2.50% p.a., year 2-3: fixed 3.00% p.a.

Availability period:	<u>In case of non-revolving loan</u> maximum 6 months, <u>in case of revolving loan</u> the whole term.
Disbursement	Possible on request of the client during the availability period, in case of revolving loan up to twice a week
Interest payment:	1, 3 or 6 monthly.
Repayment of the principal:	<u>In case of non-revolving loan:</u> after the availability period 1, 3 or 6 monthly in equal instalments or based on individual repayment schedule. If the term exceeds 2 years, the instalments scheduled for the last year of the term cannot reach 60% of the original principal amount.
<u>In case of revolving facility</u> upon maturity at the latest, but two repayment per week is also possible.	
Handling fee:	0.5% on the loan amount.
Commitment fee:	0.2% p.a. on the undrawn part of the loan amount.
Contract modification fee:	0.1% on the loan amount, but maximum HUF 150,000
Early repayment (breakage) fee:	Not to be charged.
Other costs:	Costs deriving from the non-performance of those specified in Government Decree No. 85/1998 /V.6./ on interest equalisation.

Loans may not be provided for the following purposes, among others:

- the same loan cannot be provided with source with subsidised interest rate and guarantee under the COVID 19 Communication
- for financing of any activity that violates Hungarian or EU legal regulations;
- for financing any distribution or possession of the product of which is unlawful;
- for financing any activity that violates the provisions of any international treaty binding upon Hungary
- for financing activities relating to manufacturing or trading in military equipment
- for re-export financing;
- for financing activities violating environmental regulations;
- for financing securities, business shares, capital contributions to legal entities, interest or speculative deals;
- for financing expenses not serving activities with entrepreneurial purposes;
- for financing reclaimable VAT, customs or public debts;
- for financing the supply of goods/services to any country included in the list of sanctions;

The Exim Compensation Working Capital Loan cannot be provided to a company that was in difficulty⁵ on 31 December 2019, and that does not comply with the conditions of the Eximbank at the date of loan application is submitted to the Bank and at the signature date of the loan contract because it

- is not entered into the company register with a final and enforceable order or, in case of a private entrepreneur, if it is not included in the EVNY register⁶;
- is subject to bankruptcy, liquidation, winding-up or any collective insolvency proceedings in any Member State of the European Union launched pursuant to the 2015/848/EU Parliament and Council Regulation, or liquidation proceedings may be launched against the Borrower upon a creditor request;
- is involved in an enforcement procedure or it is in progress against it;
- is in a situation that the Court of Registration launched a termination or striking-off procedure against it (in case of a private entrepreneur, the status in the EVNY register has been changed to terminated or suspended);
- has a tax number that deleted;
- has overdue taxes or other similar public dues which can be collected as taxes, except when the tax authority has granted deferred payment or payment in instalments;
- has an overdue debt from a credit, loan, guarantee, factoring or lease agreement according to the KHR (Central Credit Information System) records;
- pursues any activity that violates the law,
- did not fulfil the obligations undertaken in the aid contract, in connection with any aid received from the sub-systems of the state budget, the pre-accession assets of the European Union or the Structural Funds and Cohesion Funds, for a reason attributable to them in the previous 5 years;
- is in a situation where there are credible evidence to suggest corruption against the Borrower company regarding the export transaction or financing and guarantee undertaking (this prohibition shall be applied for the employees and for those others acting on behalf of the Borrower company in connection to the export transaction or financing and guarantee undertaking);
- does not hold the official licences required to pursue the activities in which the borrower is engaged;
- has a core activity of producing weapons or ammunition, gambling, betting or financial intermediation, insurance, re-insurance, pension funds or another financial activity;
- is a controlled foreign company pursuant to the effective Act on Corporate Income Tax and Dividend Tax;
- itself or any of its owners/executive officers falls within the scope of limitations under the EU, UN or US sanctions;
- is in a situation that a customer due diligence process required under the effective Act on the Prevention and Combating of Money Laundering and Terrorist Financing (AML Act) cannot be performed;
- has a capital structure or beneficial owner as defined in the AML Act is unknown.

This information is not fully comprehensive. Further information about the program is available on the website of the Eximbank: <https://exim.hu/en/products/exim-compensation-programs#hitelprogram>

If you are interested, please feel free to contact your relationship manager or one of our branches. You can find further information about our Bank and our products on our webpage: www.unicreditbank.hu.

UniCredit Bank Hungary Zrt.

This information should not be considered an offer. The Bank reserves the right to change conditions. UniCredit Bank reserves the right to decide individually on loan disbursement and on the amount and conditions thereof, based on the loan application and documents submitted.

⁵ within the meaning of the General Block Exemption Regulation (651/2014/EU) Article 2 (18)

⁶ Register for private entrepreneurs