

## Trade Finance Operations

BADEA intervention aims at supporting Exports from Arab League member countries to eligible African countries, promoting of Arab-Africa and Africa-Arab trade flows, supporting Exports of African commodities targeting Arab, African and international markets as well as imports from international markets and supporting Financial Integration across Africa through:

- Arab Export Program
- African Trade Program
- International Markets

### Sectors

- 1- Agri-Business
- 2- Power & Energy
- 3- Petrochemicals
- 4- Pharmaceutical
- 5- Financial Institutions



### Trade Finance Instruments

- Line of Credit: Short term funding to intermediary financial institutions, for on-lending to its clients which are engaged in trading activities.
- Direct Financing: Short term loans to public and private enterprises that are involved in supply of commodities and trading activities.
- Unfunded Facilities (LCs & LGs): Issuance, confirmation, MRPs, etc.
- Syndication & Co-Financing: BADEA can participate, in collaboration with partner DFIs, in the financing of sizable trade finance transactions via short term loans.
- Discounting, Forfaiting, Bridge Financing

### Eligible Borrowers

- Private sector companies and state-owned corporations that operate on commercial basis.
- For public and private companies who operate in importing and exporting goods and services, the borrower should be registered and operating in African or Arab country.
- As for sovereign lending, its limited to African countries that are not members of the LAS.

### Transaction Processing Timeline

- Typical facility takes maximum three months from preliminary assessment to disbursement, timelines vary in accordance with the underlying transaction.

### Main Lending Criteria

- Size: USD 20 – 75 million. Lower or higher limits can be considered on case-by-case basis.
- Tenor: 3 months – 36 months, depends on the nature and structure of the underlying transaction.
- Pricing: Competitive and market related. BADEA can extend both fixed and floating pricing options.
- Lending Currency: USD & Euro
- Security & Collateral: Includes assignment of receivables and inventory, bank guarantees, mortgages, in addition to Collateral Management Arrangement and collection accounts as security enhancements.

**For more information, please contact:**  
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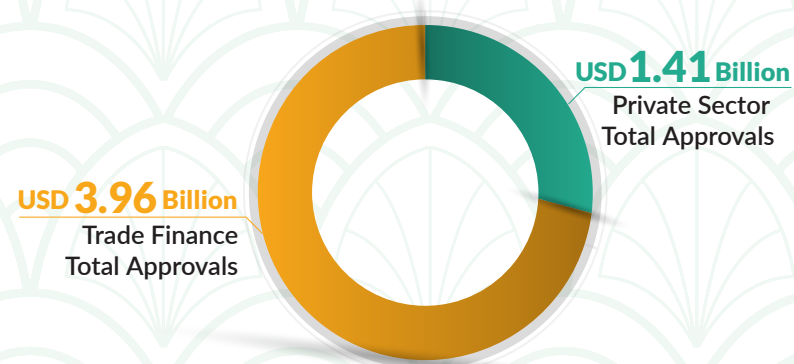


The Arab Bank for Economic Development in Africa "BADEA" is an independent international financial institution established in 1974 to foster economic, financial, and technical cooperation between African countries and Arab countries.

Shareholders in BADEA's capital amounting to US\$ 20 billion are eighteen (18) Arab countries signatories of BADEA's Establishing Agreement in 1974. Beneficiaries from funding are the 44 African countries that are non-members of the League of Arab States.

## Private Sector and Trade Finance Operations at a Glance

- Starting date: 2015
- 120+ transactions approved
- USD 5.37 Billion Total Approvals, including:



## Private Sector Operations

### Sectors

- Oil & Gas
- Mining & Excavation
- Agri-Business & Agro-Processing
- Infrastructure
- Manufacturing & Heavy Industry
- Education
- Hospitality & Tourism
- Real State & Property Development



### Instruments

- **Line of Credit:** Short, medium & long-term funding to intermediary financial institutions, for on-lending to its clients from the private sector
- **Syndication & Co-Financing:** BADEA can participate, in collaboration with partner DFIs, in the financing of large-scale projects via term loans.

### Eligible Borrowers

- Private sector companies.
- State-owned corporations that operate on commercial basis.
- All borrowing entity should be registered and operating in an African country / not member of the LAS.

## Transaction Processing Timeline

- Typical facility takes maximum three months from preliminary assessment to disbursement, timelines vary in accordance with the underlying transaction.



## Main Lending Criteria

- **Size:** USD 10 – 40 million. Lower or higher limits can be considered on case-by-case basis.
- **Tenor:** 3 – 10 years, including grace period. Longer tenors may be considered on case-by-case basis.
- **Pricing:** Competitive and market related. BADEA can extend both fixed and floating pricing options.
- **Lending Currency:** USD & Euro
- **Security & Collateral:** Fixed & floating charges on project assets, assignments of receivables and project contracts and pledge of project account personal and corporate guarantees by sponsors... etc

