



BANK
GOSPODARSTWA
KRAJOWEGO

Governmental Programme for Exports Support

Information for Buyer

June 20, 2012

BGK – the state development bank of Poland

- BGK, established in 1924, is the only state-owned bank in Poland.
 - Total assets of 13 billion EUR (as at 30.09.2011) – 5th place in Polish banking sector
 - Network of 21 branches in all provinces
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- Active cooperation with public institutions, including local governments:
 - ✓ credits for local governments (1st / 2nd place in Polish banking sector)
 - ✓ deposits for budget entities (1st place in Polish banking sector)

- Fitch: Long-term Issuer Default Rating (IDR): A- equal to Polish state rating
- Very strong implicit State guarantee

- BGK supports Polish economy by:
 - ✓ Managing state funds, e.g: The National Road Fund, The National Housing Fund
 - ✓ Managing government programs, e.g: Exports Support, Your First Business
 - ✓ Providing commercial offer for local governments and enterprises



Public Mandate & acting as an Export-Import Bank of Poland

Servicing public sector clients

Local government entities

Loans

Project finance

Public-Private Partnerships
(PPP)

Transactional banking,
liquidity management

Closing credit-equity financing gaps

Trade Finance

Export Finance

Venture capital

Guarantees

Start-ups, entrepreneurship
(SMEs)

Supporting key sectors

Infrastructure

Education

Energy

R&D

State-owned enterprises

Commercial operations

Deposits, accounts
(public sector, SMEs)

Loans

Guarantees, letters of credit

Issuing securities

Bank settlements

Governmental Program for Exports Support

BGK grants to foreign importers (directly or through the importers banks) credits for financing purchases of goods and services of Polish origin (min. respectively 10%, 20%, 40%, 50% of Polish content depending on the type of exported goods). Polish supplier delivers goods or provides services to the Importer and the Importer pays for delivery after deferment period. Total volume of available preferential loans in BGK: 1,4 bln EUR.

Advantages for Importer:

- importers are provided with financing for purchases of Polish goods and services
- preferential cost of financing
- repayment period up to 10 years
- financing in USD, EUR
- importer can deal with exporter on sight basis, negotiate better contract terms
- grace period for the whole time of contract / project execution
- possibility of single instalment repayment for loans with duration up to 2 years

Government Program for Exports Support – products:

Product Conditions	Short-term financing		Long-term financing	
	documentary L/C post-financing	discounting receivables from L/C	buyer's credit granted through the Buyer's Bank	buyer's credit (direct)
Origin of goods (services)	10%, 20%, 40%, 50% of Polish content, depending on type of good ¹			
Type of products	any product		capital goods or services	
Buyer's country	non-marketable risk countries ²		any country	
Minimum credit amount	not applicable		0.2 mln EUR	10 mln EUR
Limit for the buyer's bank	yes			n/a ³
Repayment period	up to 2 years		from 2 to 10 years	
Credit amount	up to 100% of the value of the exported goods/services		up to 85% of the value of the exported goods/services	

¹ defined in the Order of the Minister of Economy of 6th August 2001 (Polish Journal of Laws of 2001, No. 101, Item 1097).

In general, the foreign content may not exceed 50% of the value of the exported product or service, exceptions are defined in the Order for certain industries:

- optical fiber, agricultural and sports aircrafts, pharmaceuticals: 60% - electronic products: 80% - construction services: 90%

² all countries except EU members, Canada, USA, Japan, New Zealand, Iceland, Norway, Switzerland and Australia.

³ In direct buyer's credit the participation of buyer's bank is not required.

Cost of credit and insurance

Currency: USD

The cost of financing for the buyer's bank includes:	Russia	Belarus, Moldova, Ukraine	Azerbaijan, Kazakhstan, Vietnam	Armenia, Georgia, Uzbekistan
Short-term financing Repayment period: up to 2 years (any kind of goods and services)	Example. Repayment period: 1 year, currency USD			
LIBOR 12M ¹	1.07%	1.07%	1.07%	1.07%
Margin (incl. KUKÉ's insurance premium) ²	1.58%	2.46%	1.95%	2.16%
Total annualized credit rate (incl. insurance premium)	2.65%	3.53%	3.02%	3.23%
Long-term financing Repayment period: from 2 to 10 years (only capital goods and services)	Example. Repayment period: 5 years, currency: USD			
CIRR rate (fixed) ³	1.39%	1.39%	1.39%	1.39%
Administration fee	0.50%	0.50%	0.50%	0.50%
KUKÉ's insurance premium paid up-front in one amount ⁴	2.17%	8.08%	4.73%	6.16%

