



TWO YEARS 6.50% BOND IN DOLLARS : TERMSHEET

Issuer :	Synthesis Trade Finance I SA
ISIN Code :	TBC
Status of the Notes :	Senior Secured Notes issued off the Synthesis Trade Finance USD 500,000,000 MTN Programme
Purpose of the Note Issue :	Synthesis Trade Finance I SA ("The Borrower") will use the proceeds of the note issue to finance a diversified portfolio of commodity trade finance transactions that will each be backed by collateral, letters of credit or credit insurance, as detailed in the Programme
Issue Size :	USD 100 M
Final Subscription Date :	5 th of October 2018
Issue Date :	12 th of October 2018
Maturity Date :	12 th of October 2020
Issue Price :	100.000%
Denomination	USD 125,000
Interest Rate :	6.50% (paid as 3.25% semi-annually on a following unadjusted basis)
Operational Overview	
Listing and Admission to Trading :	Application will be made by the Issuer for the Notes to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange
Issuing and Paying Agent :	Banque et Caisse d'Epargne de l'Etat, Luxembourg (AA+)
Auditor :	PricewaterhouseCoopers
Legal Counsel :	Allen & Overy, Luxembourg
Settlement :	Euroclear/Clearstream
Governing Law :	Luxembourg
Business Days :	London, New York, Target



WE PROVIDE FUNDING FOR COMPANIES WHO HAVE STRONG BUSINESS MODELS BUT NEED OUTSIDE HELP TO FINANCE THEIR LARGER TRANSACTIONS

1. We finance transactions, not companies.

We are not a lender in a traditional manner and we do not provide loans to companies. All funding that we provide is repaid upon completion of the transaction and our exposure ends at that point.

2. We step directly into the transaction

Most of the transactions that we finance are the simple sales of goods to end buyers. In this case, we are bridging the time gap between dispatch of the goods by the supplier, and receipt by the buyer. We pay the seller directly, we take ownership of the goods until receipt, and collect sales proceeds directly from the buyer.

3. We always require either credit insurance or a letter of credit.

All transactions financed through the bond are required to have a letter of credit or credit insurance provided by an investment grade institution. Where letter of credit or credit insurance is not feasible or customary we would require that final buyer pays through Cash Against Documents arrangement plus payment guarantee/performance bond. This provides an additional layer of protection for every deal.

Supplier Performance Risk:	All Suppliers will undergo KYC procedures by SSCTF, including ascertaining and monitoring their ability to supply in a timely manner and their market reputation.
Obtaining Good Title:	SSCTF will confirm that the Supplier has good title to the goods prior to sale.
Quality and Quantity of Collateral:	All goods will be quality and quantity approved by an approved third party before release of funds to ensure that they will meet the purchaser's requirements upon delivery.
Swap Counterparty and Price Risk:	The Purchase and Sale prices will be determined before the Purchase and any foreign exchange risks are for the account of the client who have agreed to put in place appropriate hedging should it be required.
Eligible Obligor Performance Risk:	All Obligors will undergo KYC procedures by SSCTF, including ascertaining and monitoring their ability to pay, their market reputation and their pre-requisites for completing the purchase in a timely manner.
Eligible Obligor Security Risk:	SSCTF will ensure that it has an assignment of receivables or be the named assignee or beneficiary of any Letter of Credit.
Eligible Credit Support Provider Performance Risk:	SSCTF will ensure that it is a named loss payee on any credit insurance policy or the direct beneficiary of any such policy. Credit support will only be provided by Eligible Credit Support Providers as defined in the Prospectus.
Operational Risk:	SSCTF will ensure that all documents are received in a timely manner from all parties and will maintain a four eyes principle, whereby two directors check all documents. SSCTF will confirm that the contractual terms for the purchase and the sale are substantially identical and Deliverable.
Co-mingling of Assets:	SSCTF will ensure that they continually monitor the location and state of the assets in order to minimise the risk of co-mingling.
Other Counterparty Exposures:	KYC checks will be performed on other parties to each transaction as SSCTF are notified of them. This will include inter alia warehouses, shippers, quality inspectors and any other parties who may affect the value or reliability of the security.
Other Legal Considerations:	<p>As of the date of this application, no embargoes or sanctions are applicable to these proposed transactions. Legal documentation has been approved by Watson Farley & William and to the best of our knowledge is both:</p> <ul style="list-style-type: none"> (i) enforceable as against all parties and; (ii) is in line with market practice. <p>The countries in which transactions will occur are listed in this application. SSCTF will continually monitor the geopolitical and regulatory landscape to ensure that risks remain acceptable.</p>

