



Trade Finance Program

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Building Partnerships for Trade

About the ADB



- ▶ **Founded 1966**
- ▶ **AAA-rated** multilateral development bank
- ▶ **Products:** loans, guarantees, equity, policy advice, and technical assistance
- ▶ **Vision:** Asia and Pacific region free of poverty

Trade Finance Program

What is the Trade Finance Program (TFP)?

ADB's Trade Finance Program (TFP) provides guarantees and loans to banks to support trade

- ✓ Works with over 200 banks
- ✓ Bank risk only
- ✓ Fills market gaps → growth, jobs
- ✓ Deepens private sector involvement

Trade Finance Program – how it works

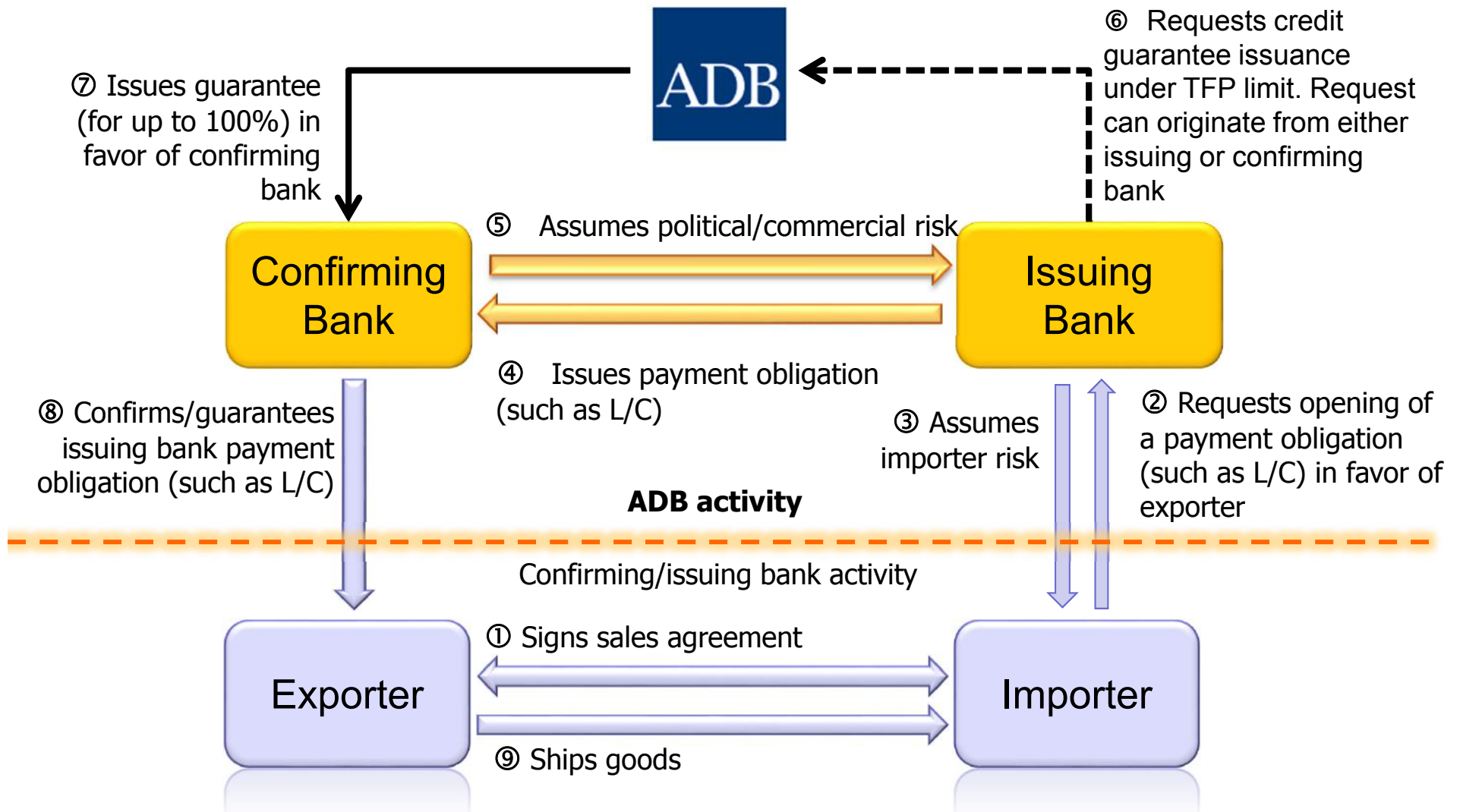
How does ADB provide the support?

