

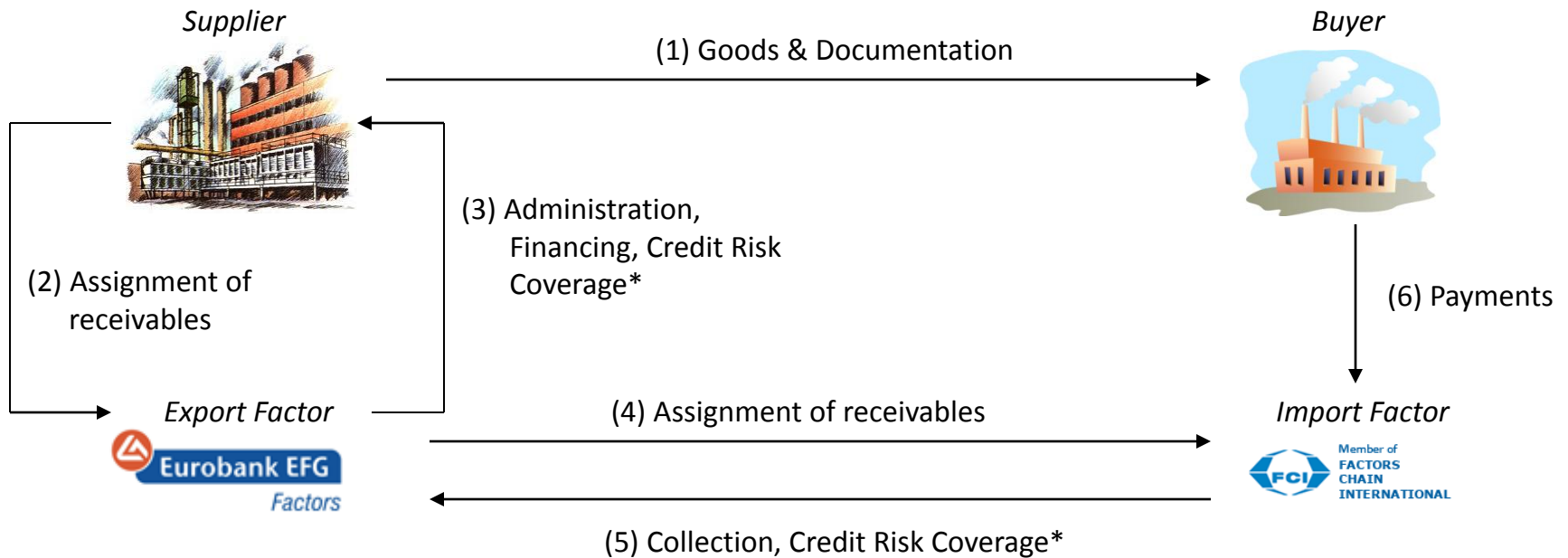
# Extroversion from words to deeds

Corporate Transaction Banking

---

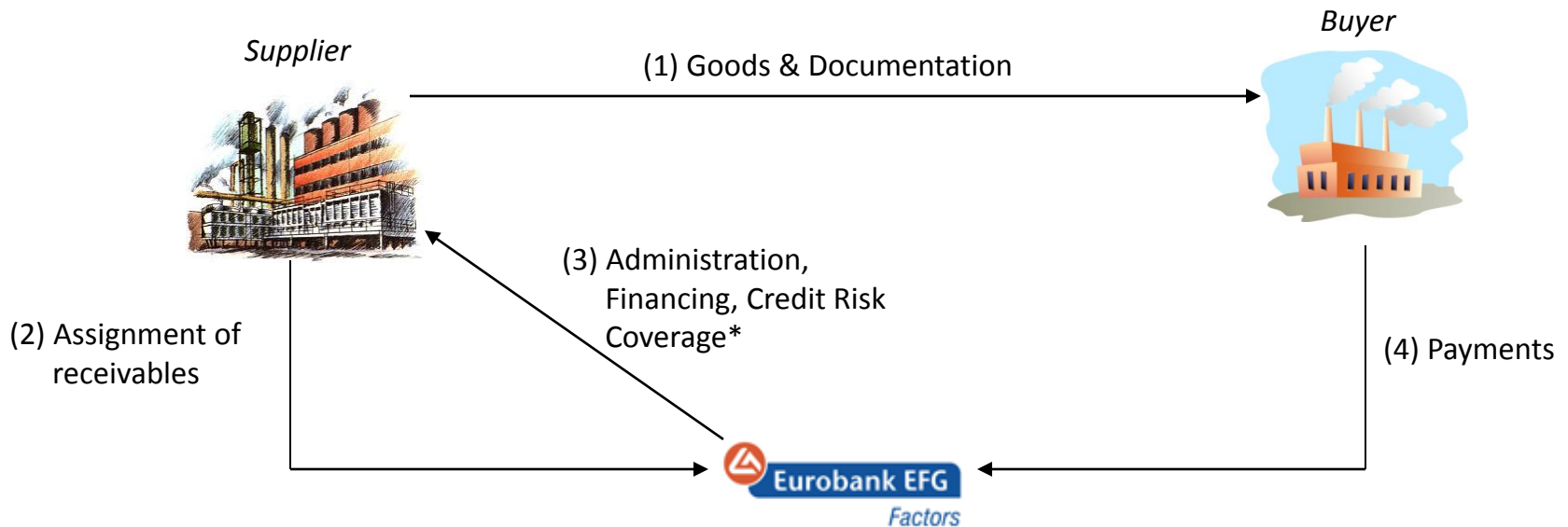
EXPO Serbia 25.3.2011

# Export Factoring – Two Factors System through FCI



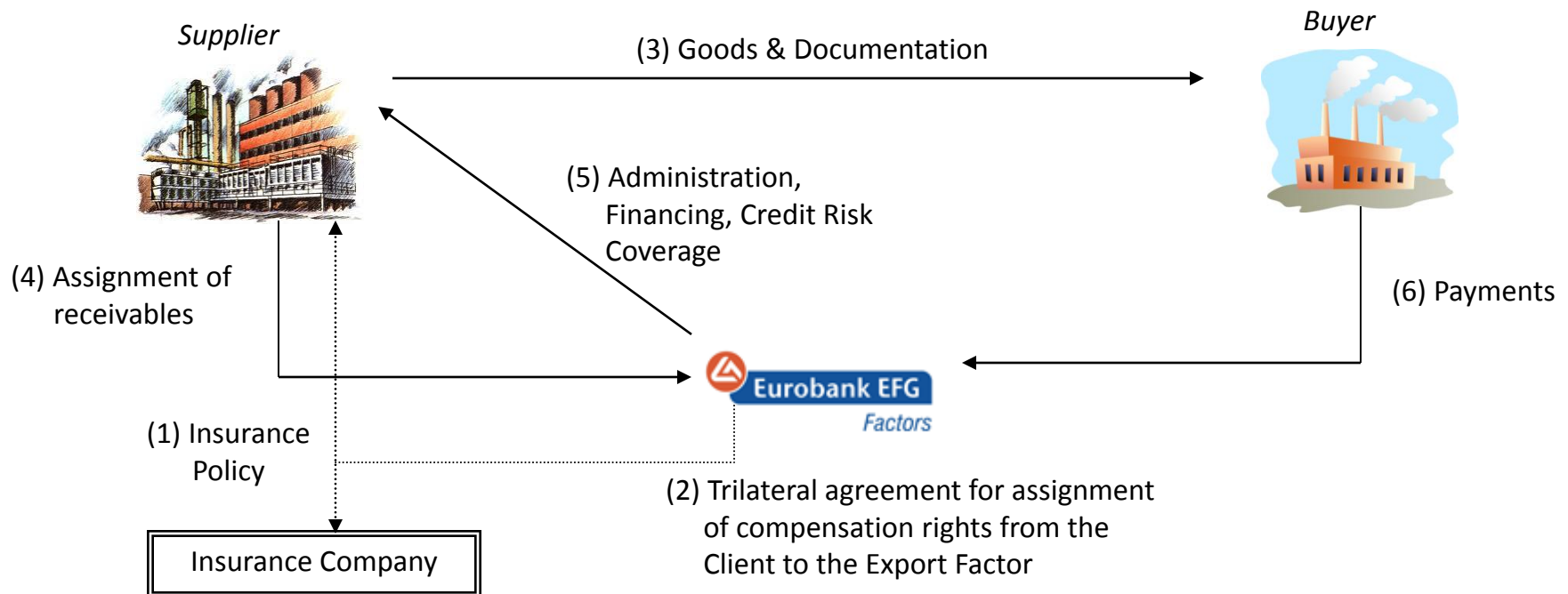
- (1) Supplier delivers goods (services) to buyer and issues the respective documentation
- (2) Supplier assigns the receivables to the Export Factor and delivers copies of the documentation
- (3) Export Factor offers Administration, Financing and Credit Risk Coverage services to the Supplier
- (4) Export Factor assigns the receivables to an Import Factor located in Buyer's country
- (5) Import Factor offers Collection and Credit Risk Coverage services to the Export Factor
- (6) Buyer performs payments directly to the Import Factor

\* Credit Risk Coverage service is offered in cases of Without Recourse Export Factoring



