

NEWSPAPER

CLO

Responsability

2Q19

- \$169mm
- 3-yr
- Junior [0-15%] pays 14%
- Mezz. [15-25%] pays 5.44%
- Senior [25-100%] pays 2.8%
- 26 partner institutions
- hedging MFX
- arranger JPMorgan
- Anchor investor OPIC





Price Freezing Mechanism

- TCX decided to offer price freezing for a 3-months period to unlock demand
- TCX facilitated > USD100mio in TZS and LKR
- Further demand has been recorded with a focus on Africa (XOF and MWK).

Reduced pricing volatility on basis swaps

Pricing of hedges based on a floating LCY interest rate benchmark is less volatile.

Inflation as a floating rate benchmark

The reliability of inflation data and its independence is key.



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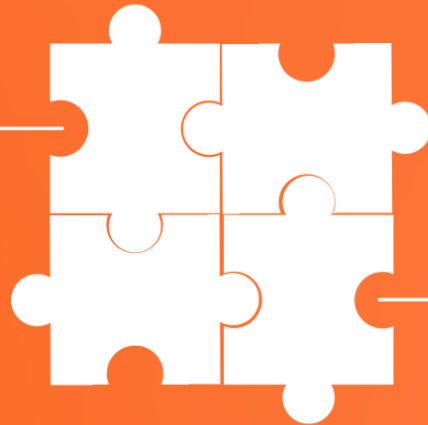
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TCX has no more tenor limitation

Flexible disbursement dates at a fixed pricing

TCX offers coupon only swaps

Inflation as a possible floating rate benchmark



LIFT 2.0



KEY RESULTS

- 16 MFIs shortlisted willing to pay 16% in MMK for min 3-yrs
- 13 MFIs filled with \$ 169mm
- 28 lenders submitted \$ 279mm at an avg. Libor+4.85%
- \$ 20mm filled without the need for a subsidy

TCX contributed to issuance of \$700mm shareholders notes in 20 frontier currencies



