EULER HERMES

A TOOL FOR BETTER BORROWING

VS.

EXAMPLE

CURRENT LENDING SITUATION

COMPANY ASSETS

Plant Property Land Equipment Cash
$30M

(Uninsured) Accounts Receivable – Domestic
$15M

(Uninsured) Accounts Receivable – Export
$5M

- Risk Free Assets
- 100% Advance Rate

$30M Line of Credit

- General credit risk
- Concentration risk
- 80% advance rate on domestic
- Export A/R not counted in base

($15M x 80% = $12M)
$12M Line of Credit

$42M Line of Credit
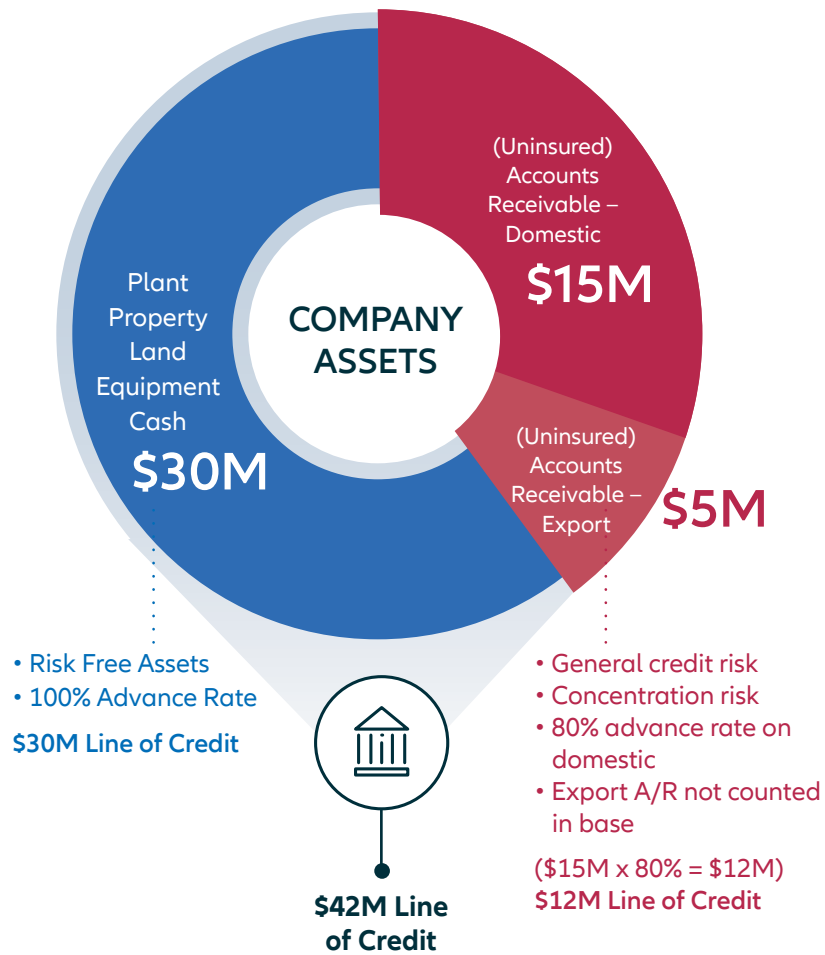
EXAMPLE

WITH EULER HERMES PARTNERSHIP

COMPANY ASSETS

Plant Property Land Equipment Cash
$30M

(Insured) Total Accounts Receivable
$20M

$30M Line of Credit

- A/R risks eliminated by AA-rated insurer
- Export A/R counted in borrowing base
- 85% Advance rate

($20M x 85% = $17M)
$17M Line of Credit

$47M Line of Credit + Secure Bottom Line

+$5M Access to Working Capital