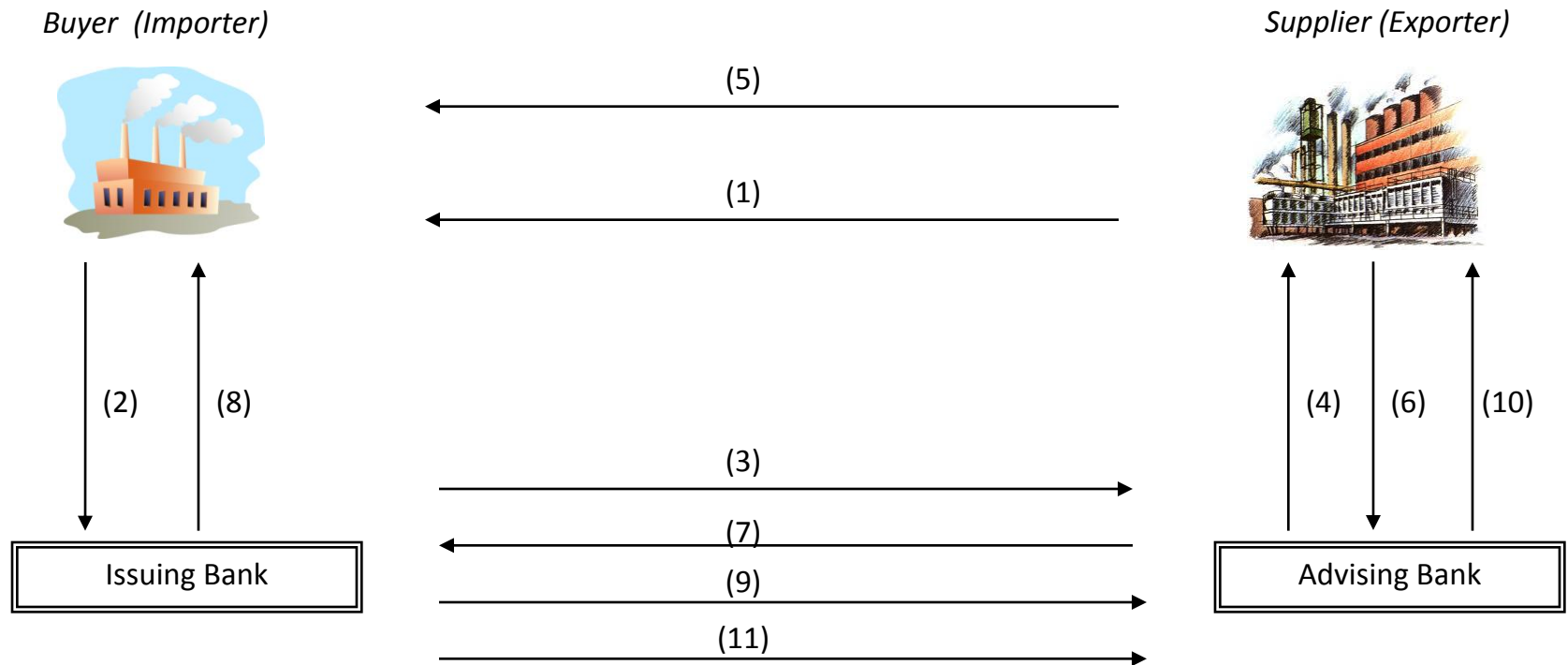
- (1) Supplier delivers goods (services) to buyer and issues the respective documentation
- (2) Supplier assigns the receivables to the Export Factor and delivers copies of the documentation
- (3) Export Factor offers Administration, Financing and Credit Risk Coverage services to the Supplier
- (4) Buyer performs payments directly to the Export Factor

\* Credit Risk Coverage service is offered in cases of Without Recourse Export Factoring



- (1) Supplier retains an insurance policy with an Insurance Company for covering buyers' credit risk
- (2) Supplier, Insurance Company and Export Factor sign a trilateral agreement for assigning the compensation rights from the Supplier to the Export Factor
- (3) Supplier delivers goods (services) to buyer and issues the respective documentation
- (4) Supplier assigns the receivables to the Export Factor and delivers copies of the documentation
- (5) Export Factor offers Administration, Financing and Credit Risk Coverage services to the Supplier
- (6) Buyer performs payments directly to the Export Factor

# Discounting of Export Letters of Credit



(1) Issue / Forward Proforma Invoice

(2) Buyers' authorization for Issuance of a Discountable Letter of Credit

(3) Letter of Credit Issue

(4) Letter of Credit Advice to Exporter

(5) Shipment of goods

(6) Presentation of Documents

(7) Forwarding of Shipping Documents

(8) Receipt of Documents & Checking for Documents' discrepancies

(9) Acceptance of Shipping Documents and Undertake for Payment at Maturity

(10) Discounting of Letter of Credit

(11) Payment at Maturity

- ✓ Discounting without Recourse to Beneficiary
- ✓ Cash Flow Security
- ✓ Improvement of Financial Figures (Balance Sheet)
- ✓ Country / Bank Risk elimination
- ✓ Enhance competitive advantage providing extended credit to Buyers, making Products more attractive
- ✓ Significant Reduction of Operating Costs
- ✓ Transaction and Documentation simplicity