When credit is granted through the importer's bank:

- no other fees and commissions charged by BGK
- cost of credit for Buyer = cost charged by BGK + cost charged by Buyer's Bank

¹ As of 18.6.2012

² Margins applicable in the 2nd quarter of 2012

³ Rate applicable until 14.6.2012. Current CIRR rates are available at <http://www.bgk.com.pl/komunikaty-o-stopach-procentowych-cirr>

⁴ Example for a borrower with rating equal to country rating.

Cost of credit and insurance

Currency: EUR

The cost of financing for the buyer's bank includes:	Russia	Belarus, Moldova, Ukraine	Azerbaijan, Kazakhstan, Vietnam	Armenia, Georgia, Uzbekistan
Short-term financing Repayment period: up to 2 years (any kind of goods and services)	Example. Repayment period: 1 year, currency EUR			
EURIBOR12M ¹	1.22%	1.22%	1.22%	1.22%
Margin (incl. KUKÉ's insurance premium) ²	1.18%	2.05%	1.54%	1.76%
Total annualized credit rate (incl. insurance premium)	2.40%	3.28%	2.77%	2.98%
Long-term financing Repayment period: from 2 to 10 years (only capital goods and services)	Example. Repayment period: 5 years, currency: EUR			
CIRR rate (fixed) ³	1.49%	1.49%	1.49%	1.49%
Administration fee	0.50%	0.50%	0.50%	0.50%
KUKÉ's insurance premium paid up-front in one amount ⁴	2.17%	8.08%	4.73%	6.16%

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⁴ Example for a borrower with rating equal to country rating.

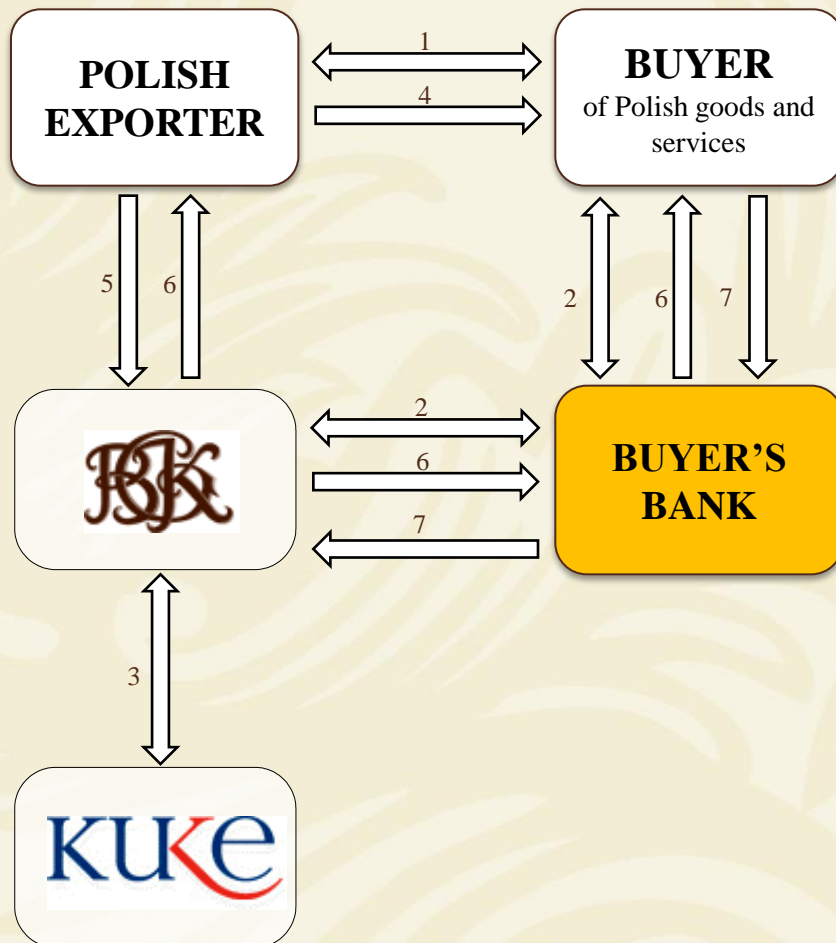
Current list of foreign banks accepted by KUKE