THE NEXT STEP IN OUR PROCESS IS TO CHOOSE WHAT WE WILL FUND

Unlike traditional bank lending, we are funding specific transactions, so even if we agree to provide funding for a counterparty, we will first ensure that the money will be used for a specific transaction that meets our requirements and the money is returned as soon as that transaction is completed

Asset

The assets that we finance must be fungible and have a liquid market. This means that we focus on non-perishable, quality-checked goods, typically either listed on a mercantile exchange or with a particularly well-developed OTC market

Credit Enhancement

The transactions that we finance are always backed by a Letter of Credit or Credit insurance from an investment grade counterparty, or by alternative arrangements ensuring prompt and secure payment by the customer (performance bonds, payment guarantees)



Loan to Value

Typically we look at a "real" valuation of the asset in terms of what price it can be sold at in a variety of jurisdictions as well as only lending relative to the purchase price

Monitoring and Control

Are we able to identify, monitor and exercise control over the asset at any point during the transaction?

EXAMPLES OF PRODUCTS THAT WE WILL HELP TO FUND



Oil and Energy Products

Eg petrol, aviation fuel

With buoyant consumption of oil products around the world and long delivery times, there is continual demand for funding



Hard commodities

Eg polymers, metals

Metals and polymers are businesses that often have regular contracts that allow us to remain well invested by continually moving money from one contract to the next



Soft commodities

Eg grains and beans

Soft commodities are often seasonal which makes it harder for small companies to raise finance. Using our strong market knowledge we can seek out mutually beneficial relationships



Semi-finished or finished goods e.g. branded pharmaceuticals

A proportion of our portfolio may be used to finance non-commodities as long as the margins are strong and the products are generic and liquid



WE CAN UTILISE THE FOLLOWING BANKS
AND INSURERS TO ENHANCE PROTECTION

✓ ABN AMRO Bank N.V.	✓ Industrial & Commercial Bank of China Limited
✓ Abu Dhabi Commercial Bank PJSC	✓ Industrial Bank of Korea
✓ Agricultural Bank of China Limited	✓ ING Bank N.V.
✓ Australia and New Zealand Banking Group Limited	✓ JP Morgan Chase Bank N.A.
✓ Atradius Credit Insurance N.V.	✓ Korea Development Bank
✓ Bank of China Limited	✓ Lloyds Bank Plc
✓ Bank of Communications Co., Ltd	✓ Lloyds of London Insurance Syndicates
✓ Bank of Nova Scotia	✓ Malayan Banking Berhad
✓ Banque Cantonale Vaudoise	✓ National Australia Bank Limited
✓ Barclays Bank Plc	✓ National Bank of Abu Dhabi PJSC
✓ Bayerische Landesbank (Bayern LB)	✓ National Bank of Kuwait S.A.K.P.
✓ BNP Paribas	✓ Norddeutsche Landesbank Girozentrale
✓ China Construction Bank	✓ Oversea-Chinese Banking Corporation Limited
✓ Citibank N.A.	✓ Qatar National Bank S.A.Q.
✓ Coface S.A.	✓ Royal Bank of Canada
✓ Coöperatieve Rabobank U.A.	✓ Santander UK plc
✓ Crédit Agricole S.A.	✓ Skandinaviska Enskilda Banken AB
✓ Credit Suisse AG	✓ Société Générale S.A.
✓ CTBC Bank Co., Ltd.	✓ Standard Chartered Bank
✓ DBS Bank Ltd	✓ The Toronto-Dominion Bank
✓ Euler Hermes S.A.	✓ UBS AG
✓ Export-Import Bank of Korea	✓ Unicredit Bank Austria AG
✓ Garant Versicherungs AG	✓ United Overseas Bank Limited
✓ Hang Seng Bank Limited	✓ Wells Fargo Bank N.A.
✓ HSBC Bank Plc	



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