



2025



Loan and Credit Enhancement

Fractional banking of Stand-By Letter of Credit (SBLC).



maecfinance.com

MAEC LOAN AND CREDIT ENHANCEMENT THROUGH MT-760 INSTRUMENT

Illustration:

1. Firstly, we must acknowledge and appreciate that this is a new KNOWLEDGE - Fractional Banking of Standby Letter of Credit (SBLC MT760) instruments for credit enhancement only.

It's not the same as the ordinary SBLC/LC for commodities procurement where the issuing bank takes a direct liability to liquidate the debt or for payment after delivery of a particular commodity or service.

In this type of transaction, non-rated African SBLC MT760 attract very low LTV, 10 -15%, that if they are accepted at all. Therefore, very few Financial Institutions honor or accept these low rated banks Instruments hence the critical shortage of project finance for Africa's deserving projects. Only MAEC and its Banking Platform Partners accept and then enhance these up to 100% LTV through a loan.

2. Bank X's only obligatory, responsibility, and undertaking is to never recall nor cancel the instrument before the one year one day expiry period/date.

This type of SBLC MT760 is only an operative instrument which is used purely for attracting loans. MAEC enhances instruments into authentic AAA grade, high-value instruments (beyond the 10-15% LTV) to enable MAEC approved borrowers to access loans for projects that target massive development and social growth projects.

MAEC lease purchases and pays BANK X, millions of EUROS as issuance fees plus transmission charges within 10 banking days of the release-sale of this SBLC MT760. Therefore, BANK X will be making considerable fees from selling this paper for fees between 1-3%, not taking on any risk, or blocking the bank's cash.

It is important to note that the bank itself can borrow money for any of its subsidiaries by leasing an SBLC to them and MAEC will, in turn, issue funds for your bank's real estate, energy, smart city or tech projects etc.

3. SBLC INSURANCE & REINSURANCE: MAEC protects both SBLC MT760 lease-seller bank e.g., BANK X.

The Loan Borrower X plus MAEC, by insuring and reinsuring of this SBLC MT760 + the borrower contract loan through Lloyds Re-Insurance and Redbridge Insurance of London. Secondly, the project will be insured on the home ground in that Project Country.

4. BANK X as an instrument lessor, will sign an indemnity with MAEC to indemnify itself against any risk of having to pay for any adverse occurrence that might occur such as war-outbreak, earthquake, monsoon, Locust devastation, theft/fraud or any adversity that might surround or affect the SBLC MT760's profitable/positive performance and the loan Borrower X once it's released to the MAEC Banking Platform.

It is also important to note that MAEC gives a generous grace period (moratorium) that always outlives the validity of the instrument validity period. Therefore, it is legally inconceivable for a claim to ever be launched against the SBLC since the underlying performance clause is impossible to breach since the performance date of repayments hasn't arrived.

We also sign indemnities with the bank to assure no risk, no liability, and no responsibility to the bank under any circumstances. The SBLC is purely for credit enhancement and any bank can issue it purely because they can, and they are accessing our credit lines which were previously unavailable to you especially as a developing world jurisdiction.

5. BANK X FINANCIAL STRATEGIC THINKING: (Practically, there is no way funds BORROWER X will rapidly use all these funds €-Millions coming in monthly. Tranches can be over 12, 24, 36 or 48 months based on the size of the borrowing.) This means these funds will be accumulating monthly in BANK X to its financial advantage or profitability.

We encourage banks to access MAEC funds through their instruments to establish businesses in foreign territories to mitigate forex shortages. Export value businesses are also priority to address the issue of foreign currency replacement as needed.

MAEC regards all projects as having cash potential when they are fully supported. In banking such future value, known as near money assets, is always backed by instruments and promissory notes that are enhanced for cash loans to allow these innovations to come to reality and boost local and bank economies. In this regard we allow the hypothecation of mere business plans into a bank's treasury, and the subsequent bank support of such projects by leasing an SBLC to MAEC Finance, in return for funding.

We envisage that your bank can syndicate thousands of sole proprietorships, family owned, small scale and medium scale businesses to reach our minimum threshold lending of 100-million euros.

For example, 100-million euros can support 2000 community businesses that require 50,000 euros to be funded into a great community project.

Your bank can also support government or national projects by leasing an SBLC into an SPV. This has the desirable effect of making the MAEC loan into a non-government borrowing. There is therefore no debt on the nation's or government's balance sheet. The SPV becomes the face of the loan in a purely private and commercial banking transaction. This is our best suggestion to avoid having to go into bad international loans or protracted debates in parliament over a decision to borrow.

