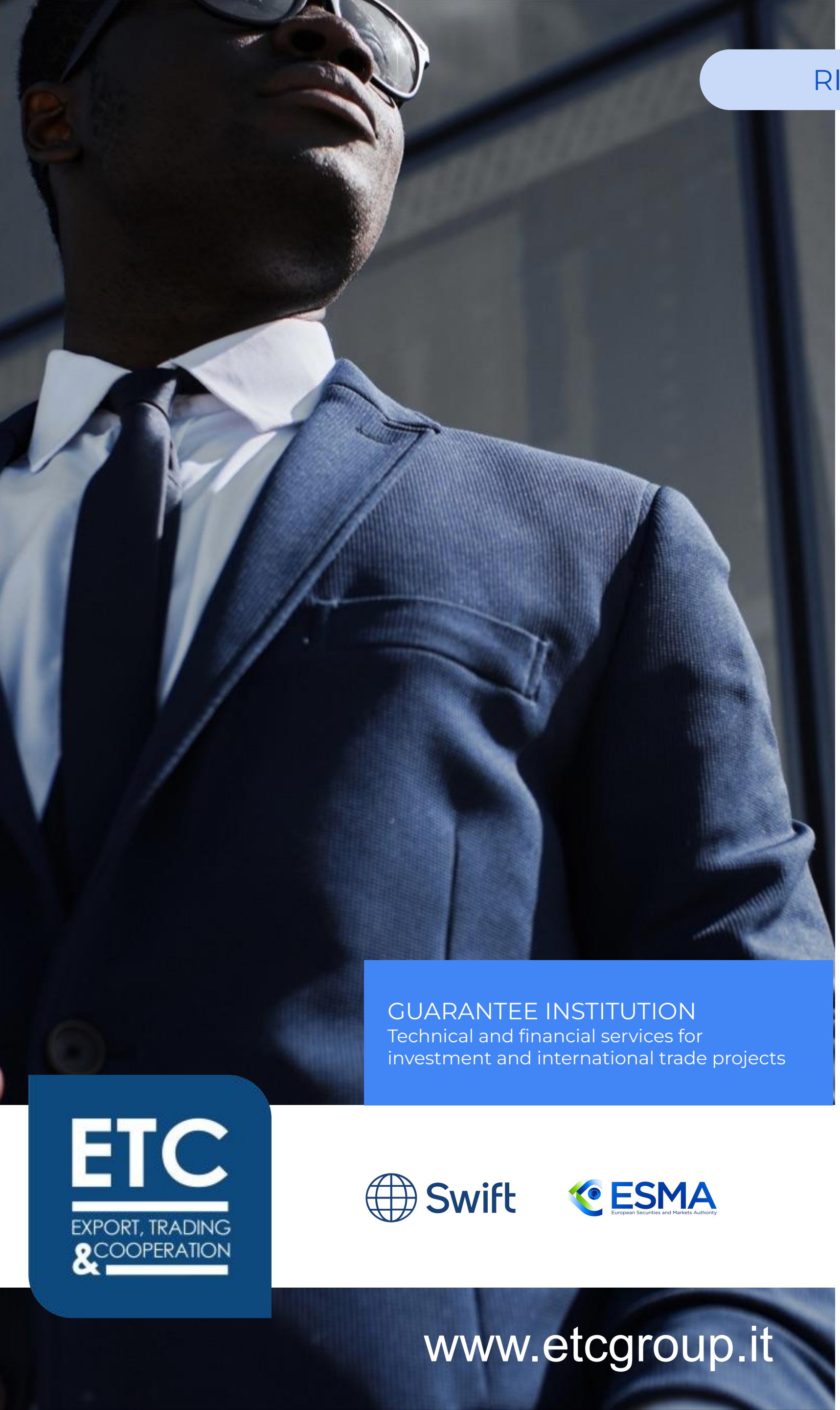

CONCENTRATION RISK BOND (CRB)

RESPECT THE RISK DIVISION LIMIT ON YOUR EXPOSITIONS

The **Concentration Risk Bond** (CRB) is an **individual or portfolio risk division guarantee** that helps to mitigate and weight a bank's level of risk arising from its concentration on counterparties, a sector or a country.

The CRB ensures, among other things, compliance with **the risk division ratio** on the major risks in the portfolio. Large exposures are the sum of the values of a bank's exposures to a single counterparty or a group of interrelated counterparties that exceed 10% of equity. The risk division limit is set at **25% of regulatory capital.**.

The instrument implemented for this is the StandBy Letter of Credit according to the rules of the International Chamber of Commerce (ICC).

OUR FINDING

In a context marked by the end of the transitional measures relating to risk division standards, increasing the maximum concentration ratio for large exposures to 25% of Tier 1 equity (T1), ETC's guarantee is a benefit.

OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTEE / CONFIRMING	BENEFICIARY
Coverage of portfolio exposures	Insolvency risk of the clients	StandBy Letter of Credit (SBLC)	FIN MT760	SME, Corporate, Microfinance, Financial Institution	Export trading & cooperation (ETC)	Financial Institution (FI) Development Financial Institution (DFI)

WHAT IS IT ?

Concentration Risk Bond, abbreviated as « CRB » : the **Risk Division Guarantee** (individual or portfolio) refers to the short-term facility offered by ETC to cover the commercial risk towards **large risks** in the portfolio, in order to allow the credit institution to comply with the risk division coefficient. It is defined as the maximum ratio of 25% between the corrected capital (Tier 1) and the Exposure to a Client (or a Group of Clients having the same reference shareholder), according to the Basel III prudential framework.

WHO CAN BENEFIT ?

- → You are a **Financial Institution** (FI)
- → Vous êtes une **Development Financial Institution** (DFI)

WHEN TO REQUEST IT ?

- → You want **to support a portfolio of SME** to boost the financing of the economy
- → You want **to support the bank's champion clients** to boost the financing of investments and trade
- → You want **to support Major Risks** without exceeding the 25% prudential ratio limit
- → You want **to weight the credit risk** and benefit from an additional solution **to strengthen equity**

THE ADVANTAGES

- → **Mitigate and weight** credit risk
- → **Increase** your financing capacities
- → **Respect** the risk division ratio

PLUS D'INFORMATIONS
Nos équipes sont à votre écoute par e-mail :
info@etcgroup.it

SOME BENEFICIARY BANKS

BGFIBank Europe - BGFIBank RDC - EBI Ecobank International - NSIA Banque Benin

PRICING

FORMULA : TAEG = (FDD/DDP) + (FDE/DDP) + CDE

LÉGENDE :
- → TAEG = Taux Annuel Effectif Global / Annual Global Rate
- → FDD = Frais de dossier (Taux indicatif 0,5% flat) / Application FEE (Indicative rate 0.5% flat)
- → FDE = Frais d'émission de la garantie (Taux indicatif 0,25% flat) / Issuing Fees (Indicative rate 0.25% flat)
- → DDP = Durée du prêt (année) / Tenor (year)
- → CDE = Commission d'engagement (Taux annuel selon Notation financière*) / Commitment fee (annual rate according to financial rating

*voir tableau

SILENT RISK SUB-PARTICIPATION	LOAN TO BE GUARANTEED	MAXIMUM RATE GUARANTEED	DURATION OF ELIGIBLE LOANS	RISKS COVERED	GENERATING FACTS	COMMITMENT
Yes	min. 1 Million € max . 30 Millions €	Up to 60 % of the loan	1 year renewable	Client insolvency risk	Lapse of term declared by the lender	Periodic report