Main products:

- ❖ **Credit guarantee product**
 - ADB issues a guarantee to cover risk of non-payment by a bank
- ❖ **Revolving Credit Facility**
 - ADB provides direct loan to local bank
- ❖ **Knowledge/Training**

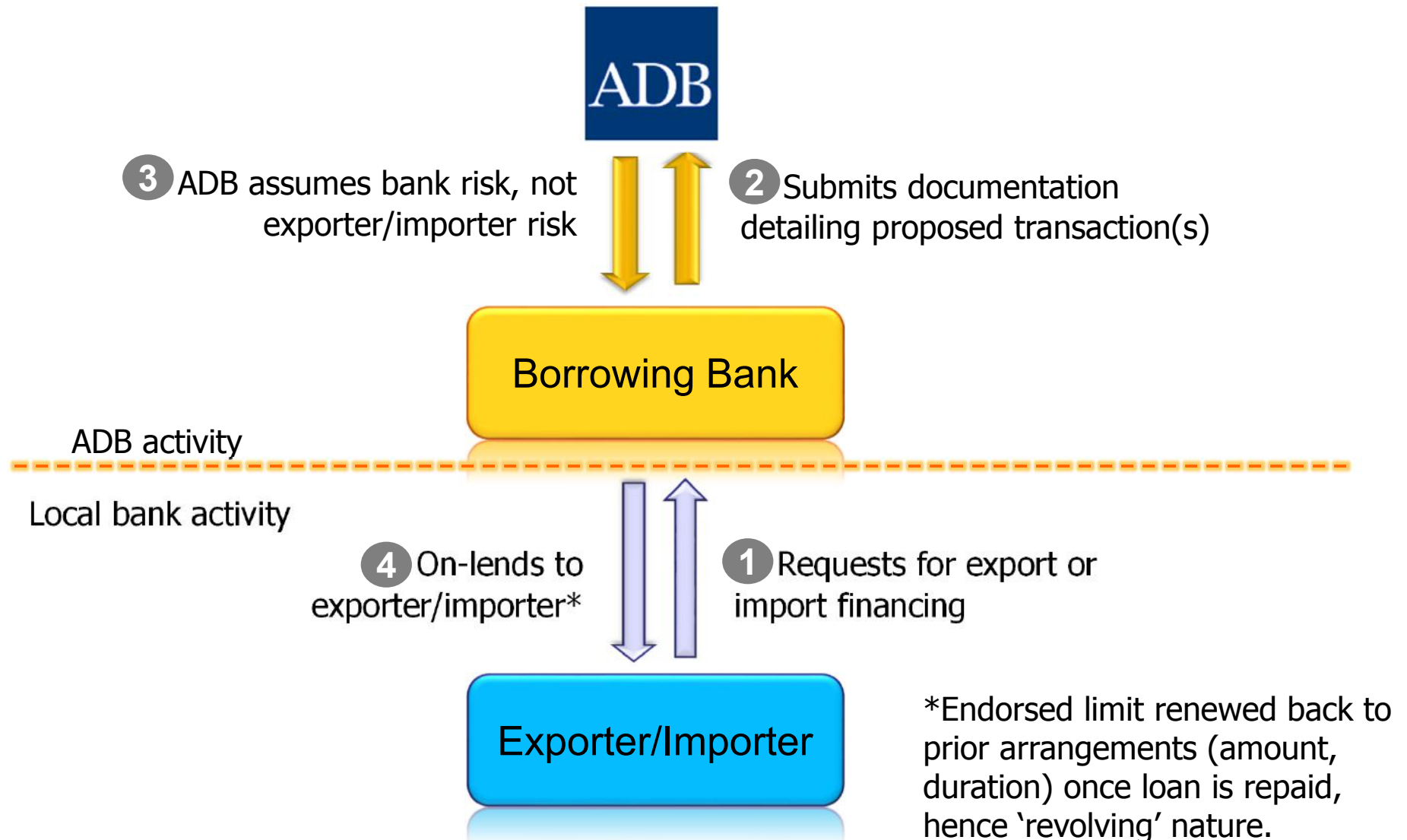
TFP's Credit Guarantee Product

ADB provides guarantees in 24-48 hours to confirming banks for up to 100% of payment risk.



