



Bank Payment Obligation

Case studies for the new payment assurance and multibank instrument in Trade Finance

Commerzbank BPO Case Studies, April 2015



Agenda

- 1. BPO The new payment assurance and multibank instrument in Trade Finance
- 2. Case Study Polytrade GmbH and PTT Polymer Marketing (Import BPO)
- 3. Case Study BP Aromatics Ltd. N.V. and Köksan Pet Ve Plastik Ambalaj San. Tic. A.S. (Export BPO)
- 4. Contacts



BPO – The new instrument in the Trade Finance market

Bank Payment Obligation (BPO)

The Bank Payment Obligation is a new payment assurance instrument in the trade finance market

based on the automatic matching of electronic trade data by means of a Transaction Matching Application (TMA)

Trade Finance Solution

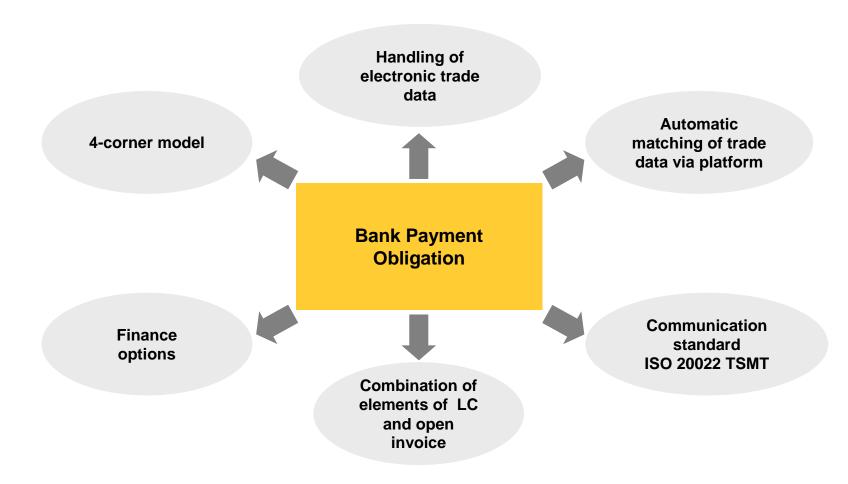
The BPO is an irrevocable undertaking of one bank to another bank to execute payment on maturity date upon successful matching of agreed electronic trade data.

Supply Chain Finance Solution

The BPO provides finance options along the supply chain.



