



Financing Guarantee (bill of exchange)

A Financing Guarantee (bill of exchange) allows you to offer your foreign customer long-term credit on a specific export order.

You provide your customer with credit but sell the entire credit to your bank. We issue a Financing Guarantee (bill of exchange) to the bank to cover the main part of the risk. This means that if the customer does not pay as agreed, EKF will cover the bank's loss. This makes it attractive for the bank to offer credit to your customer, a credit which helps to secure orders for your company.

What makes the Financing Guarantee (bill of exchange) noteworthy is that we carry the documentation risk and that the credit must be documented by bills of exchange.

What are the advantages of a Financing Guarantee (bill of exchange)?

Securing financing for your customer

You can help your customer obtain credit to finance an export order with your company. A Financing Guarantee (bill of exchange) secures financing for your foreign customer.

Use credit as a competitive parameter

You can offer a financing solution as an extra selling point. Offering your customer an attractive financing solution brings you one step ahead of your competitors.

You receive payment immediately

You receive payment as soon as you deliver the order, whereas your customer obtains credit and service the credit over a longer period.

Small orders for large corporates

The Financing Guarantee (bill of exchange) is particularly relevant for large corporates who obtain a small order.

What does a Financing Guarantee (bill of exchange) cover?

Application

A Financing Guarantee (bill of exchange) for your customer.

Cover

Covers your bank's loss in case the customer does not pay as agreed.

Percentage of cover (of the bank's loss) up to

90 %

Amount up to (DKK)

Up to DKK 37m.

Credit period

Above 180 days.

Exporter's deductible

10%

What are the steps in the process?



Three practical questions

How much?

EKF charges a premium for issuing a financing guarantee (bill of exchange). However, there is no cost involved for you as an exporter.

The size of the premium depends on:

- › your customer's creditworthiness
- › the political conditions in the country involved
- › the credit period.

The premium spans from 0.5% to 4.25% p.a.

In addition to the premium to EKF, the buyer pays loan interests and costs to the bank for the credit. All the charges will be added to the credit. Your bank will give you the total price.

Requirements?

Your customer is from abroad.

Your customer must be creditworthy.

Your customer's country must be approved for bills of exchange.

The credit covers a single order.

Your company must help to generate economic growth in Denmark.

You must confirm in writing that the order is processed in an environmentally sound and socially responsible manner.

What can you do?

Contact your bank to submit an application immediately.

Contact one of our advisors.

Obtain a credit report on your customer.

If the order exceeds DKK five million you can obtain your customer's annual accounts for the last three years.

You can obtain an approval of your customer from us and use financing as an extra selling point.

You can visit www.ekf.dk for more details regarding success stories, requirements and conditions.