



Facilitating Export Finance in Local Currencies

Berne Union Webinar, September 2018

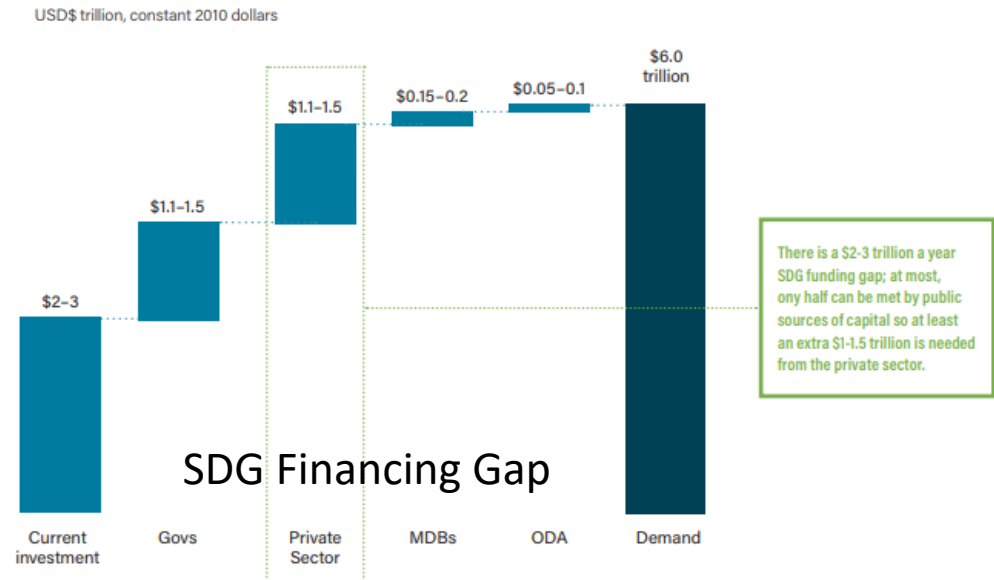
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Benefits of Local Currency Financing

- **Fairness:** Taking currency risk away from borrowers, who typically do not have understanding and capacity to manage it.
- **Efficiency and Micro-stability:** Hard-currency financing hides macro risks. Combined with short-sightedness, short memory, and incentive problems this leads to wrong investment decisions and contributes to over-indebtedness.
- **Macro-stability:** Strong capital inflows boost risk of banking and currency crisis, which hurt the poor the most (and institutionally weak countries).



TCX Offers Long-term Swaps To Facilitate LCY Finance



KFW

FMO
Entrepreneurial
Development

European
Investment
Bank
The Ed bank



DBSA
Development Bank
of Southern Africa



IFC
International
Finance Corporation
World Bank Group



bio
Development
through
Investment

mfx
MICROFINANCE
CURRENCY RISK SOLUTIONS



OIKO
CREDIT
investing in people

Proparco
GROUPE AGENCE FRANÇAISE DE DÉVELOPPEMENT

EFSE
EUROPEAN FUND FOR SOUTHEAST EUROPE

ASN BANK
VOOR DE WERELD VAN MORGEN

Oxfam Novib

GRAMEEN CRÉDIT AGRICOLE
Microfinance Foundation

BlueOrchard
Impact Investment Managers

IDB
Inter-American
Development Bank



Ministry of Foreign Affairs of the
Netherlands



Federal Ministry
for Economic Cooperation
and Development



Federal Ministry for the
Environment, Nature Conservation,
Building and Nuclear Safety