Total notional issued
\$700mm



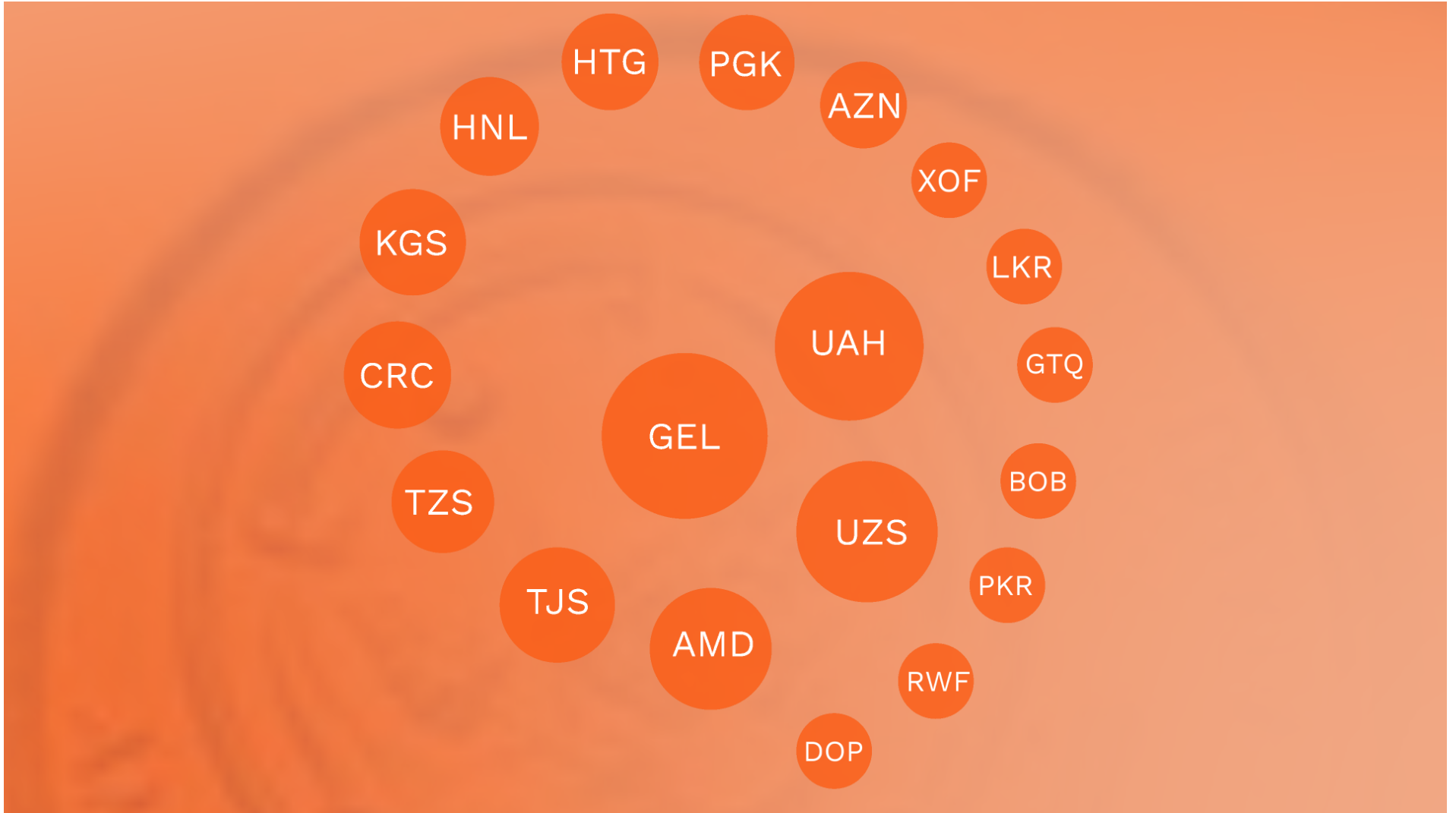
Currencies
21

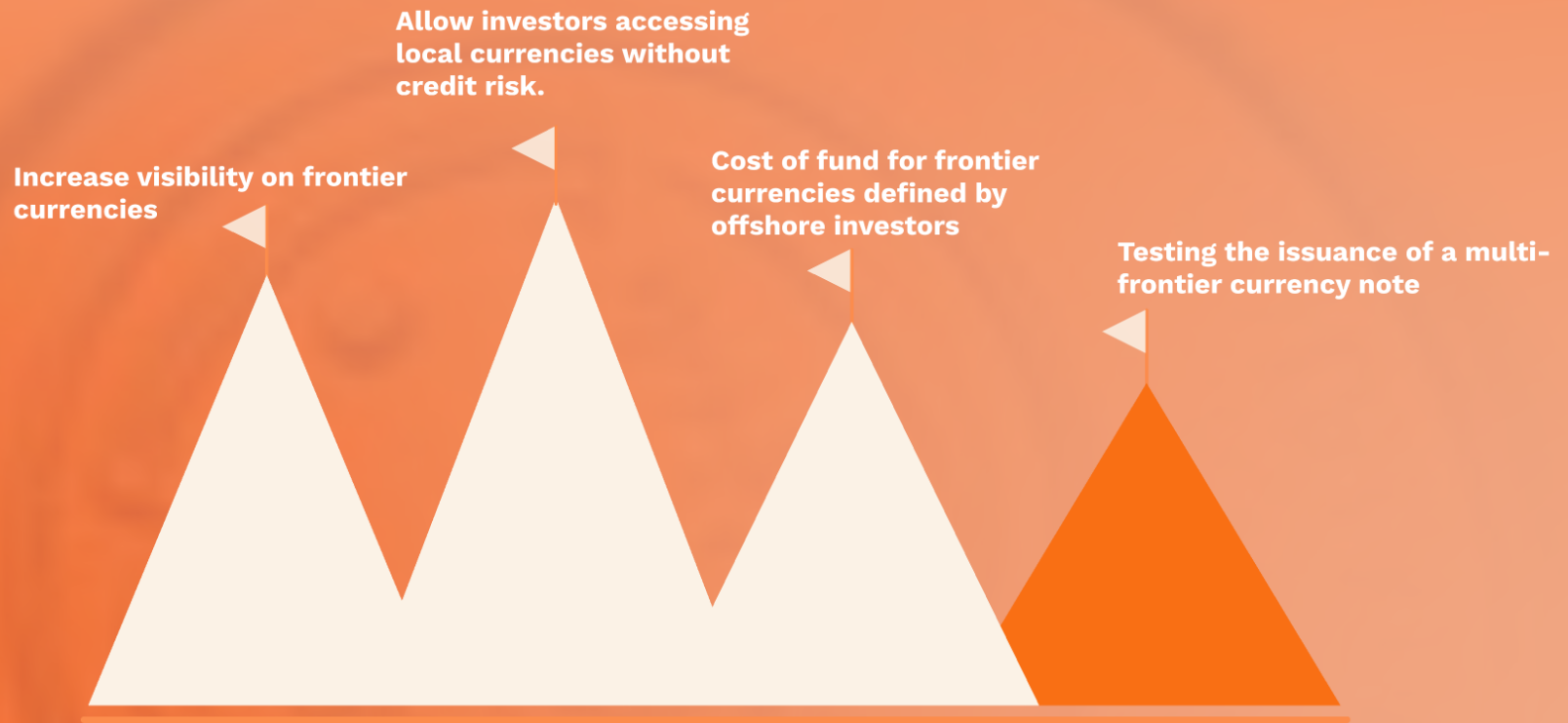


issuers
3



Cum. not. issued per Fx
\$5-160mm







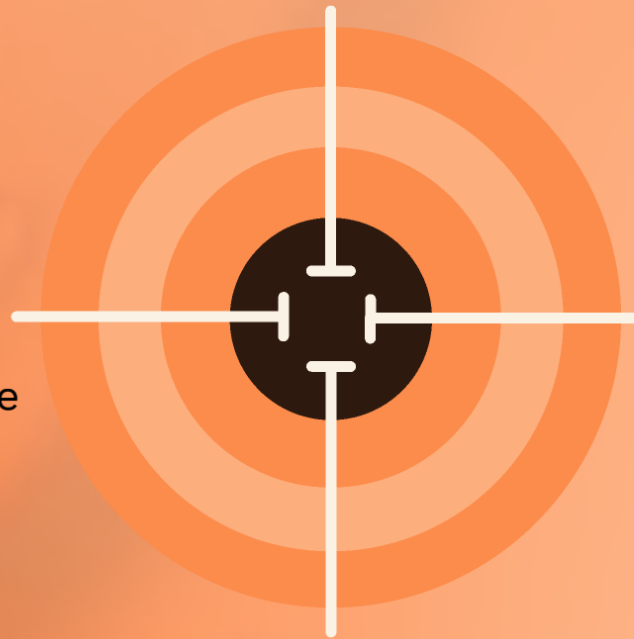
Action outside of TCX

- **EBRD:** ARS, EGP*, KZT*, THB
- **EIB:** ARS
- **IFC:** BDT, COP, CRC, GHS
- **IDB:** CRC
- **BSTDB:** GEL*, AZN*
- **AfDB:** GHS, UGX
- **ADB:** GEL*, KZT*, IDR*

* local issuance.

Scope

provide a currency hedge to the client



- MFX
- Frontclear
- IFC (CRM)
- TCX
- Investment Banks

Guarantees

Sharing Risk

L-Share

take unhedged fx exposure

Alterfin Guarantee Fund

take unhedged fx exposure

IDA, MASSIF, ACP Facility

World Bank, FMO, EIB have internal products to bear some credit and currency risk

EU Commission

credit or currency





DFIs hedging
their clients
back-to-back
with TCX



Long end
sub-govies

Hedging
Green
Bond



Hedging
Infra
projects



Deliverable
structures



Investors
converting
existing
USD loans
in LCY



LCY
Syndications



 **EMPRUNT OBLIGATAIRE PAR APPEL PUBLIC A L'EPARGNE**
SENELEC 6,5% 2018-2025

