



Confidential: No
Public: Yes

Circumvention: General public
Date: 16 April 2021

Regarding FTAM SBLC with an insurance

Subject: Additional information regarding SBLC issued by FTAM with insurance.

FT Asset Management ('FTAM') may issue a Standby Letters of Credit (SBLC) as a transfer of capital for clients. We can use that for operations, including but not limited to acquisitions, provide funding for projects, (re)structure debt.

FT Asset Management is not registered as a bank. That makes the SBLC's a non-bankable asset and harder for banks to accept.

A frequently used solution is to have insurance over the instrument.

That establishes a couple of things:

1. It converts the SBLC to a bankable asset.
2. An important indicator for financial institutions is the credit rating. The insurance company can now determine the credit rating and not the issuer of the SBLC (FT Asset Management).
3. A bank may choose to provide a credit line for a project with the insured SBLC as collateral. Would we fail to pay off (part of) the credit line, the insurance company will step in and compensate the bank for the loss. Regarding that loss, the insurance company needs compensation and will contact us.

These three components enable an accepting bank to consider a credit line.

At this moment, we can provide insurance on our SBLC with the following details:

- Insurer: Euler Hermes Germany
- Insurance type: Credit default insurance on SWIFT instruments class 700 to 768 ICC formats 600
- The minimum face value of the SBLC is €50.000.000 (Fifty Million Euro), no maximum.
- The time between contract, but especially position in escrow, and having the insurance available is about seven working days.
- The total cost, including sending by SWIFT, is 3.6% (Three coma Six per cent).
- FTAM may offer to provide an accepting (West European) bank for the insured SBLC.

Please note that is a timely offer. Details could change, dependent on markets and economics. Feel free to contact us for final details once you are in the final stages of your process.

Also, please note clients that have less cash available may also contact us; we may be able to combine several clients.

With kind regards,

