

The logo for ETC (Export, Trading & Cooperation) is located in the top left corner. It consists of the letters 'ETC' in a large, white, sans-serif font, with a horizontal line underneath. Below the line, the words 'EXPORT, TRADING & COOPERATION' are written in a smaller, white, sans-serif font, with another horizontal line underneath.

ETC

EXPORT, TRADING
& COOPERATION

The background of the slide is a dark blue, textured world map. The map is centered on the African continent, which is highlighted in a slightly lighter shade of blue. The rest of the world is shown in a darker blue, with some landmasses visible.

Securing Risk Financing Ambition

The Investment Grade partner for African banks

CORPORATE PRESENTATION - 2026

Version : V1.1 | Date : 2026-01-... | Amendment : ...



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ANCO MARZIO LENARDON
President & Chief Executive Officer

Message from the President and CEO

Financial Inclusion as a Driver of Sustainable Development

Achieving climate, environmental, and social sustainability goals—particularly in Africa—requires the mobilization of substantial public and private capital. In this context, financial inclusion becomes a strategic pillar: ensuring that small and medium-sized enterprises, public-private projects, and underserved regions have access to the instruments necessary to participate in the global sustainable economy.

Guarantee Mechanisms and the New Financial Architecture

Financial institutions today face the complex task of reconciling the prudential rules of the Basel regulatory framework with the imperatives of the UN Sustainable Development Goals (SDGs).

In this evolving financial architecture, guarantee instruments (GDMs) are assuming a central role—not only to mitigate credit risk, but also to address broader socio-economic and environmental risks.

When issued by public bodies or institutions rated by External Credit Assessment Institutions (ECAIs), these mechanisms allow banks to optimize capital allocation through preferential risk-weighting, thus reducing concentration risk and enhancing regulatory capital efficiency.

The result is a meaningful increase in the capacity to finance projects focused on resilience, recovery, and sustainable trade and investment.

ETC – A Specialized European Platform for Africa

As a European Trade Finance Institution, ETC Export Trading Cooperation is committed to supporting cross-border transactions and sustainable investments across Africa through advanced risk mitigation tools.

ETC operates under European rules, is a registered SWIFT member (BIC ETCGIT2T), and holds a public credit rating of (A3-/A-), compliant with ESMA standards—equivalent for regulatory purposes to a major global rating agencies. Our guarantees are structured in line with the principles of the International Chamber of Commerce (ICC) and designed to meet the compliance, transparency, and capital efficiency expectations of both European financial institutions and African counterparties.

Through our model, we aim to serve as a bridge between capital markets and frontier economies, fostering inclusive and sustainable growth.

The background features a hand holding a glowing white line graph that trends upwards. Behind the hand is a semi-transparent bar chart with varying bar heights. The overall scene is set against a dark blue background with faint, larger-scale line graphs visible in the distance.

WHO ARE WE ?

Track record | 2024 Financial Statements & Ratio



Missions and expertise

A European Financial Group at the Heart of Africa

ETC Export Trading Cooperation is a **Non-Banking Financial Institution (NBFI)** incorporated under Italian law, operating under **European regulations**. We act as a **Security Provider** and **Trade Finance specialist**, offering credit protection and risk mitigation instruments.

Our mission is clear: to foster the **Financial Inclusion** of African economies on a global scale. By facilitating access to capital and international trade finance, we support structuring projects for **Responsible Growth**. Through a **Multilateral** approach, we build a solid and sustainable bridge between international capital markets and the continent.



Our Identity

- **Headquarters:** Treviso, Italy (Eurozone).
- **Our Presence:** Cotonou, Benin (Africa Regional Office), Douala, Cameroon (Guarantee Fund), Le Mans, France (Institutional Relations & Communication Office).
- **Status:** Non-Banking Financial Institution (NBFI).
- **Core Business:** Security Provider.
- **SWIFT Code:** ETCGIT2TXXX

Our public rating

Eurozone (ESMA)

- **Rating:** ETC holds a public rating of **A3-/A-** (Risk Category 2 “low”), issued by an **ECAI** in accordance with **Regulation (EC) N°1060/2009**.
- **Authorization:** The ECAI is authorized by the **ESFS** (comprising **ESMA**, **EBA**, and **EIOPA**).
- **Regulatory Use:** Valid for EU regulatory purposes under **CRR II** (Europe’s transposition of **Basel III**).
- **Verification:** The rating is listed in the **ESMA** register.



