

Managing risks during wartime.

KUKE instruments available to support trade with Ukraine

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What is KUKE



Export Credit Agency, ECA who insures presence of polish entrepreneurs in high-risk markets on which commercial insurance companies are not available (trade receivables & investments) - 160 non-market countries



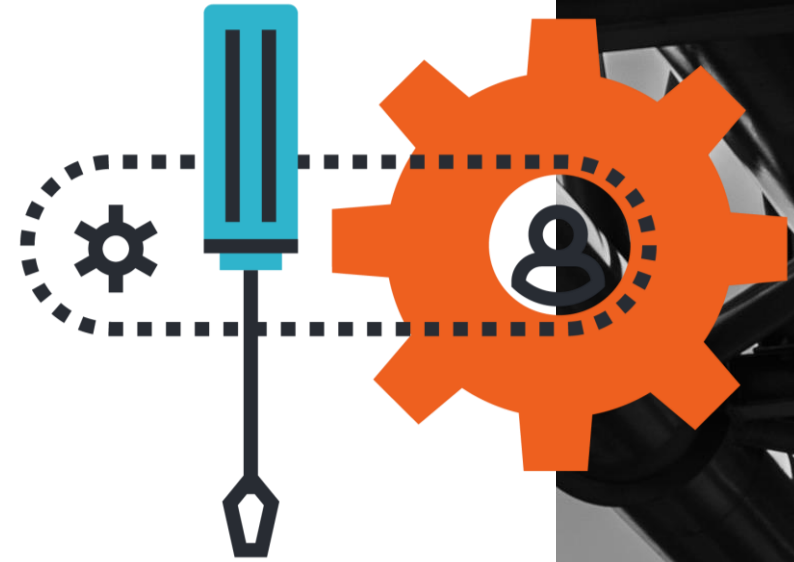
The comercial insurance company – an entity which insures 41 developed countries incl. Poland



The only ones to insure receivables from Ukrainian companies to their foreign counterparties

Facts about KUKE

- We are the company **owned by the Polish State Treasury and Polish Development Bank** being an integral part of the **Polish Development Fund Group**.
- Our team is composed of more than **190 specjalists** and we have offices in Warsaw and in five other cities in Poland.
- KUKE has been supporting Polish companies in their expansion into foreign markets for over **30 years** now.
- We are the only ones in Poland to offer **export insurance guarantees backed by the State Treasury**.
- We facilitate access to external financing through, i.e. our factoring company **KUKE Finance** or **polish and international banks**.
- Before the war, we were **the second largest ECA** in the world in terms of ukrainian risk exposure.



Who are the potential clients of KUKE?



Scenario 1: Entrepreneurs selling on deferred payment terms who want to reduce the risk of non-payments from their business partners



Scenario 2: Buyers who want to buy on deferred payment terms recommend to Polish entrepreneurs to have their receivables insured

Ukraine and KUKE's operations

In 2021, we insured goods and services exported to the Ukrainian market in the value of **PLN 1.5 billion**. This means that we have covered **5% of all export** of Poland to Ukraine.