TFP's Revolving Credit Facility

ADB provides import and export financing through local banks.



ADB TFP: 2017 Program Highlights

Transactions supported (US\$)

\$4.48 billion

2009-2017
\$30.09 billion

Cofinancing

\$2.81 billion

2009-2017
\$17.85 billion

Number of transactions

3,505

2009-2017
16,607

SMEs supported

2,822

2009-2017
12,213

Number of partner banks

240+

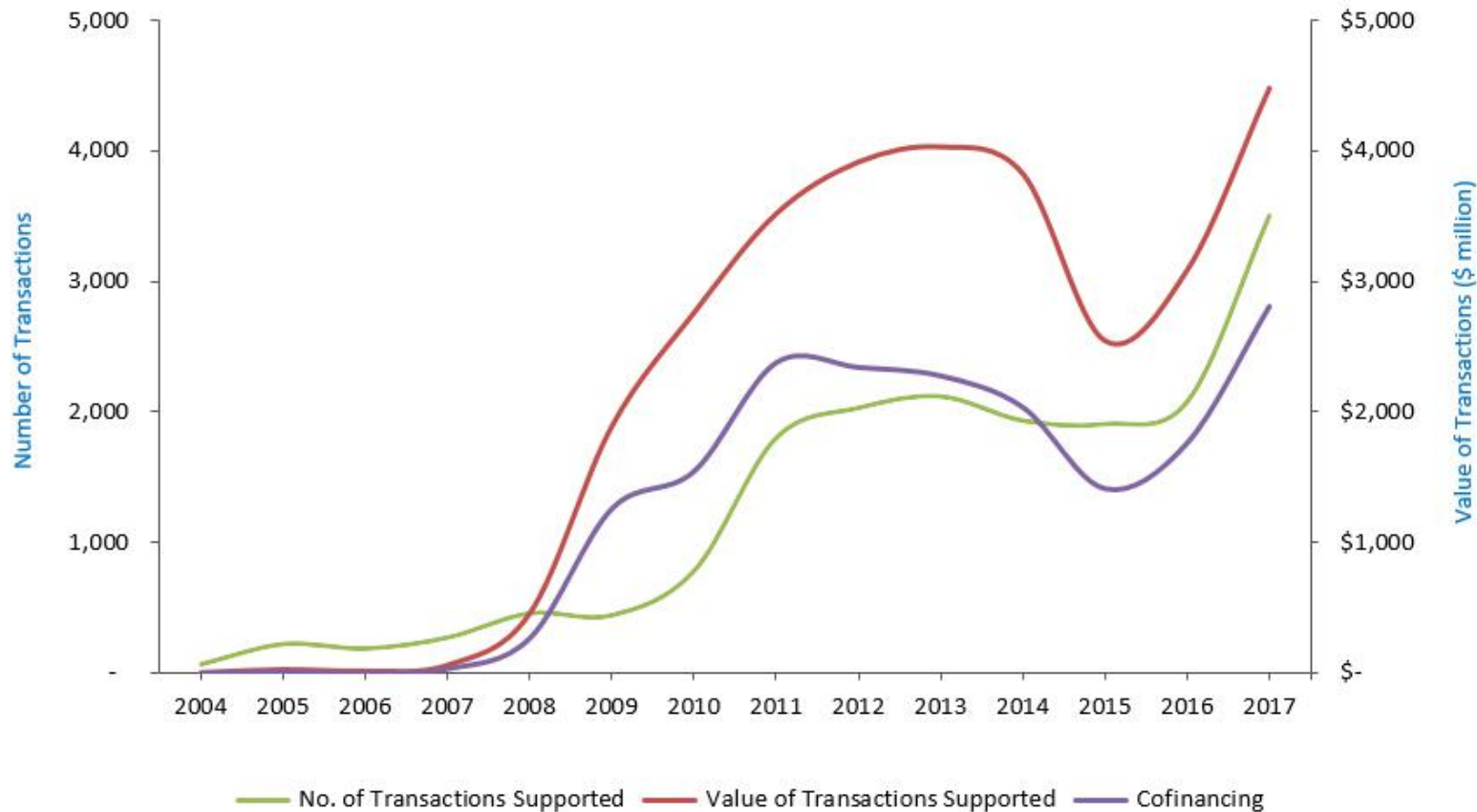