WAEMU / CEMAC Zone

- **Rating:** ETC holds a Pan-African rating of **AA (long-term)** and **A1 (short-term)** in local currency.
- **Agency:** Issued by **Bloomfield Investment Corporation**, a benchmark **CRA** supervised by **AMF-UMOA** and **CMA**.
- **Impact:** Officially recognized in **UMOA** markets, ensuring regulatory eligibility and market credibility based on robust methodology.
- **Access:** Full report available upon request.



Long term



short term

Our membership in the SWIFT network

ETC Export Trading Cooperation is an **active member of SWIFT** (Society for Worldwide Interbank Financial Telecommunication) under category 2 called **NOSU** (Non Supervised Entity active in financial industry), with its BIC (Business Identifier Code) **ETCGIT2T**.

Thus, the institution is able to exchange **authenticated interbank financial messages** with banks and other financial institutions (Example: letter of credit, standby letter of credit, documentary remittance and others).



NON-SUPERVISED ENTITIES ACTIVE IN THE FINANCIAL INDUSTRY (NOSU)

Main activities of NOSU:

- Provide payment, securities, banking, financial, insurance or investment services or activities to Supervised Financial Institutions and/or third parties unrelated to NOSU.
- Provide services to supervised financial institutions and/or third parties unrelated to NOSU, whose services take charge of the processing of financial transactions in means of communication and processing of information. Which services require the sending of messages in the own name of the NOSU.

Specificities of NOSU

- Legal person duly constituted, validly existing and duly organized
- Financial strength and compliance with applicable laws and regulations
- Subject to regular audits in accordance with internationally recognized accounting standards by an independent audit
- Majority owned by entity(ies) in the Supervised Financial Institution (SUPE) category
- Or recommended by three entities in the category of Supervised Financial Institution (SUPE) unrelated to the Non-Supervised Entity active in the financial industry (NOSU).

United Nations Global Compact

WE SUPPORT



Beyond Finance: Sustainable Impact

As a signatory of the United Nations Global Compact, ETC integrates ESG criteria at the heart of its strategy.

- **Environment:** Reducing carbon footprint and supporting green energy projects.
- **Social:** Gender equality (50% women in management positions), respect for human rights.
- **Governance:** "Zero Tolerance" policy against corruption, increased transparency via the annual publication of the Communication on Progress (COP).



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION

OUR COMMITMENT:

**MAKE THE UN GLOBAL COMPACT
AND ITS TEN PRINCIPLES
AN INTEGRAL PART OF
OUR BUSINESS STRATEGY,
DAY-TO-DAY OPERATIONS AND
ORGANIZATIONAL STRUCTURE**

#UnitingBusiness

Our History

Founded in 2010 through the "Steel & Style Africa" initiative, **ETC Export Trading Cooperation** was established to bridge the gap between Italian industry and Sub-Saharan African markets. It evolved from a Confindustria-backed project into a formal institution designed to solve the lack of operational connectivity and market insights between Europe and Africa.

Core Identity & Evolution

- **The Mission:** Providing African SMEs with reliable access to European technology, finance, and expertise while expanding Italian export reach.
- **The Strategy:** Utilizing the **Confirming House model**, an agile trade finance approach that addresses the specific needs of both European exporters and African importers.
- **Current Standing:** Today, ETC serves as a specialized, pan-continental facilitator of investment and development, navigating the complexities of international trade through financial innovation.

2010

The Origin

The initial concept was launched under the initiative of Confindustria with the patronage of the Italian Chamber of Commerce

2012

The First Legal Entity

ETC Srl, the Italian Confirming House, was established to stimulate Italian exports and investments in Africa

2014

R&D in OHADA business law

In collaboration with SACE (Italy's Export Credit Agency), ETC conducted in-depth legal research and issued formal legal opinions to validate payment instruments, guarantees, arbitration mechanisms, and debt recovery procedures within OHADA member states

2015

The First African Subsidiary

ETC opened its first African subsidiary, ETC Surety S.A., in Benin. This strategic move secured the Group's regional investments and provided a structured framework for debt collection

2017

Public shareholding

The Group benefited from institutional capital through Simest (Italy's public investment vehicle for internationalization) and Finest (regional investment company for Northeastern Italy), reinforcing its financial structure and governance

2018

Joining SWIFT global network

Between 2016 and 2018, ETC completed the onboarding process to the SWIFT network as a Non-Supervised Entity active in finance industry (NOSU), supported by letters of recommendation from Société Générale, Crédit Agricole, and Diamond Bank. The successful accreditation marked a strategic step in ETC's international financial integration

2019

First issuance public credit rating ESMA

ETC finalizes audit process with an European Credit Rating Agency (CRA) and External Credit Assessment Institution (ECAI), ModeFinance to publish its first credit rating (B1+/BBB+) at the European Securities and Markets Authority (ESMA)

