

Trade Finance Facilitation Program (TFFP) for Latin America and the Caribbean

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What is the TFFP ?

TFFP provides loans and guarantees to international **Confirming Banks (CB)** to support trade-related payment obligations from approved **Issuing Banks (IB)** in Latin America and the Caribbean.

Under the TFFP umbrella, **Issuing Banks (IB)** can improve their access to financing by establishing new relationships with international banks thus supporting client efforts to reach new markets.

TFFP Goals

Play a
counter-
cyclical role

Help LAC banks
in the region to
expand
financial
networks

Support
Intra-
Regional
Trade
Financing

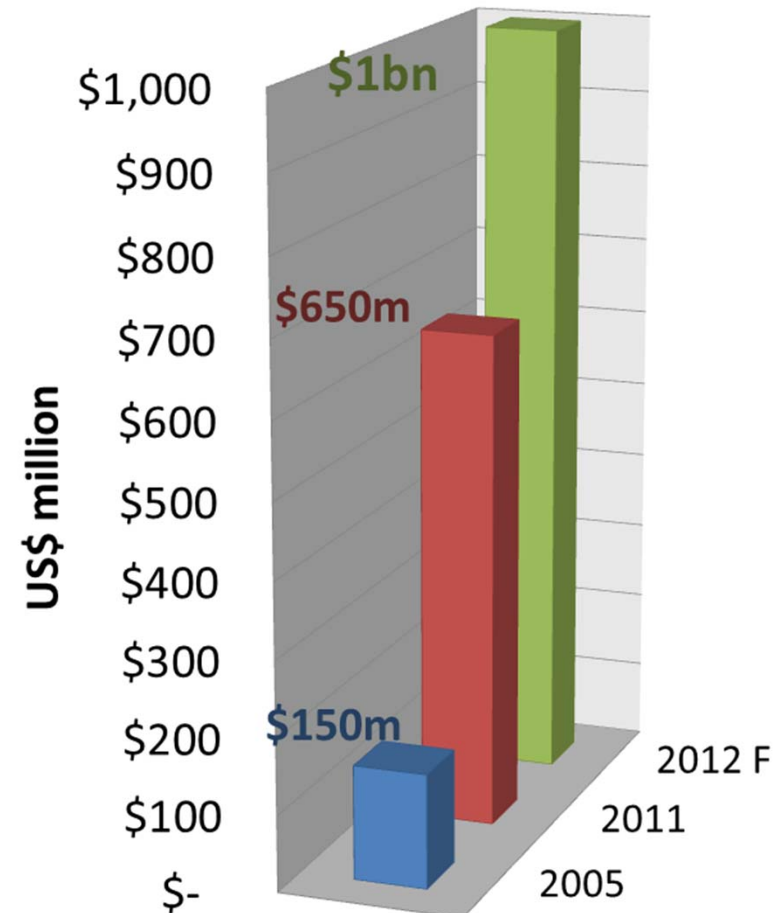
Enhance
competitive
position of
LAC banks in
global
markets

Foster
economic
growth in the
region

Characteristics

- Credit guarantees AND direct trade financing
- Up to 100% guarantee in the form of a SBLC
- IDB's AAA risk rating
- No additional costs to the transaction
- 24 hour turn-around processing
- Tenors of up to three years
- 81 Issuing Banks, 250+ Confirming Banks
- Zero claim record since creation (2005)

Utilization growth



Benefits



Issuing Banks

- Access to hundreds of potential international banks under the program
- Increased credit/funding sources thus reducing financial costs in the long-run
- Funding in case of economic crisis

