

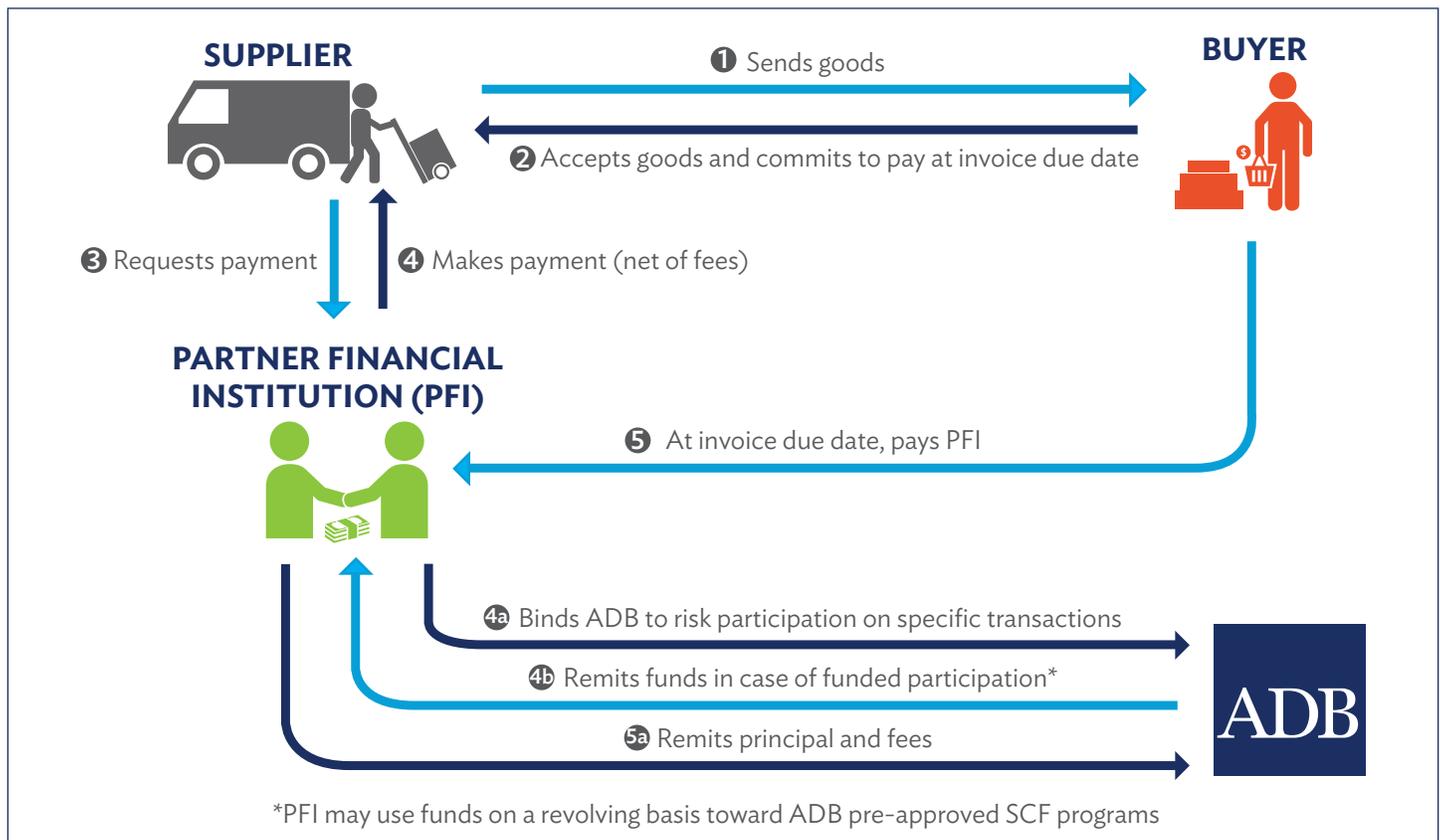
The new Supply Chain Finance Program (SCFP) of the Asian Development Bank (ADB) works with corporates and Partner Financial Institutions (PFIs) to enhance SME access to working capital. ADB has launched the program by offering guarantees to PFIs on post-shipment post-acceptance transactions.

## Advantages of ADB SCFP to Partner Banks

- Capital relief from AAA-rated ADB (up to 100% capital relief)
- Leveraging risk capacity/limits
- Extension of supply chain finance (SCF) offerings including additional limits to obligors, increase in supplier coverage, offering of new products, and extension of product lines to more phases of the supply chain

## Post-Shipment Post-Acceptance Financing: How It Works

Funds are provided to the supplier upon the delivery and acceptance of goods. The PFI disburses funds to the supplier and receives payment at invoice due date. PFI may bind ADB to funded or unfunded participations in SCF programs pre-approved by ADB. ADB’s risk assessment for approval of lines is predicated on information provided by PFIs.



## Program Profile

Supplier	SME from ADB's Developing Member Country (DMC*) <ul style="list-style-type: none"> <li>• Minimum of 2 years relationship with buyer</li> <li>• Solid production and delivery track record</li> </ul>
Buyer	Established corporate <ul style="list-style-type: none"> <li>• Rated at least BB or its equivalent</li> <li>• Located anywhere</li> </ul>
Eligible Goods	Goods, commodities and equipment
Transactions Supported	Cross-border and domestic trade transactions
ADB Participation Type	Loan or guarantee
Exposure Limits	Varies based on credit assessment
Tenor	Up to 180 days
Coverage	ADB takes up to 50% of the risk per transaction (never exceeding PFI's exposure)
Currencies	US dollar, euro, Japanese yen, Chinese yuan Local currency programs may be approved on a case-to-case basis
Cost to PFI	No sign-up cost, participation fees apply

\*DMCs: Afghanistan, Armenia, Azerbaijan, Bangladesh, Bhutan, Cambodia, Cook Islands, Federated States of Micronesia, Fiji, Georgia, India, Kazakhstan, Kiribati, Kyrgyz Republic, Lao People's Democratic Republic, Malaysia, Maldives, Marshall Islands, Mongolia, Myanmar, Nauru, Nepal, Pakistan, Palau, Papua New Guinea, People's Republic of China, Philippines, Samoa, Solomon Islands, Sri Lanka, Tajikistan, Thailand, Timor-Leste, Tonga, Turkmenistan, Tuvalu, Uzbekistan, Vanuatu, and Viet Nam

## Becoming a Partner Financial Institution

Information Requirements	Provision of information sufficient for ADB to conduct risk assessment
Credit Rating	A- on a global scale (minimum)
Risk Management	<ul style="list-style-type: none"> <li>• Sound credit risk management, operations risk management, and documentations risk management systems</li> <li>• Competent and adequate risk management teams</li> </ul>
SCF Portfolio	<ul style="list-style-type: none"> <li>• Post-shipment, post-acceptance financing (minimum)</li> <li>• SCF portfolio that match ADB objectives</li> </ul>
SCF Portfolio Rating	BB across all obligors on a global scale
SCF Default Ratio	<2% across all products
IT Infrastructure	<ul style="list-style-type: none"> <li>• SCF clients use PFI's trade IT platform for SCF transactions</li> <li>• Supports PFI's ability to track and monitor SCF transactions</li> </ul>

### About the Asian Development Bank

ADB is a AAA-rated multilateral development bank established in 1966 and based in Manila, Philippines. ADB's mission, to reduce poverty in Asia, is implemented through six broad product ranges: policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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