2021

New Shareholding Structure & Credit Rating Upgrade

ETC buys back Simest and Finest shares for the benefit of new shareholders BGFIBank Europe SA and MPS Fiduciaria S.p.A.. In parallel, the Group achieved the upgrade of its public credit rating to (A3-/A-), reinforcing its financial standing and credibility on the European and International markets

2022

10th anniversary

ETC proudly celebrates ten years since the establishment of its first legal entity, marking a decade of innovation, partnership, and sustainable growth in European-African trade relations

2024

Governance Reform, ESG & Strategic Alignment

In 2024, ETC transitioned to a monistic governance model, replacing the traditional structure to strengthen transparency, strategic coordination, and alignment with EU corporate governance standards. The year also marked the first publication of the Communication on Progress (COP), following ETC's adherence to the United Nations Global Compact in 2023. In parallel, ETC was formally admitted to the Global Network of Guarantee Institutions (NGI), reinforcing its role within the international ecosystem of public and private credit enhancement providers

Our Values



Responsible growth

Limiting the harmful effect of the efforts of this growth on humans, their work, their environment and their ways of acting, is at the heart of our concerns ETC, through its "Responsible Growth" value, wishes to take on and assert its responsibilities in limiting these harmful effects, in line with the 4 principles of the United Nations Global Compact:

- o Respect for Human Rights
- o Compliance with labor law
- o Environmental responsibility
- o Fight against corruption, terrorist financing and money laundering.



Financial inclusion

The vast majority of sub-Saharan African countries, for historical reasons, remain to this day on the fringes.

Financial services whose opportunities have fostered the development of most regions of the world.

Through its action with companies and financial institutions, ETC has set itself the task of offering financial instruments likely to promote access of African economies to the same development opportunities as all other regions of the world.



Multilateralism

The notions of cooperation and balance in international financial relations are prerequisites for ETC. These attitudes are indeed, guarantees of success in the treatment of transactions and other investments on the scale of several nations.

Our Network

Institutions



Banks



Shareholding Map


MEF
MINISTRY OF ECONOMY AND FINANCE
 40%
 Italy 

MONTE DEI PASCHI DI SIENA
 100%
 Italy

MPS FIDUCIARIA
 68,78%
 Italy

BGFI Bank
BGFI HOLDING CORPORATION
 97,5%
 Gabon

BGFI Bank
BGFI BANK EUROPE
 4%
 France

MEMBERS STATES
 67% 

INSTITUTIONALS MEMBERS
 33%

PRIVATE INVESTORS & OWN SHARES
 23,98%

FAGACE **NEW**
 3,24%
 14 Members States

ETC
ETC Invest S.p.A. (Trademark : ETC - Export Trading Cooperation)

Headquarter Italy | Regional Bureau Benin | Institutional Relations & Communication France | Process Agent UK

ETC Finance PCC **NEW**
 100%
 Mauritius

ETC SURETY
 99%
 Cameroon

BGFI Bank
BGFI BANK EUROPE
 1,5%
 France

FAGACE **NEW**
 1,31%
 14 Members States

The background features a hand holding a glowing white line graph that trends upwards. Behind the hand is a semi-transparent bar chart with varying bar heights. In the bottom right corner, there is a faint line graph showing fluctuations. The overall color scheme is dark blue with a teal gradient.

OUR RESULTS

Track record | 2024 Financial Statements & Ratio



Key Figures And Track Record

A Sustained Growth Trajectory

As of end-2025 (Consolidated Track Record):

- + **€6 Billion** in structured projects.
- + **€3 Billion** in mobilized financing.
- + **€2 Billion** in guarantees issued.

Prudential Ratios (Basel Alignment)

- **CET1 Ratio:** > 100%
- **Leverage Ratio:** 34%
- **Liquidity Coverage Ratio (LCR):** 468%
- **Net Stable Funding Ratio (NSFR):** 216%



OUR EXPERTISE

Our Offer | Our Services | Our Strategic Business Unit - SBU

Our services

The ETC group provides a coverage services and Trade Finance facilities (as a standby letter of credit "SBLC") materialized via the interbank financial message SWIFT MT7XX and Technical assistance.



COVERAGE SERVICE

- **Concentration Risk Guarantee**
- Investment Guarantee
- Trade Guarantee
- Fundraising Bond
- Surety Bond



TRADE FINANCE

- **MRPA**
- SBLC
- IRU
- Letter of Credit
- Documentary Remittance
- Promissory Notes



STRUCTURED FINANCE

- Financials instruments
 - **Capital release Non Performing Loan (NPL)**
 - Asset-Backed Securities (ABS)
 - Securitization
- Technical assistance
 - Risk Management
 - Compliance



OUR PRODUCTS



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.

