



ČESKÁ EXPORTNÍ BANKA
C Z E C H E X P O R T B A N K

Teritoriální setkání Turecko

Czech Export Bank and Turkey

Prague, 1 September, 2014

Czech Government's Export Promotion Scheme



MINISTERSTVO
PRŮMYSLU A OBCHODU

Ministry of Industry and Trade

- defends trade interests of the Czech Republic within the EU, WTO, OECD
- contributes to abolishing trade barriers and supports Czech official participation in international trade fairs, etc.



EGAP

- state-owned insurance company covering export credit risks and political and commercial risks uninsurable by commercial insurance



Czech Export Bank

- state-owned bank financing officially supported export credits



CzechTrade

- Provides export assistance and advice, individual counseling, export education



Ministerstvo zahraničních věcí
České republiky

Ministry of Foreign Affairs of the Czech Republic

- frames and coordinates the foreign policy of the CR in the area of external economic relations including the development cooperation and humanitarian aid



ČESKÁ EXPORTNÍ BANKA

Czech Export Bank In A Nutshell

CZECH EXPORT BANK plc (CEB) is a **specialized banking institution**, one of main vehicles in the Czech government's export promotion scheme

100% government-owned, a not-for-profit joint-stock company

Operating **in line with the rules of OECD** Arrangement on Officially Supported Export Credits

Utilizing standard **insurance cover of EGAP**, another Czech Export Credit Agency

Integral part of the Czech Republic's banking system, fully **subject to standard banking regulations**

Supplementing local commercial banks' services

Rating mirrors that of the Czech Republic:

**Moody's
S&P**

**A1
AA-**

CEB in 2013

CEB signed 37 new contracts in the amount of CZK **4.830 billion** and **47 amendments and waivers to previously signed contracts in the amount of CZK 3.869 billion**; total amount thus reached **CZK 8.516 billion**.

Bank's total assets at the end of 2013 amounted to CZK **95.3 billion**, year-on-year increased by about **14%**.

Loans were disbursed in the amount of **CZK 19.9 billion**.

The largest contract signed in 2013 was the construction of Units 3 and 4 of the Mochovce nuclear power plant, with total investment cost of about EUR 133 million.

CEB fully launched the programme of **support for small and medium-sized enterprises**. Successfully dealt with funding in a total of **3 billion CZK**, through factoring company supported **127 Czech exporters**. Financed **15,798 receivables of 748 foreign buyers**. The volume of export financing contracts signed directly between SME exporters and CEB reached the volume of **CZK 371 million**.

Officially Supported Export Finance Under the OECD Arrangement

CEB provides official support for deals executed by **Czech exporters or investors**, but **credit may be extended to the buyer** or its bank.

CEB operates **in line with OECD regulations**, especially the **Arrangement on Officially Supported Export Credits**, which stipulates i.a. following **conditions for official support** with a repayment term of 2 years or more:

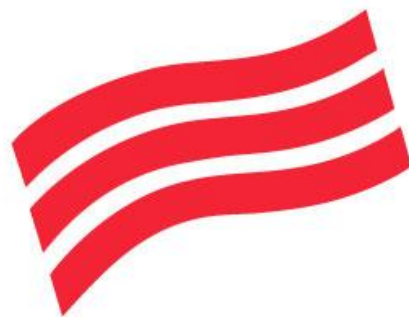
- buyers must provide a **down payment $\geq 15\%$** of contract value;
- official **support for local costs $\leq 30\%$** of contract value;
- **repayment term $\leq 5 - 8,5$ years** (for „category I“ countries)
or 10 years (for „category II“ countries);
- principal to be repaid in **equal instalments**, no less frequently than **every 6 months**; 1st instalment no later than 6 months after starting point of credit;
- official financing support for fixed rate loans applies the relevant **CIRR as minimum** interest rate.

CEB's Main Product Portfolio

Borrower	Product
CZECH EXPORTER	Financing of production for export Financing of market research Supplier's credit Guarantees Purchase of export receivables
CZECH INVESTOR	Financing of investments abroad
FOREIGN IMPORTER	Buyer's credit
EXPORTER'S BANK	Refinancing of supplier's or buyer's credit
IMPORTER'S BANK	Refinancing of buyer's credit

