



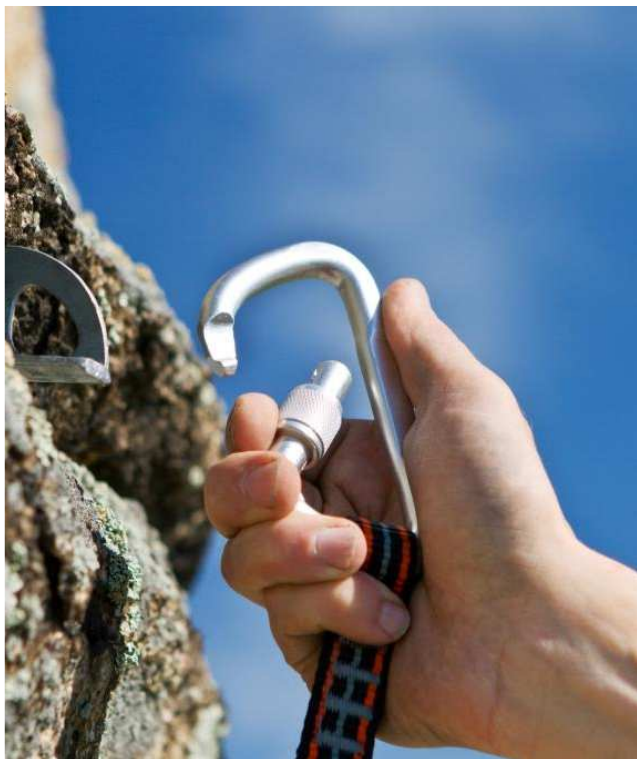
Hermes Cover for Africa

Sophia Renz

Euler Hermes Aktiengesellschaft - Federal Export Credit Guarantees

Export Credit Guarantees – Main Features

Protection against



- ▶ the commercial and political risks arising in connection with export business
- ▶ transacted by an exporter domiciled in Germany
- ▶ or financed by banks
- ▶ provided by the Federal Republic of Germany

It requires

- ▶ the payment of a premium commensurate with the risk involved and
- ▶ an uninsured percentage to be borne by the policyholder
 - commercial risks: 15%
 - political risks: 5%

Change of cover policies in Sub-Saharan Africa

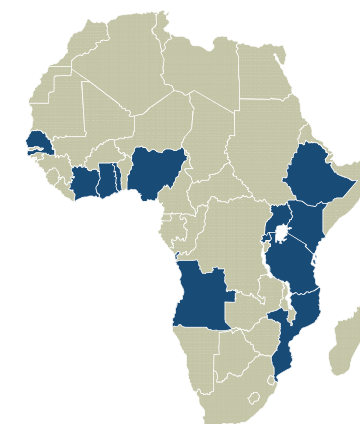
In a nutshell

Until December 2014

- Private buyers: generally open for cover; decisions made on a case-by-case basis
- Public buyers: generally open for cover if no German debt relief / HIPC country (e. g. Angola, Botswana, Gabon, Namibia, South Africa, Kenya)
- Otherwise very restrictive