GUARANTEE INSTITUTION

Technical and financial services for investment and international trade projects

ETC
EXPORT, TRADING
& COOPERATION



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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

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 . 51 Millions €	Up to 60 % of the loan	1 year renewable	Client insolvency risk	Lapse of term declared by the lender	Periodic report





PROJECT FINANCE BOND (PFB)

ALONGSIDE BANKS AND THEIR CORPORATE CLIENTS TO GUARANTEE THE FINANCING OF MEDIUM AND LONG TERM INVESTMENTS

The **Project Finance Bond (PFB)** is an **individual investment guarantee** offered by ETC - Export Trading & Cooperation which allows banks and other financial institutions to mitigate and weight the **risk of default** by covering medium and long term loans.

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

OUR FINDING

It is difficult when you are a **Bank in Africa** to finance large investment projects.

Banks and other Financial Institutions, faced with the compliance of **prudential principles**, are obliged to request collateral and/or the support of Guarantors.
As a result, many projects never see the light of day in this situation.

It is in this context that **ETC - Export Trading & Cooperation**, offers its guarantee instrument, in order to facilitate the financing of **investment projects**.

INSTITUTION DE GARANTIE

Technical and financial services for investment and international trade projects

ETC

EXPORT, TRADING
& COOPERATION



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OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTEE / CONFIRMING	BENEFICIARY
Coverage of medium and long term loans (investment projects)	Risk of non payment of installments	StandBy Letter of Credit (SBLC)	FIN MT760	SME, Corporate	Export trading & cooperation (ETC)	Financial Institution (FI) Development Financial Institution (DFI)

WHAT IS IT ?

Project Finance Bond, abbreviated as « PFB » the **Investment Guarantee**, designates an **individual guarantee** to cover the **risk of non payment** of the reimbursement of a medium, long term loan for the benefit of an investment in the primary, secondary and tertiary sectors, excluding sectors of activity prohibited by the ETC group's code of ethics.

Risk sharing enables the credit institution to **mitigate and weight counterparty risks**, **comply with the CET1 ratio** (Common Equity Tier 1), defined, according to the **Basel III prudential framework**, as the **minimum ratio of 8%** between the primary capital of the credit institution (Tier 1) and weighted exposures in the portfolio.

WHO CAN BENEFIT ?

- You are a **bank** or another **financial institution** (FI)

WHEN TO REQUEST IT ?

- You wish to **finance an investment project** over the medium / long term
- You want to **weight the credit risk** and benefit from an additional solution to strengthen equity
- You want to **mitigate the risk** of non repayment

THE ADVANTAGES

- **Financing** investment loans
- **Mitigate and weight** credit risk
- **Increase** your project financing capacities

SOME BENEFICIARY BANKS

Banque de développement des Etats de l'Afrique centrale (BDEAC) - Banque Sahélo-saharienne de l'Industrie et du Commerce Benin (BSIC) - BGFIBank Cameroun - BGFIBank Gabon - BGFIBank Guinée Equatoriale - BGFIBank Guinée RDC - NSIA Banque Benin - Société Générale Guinée Equatoriale.

PRICING

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

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*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 . 51 Millions €	Up to 80% of the loan	Up to 10 years	Risk of non payment	Term declared by the lender	Periodic report





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

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*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 . 51 Millions €	Up to 85 % of the loan	Up to 18 months	Risk of non payment	Term declared by the lender	Periodic report





SBLC International Payment Guarantee

FOR SMOOTH AND SECURE INTERNATIONAL COMMERCIAL TRANSACTIONS

ETC's International Payment Guarantee Standby Letter of Credit (SBLC) is a financial solution designed to secure international trade transactions for African banks and their corporate clients.

This service provides an **irrevocable payment guarantee**, ensuring reliable and secure transactions.

OUR OBSERVATION

In the context of international trade in and with Africa, payment security and trust between trade partners are crucial. The SBLC Payment Guarantee helps overcome challenges related to economic instability and political uncertainties, facilitating international exchanges and reducing financial risks for both exporters and importers.

OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTEE / CONFIRMING	BENEFICIARY
Payment guarantee for international trade transactions.	Risk of non-payment by the importer after receiving the goods as agreed.	Standby Letter of Credit (SBLC)	FIN MT760	Importer's bank / Importer	Export trading & cooperation (ETC)	Exporter / Foreign supplier

INSTITUTION DE GARANTIE ET DE
TRADE FINANCE

Technical and financial services for investment
and international trade projects

ETC

EXPORT, TRADING
& COOPERATION



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WHAT IS IT ?