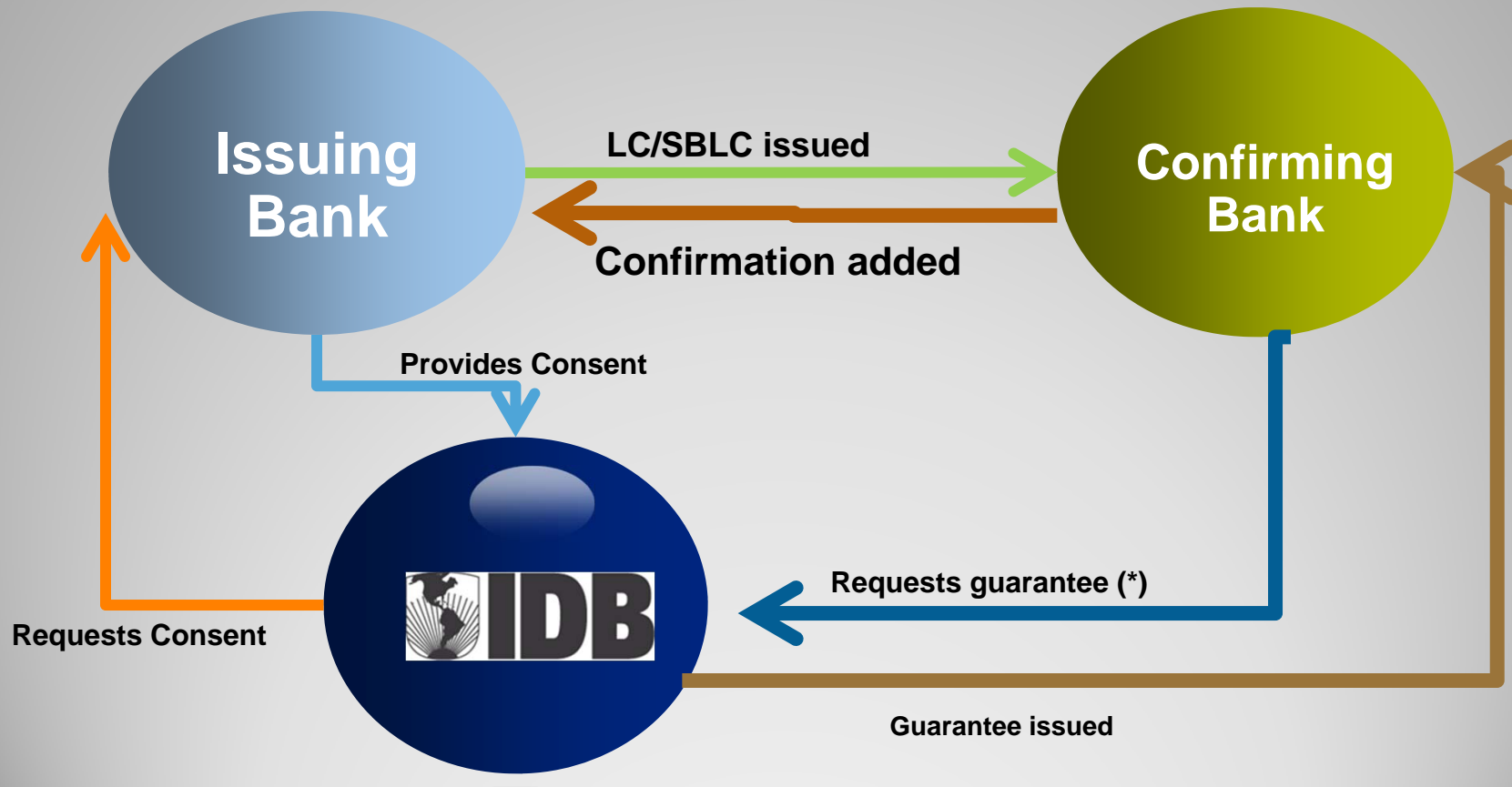


Confirming Banks

- Expanded geographical coverage for servicing export clients
- Provides risk coverage to leverage trade lines in new or challenging markets
- Helps develop new correspondent bank relationships in LAC with less risk (under a AAA guarantee);
- Reduces provisioning under Basel capital requirements

