



# Short-term Working Capital Guarantee

**Exports stretching your finances?**

The New Zealand Export Credit Office (NZECO) Short-term Working Capital Guarantee is a bank-led product. It is a guarantee from NZECO to a bank. This enables the bank to lend exporters additional funds without requiring additional security. The product has been specially designed to meet your needs when facing a working capital shortage while growing your business.

## Key Benefits for Exporters

- Available for general export funding.
- No additional security needed.
- Minimal additional documentation required.
- Flexible terms between 3 and 12 months.
- Enables exporters to take advantage of immediate export opportunities.
- Provides access to additional funding (which would not otherwise be available from your bank) to grow your business

## Key Product Features

- **Eligibility**
  - Participating banks select suitable exporters.
  - For exporters with a turnover up to \$50m.
  - The exported goods/services must have at least 30% value-add in NZ.
  - The exporter must have a successful track record.
  - The exporter must have an existing banking relationship.
  - The exporter must have a strong cash flow and a security shortfall.
- **Maximum Value** – generally limited to 20% of an exporter's total facilities.
- **Cost** – The NZECO guarantee premium is 4% - 6% per annum.
- **Terms** – The guarantee is for up to 12 months, renewable once subject to a review and acceptance.

### To apply:

#### Exporter:

- Needs finance for growth

#### Bank\*:

- Relationship manager determines eligibility

#### Bank:

- Credit assessment completed
- Final selection

#### NZECO:

- Reviews credit assessment
- Decision, acceptance and premium pricing

#### Bank:

- Reviews NZECO decision

#### Exporter:

- Accepts offer
- Premium paid to NZECO
- Bank extends facilities

#### Exporter:

- Finances growth

\* For a list of participating banks visit: [www.nzeco.govt.nz/product/workingcapital](http://www.nzeco.govt.nz/product/workingcapital)

For a full list of the NZECO product range, visit: [www.nzeco.govt.nz](http://www.nzeco.govt.nz) | 04-917-6080

The New Zealand Export Credit Office (NZECO) provides financial guarantee products for New Zealand exporters. Our products help these exporters manage risk and capitalise on trade opportunities around the globe. As well as working directly with exporters, we work closely with commercial financiers in New Zealand and offshore to support and improve the competitiveness of New Zealand exporters. NZECO is currently located in the Treasury and obligations to third parties are guaranteed by the New Zealand Government.