

Credit Where It's Due

THE ROLE OF INSURANCE IN PROTECTING EXPORTERS



Unsecured Trade Credit

Hasbro and Mattel were collectively owed \$200m by Toys R Us at the time of its filing for bankruptcy.



Unexplained debts

\$500 million of Mozambique's \$2billion debt, almost a quarter is unaccounted for according to Bloomberg.



'Trading Abuse'

Credit Suisse was fined \$135 million for a string of abuses in foreign-exchange trading. This is six months after BNP Paribas was fined \$350m.



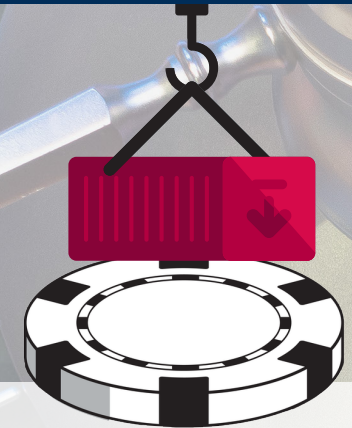
Credit oils the Global Economy

80% of global trade is supported by some sort of financing or credit insurance according to the World Trade Organisation.



Missed the boat?

The day after U.S. Labour holiday, credit-default swaps for Toys R Us were priced in a low probability of a near-term default (10%). At that time, \$10 million of Toys R Us debt could be insured for an upfront payment of \$300,000. Yet, on the eve of bankruptcy filing, that upfront cost had surged to \$7.7 million.



Maersk moves into Trade Finance

Maersk is expanding its program of financing customers to customers' suppliers. According to Maersk, they have underwritten credit in excess of \$150 million in the program, helping shippers to cut between 15% to 30% of their shipping costs.