



Financing Your Purchases from U.S. Suppliers

FUNDAMENT⁺UM

 **M&T Bank**
Understanding what's important[®]

Who are We?

- **15th Largest Bank in the US with more than US\$68 Billion in Assets**
- **Founded in 1856**
- **670 Branches on US East Coast**
- **Rated A- by S&P and Fitch and A3 by Moody's**
- **Included in the "S&P 500" and the "Fortune 500" (NYSE: MTB)**
- **Major Shareholders Include:**
 - **22% - Employees and Directors**
 - **23% - Allied Irish Bank**
 - **5% - Berkshire Hathaway (of Warren Buffet) shareholder since 1990**

Who are We? (cont.)



**Partners with the US Department of
Commerce's Commercial Service**



**Winner of the President's "E" Award for
Excellence in Exporting in 2005**



M&T Bank extends term financing to buyers of goods and services supplied from the United States.

We provide this financing under the insurance and guarantee programs of the U.S. Ex-Im Bank.

We are a frequent lender under U.S. Ex-Im Bank programs.





M&T Relationship with Ex-Im Bank

Frequent Lender under Ex-Im Programs.

- **13 Years of Ex-Im Lending.**
- **Highly Experienced Export Finance Team**
- **Three Ex-Im Veterans on our Team**
- **Considerable Export L/C Expertise**



Key Financing Benefits

You Can Finance:

- **Your Imports from the U.S.**
- **Up to 85% of Value of your U.S. Purchases**
- **Packages of Small Items, as well as Large Items**
- **U.S. Portion of your Capital Investments**
- **Recent Past Procurements**
- **Services as well as Goods**

A vertical strip on the left side of the slide shows a stack of US dollar bills, including \$100, \$20, and \$10 bills, with various serial numbers and denominations visible.

Key Financing Benefits (cont.)

- **Term of financing is 5 to 7 years (up to 15 years for environmentally-friendly projects)**
- **Low interest rates (fixed or floating rates) and moderate bank fees**
- **The Ex-Im Fees are rolled into the Loan**
- **The cost of M&T Bank's financing is usually much lower than that of your local bank**
- **Collateral is not typically required**

Repayment Term

Repayment Term is typically

10 Semi-Annual Installments.

beginning Six Months after Shipment.

If Exporter is Responsible for Installation,

Repayments begin Six Months after Installation.



Repayment Term (cont.)

For Loans > \$15 Million: 14, 17, 20 Semi-Annual Installments may be Possible.

For Loans to the Medical Sector, 14 Installments are Possible.

Exceptionally Long Repayment Terms (20-30 Semi-Annual Installments) are Available for Renewable Energy and Environmental Projects.



Interest Rate

Six-Month US\$ LIBOR plus a Margin

Margin Depends on Transaction Characteristics:

Loan Size, Borrower Strength, Market Conditions.

Margin ranges from 0.50% to 2.50%.

Interest is Paid in Arrears on Repayment Dates.

Fixed Rate US\$ Financing Also Available



Fees

1. Ex-Im Exposure Fee

(Function of Country and Repayment Term)