6. BLOCKING AND CONFIRMATION OF SBLC MT760: Please Note: BANK X must not and will not block any cash to lease-sell this SBLC MT760. This instrument's transmission to the MAEC's bank e.g., Wells-Fargo will be an operative relay only, without any confirmation by the correspondent bank. Therefore, the instrument reaches us for enhancement and full backing of our credit lines before it attracts investor grade funding for your projects.

7. SAFE KEEPING RECEIPT (SKR): As a further collateral enhancement measure, BORROWER X will deposit their valuable assets such as in-ground or above ground gold, iron, cobalt, REES, nickel, manganese, bauxite, oil, gas, land, owned water rights, land title deeds, full mining rights, exploration report JORC, mining instrument N402 101 etc. into BANK X plus MAEC's Bank as a Safe Keeping Receipt (SKR).

The MAEC BANKING PLATFORM accepts SKRs as cash if the SKR has been deposited into BORROWER X 's bank's treasury. (A custody certificate/receipt must be given to BORROWER X for their file custody).

8. LOAN RISK & LIABILITY: This transaction clearly exonerates BANK X from any liability and any risk. It must be clear that MAEC is the intermediary lender to BORROWER X not BANK X. MAEC uplifts and shoulders the loan and credit risk as intermediary lender by giving hard cash to BORROWER X through BANK X from its Banking Platform banks not BANK X. Bank X will never be asked to block cash nor risk its depositor's funds.

MAEC can lend directly to any bank in the developing world, including loan amounts way beyond that bank's capital.

Please note that the verbiage provided by MAEC is the only verbiage that works in credit enhanced and insured instruments. The phrase cash backed does not entail any risk to the banks demonstrated in the various de-risking measures described above. Any instruments that cannot or will not conform with our verbiage will not be received nor accepted by MAEC as they cannot be utilized to create investor grade funds from our banking platform, for your projects.

BANK X will suffer no losses even in the future failure of a project as there is no further involvement of the bank beyond the instrument, its conditions and validity dates. The responsibility of further instruments is a matter between MAEC and the borrower. We foresee additional bank fees for the bank if the borrower and MAEC lease further instruments from your bank in subsequent years.

Bank X is not a loan provider nor cash guarantor to this transaction. BANK X only lease-sells a Loan Enhancement Instrument (a financial tool) to MAEC to enable this loan function to commence. Bank X's role ends at lease-selling the SBLC MT760 to MAEC.

9. POINT OF EMPHASIS: This is the current banking trend in the whole world, Europe, Americas, Middle East (Dubai Financial Centre etc.) are famous for lease selling or outright selling of SBLC MT760 instruments. We also encourage you to read our SBLC loan process, (MAEC Indicative Term Sheet) in your possession plus all documents, various verbiage templates, all legally binding loan documents e.g., Loan Agreement, Loan Term Sheet etc.

10. A STRATEGIC OFFER TO NOTE: If Bank X has its own US\$10 Million cash, MAEC offers to direct the lease-purchase of a first class/tier-1 Bank SBLC MT760 for you. With this grade of an instrument, Bank X will be able to record significant growth and profits. We will be willing to discuss this option further with any bank willing to look at this option for their entity and for their shareholders.

African banks and orthodox businessmen haven't been afforded the knowledge, nor the network that allows the leveraging of their own abundant African natural assets e.g. Geological Survey N403 101s, JORC Reports etc. which has created decades of global distortions of the meaning of wealth or project finance.

African Central Banks and some commercial banks are holders of SKRs of immense value which can be leveraged or hypothecated for cash through MAEC. Iron-ore, asbestos, coal, clays, kaolin, cassiterite, semi-precious stones, hydropower water, gold, diamonds deposits, dolomite, granite, marble, talc etc. as SKRs. Forestry Department's 30cm height hardwood trees for furniture manufacturing are all valuable resources which your bank can utilize without ever giving them away as collateral.

Resource rich, developing country Central Banks might not have yet quantified nor compiled their whole national natural resources assets (SKR) register, however, where these have been reported, for example the Congo, is reportedly worth 460 trillion euros in its resource wealth. An SBLC for any amount would start releasing cash from such nations to create much needed development for a country's citizenry. African Central Banks's gold assets net worth alone, might be multiples of euro sextillions.

We are here to help.

Contact us today and be assured of our promise to start releasing funding in less than 30 days of engaging.

