

**FINANCIAL GUARANTEE**  
FOR BOND ISSUES  
(PRIVATE PLACEMENTS)

DEL CREDERE  
DU CROIRE



MEMBER OF THE CREDENDO  
GROUP

# The Belgian Export Credit Agency Delcredere | Ducroire issues payment guarantees for (private) bond issues by Belgian businesses with international operations.

Are you looking for an alternative way of financing your company's further expansion? Delcredere | Ducroire can assist you in finding additional funds by providing its guarantee to investors who wish to subscribe to private bond issues.

Delcredere | Ducroire's particularly high credit rating (i.e. the same rating as the Belgian State) will certainly help to improve the risk profile and make it easier for the bond to be issued.

## **Why choose Delcredere | Ducroire as your partner?**

Delcredere | Ducroire's core business is to insure international trade transactions and Belgian direct investments abroad.

Delcredere | Ducroire is also an attractive partner for those wishing to subscribe for private bonds issued by Belgian companies.

After all, Delcredere | Ducroire has a very high credit rating and extensive expertise in terms of risk analysis and supporting international transactions.

## **What is a (private) bond issue?**

A bond issue is a form of long-term financing in which a company (= the issuer) issues bonds to raise funds, which are generally intended for carrying out investments, but can also be intended for other purposes.

The bond obliges the issuing company to repay the borrowed funds to the bondholder(s) at fixed intervals.

Given their private nature, the issue of bonds is restricted to a limited number of investors, being institutional or professional investors.

The bond issue is usually conducted by a bank (trustee), which also manages the transaction.



### **Who is eligible for these kinds of financial guarantees from Delcredere | Ducroire?**

Investors that are willing to subscribe to a privately contracted bond issue (not via the public markets) issued by Belgian businesses with international operations. Companies that belong to an international group but are established in Belgium are also considered as "Belgian companies".

### **What form does the financial guarantee take?**

Delcredere | Ducroire gives an irrevocable and unconditional payment guarantee covering the issuing company's payment obligations in favour of the bondholders or their trustee (acting as proxy for the bond holders).

Delcredere | Ducroire always participates on a basis of disclosure: the issuing company needs to notify the investors of the financial guarantee that has been issued by Delcredere | Ducroire.

### **Who can apply for this type of financial guarantee?**

At the initiative of the issuing company and in consultation with the trustee, Delcredere | Ducroire can issue its financial guarantee.

### **What is the scope of Delcredere | Ducroire's financial guarantee?**

In principle, Delcredere | Ducroire guarantees 50% of the amount constituted by the bond issue.

### **General and special securities?**

Depending on the quality of the issuing company, certain personal and/or real securities may be required to ensure reimbursement of the bond issue. Delcredere | Ducroire shares in these securities.

### **Fee?**

Delcredere | Ducroire will charge a fee for the risk on the issuing company, taking into account the quality of the issuing company and the specific features of the private placement.

The risk fee must be in line with standard market conditions.

The financial guarantee issued by Delcredere | Ducroire therefore entails no extra cost for the issuing company.

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