PLACEZ ET FRUCTIFIEZ VOTRE EPARGNE

Taux d'intérêt
6,5% l'an
COURSES / ANS
prix unitaire :
10 000 FCFA

Montant total de l'opération :
30 milliards de FCFA
Souscription : 20 février au 20 mars 2018

 **Yeesal Senelec 2020**

Arrangeurs et Chefs de file
 

Syndicat de placement
EDEN : Africa Bourne, AGI, BDFE Finances, SGI Benin LICA / BURKINA FASO - Cois Bourne, BRP / COTE D'IVOIRE - Afrique de Bourne, Adrethique Finances, BIC Bourne, BNF Finances, BOA Capital Securities, MAC Africa, CITEORP Securities West Africa, EDC Investment Corporation, Hudson & CIE, Bridge Securities, HISA Finances, Phoenix Capital Management, Swiss Capital, BSC Capital, Sophosone / ANKI / SGI Mali / FOCES / SGI Niger / SENECA - ABCO Bourne, CCF Bourne, Evance Finances, Imparis Securities, JFSCG / SGI Togo
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- flexibility to service the borrower in the right currency ad-interim
- de-risk the loan portfolio of the lender
- possibility to extend the maturity of the loan
- possibility to enhance the original yield
- pre-payment less likely (MtM must be first settled)