Country	Bank
Argentina (1)	Banco de la Nacion Argentina
Azerbaijan (2)	International Bank of Azerbaijan, Pasha Bank
Belarus (8)	Belagroprombank, Belarusbank, BPS Bank, Belinvestbank, Belgazprombank, Belvnesheconombank, CJSC VTB Bank, Priorbank
Bosnia and Herzegovina (1)	Raiffeisen Bank
Croatia (1)	Zagrebacka Banka
Czech Republic (1)	UniCredit Bank Czech Republic
Georgia (1)	Bank of Georgia
India (3)	State Bank of India, Bank of India, Bank of Baroda
Indonesia (3)	Bank Danamon Indonesia, Bank Mandiri, Bank Central Asia
Iraq (1)	Trade Bank of Iraq
Ireland (1)	Allied Irish Banks plc
Kazakhstan (6)	Kazkommertsbank, Halyk Savings Bank of Kazakhstan, Eurasian Bank, Eurasian Development Bank, ATF Bank, Tsesnabank

Country	Bank
Morocco (3)	Attijariwafa Bank S.A., Banque Marocaine pour le Commerce et l'Industrie, Credit du Maroc
Mexico (1)	Banco Santander Mexico S.A.
Moldova (1)	Moldova Agroindbank
Nigeria (1)	Zenith Bank
Russia (16)	Bank Uralsib, Bank Saint Petersburg, Investment Trade Bank, MTS Bank, Nomos Bank, Transcapitalbank, Promsvyazbank, Rosselkhozbank, Unicredit Bank, Raiffeisenbank Russia ZAO, Vozrozhdeniye Bank, Alfa Bank, Sberbank of Russia, Energotransbank, Rosbank, Ak Bars Bank
Serbia (3)	Banca Intesa a.d. Beograd, AIK Banka a.d., Komercijalna Banka a.d.
Turkey (2)	Turkiye Garanti Bankasi AS, Turkiye Is Bankasi A.S.
Ukraine (5)	Ukreximbank, Raiffeisen Bank Aval, PrivatBank, VTB Bank (Ukraine), The State Saving Bank of Ukraine
Uzbekistan (1)	The state commercial People's Bank of the Republic of Uzbekistan (Halk Bank)
Vietnam (3)	Sacombank, Bank for Investment and Development of Vietnam, Vietnam Joint Stock Commercial Bank for Industry and Trade

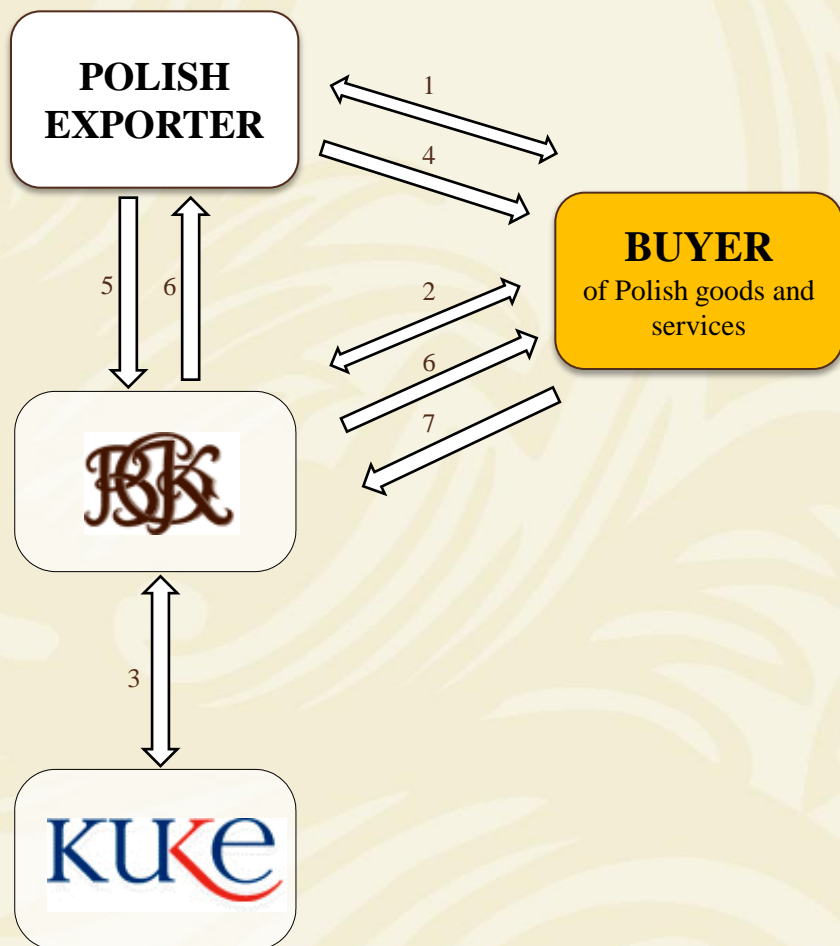
If needed other foreign banks can be reviewed and added to the list