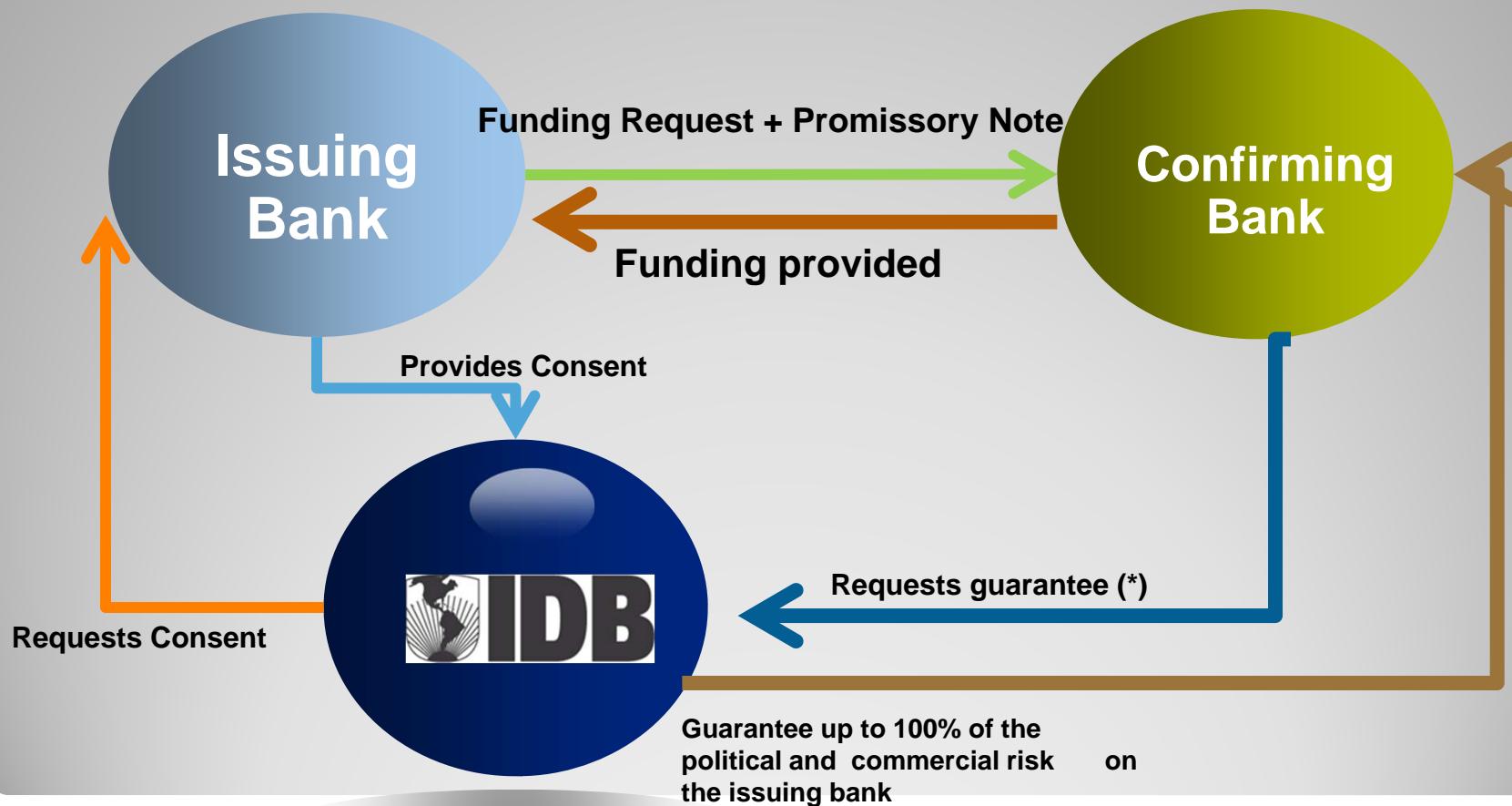
New business flows as TFFP participates in the origination activity

Guarantees L/C – SBLC scenario



(*) Either bank (Issuing or Confirming) may request a guarantee.