The **SBLC Payment Guarantee is an irrevocable banking commitment** issued by the importer's bank, ensuring that the seller (exporter) will receive payment, provided the documents presented comply with the specified terms and conditions. It secures commercial transactions by confirming that payment will be made once the contractual conditions are met.

WHO CAN BENEFIT ?

- **African banks:** to secure their clients' transactions and strengthen their credibility with international partners.
- **Corporate clients:** exporting companies of goods and services wishing to guarantee payment from their foreign buyers.

WHEN TO REQUEST IT ?

- To secure **international trade transactions**.
- When there is a lack of **trust between trade partners**.
- In the presence of high **political or economic risks**.
- To facilitate **access to international markets** for the exporting company.
- To benefit from **flexible and secure payment terms**.

THE ADVANTAGES

- **Payment security:** Guarantees payment to exporters provided the terms of the guarantee are met.
- **Risk reduction:** Minimizes the risks of non-payment and commercial disputes.
- **Transaction facilitation:** Simplifies and accelerates international trade exchanges.
- **Trust reinforcement:** Establishes a trust-based relationship between importer and exporter.
- **Access to favorable credit terms:** Allows negotiation of advantageous payment terms and improves cash management.
- **Regulatory compliance:** Ensures that transactions comply with international and local regulations.

PRICING

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*voir tableau

SILENT RISK SUB-PARTICIPATION	TRANSACTION TO BE GUARANTEED	MAXIMUM RATE GUARANTEED	TENOR	RISKS COVERED	GENERATING FACTS	COMMITMENT
Yes	Up to 5 Millions €	Up to 80% of the transaction	on a case by case basis depending on transaction	Non-payment risk	Maturity default declared by the lender	Periodic reporting

AT1 Fund Raising Bond (AT1FB)

RAISE CAPITAL IN THE MARKETS TO STRENGTHEN YOUR EQUITY AND/OR LIQUIDITY

ETC's AT1 Fund Raising Guarantee - AT1 Fund Raising Bond is an exclusive solution designed for African banks aiming to raise funds in the markets to strengthen their capital and/or liquidity through the issuance of AT1 instruments (Additional Tier 1). These instruments enhance the banks' capital reserves, helping them better withstand financial shocks. This product secures and facilitates fund-raising operations, ensuring solid and proactive financial management.

OUR OBSERVATION

In the African banking context, the need to strengthen capital and increase liquidity is crucial for supporting economic growth and meeting regulatory requirements. The Fund Raising Guarantee - Fund Raising Bond offers a strategic solution to address these needs by securing fund-raising operations in financial markets.

INSTITUTION DE GARANTIE ET DE TRADE FINANCE

Technical and financial services for investment and international trade projects

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OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTEE / CONFIRMING	BENEFICIARY
Guarantee for Raising Funds in Financial Markets	Solvency of the Obligor	Fund Raising Bond (FRB)	MT7XX	Financial Institution	Export trading & cooperation (ETC)	Investors

WHAT IS IT ?

The **Fund Raising Bond (FRB)** is a **guarantee** issued by ETC specifically for African banks to secure their fund-raising process in financial markets. This guarantee enhances the credibility of the issuing bank and facilitates access to strategic financing sources to strengthen its capital and increase liquidity.

WHO CAN BENEFIT ?

- **African banks:** To secure their fund-raising process in financial markets.
- **Financial Institutions:** Looking to safely and regularly enhance their capital and increase liquidity.

WHEN TO REQUEST IT ?

- To strengthen the **bank's capital** and increase **liquidity**.
- When there is a need to secure a **fund-raising** operation in financial markets.
- To meet **regulatory requirements** regarding capital and liquidity.

THE ADVANTAGES

- **Financial Security:** Facilitates the successful completion of the fund-raising operation.
- **Enhanced Credibility:** Increases investor and financial partner confidence.
- **Access to Strategic Financing:** Facilitates access to significant financing sources to support growth.
- **Regulatory Compliance:** Ensures that the operation meets current regulatory standards.

PRICING

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

- 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	TRANSACTION TO BE GUARANTEED	MAXIMUM RATE GUARANTEED	TENOR	RISKS COVERED	GENERATING FACTS	COMMITMENT
Possible	up to €51 million	Up to 80% of the Transaction	On a case-by-case basis according to the transaction	Risks Associated with Insufficient or Unsuccessful Fundraising	Termination of Term Declared by the Investor or the Authorized Intermediary	Periodic Reporting



IRREVOCABLE REIMBURSEMENT UNDERTAKING (IRU)

FOR SMOOTH AND SECURE INTERNATIONAL COMMERCIAL TRANSACTIONS

The **Irrevocable Reimbursement Undertaking (IRU)** offered by ETC is a **Payment Guarantee** designed to ensure that the beneficiary, usually an exporter, will receive payment from the issuing bank if all conditions specified in the **documentary credit (letter of credit)** are met.