Buyer's credit granted through Buyer's Bank



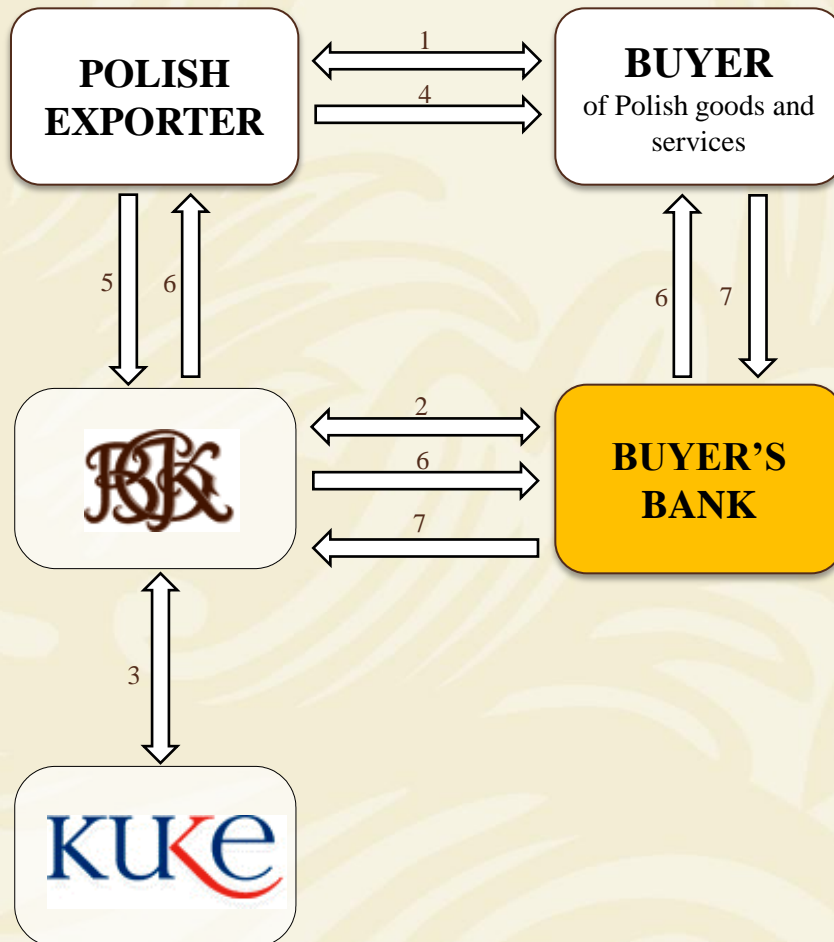
1. Conclusion of export contract.
2. Conclusion of Credit agreement between BGK and Importer's bank (acting as the Borrower), and also between Importer and Importer's bank.
3. Purchase of insurance policy in KUKE by BGK.
4. Implementation of export contract.
5. Submission of commercial documents confirming delivery of the goods / completion of services by Exporter to BGK
6. BGK makes a disbursement of Credit, making a direct payment to the Exporter and simultaneously debiting the Credit account with the amount of the disbursement. In turn, the Importer is debited with the disbursed amount, under relevant credit agreement concluded between the Importer's bank and the Importer.
7. The Importer repays the credit to his bank and, irrespectively of that repayment, the Importer's bank repays the credit to BGK.