Six most active of 22 TFP countries

Armenia, Bangladesh, Mongolia, Pakistan, Sri Lanka, Viet Nam

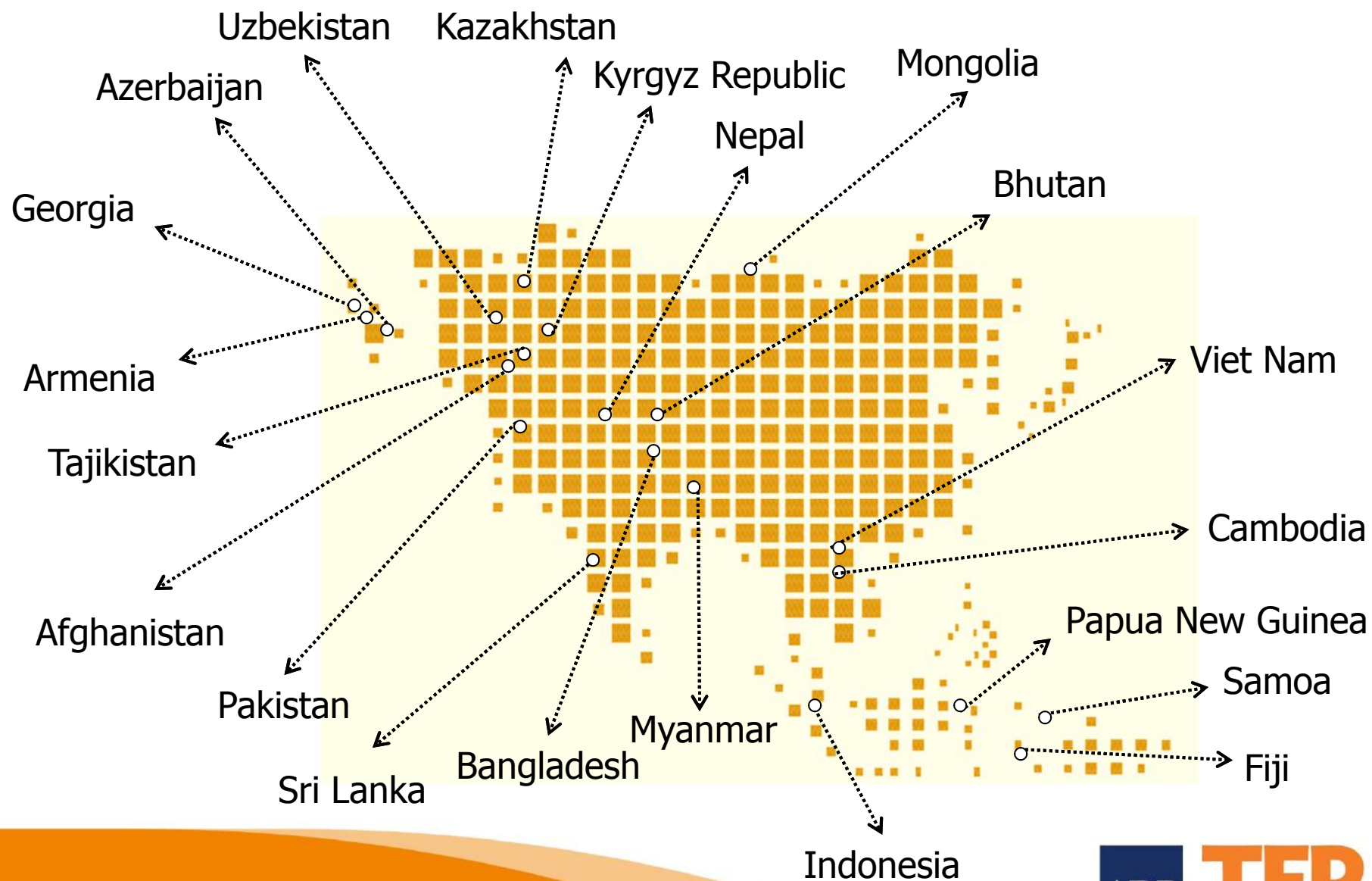


ADB TFP's Transactions

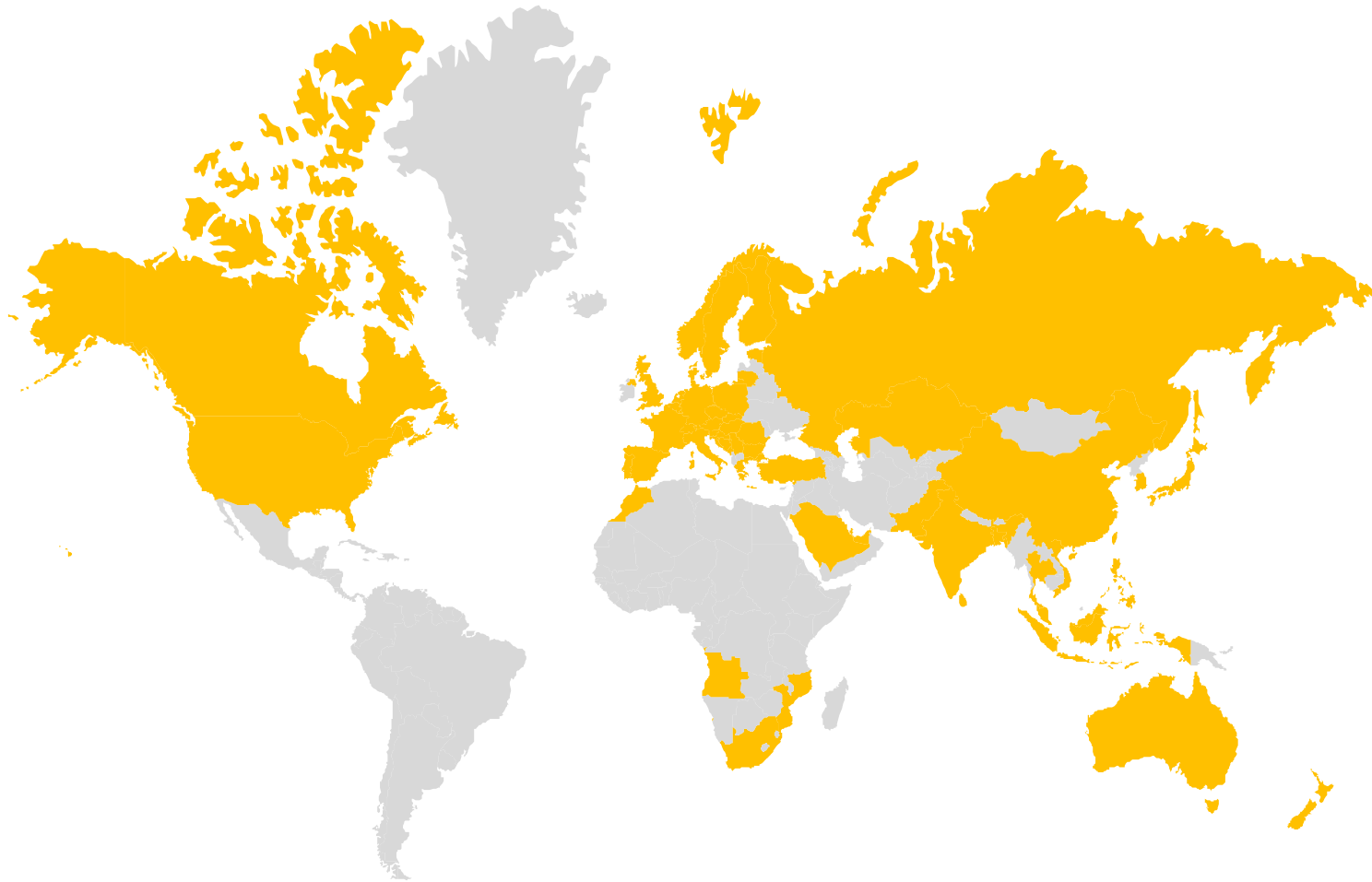
TFP Portfolio, 2004-2017



80+ Developing Country Banks in 21 Countries



150+ Confirming Banks in 98 countries



*Full list of partner banks at www.adb.org/tfp

Pricing: Guarantee (CG) & Credit (RCF)

1

Market-based, but competitive pricing

2

Pricing information obtained from market participants

3

Varies according to transaction details (e.g. tenor)

Benefits of TFP

➡ To Customers/ Businesses:

- Increases trade capacity allowing more trade to flow
- Facilitates importer and exporter entry into new markets
- Helps build new trading networks

Benefits of TFP

To Issuing Banks:

- New relationships with correspondent banks
- Increases credit lines and/or reduces cash collateral requirements
- Boosts non-interest (fee) income
- Provides critical support in times of crisis
- Provides feedback following each annual review that helps set benchmarks for improvement

Benefits of TFP

To International Banks:

- Direct payment from ADB if the local bank does not pay
- AAA rating and rigorous due diligence gives confidence
- Builds correspondent banking relationships and credit lines that might not otherwise exist

Other benefits

- Risk sharing creates more trade capacity and allows more trade to flow pulling in the private sector
 - Insurance firms and development partners
- TFP provides training for bank staff and government officials increases expertise and future business potential.
 - Trade finance training
 - Seminars on banking sector

TFP in Georgia

Partner Banks:

1. JSC Bank of Georgia
2. JSC BasisBank
3. TBC Bank



TFP in Georgia:
\$129.0 Million

Transactions supported
(Inception to Sept 2018)

96

Underlying transactions
(Inception to Sept 2018)

TFP in Uzbekistan

Partner Banks:

1. Hamkorbank
2. Ipak Yuli
3. Asaka Bank
4. Uzpromstroybank
5. Infin Bank
6. Aloqabank



TFP in Uzbekistan:
\$1.31 Billion
Transactions supported
(Inception to Sept 2018)

499
Underlying transactions
(Inception to Sept 2018)

TFP in Kazakhstan

Partner Banks:

1. Tengri Bank JSC



2. Tsesnabank JSC



TFP in Kazakhstan:
\$27.4 Million

Transactions supported
(Inception to Sept 2018)

24

Underlying transactions
(Inception to Sept 2018)

TFP in Mongolia

Partner Banks:

1. Khan Bank



2. XacBank



TFP in Mongolia:
\$263.2 Million

Transactions supported
(Inception to Sept 2018)

560

Underlying transactions
(Inception to Sept 2018)

TFP in the Kyrgyz Republic

Partner Banks:

1. DemirBank



2. Optima Bank OJSC



TFP in the Kyrgyz Republic:

\$0.58 Million

Transactions supported
(Inception to Sept 2018)

2

Underlying transactions
(Inception to Sept 2018)

TFP in Pakistan

Partner Banks:

1. Allied Bank Limited
2. Askari Bank Limited
3. Bank Al Habib Limited
4. Bank Alfalah Limited
5. Faysal Bank Limited
6. Habib Bank Limited
7. Habib Metropolitan Bank Limited



TFP in Pakistan

Partner Banks:

8. MCB Bank Limited
9. Meezan Bank Limited
10. National Bank of Pakistan
11. Soneri Bank Limited
12. United Bank Limited



TFP in Pakistan:
\$13.9 Billion
Transactions supported
(Inception to Sept 2018)

4,441
Underlying transactions
(Inception to Sept 2018)

TFP in Azerbaijan

\$43.79 Million

Transactions supported
(Inception to Sept 2018)

54

Underlying transactions
(Inception to Sept 2018)

Regional Workshops in Central Asia and the Caucasus and Mongolia



ADB TFP – ICC Academy Online Courses and Certifications on Trade Finance



- In Feb 2017, ADB TFP partnered with International Chamber of Commerce (ICC) Academy in launching its online training courses and accreditation programs:
 - ✓ Global Trade Certificate (GTC)
 - ✓ Certified Trade Finance Professional (CTFP)


- The initial phase benefitted over 85 bank staff from 40 TFP partner banks





Market Recognition





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Trade Finance Program

In the Spotlight



Supporting Trade in Asia and the Pacific

The world needs an estimated \$1 trillion to support the trade that grows economies and lowers poverty. ADB's Head of Trade Finance, Steven Beck, discusses strategies to fill that need.



ADB's Trade Finance Program (TFP) fills market gaps for trade finance by providing guarantees and loans to banks to support trade.

Backed by its AAA credit rating, ADB's TFP works with over 200 partner banks to provide companies with the financial support they need to engage in import and export activities in Asia's most challenging markets. With dedicated trade finance specialists and a response time of 24 hours, the TFP has established itself as a key player in the international trade community, providing fast, reliable, and responsive trade finance support to fill market gaps.



A substantial portion of TFP's portfolio supports small and medium-sized enterprises (SMEs), and many transactions occur either intra-regionally or between ADB's

TFP Participating Issuing Banks

Updated 10 Oct 2018

TFP Participating Confirming Banks

Updated 21 Oct 2018



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Thank You