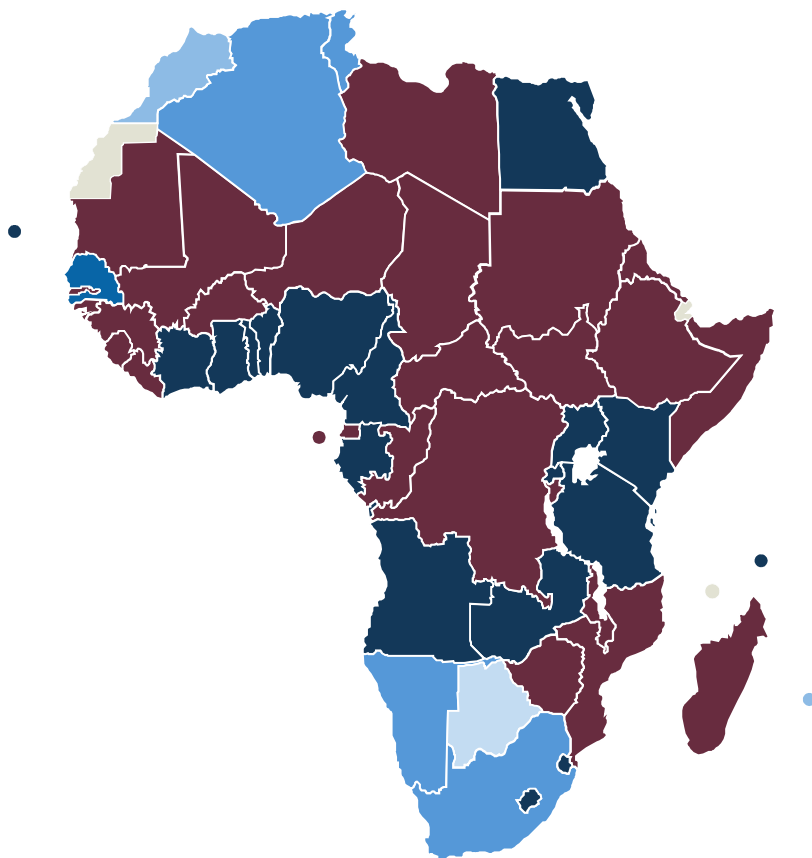
New

- All country ceilings are abolished (last ones: Angola, Nigeria)
- Public buyers: generally open for cover; decisions made on a case-by-case basis for business with Côte d'Ivoire, Ethiopia, Ghana, Kenya, Nigeria, Rwanda, Senegal, Tanzania, Togo, Uganda
- **Project-related risk mitigation measures may be required (e. g. collateral security)**
- **Uninsured percentage may be increased to 10%.**
- Other countries will be reviewed on demand



Public buyers: OECD-Sustainable Lending principles have to be considered for several countries

OECD-Country categories in Africa



Country Categories

1 - not assigned

2 - 

3 - 

4 - 

5 - 

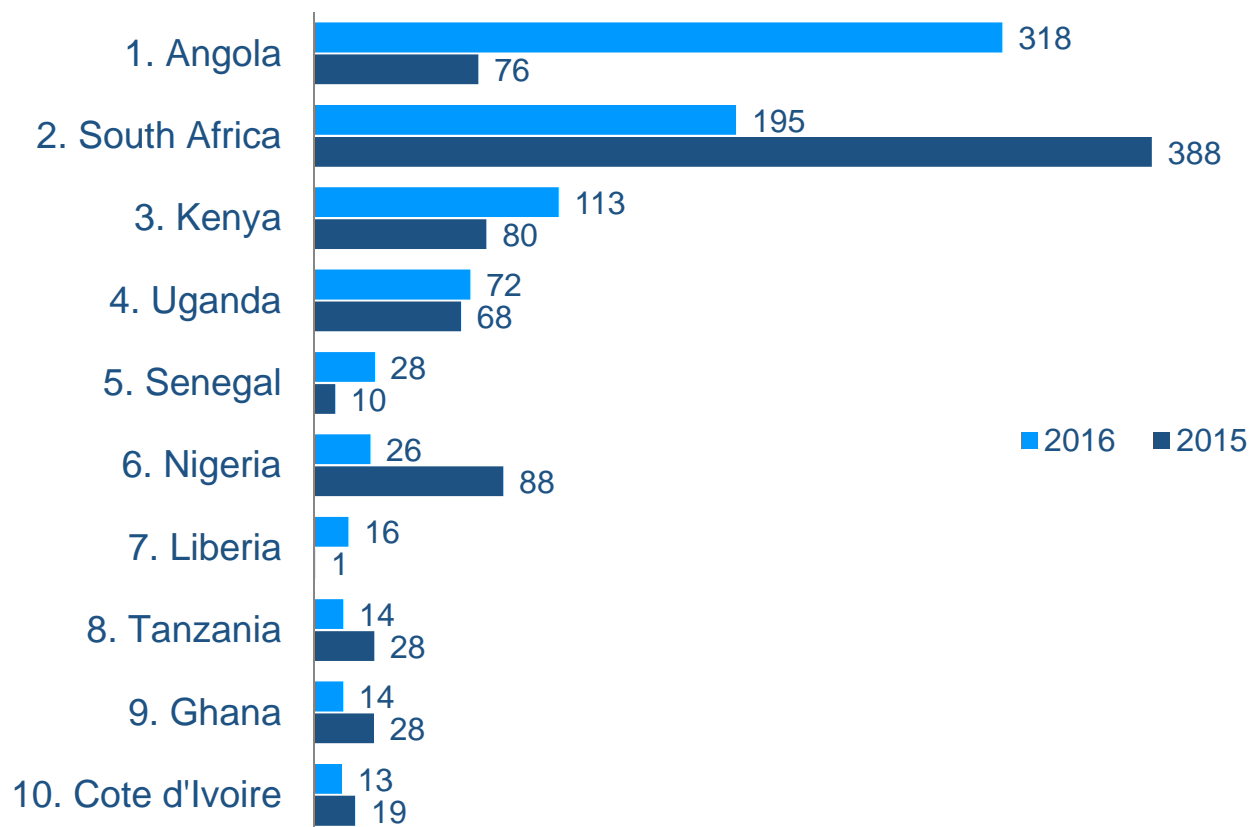
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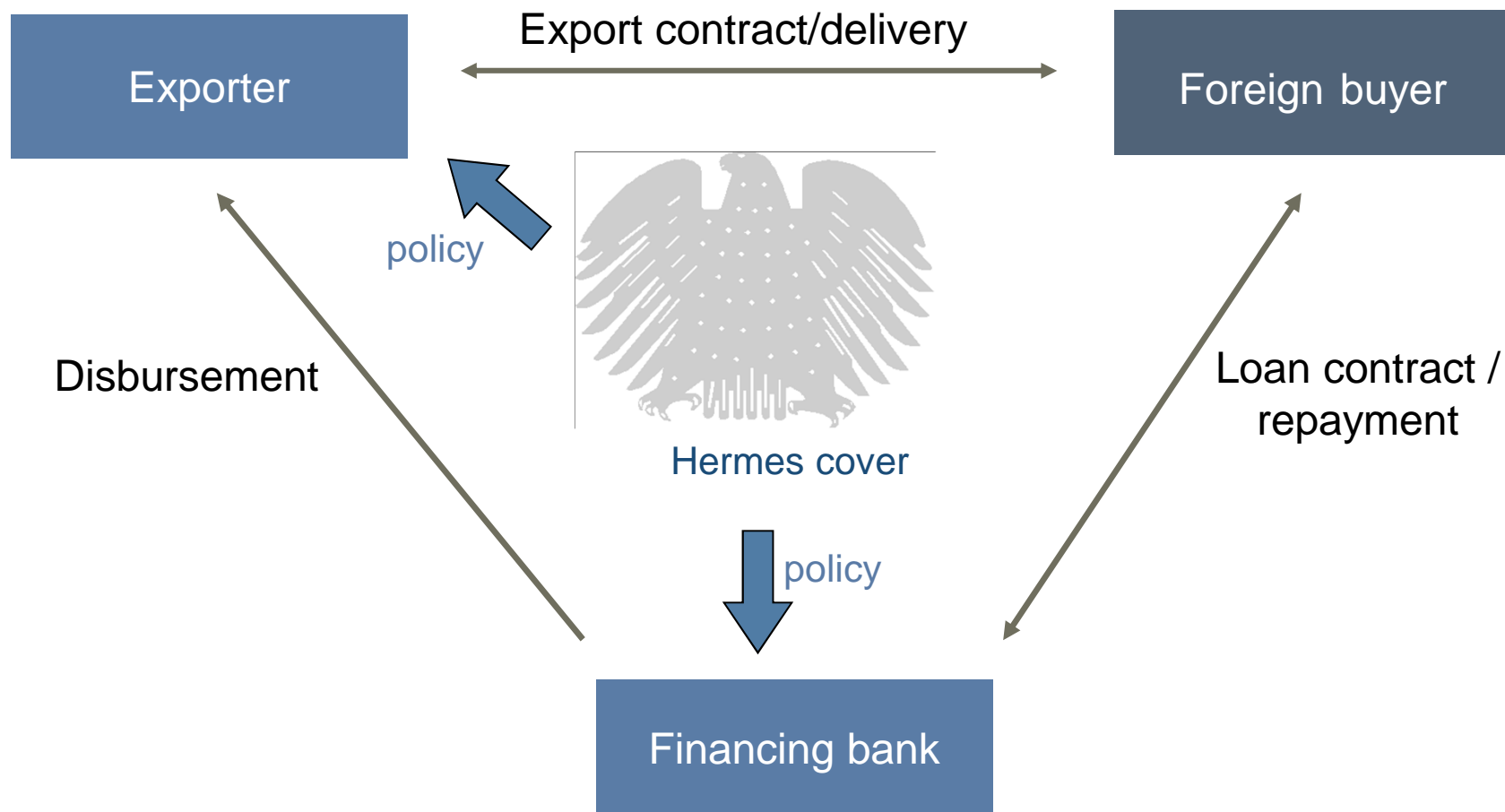
Last update: 26 October 2017