Buyer's credit (direct)



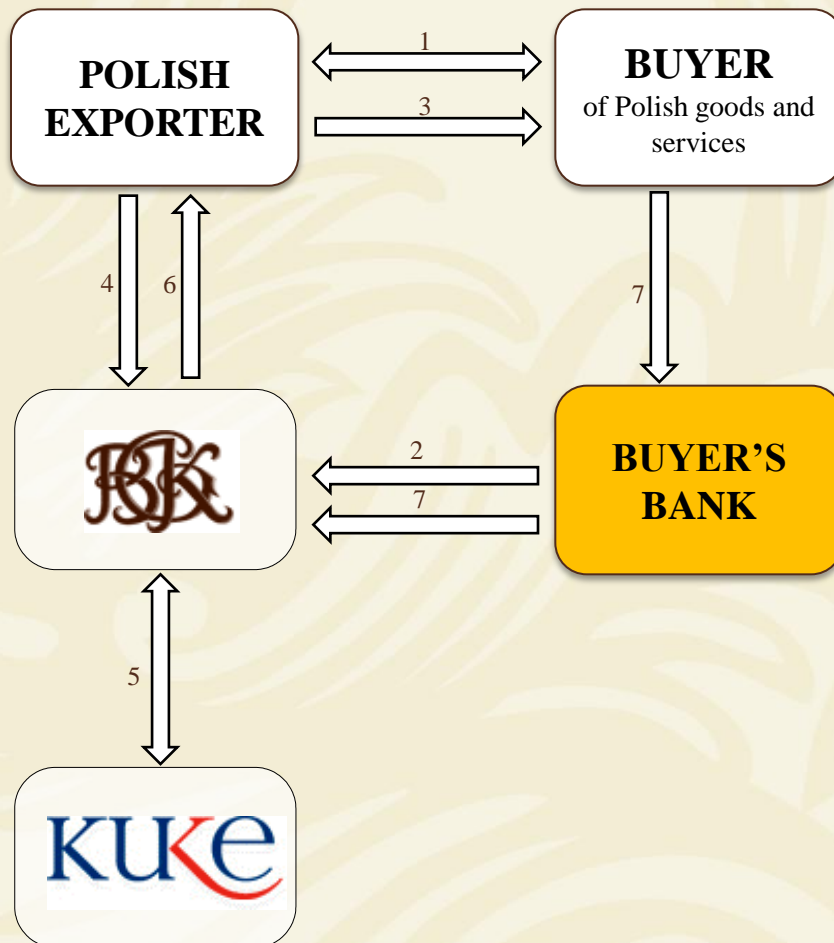
1. Conclusion of export contract.
2. Conclusion of Credit agreement between BGK and the Importer.
3. Purchase of insurance policy in KUK by BGK.
4. Implementation of export contract.
5. Submission of commercial documents confirming delivery of goods / completion of services, by the Exporter to BGK
6. BGK makes a disbursement of the Credit, making a direct payment to the Exporter and simultaneously debiting the Credit account with the amount of the disbursement.
7. The Importer repays the Credit in installments, in accordance with schedule prepared by BGK.

Documentary L/C post-financing



1. Conclusion of export contract.
2. Establishment of postfinancing terms between BGK and the issuing bank (Importer's bank) and issuance of L/C by importer's bank with a postfinancing option.
3. Issuance of insurance guarantee by KUKe (by order of BGK).
4. Implementation of export contract.
5. Presentation of documents required under the L/C by the Exporter at BGK counters in connection with the shipment/delivery
6. BGK's payment to the Exporter and at the same time credit disbursement by BGK against the issuing bank's loan account and granting the loan by the Importer's bank to the Importer
7. The Importer repays the credit to his bank and, irrespectively of that repayment, the issuing bank repays the credit to BGK.

Discounting receivables from L/C



1. Conclusion of export contract.
2. Issuance of the letter of credit available by deferred payment by the Importer's bank.
3. Implementation of export contract.
4. Presentation of the documents required under the L/C by the Exporter at BGK counters in connection with shipment/delivery together with a request to discount L/C proceeds.
5. Issuance of an insurance guarantee by KUKE (by order of BGK).
6. BGK's payment to the Exporter after deduction of the discount interest.
7. Issuing bank's payment according to the L/C terms.

Should you have any questions, please contact us:



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