First Loss Investors

TCX: 15y+ Currency Hedges in 80+ Countries

<https://www.tcxfund.com/world-map/>

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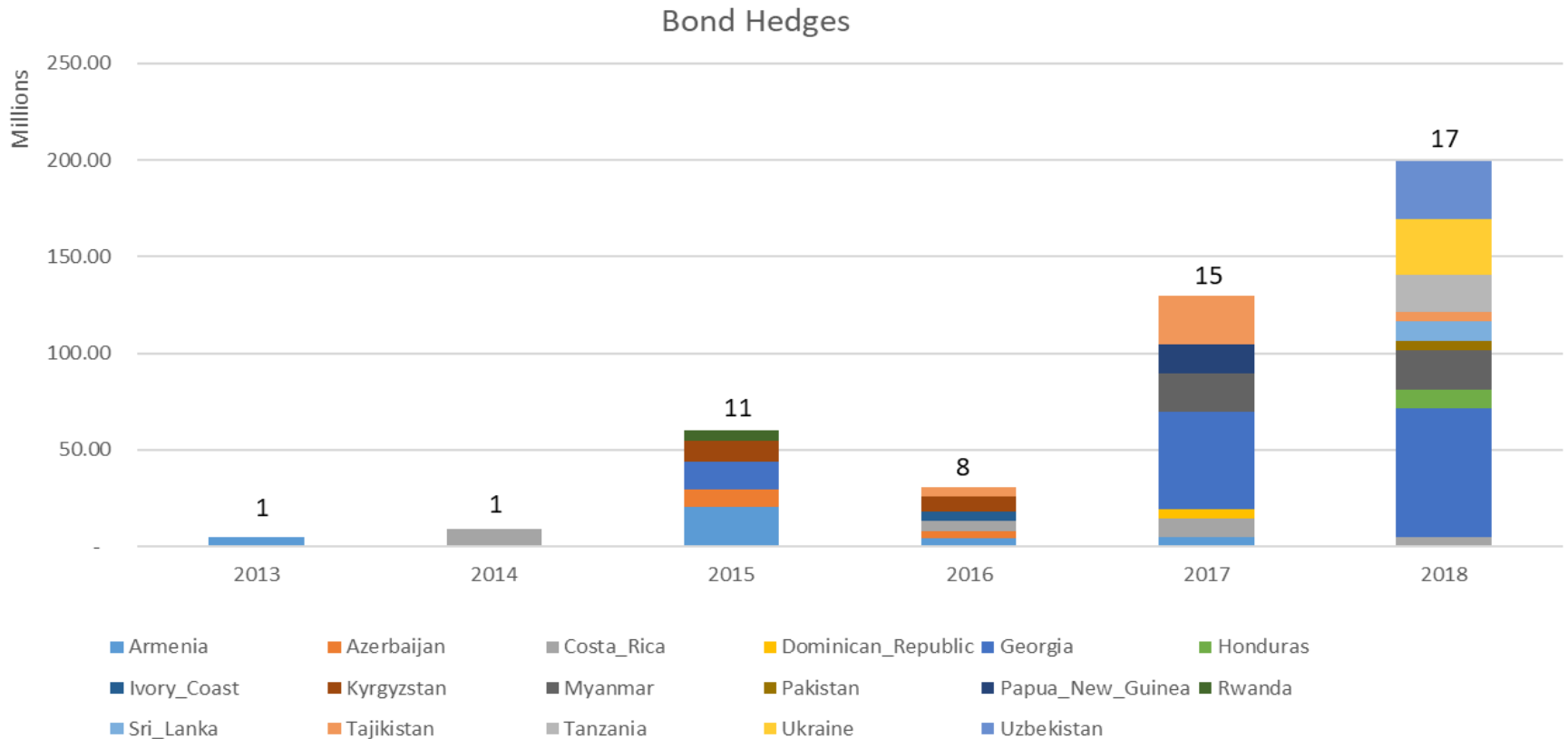
Currencies

The world map and the table below show all countries & currencies for which TCX can offer hedges. TCX can offer pricing for hedging maturities up to 30 years.

Country	Currency	ISO code	LCY rates	Pricing
Afghanistan	afghani	AFN	Upon request	Upon request
Albania	lek	ALL	Fixed & floating	Available
Algeria	dinar	DZD	Fixed only	Available
Angola	kwanza	AOA	Fixed only	Available
Antigua and Barbuda	Eastern Caribbean dollar	XCD	Upon request	Upon request

TCX 2.0 – Scaling Up

- **Expand impact** from micro/SME to infrastructure, climate, housing, **and export-finance.**
- **Exploit scale economies:** in diversification & market making & operations.



How TCX Works with Berne Union Members

- Hedging the currency risk of financing transactions in 80+ currencies. Single deal size up to US\$100-150m, tenors 15y+. On level of ECA, commercial bank, or borrower.
 - Hedging of currency risk of ECA in case of claim.
 - Providing currency risk hedges for underlying projects/borrowers to strengthen business case.
- ➔ Gather Empirical Evidence of How FX Risk Impacts Credit Quality and Guarantee Pricing?