



New Zealand Export Credit Office

To Buyers of New Zealand Goods & Services:

Access longer-term finance to secure your purchases

The New Zealand Export Credit Office (NZECO) is experienced in structuring extended financing solutions to buyers of New Zealand exports.

NZECO provides payment guarantees to exporters and banks in order to support finance options for international buyers.

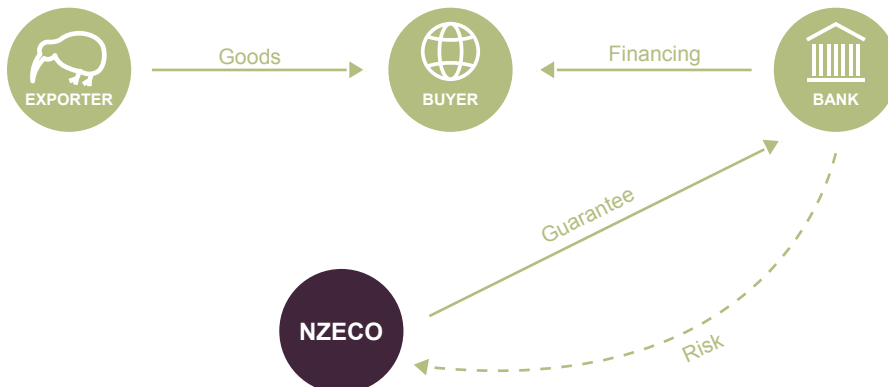
Benefits

As an overseas buyer, a financing solution guaranteed by NZECO:

- ▶ offers longer-term finance at stable and competitive rates
- ▶ increases and diversifies your borrowing capacity
- ▶ supports your purchase from one, or several, New Zealand suppliers
- ▶ enables you to advance capital expenditure decisions

How it works

NZECO issues its Government-backed guarantee to a bank to enable it to provide extended credit to support your purchase of capital equipment and services from New Zealand. NZECO does not directly provide the finance. NZECO's guarantee is extra security for the bank and covers the risk of non-payment due to commercial or political events.



What is the process?

NZECO works closely with the exporter, the bank and yourself in assessing the transaction and structuring the finance. In order to understand the credit risks, NZECO requires the following documentation:

- ▶ Audited financial accounts of your company, and if your company is part of a group, consolidated statements are sought as well.
- ▶ Your future cashflow forecast for the tenor of the credit (if available).
- ▶ Information about the underlying project, business and market analyses, and any environmental and social impact assessments.
- ▶ If payment is to be guaranteed by another party, then the above information will be required from the guarantor.

NZECO's assessment process is dependent on the nature of the transaction, the quality of information provided and the underlying credit risks.

When do I pay?

For credit terms two years or longer, you are required to make a minimum 15% advance payment. Your credit facility may be used to pay the exporter during the delivery of the export but you won't have to make any repayment until after you have accepted the goods or commissioned the project. You then make regular payments to the bank throughout the term of the credit.

NZECO typically supports repayment terms between two and eight years, however it may support longer terms in some circumstances. The credit term should not exceed the economic life of the exported goods.

What are the costs?

NZECO charges a premium which is based on your creditworthiness, country, repayment term, the export transaction, and any underlying securities that may be a condition of any finance.

NZECO may provide the exporter with non-binding, indicative pricing upon receipt of general information about the transaction.

In addition, there will be the bank's financing costs and any related fees.

NZECO

NZECO supports New Zealand exporters by offering guarantees to help them secure sales and mitigate payment risk. With a NZECO guarantee the exporter, bank and buyer benefit from the AA rating of the New Zealand Government.

As a buyer, your main contact with NZECO will be through your New Zealand supplier. For more information on NZECO and its services please visit www.nzeco.govt.nz

