



TRADE FINANCE BOND (TFB)

TRADE SUPPORT FOR SHORT TERM FINANCING NEEDS

The **Trade Finance Bond** (TFB) is an **individual trade guarantee** that supports companies in the trade of goods and services, thanks to the instrument **SBLC** (StandBy Letter of credit) according to the rules of the International Chamber of Commerce (ICC).

OUR FINDING

In international trade, the risk of **payment default** is one of the major concerns. The countries of **sub-Saharan Africa** are particularly exposed to this risk, however, trade activity is becoming more and more democratized there. The volume of transactions carried out internationally is exploding.

When you are a bank, how can you protect yourself against the **risk of non payment** by your customers for trade carried out on the other side of the world ?

ETC - Export Trading & Cooperation, offers its **trade guarantee** (the TFB) to cover this risk of payment default.

INSTITUTION DE GARANTIE
Services techniques et financiers pour les
projets d'investissement et de commerce
international



OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTEE / CONFIRMING	BENEFICIARY
Coverage of short term loans (trade)	Payment default risk	Stand-By Letter of Credit (SBLC)	FIN MT760	SME, Corporate, Commercial Banks	ETC - Export Trading & Cooperation	Financial Institution (FI) Development Financial Institution (DFI) Traders

WHAT IS THIS ?

Trade Finance Bond abbreviated as « TFB » : The **Trade Guarantee** designates a guarantee which refers to ETC coverage (**risk of non payment**) on a short term loan relating to a **trade operation**, in particular financing in turnover (e.g. financing stock) or trade.

WHO CAN BENEFIT ?

- You are a goods or services **trading company**
- You are a **bank**

WHEN TO REQUEST IT ?

- You want to boost your **activities**
- You want to improve your bank's **solvency ratios** for better leverage
- You want to optimize your **cash flow**
- You want to **weight the credit risk** and benefit from an additional solution to strengthen **equity**.

THE ADVANTAGES

- **Finance** trade loans
- **Mitigate and weight** the credit risk
- **Increase** your trade finance capabilities

SOME BENEFICIARY BANKS

BGFIBank Cameroun - BGFIBank Bénin - BGFIBank Europe - BGFIBank RDC 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. 250 000€ max . 30 Millions €	Up to 85 % of the loan	Up to 18 months	Risk of non payment	Term declared by the lender	Periodic report