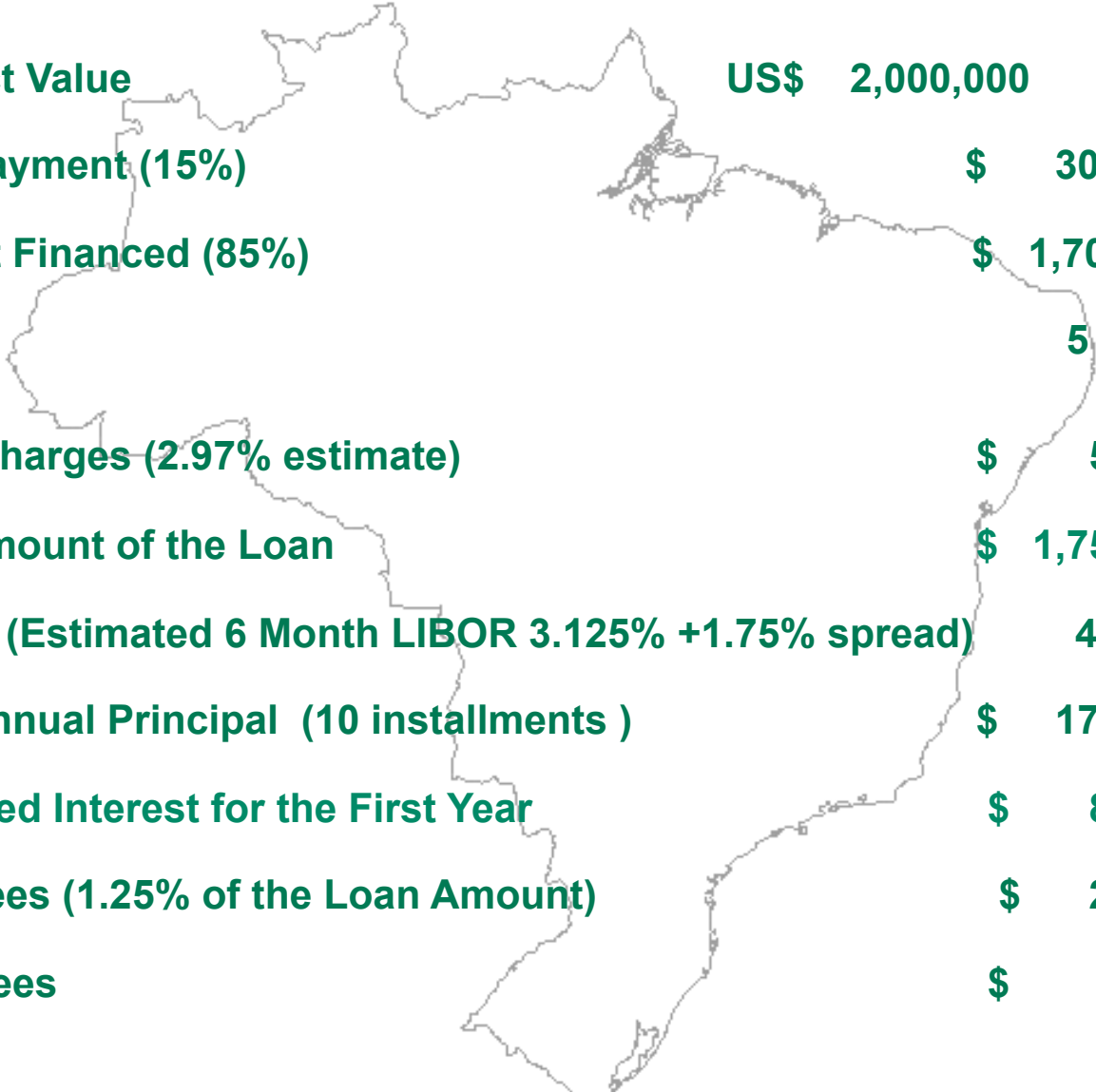
Ex-Im Fee is Rolled into Financing.

2. M&T Bank Facility Fee (1-1.5% Up-Front): Paid at Loan Closing.

3. For Loans > \$10 million, Ex-Im Commitment Fee of 1/8% on Undisbursed Balances.



Example of a Typical Transaction



▶ Contract Value	US\$ 2,000,000
▶ Cash Payment (15%)	\$ 300,000
▶ Amount Financed (85%)	\$ 1,700,000
▶ Term	5 years
▶ Ex-Im Charges (2.97% estimate)	\$ 50,490
▶ Total Amount of the Loan	\$ 1,750,490
▶ Interest (Estimated 6 Month LIBOR 3.125% +1.75% spread)	4.875%
▶ Semi-Annual Principal (10 installments)	\$ 175,049
▶ Estimated Interest for the First Year	\$ 81,069
▶ Bank Fees (1.25% of the Loan Amount)	\$ 21,881
▶ Legal Fees	\$ 3,000

Annual Arithmetic Mean Cost of Financing =5.18%





How We Fund

We Can Fund in One of the Following Ways:

- Reimburse U.S. Exporter after Shipment.
- Reimburse You after Shipment.
- Issue L/C to U.S. Exporter, who Draws upon L/C after Shipment.
- Pay Exporter as You Certify the Exporter's Satisfaction of Contractual Milestones.

A vertical stack of US dollar bills is visible on the left side of the slide, showing various denominations and serial numbers.

