



About the Trade Finance Program

The Trade Finance Program (TFP) of the Asian Development Bank (ADB) 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 240 partner banks to provide companies with the financial support they need to engage in import and export activities in Asia's most challenging markets. The program supports a wide range of transactions, from commodities and capital goods to medical supplies and consumer goods.

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 and reliable trade finance support to fill market gaps.

2018 Program Highlights

Transactions supported (US\$)
\$6.20 billion 2009–2018
 \$36.30 billion

Cofinancing
\$3.75 billion 2009–2018
 \$21.60 billion

Number of transactions
4,476 2009–2018
 21,083

SMEs supported
3,475 2009–2018
 15,688

Number of partner banks
240+

Five most active of 21 TFP countries
**Armenia, Bangladesh,
 Pakistan, Sri Lanka,
 Viet Nam**

Sample Transactions Supported by the TFP

Credit Guarantee (CG) Product

- 1 Guarantee to a bank in Germany covering 100% of a \$2.8 million payment risk on a Mongolian bank supporting import of agricultural equipment

Funded Product—Revolving Credit Facility (RCF)

- 2 \$250,000 trade loan to a Sri Lanka bank to on-lend pre-export finance for the manufacture of garments for export to Europe and India

Risk Participation Agreement (RPA) Product

- 3 Partial risk protection on a \$182 million export of diesel electric locomotives from the United States to Pakistan

Knowledge Products

- 4 Information provided to international banks helped establish trade credit limits in Bangladesh
- 5 Trade finance seminars for banks in Cambodia, Kazakhstan, Myanmar, Tajikistan, and Uzbekistan

Distribution Product (Cofinance)

- Cofinance and share risk with distribution partners in all TFP countries



TFP Products

Guarantee Products

1. Credit Guarantee (CG)—covers up to 100% of bank risk, provided within 24 hours; more than 75% of the TFP’s portfolio is generated through the CG product
2. Risk Participation Agreement (RPA)—automatically binds the TFP up to 85% of bank risk in support of trade transactions

Funded Product

1. Revolving Credit Facility (RCF)—provides loans directly to banks in the TFP countries of operation to support pre- and post-shipment transactions
2. Funded Risk Participation Agreement—pilot launch in 2017; automatically binds the TFP for up to 50% of bank risk in support of funded trade transactions

Distribution Product (Cofinance)

Risk Distribution Agreement (RDA)—the TFP leverages capital resources and credit limits by sharing risk

Knowledge Products

1. Studies:
 - The TFP created the Trade Finance Register in conjunction with the International Chamber of Commerce (ICC). The register provides annual default and loss rates on global trade finance transactions, helping bank regulators and financial institutions understand and calibrate risk parameters for trade finance.
 - The TFP has published the annual “ADB Trade Finance Gap, Growth, and Jobs Survey” since 2013 to identify and quantify market gaps for trade finance and the impact on economic growth and jobs.
 - TFP published in 2018 the “Trade Finance Scorecard: Regulation and Market Feedback”, which is a new tool to help implement effective measures to fight money-laundering and terrorism financing.
2. “Knowledge Dissemination” to inform bankers and insurers of risks and opportunities in the TFP countries of operation
3. Training and seminars in trade finance and banking to build expertise
4. Feedback on annual due diligence sets benchmarks for improvement to strengthen banks

About the Asian Development Bank

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 67 members—48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

For inquiries, e-mail
tradefinanceunit@adb.org

Contacts for specific countries can be found in the TFP website at www.adb.org/tfp



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On the cover: Tea and coffee growers at work along Kindeng-Kondipina Road, Papua New Guinea (left); container vans waiting to be shipped at Danang Port, Viet Nam (center); a female worker at a textile factory in Dhaka, Bangladesh (right). (Photos sourced from ADB Photo Library.)