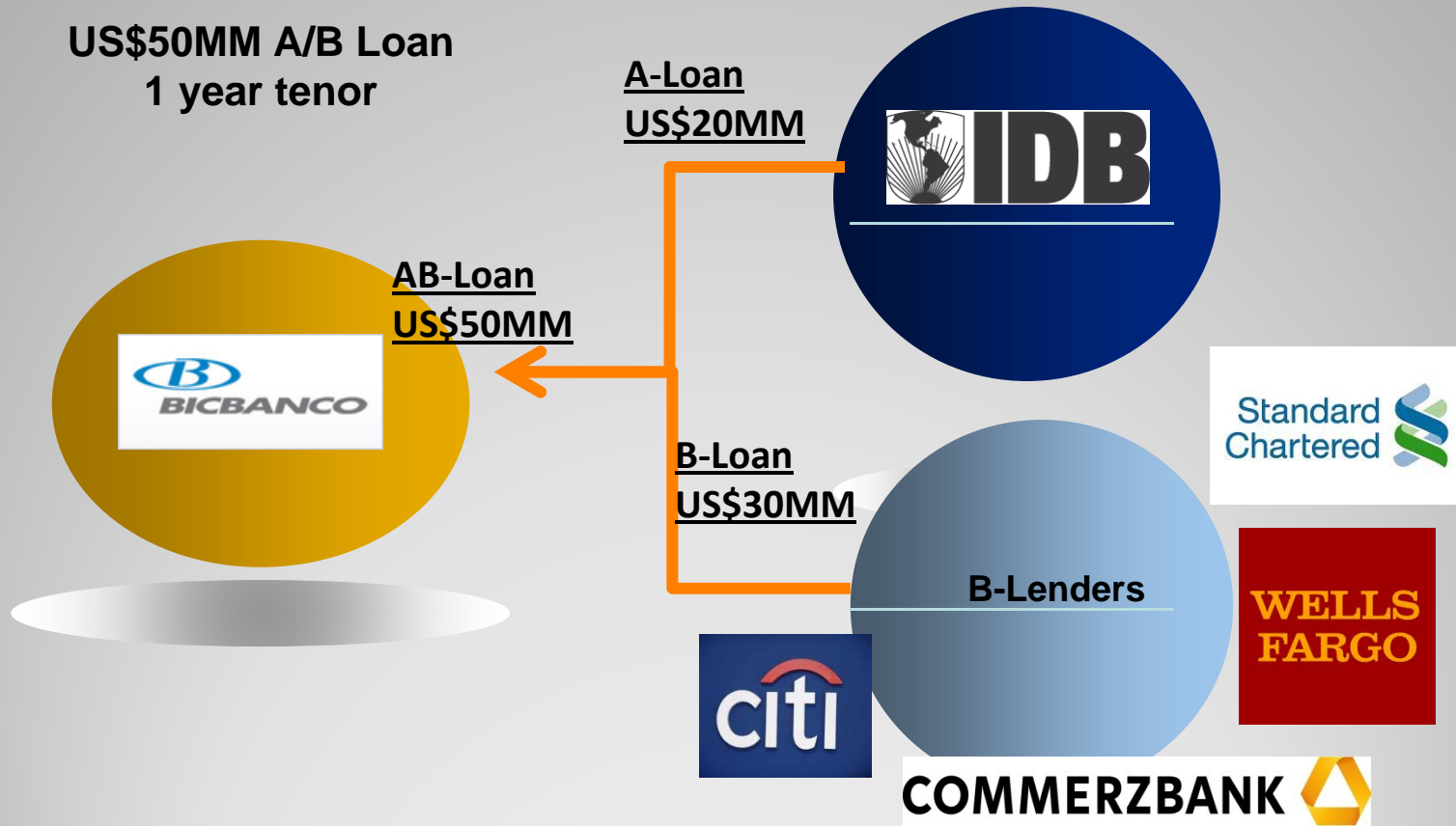
Guarantees Funded Transactions



(*) Either bank (Issuing or Confirming) may request a guarantee.

A-B Loans

US\$50MM A/B Loan
1 year tenor



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