Many Sectors

Some Sectors Benefiting from Finance:

- **Infrastructure Construction**
- **Hospitals**
- **Petrochemicals**
- **Agro-Industry**
- **Textiles**
- **Air Transport**
- **Printing & Publishing**

Buyer: Resort Real-Estate Developer

Purchase: Marina & Golf Course
Equipment

Value: Approx. \$10 Million

Funding: Reimbursement

Term: 5 Years



Buyer: Construction Company

**Purchase: Construction & Airport
Equipment**

Value: Approx. \$19 Million

Funding: Reimbursement

Term: 5 Years



Buyer: Petrochemical Producer

Purchase: Ethylene Compressor

Value: Approx. \$10 Million

Funding: Milestone Payments

Term: 7 Years



Buyer: Yarn/Cloth Manufacturer

**Purchase: Dyeing/Weaving Equipment
for Denim Production**

Value: Approx. \$7 Million

Funding: Draws under L/Cs

Term: 7 Years



Buyer: Highway Contractor

Purchase: Rock Crusher, Graders, Pavers

Value: Approx. \$11 Million

Funding: Draws under L/Cs

Term: 5 Years



Buyer: Industrial Gases Producer

**Purchase: Equipment for Production
of Oxygen & Other Gases**

Value: Approx. \$8 Million

Funding: Milestone Payments

Term: 5 Years



Buyer: Sugar Producer

Purchase: Equipment for Transport & Processing of Cane & Sugar

Value: Approx. \$15 Million

Funding: Draws under L/Cs.

Term: 5 Years



Buyer: General Hospital

**Purchase: Radio-diagnostic & other
Medical Equipment**

Value: Approx. \$15 Million

Funding: Draws under L/Cs.

Term: 5 Years



Buyer: Rum and Spirits Producer

Purchase: Ethanol Distillation Equipment

Value: Approx. \$7 Million

Funding: Draws under L/Cs.

Term: 5 Years



Buyer: Electricity Company

Purchase: Distribution Equipment

Value: Approx. \$8 Million

Funding: Reimbursement

Term: 5 Years



Buyer: Battery Manufacturer

**Purchase: Lead-Plate Manufacturing
Equipment**

Value: Approx. \$1 Million

Funding: Draw under L/Cs

Term: 5 Years



Buyer: Fast-Food Franchise

Purchase: Kitchen & Dining Room Supply

Value: Approx. \$5 Million

Funding: Reimbursement

Term: 5 Years



Buyer: Fertilizers Producer

Purchase: Grinding/Mixing Equipment

Value: Approx. \$5 Million

Funding: Draws under L/Cs

Term: 5 Years



Buyer: Air Cargo Company

Purchase: Aircraft

Value: Approx. \$10 Million

Funding: Reimbursement

Term: 7 Years



Buyer: Commercial Airline

Purchase: Used Passenger Aircraft

Value: Approx. \$8 Million

Funding: Reimbursement

Term: 5 Years



Buyer: Eye Hospital

Purchase: Ophthalmology Equipment

Value: Approx. \$3 Million

Funding: Reimbursement

Term: 5 Years



Buyer: Poultry Producer

Purchase: Poultry Feeding & Handling Equipment

Value: Approx. \$3 Million

Funding: Reimbursement

Term: 5 Years



Buyer: Publishing House

Purchase: High-Speed Printer

Value: Approx. \$3 Million

Funding: Draw under L/Cs

Term: 5 Years



Buyer: **Diversified Trading House**

Purchase: **Equipment & Supplies**
Real-Estate Development

Value: **Approx. \$30 Million**

Funding: **Reimbursement**

Term: **7 Years**



Buyer: Country Club

**Purchase: Equipment & Supplies
Real-Estate Development**

Value: Approx. \$5 Million

Funding: Reimbursement

Term: 7 Years



Credit Review Process

1. Information Collection and Assembly.
2. Credit Memo Preparation.
3. Ex-Im Credit / Transaction Review.
4. Credit Documentation.
5. Reimbursement or Draws under L/C.
6. Loan Servicing and Repayment.



Credit Information

- ✓ **History of the Company:**
 - General Data, Objectives, Ownership Breakdown, Date of Incorporation, Orientation in the Market, Administrative Structure, etc.

- ✓ **Audited Financial Statements:**
 - Last Three Fiscal Years and the most recent Interim Figures
 - Audited by Recognized High-Quality Auditor
 - IFRS Preferred

- ✓ **Three Reference Letters** from your Commercial Bank and your Trade Suppliers

- ✓ **Invoices or Quotes** from the US Exporter or **Acquisition List**

Key Credit Strengths

- **Years in Business**
- **Volume of Sales**
- **Tangible Net Worth**
- **Bank Borrowing Experience**
- **Quality of Audited Financial Statements**
- **Ample Debt Service Coverage**
- **Moderate Size of Expansion**



Loan Documentation

- **Credit Agreement**
- **Promissory Notes**
- **Articles of Incorporation**
- **Corporate Borrowing Resolution**
- **Officers' Signing Authority**
- **Signature Cards**
- **Legal Opinion of Borrower's Counsel**



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