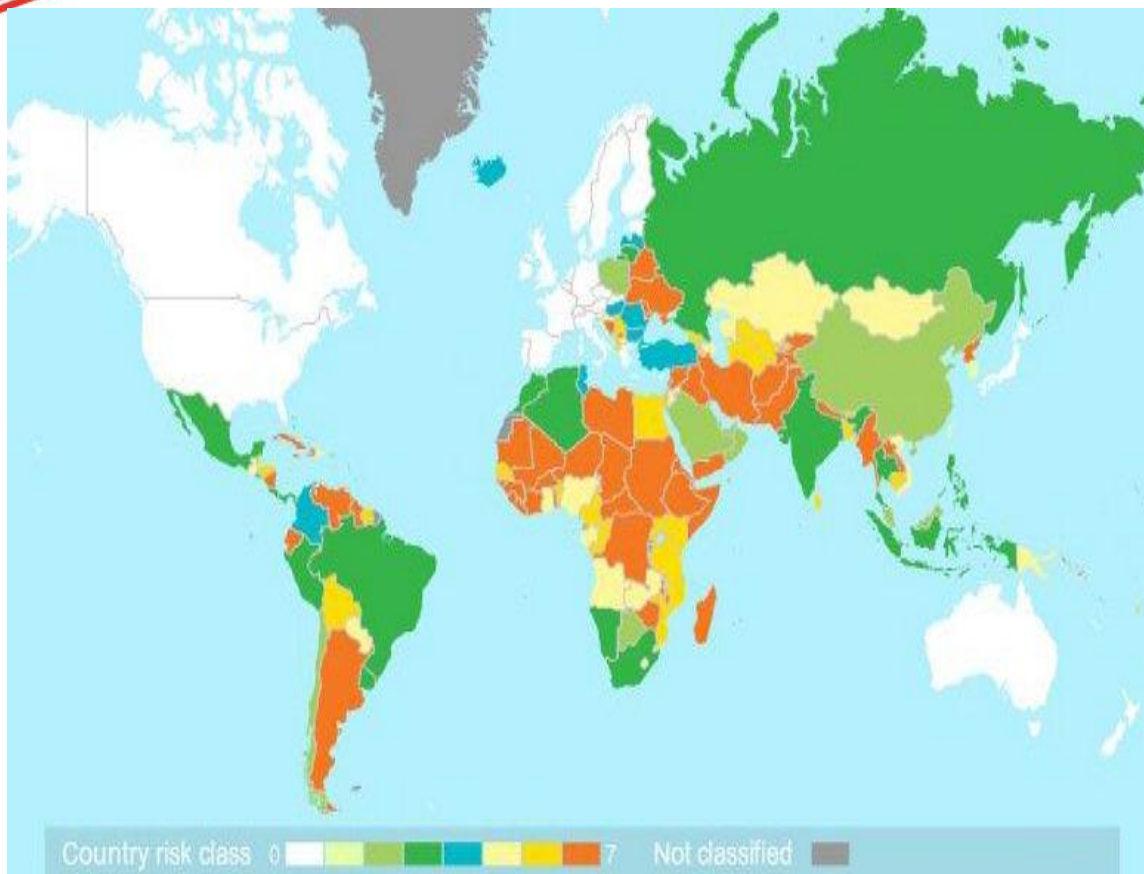


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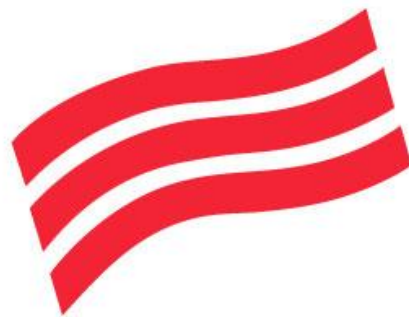
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CEB's Portfolio vs. Czech Exports by Risk Classification 2013



	Czech Exports (%)	CEB's credit portfolio (%)
Risk category 0	84,8%	16,4%
Risk category 1	0,3%	0,0%
Risk category 2	2,1%	0,3%
Risk category 3	5,9%	40,3%
Risk category 4	3,3%	20,5%
Risk category 5	0,9%	10,4%
Risk category 6	0,7%	7,9%
Risk category 7 and not classified	2,0%	4,2%

Source: OECD, Ministry of Finance, CEB



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Czech Export Bank in Turkey

- 18 % of CEB's portfolio in 2013 (Turkey has been the second biggest partner of CEB three years in a row)
- Two large business cases in energy sector
- Constantly growing number of new business opportunities
- Considered opening of a representative office of CEB in Istanbul
- Active cooperation with Czech embassy and CzechTrade office
- Territorial specialists in CEB – frequent visits to and meetings in Turkey
- Opening of a CEB nostro account in Turkey under way



Petr Križan
Head of International Relations and Communication

Czech Export Bank

Vodičkova 34, 111 21 Prague1
Czech Republic

Tel. No.: +420 222 841 100
Fax No.: +420 224 226 162

www.ceb.cz