The type of risk participation under an IRU, proposed by ETC Export Trading Cooperation, is participation through an authenticated signature via interbank Swift messaging. Indeed, ETC is rated A3- (risk category 2 "low" according to the EU classification) by the European Securities and Markets Authority (ESMA) through an External Credit Assessment Institution (ECAI), in accordance with Regulation (EC) No. 1060/2009. This "Investment Grade" rating allows for risk weighting for regulatory purposes.

OUR FINDING

The shortage of **correspondent banks** and other financial institutions willing to take on African risk is now evident. This situation sometimes forces **African issuing banks** and their importer clients to give up. The volume of transactions delayed or canceled due to this situation constitutes a real obstacle to the development of African markets.

It is in this context that **ETC - Export Trading & Cooperation** offers African banks and their importer clients the IRU, an **irrevocable payment guarantee**. This means that as long as the conditions specified in the documentary credit are met, the seller is assured of receiving payment, thus reducing the risk of non-payment.

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OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTEE / CONFIRMING	BENEFICIARY
Default risk sharing on a transaction	Insolvency risk of the obligor(s)	Irrevocable Reimbursement Undertaking (IRU)	FIN MT7XX	Issuing financial institution	LEADING BANK Confirming bank PARTICIPANT Export trading & cooperation (ETC)	Financial Institution (FI) Confirming (Leading Bank)

WHAT IS IT ?

The **Irrevocable Reimbursement Undertaking (IRU)** is a guarantee primarily used in international trade. It is a commitment made by a Financial Institution (issuer) to **irrevocably reimburse** the amounts owed to another bank (often the beneficiary's or supplier's bank) in the context of a given transaction.

WHO CAN BENEFIT ?

→ The **Confirming Banks**

WHEN TO REQUEST IT ?

- You are an **issuing bank based in Africa** and regularly require **confirmation of Letters of Credit**.
- You want to reassure the confirming bank about the **risk of non-payment** by the importer.
- Are you looking for an instrument that can **guarantee payment, mitigate counterparty risks, and is simple to implement?** Discover the IRU!

THE ADVANTAGES

- An **irrevocable payment guarantee** for the confirming bank
- **Favorable commercial terms** with the confirming bank
- A **better reputation** on the global stage

SOME BENEFICIARY BANKS

- OHADA Zone and Their Corresponding Countries

PRICING

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

LÉGENDE :

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- 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	TRANSACTION TO BE GUARANTEED	MAXIMUM RATE GUARANTEED	TENOR	RISKS COVERED	GENERATING FACTS	COMMITMENT
Yes	min. 1 Million € max . 51 Millions €	Up to 80% of the transaction	on a case by case basis depending on transaction	Client insolvency risk	Lapse of term declared by the lender	Periodic reporting



MASTER RISK PARTICIPATION AGREEMENT (MRPA)

RISK PARTICIPATION FRAMEWORK AGREEMENT

The **Master Risk Participation Agreement (MRPA)** offered by ETC is a **Risk Sharing Agreement (BAFT)**, based on English law. It allows leading banks (correspondent banks) to syndicate their risks in Trade Finance transactions, particularly in the context of transactions with **African markets**.

The type of risk participation offered by ETC Export Trading Cooperation is **participation by signature** authenticated by Swift interbank messaging. Indeed, ETC is rated A3- (risk category 2 "low" according to the EU classification) with the European Securities and Markets Authority (ESMA) by an External Credit Assessment Institution (ECAI), in accordance with to Regulation (EC) No. 1060/2009. This "Investment Grade" rating allows risk weighting for regulatory purposes.

OUR OBSERVATION

The shortage of **correspondent banks** and other financial institutions inclined to African risk is now proven. This state of affairs sometimes pushes **African issuing banks** and their importing clients to give up. The volume of transactions delayed or canceled due to this situation constitute a real obstacle to the development of African markets.

It is in this context that **ETC - Export Trading & Cooperation** proposes to potential Correspondent Banks the ratification of a Master Risk Participation Agreement (**MRPA**). It will be made with this agreement, possible to share the risk of default and reduce the concentration risk on a portfolio of transactions, thanks to the implementation of **hedging lines** specific to each counterparty.

OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTOR / CONFIRMER	BENEFICIARY
Risk sharing default on a portfolio transaction	Risk of insolvency of the Obligor(s)	Acceptance of offer from the Leading bank according to MRPA	FIN MT799	Issuing financial institution	LEADING BANK Confirming bank PARTICIPANT Export trading & cooperation (ETC)	Confirming Financial Institution (FI) (Leading Bank)

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MORE INFORMATION
Our teams are at your disposal by email:
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WHAT IS IT ?