The top 10 markets in Sub-Saharan Africa

Newly underwritten business in EUR million



Combined supplier and buyer credit cover



Thank you for your attention!

EXPORT CREDIT GUARANTEES OF THE
FEDERAL REPUBLIC OF GERMANY

► **Hermes Cover**

Cover from the Federal Republic of Germany for business transactions abroad

The German Government supports German business ventures abroad with its Export Credit and Investment Guarantee Schemes as well as the Untied Loan Guarantee Scheme, thus securing economic growth and safeguarding jobs. To this end, the Federal Republic of Germany provides guarantees against commercial and political risks in connection with export transactions as well as against the political risks of foreign direct investments. In addition to this framework, it is also possible to cover the commercial and political risks of untied loans to finance projects which are particularly deserving of support.

The German Government has mandated a consortium formed by Euler Hermes Aktiengesellschaft and PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft to manage these promotion schemes.



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Export Credit Guarantees – Premium Calculation

All calculations are based on following assumptions:

- 1 year delivery period + 0.5 years grace period
- 5 years repayment period (equal, semi-annual instalments)
- Buyer category: Sovereign Risk → SOV
- Financed amount: EUR 8.5 Mio. (85% of contract value)

Country Category	Premium Payable
1	EUR 73.100,--
3	EUR 198.050,--
7	EUR 676.600,--

+ in case of combined supplier and buyer credit cover: EUR 2.500 (0.00025 % of contract value) issuing fee

+ in case of isolated byer credit cover: EUR 2.125 (0,00025 % of financed amount) issuing fee

+ EUR 2.500 (calculated on contract value) application fee