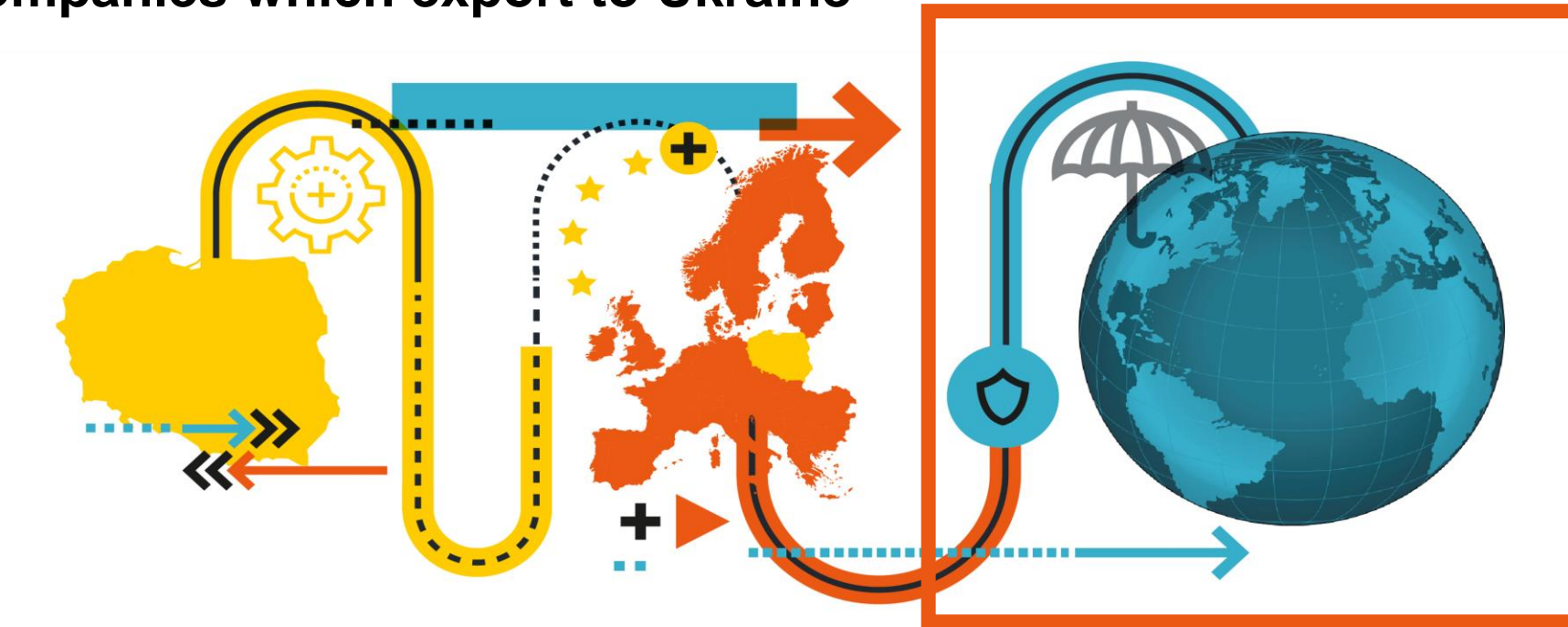
As of **June 13**, polish entrepreneurs, with the help of KUKE, can again insure receivables from ukrainian counterparties. Till the end of 2022, the cap has been put in place of **PLN 500 milion** total risk exposure to Ukraine. Hence, maximum limit for each seller per it counterpart is equal to **PLN 5 milion**.

Next year, the amounts are expected to increase.

KUKE offers insurance protection against ukrainian counterparties under the solution called ***The policy without borders***.



KUKE as a business partner of companies which export to Ukraine



Turnover Policy

Range: Poland
Objective: to enable secure sales on the domestic market

Turnover Policy

Range: 40 countries
Objective: to maintain and expand sales in key developed markets

Policy Beyond Borders

Range: the remaining 160 countries
Objective: to maintain secure sales to countries outside the EU

” **POLICY WITHOUT BORDERS** is a unique financial instrument which enables safe trading with Ukraine ”

TOTAL: **201 countries** which can be covered by the insurance and financed at the same time

The cover under the Policy without Borders

- The risk of not receiving all or part of the receivables in the event of the declaration of **insolvency** of the counterparty or a **delay in payment**.
- The maximum deferred payment period for goods delivered or services rendered is **two years**.
- For agricultural goods (as per the WTO classification), the maximum period of trade credit is **540 days**.
- The cover applies to **non-contentious** receivables which arose during the term of the credit limit and are evidenced by the relevant documents.