The ETC **Master Risk Participation Agreement (MRPA)** is a **risk sharing agreement** signed between ETC and the Correspondent Bank to enable the latter to syndicate its risks in Trade Finance transactions with Issuing Banks based in Africa.

WHO CAN BENEFIT ?

→ The **Confirming Banks**

WHEN TO REQUEST IT ?

- You are regularly solicited by **issuing Banks based in Africa** in the context of Trade Finance transactions, including **Letter of Credit Confirmation**
- You wish **to share the risk of default and reduce the risk of portfolio concentration** towards with your Issuing Banks partners by requesting a participation.
- You would like to benefit from **hedging lines dedicated** to portfolio counterparties.

THE ADVANTAGES

- **Optimize Tier 1 capital** and reduce concentration risk by reducing exposures
- **Comply with the requirements of BASEL III** in terms of CET1 minimum capital requirement and concentration risk.
- **Enter new markets**

SOME BENEFICIARY BANKS

- Euro zone and UK

PRICING

FORMULA : $AGR = (AF/TR) + (IF/TR) + CF$

LEGENDE :

- AGR = Annual Global Rate
- AF = Application FEE (Indicative rate 0.5% flat)
- IF = Issuing Fees (Indicative rate 0.25% flat)
- TR = Tenor (year)
- CF = Commitment fee (annual rate according to financial rating)

SILENT RISK SUB-PARTICIPATION	TRANSACTION TO BE GUARANTEED	MAXIMUM RATE GUARANTEED	TENOR	RISKS COVERED	GENERATING FACTS	COMMITMENT
Yes	min. 1 Million € max . 51 Millions €	Up to 80% of the transaction	on a case by case basis depending on transaction	Client insolvency risk	Lapse of term declared by the lender	Periodic reporting



Export Letter of Credit or L/C Confirmation (LCE)

A SOLUTION DESIGNED TO SECURE AND FACILITATE INTERNATIONAL TRADE TRANSACTIONS

ETC's Export Letter of Credit or L/C Confirmation is a solution designed to secure and facilitate international trade transactions for African banks and their corporate clients. This service guarantees payments for exporters, ensuring smooth and reliable transactions.

OUR OBSERVATION

In the context of trade with and within Africa, payment security and trust between trading partners are essential. In the L/C Confirmation, ETC, acting as the confirming institution, adds its commitment to that of the African issuing bank on behalf of the foreign exporting beneficiary. This helps overcome challenges related to the specific risks of African economies, facilitates international trade, and reduces financial risks for exporters and importers.

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OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTEE / CONFIRMING	BENEFICIARY
Payment guarantee for imports in the context of international trade transactions.	Risk of non-payment by the importer after receipt of conforming goods.	Export Letter of Credit (LCE)	FIN MT700	Importer's Bank	Export trading & cooperation (ETC)	Foreign Exporter / Supplier

WHAT IS IT ?

The **Export Letter of Credit is an irrevocable commitment** issued by ETC as a Non-Banking Financial Institution, guaranteeing that the seller (exporter) will receive payment upon presentation of documents that comply with the specified terms and conditions. It ensures the security of commercial transactions by confirming that payment will be made once contractual conditions are met. The confirmation provides additional assurance to the seller, who can rely on it in case of insolvency of the issuing bank.

WHO CAN BENEFIT ?

- **African banks:** To secure transactions for their clients and enhance their credibility with international partners.
- **Corporate Clients:** Exporting companies seeking to guarantee payment from their foreign buyers.

WHEN TO REQUEST IT ?

- To secure international commercial transactions.
- When there is a lack of trust between trading partners.
- In the presence of high political or economic risks.
- To facilitate access to international markets for the exporting company.
- To benefit from flexible and secure payment terms.

THE ADVANTAGES

- **Payment Security:** Guarantees payment to exporters provided the terms of the letter of credit are met.
- Risk Reduction: Minimizes the risks of non-payment and commercial disputes.
- Transaction Facilitation: Simplifies and accelerates international trade exchanges.
- Trust Building: Establishes a trust-based relationship between the importer and the exporter.
- Access to Favorable Credit Terms: Allows negotiation of advantageous payment terms and improves cash flow management.
- Regulatory Compliance: Ensures transactions adhere to international and local regulations.

