

Synopsis of export financing alternatives of LBBW.

Type of financing	Buyer's credit	Forfaiting	Forfaiting with Euler Hermes	Forfaiting with private credit insurer	Export leasing	Exportfactoring
Definition	direct credit to foreign buyer for the purchase of an imported capital good	purchase of export non-recourse receivables with advice to foreign debtor	purchase of Euler Hermes- covered, non recourse export receivables	purchase of trade receivables (individual receivables)	direct financing of the buyer on leasing basis	revolving purchase of short-term receivables due from certain foreign buyers
Borrower	foreign buyer or buyer's banker	foreign buyer or issuing/ guaranteeing bank	foreign buyer or issuing/ guaranteeing bank	private credit insurer	foreign buyer	foreign buyer
Lender	LBBW	LBBW	LBBW	LBBW	SüdLeasing or another acceptable foreign leasing company	SüdFactoring
Financing volume	as a rule, 85% of order value	up to 100% of order value	Euler Hermes-covered part of receivables as a rule, 85% of order value	covered share, as a rule, 90%	SüdLeasing as a rule 85% of order value, otherwise individual decision	risk assumption 100% (only economic risk) financing 80-90%
Collateral	as a rule Euler Hermes /ECA - cover	as a rule, bill of exchange, L/C or guarantee of a bank in the customer's country	Euler Hermes cover	acceptable private credit insurer	Euler Hermes cover or repurchase agreement	as a rule, none
Term/ Repayment	in line with Euler Hermes- cover (3-10 Jahre) with semi-annual instalments	approx. 30 days to 3 years, as a rule, maturity credit or semi annual instalments	in line with Euler Hermes cover (180 days to 5 years)	flexible at least 180 days	3-5 years annuity instalments (month/quarter)	credit period, max. 120 days
Discount/ interest rate	individual agreements	discount method	discount method, appl., plus risk provision for taking over the uncovered risk portion of Euler Hermes	discount method	leasing instalments based on current cost of interest to be determined individually	factoring fee and interest (depending on risk)
Risik to be borne by the exporter	none, LBBW assumes the risks	none, LBBW assumes the risks	if appl., uncovered risk portion of Euler Hermes is to be borne by the exporter itself	uncovered risk portion is to be borne by the exporter itself	it appl., uncovered risk portion of Hermes is to be borne by the exporter itself	political risks
Exporter/ Credit line	no counting	no counting	only risk portion exporter	only risk portion	only risk portion exporter	no counting