The innovative approach



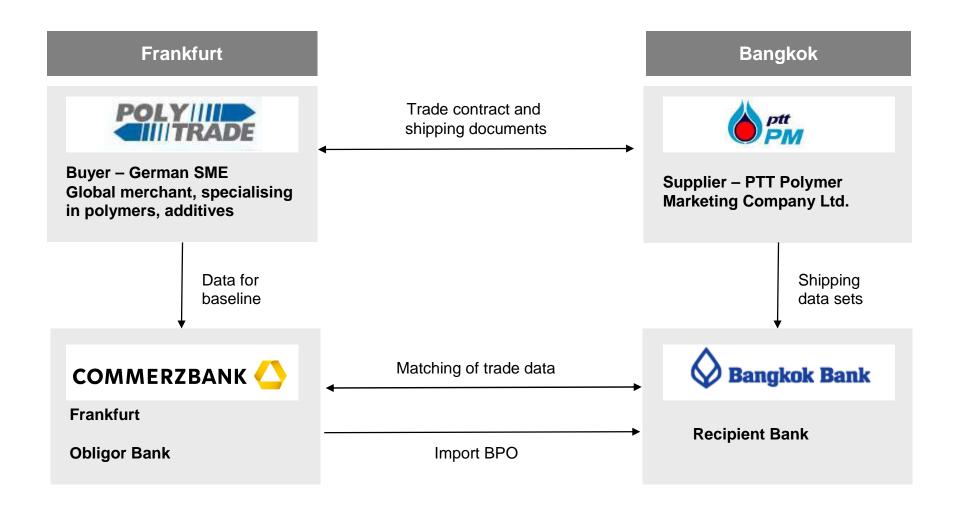


Commerzbank actively supports the BPO market adoption





Case Study – Polytrade GmbH and PTT Polymer Marketing





First Live Import BPO transaction

Onboarding of BPO parties and processing of first BPO transaction within 3 months 28 July 2 October 10 October 13 October 15 October 30 October 2014 2014 2014 2014 2014 2014 Instructions for Signing BPO Test data Presentation **BPO** and Data match for Data match of Master match on of BPO provision of establishing data set and TSU with Agreement to Polytrade data for baseline baseline due BPO by Polytrade Bangkok Bk by Polytrade Fast handling and matching of baseline data and data sets via SWIFT TSU despite the time difference between Frankfurt and Bangkok.



Optimisation of internal payment handling processes

Company profile



Polytrade GmbH is a global merchant, specialising in polymers, additives and polymer chemicals.

The SME is based in Frankfurt and customer of Commerzbank.

www.polytrade.de

Reasons for handling trade business by BPO & business model

'Optimisation of internal payment handling processes'

- Fast handling of processes
- Payment assurance
- Cost saving
- Multibank trade finance instrument

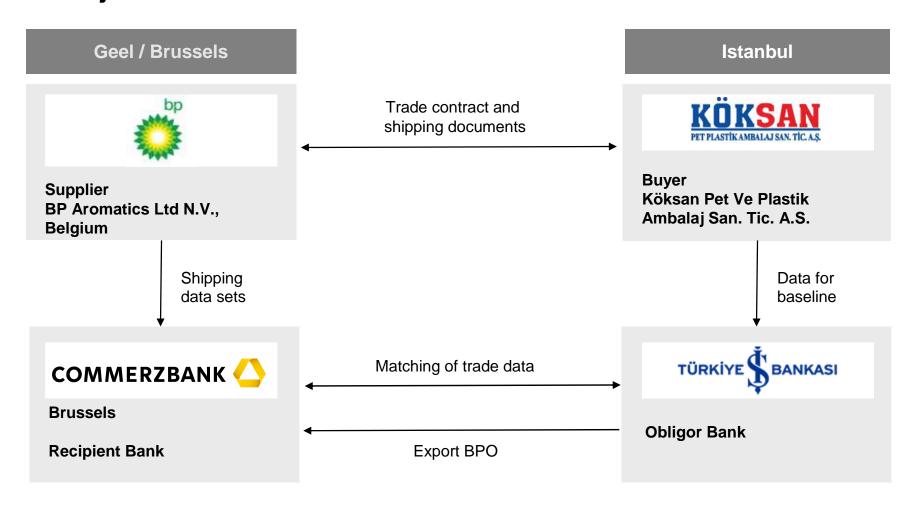
Polytrade and PTT have a longstanding trade relationship.

The business was handled previously by an Import LC with deferred payment 60 days after BL.

After the first live BPO transaction, Polytrade continued its BPO business with Commerzbank and started processing BPO transaction also with UniCredit.

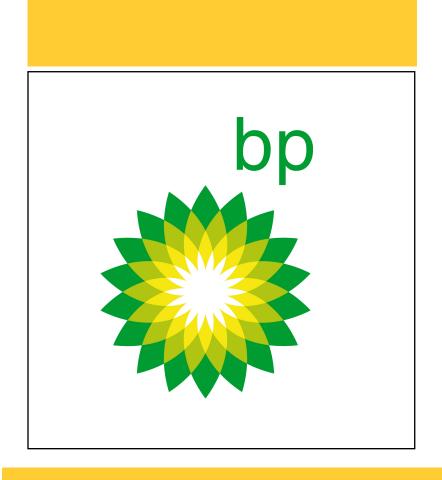


Case Study – BP Aromatics Limited N.V. and Köksan PET Ve Plastik Ambalaj – as done in October 2014





Flexibility for change of shipping or trade terms



Reasons for handling trade business by BPO & business model

'Great flexibility for amendments made. Quick establishment of the BPO baseline.'

- Flexibility and transparency
- Fast handling of processes
- Risk mitigation
- Reduced risk of discrepancies.
- Multibank trade finance instrument



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