PRICING

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

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- 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

AMOUNT OF THE GUARANTEE	COVERAGE RATIO	DURATION OF THE GUARANTEE	COVERED RISKS	FACTORS GENERATING	ENGAGEMENT
Up to €5 Million	Letter of Credit Value	According to the duration of the L/C, up to a maximum of 360 days	Risk of Non-Payment	Term Default Declared by the Supplier	Documentary Compliance



Import Letter of Credit or L/C Confirmation (LCE)

A SOLUTION DESIGNED TO SECURE AND FACILITATE INTERNATIONAL TRADE TRANSACTIONS

ETC's Import Letter of Credit is a financing solution designed to secure and facilitate the commercial transactions of African importers. This service ensures that the importer will only pay for the goods once the supplier has proven that they have been shipped. It helps preserve liquidity, as no advance payment or initial deposit will be made to the exporting company until the actual export takes place. Additionally, the letter of credit instantly makes the importer a credible partner in the eyes of the exporting establishment, as it demonstrates the importer's solvency, thereby ensuring smooth and reliable transactions.

OUR OBSERVATION

In the context of trade in and with Africa, payment security and trust between business partners are essential. The Import Letter of Credit helps to overcome challenges related to the specific risks of African economies while facilitating international trade and reducing financial risks for both importers and exporters.

OBJECT	RISK	INSTRUMENT	SWIFT INTERBANK MESSAGE	OBLIGOR	GUARANTEE / CONFIRMING	BENEFICIARY
Payment guarantee for imports in the context of international commercial transactions.	Payment against compliant goods	Import Letter of Credit (ILC)	FIN MT700	Export trading & cooperation (ETC)	Optional	Exporter / Foreign Supplier

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WHAT IS IT ?

The **Import Letter of Credit is an irrevocable commitment** issued by ETC as a Non-Banking Financial Institution, guaranteeing that the seller (exporter) will receive payment, provided the documents presented meet the specified terms and conditions. It ensures the security of commercial transactions by confirming that payment will be made once the contractual conditions are met.

WHO CAN BENEFIT ?

- **African Importers:** Companies importing goods and services who wish to guarantee payment to their foreign suppliers.

WHEN TO REQUEST IT ?

- To secure international commercial transactions.
- When there is a lack of trust between trading partners.
- In the presence of high political or economic risks.
- To facilitate access to essential goods and services needed for the importer's business operations.
- To benefit from flexible and secure payment terms.

THE ADVANTAGES

- **Payment Security:** Guarantees payment to exporters, provided the terms of the letter of credit are met.
- **Risk Reduction:** Minimizes the risk of non-payment and commercial disputes.
- **Transaction Facilitation:** Simplifies and accelerates international trade transactions.
- **Trust Building:** Establishes a trustful relationship between the importer and exporter.
- **Access to Favorable Credit Terms:** Allows for the negotiation of advantageous payment terms and improves cash flow management.
- **Regulatory Compliance:** Ensures that transactions comply with international and local regulations in force.

PRICING

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

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- $DDP = \text{Durée du prêt (année)} / \text{Tenor (year)}$
- $CDE = \text{Commission d'engagement (Taux annuel selon Notation financière*)} / \text{Commitment fee (annual rate according to financial rating)}$

*voir tableau

AMOUNT OF THE GUARANTEE	COVERAGE RATIO	DURATION OF THE GUARANTEE	COVERED RISKS	FACTORS GENERATING	ENGAGEMENT
up to €5 million	Value of the Commercial Contract	up to 360 days	Risk of Non-Payment	Exportation	Compliant documents





ONBOARDING PROCESS

ETC Challenges | ETC's Strategic Response

Submission Process

Important steps

1. Acceptance of the Preliminary Offer

2. Risk Analysis and Committee Approval

Five (5) working days after the date of acceptance of the Preliminary Offer and payment of the Processing Fees.

3. Issuance of the Hedging Agreement including the SBLC wording (MT760)

Five (5) working days after the Approval of the Risk Committee.

4. Interbank SWIFT Financial Message FIN MT760

Ten (10) business days after acceptance of the Coverage Agreement and settlement of the balance of guarantee fees and commissions.

Collateral

Subrogation in the event of a call of collateral put in place for the benefit of the Beneficiary, in accordance with the terms and conditions provided for by the Bank, as well as those which will be defined in the ETC Coverage Agreement.

Covenant

Covenants required by the Bank, as well as those that may be defined in the ETC Hedging Agreement.

Required documents

For each OBLIGATION:

- Due Diligence Form ETC
- Business Plan
- Financial statements for the last 3 financial years (of the Obligor, if available, or its Co-Obligors)
- Copy of Passport of the Legal Representative and Beneficiaries

For the BANK:

- KYC Onboarding bancaire
- Bank Credit Committee File



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Paid-up Share: 11.842.000 €

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