The benefits of the Policy without Borders

Broadest insurance coverage on the market: coverage of commercial risk, political risk, force majeure and non-payment by a public entity

Insurance of sales by subsidiaries registered in Ukraine

Free and effective recovery of insured debts

Ability to self-select the counterparties from which KUKE insures receivables. Sales even to a single counterparty can be insured

Possibility that KUKE offers an additional credit limit (Protection +)

Production risk insurance, i.e. coverage of the incurred production costs

Low deductible of 5%

Free counterparty risk assessment and monitoring

Payment on the actual sales: the premium is calculated monthly on the value of the turnover executed with the counterparty

Better liquidity and increased credibility of the company

How does the insurance work?



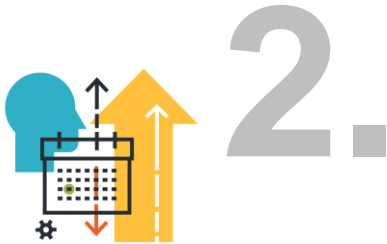
1.

Counterparty's payment reliability is assessed



3.

Goods or services are sold and payment from the counterparty is expected



2.

Insurance contract is signed and the premium is paid

Claim



4.

Recovery



5.

Payout of indemnity

Sample calculation of a premium under the Policy without Borders, country: Ukraine

Sales value

PLN 1,000,000

Deductible

5%

Example 1 –

Payment period

60 days

Premium*

PLN 5,950

Rate 0.5950%

Example 2 –

Payment period

360 days

Premium*

PLN 9,350

Rate 0.9350%

*This calculation result is not binding and does not constitute a commercial offer. The calculation does not include the minimum premium.

Sample calculation of a premium under the Policy without Borders, comparison

Payment period

360 days

Sales value

PLN 1,000,000

Deductible

5%

**Example 1 –
United Arab
Emirates**

Premium*

PLN 2,590

**Example 2 –
Ukraine**

Premium*

PLN 9,350

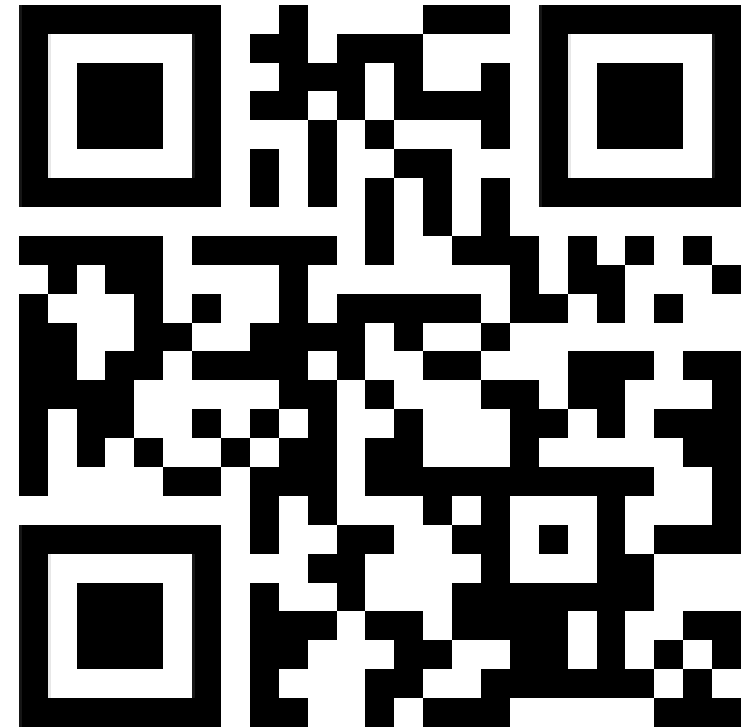
**Example 3 –
Moldova**

Premium*

PLN 12,190

*This calculation result is not binding and does not constitute a commercial offer. The calculation does not include the minimum premium.

Contact our advisors and visit our website at www.kuke.com.pl to get detailed information



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