This is a strictly private transaction and not available to the general public. This summary is available for educational purposes only and explains how Securities Borrowing and Lending is utilized by qualified professionals to generate and provide genuine financial collateral.

This is probably the only way that one can expect a third party to provide a valid, fully verifiable cash backed, divisible and assignable Bank Guarantee or Standby Letter of Credit.

1 - Client completes and submits the Business Support Contract

2 - Submission is assessed by the Intake Officer

The Intake Officer assesses and initially determines if a client can be qualified to receive this Prime Bank Collateral Service.

3 - If it has been determined that the transaction can be accepted, the invoice for the commitment fee / call option fee is issued to be paid directly into the Facilitator's account.

A Call Option is required to be placed to secure the right for the Investor or Lender to buy the securities at a fixed price within the next 20 days. The Investor buying the securities for a specific transaction does not own the securities at that stage. So placing a Call Option is needed in order to issue the Securities Borrowing and Lending Agreement and for the Investor/Lender to reserve the right to purchase the chosen securities at a certain date and at a certain price. Payment is into the Facilitator’s own account.

4 - If a borrower proves to be of substance, the Facilitator is prepared to advance the Call Option fee on behalf of a client. Receipt of commitment / call option fee automatically causes acceptance to the BSC by the Facilitator.

A borrower / client may need to place the Euro 30,000 retainer/call option fee if he is not fully qualified and (A) if his business cannot evidence to be of substance and is well established since years (B) If his company does not evidence an established active commercial or financial business and you does not have audited accounts (C) If audited accounts and annual revenues for the past fiscal years, do not equal to the face value (or more) of the guarantee instrument that is requested (D) If audit was not performed or is endorsed by a major and internationally recognized firm.

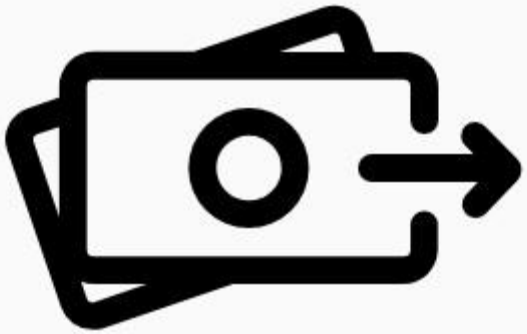
5 - Once a client has committed himself to the transaction, the Facilitator or his securities dealer starts negotiations with standby investors to buy specific securities for this Securities Borrowing and Lending transaction.

6 - Call option fee is placed on the Securities Market reserving these specific securities to back up a specific SBLC or Bank Guarantee emission for the next 20 days.

Once the securities have been selected, the Call Option fee is placed on the securities market and the Securities Borrowing and Lending Agreement can be issued.

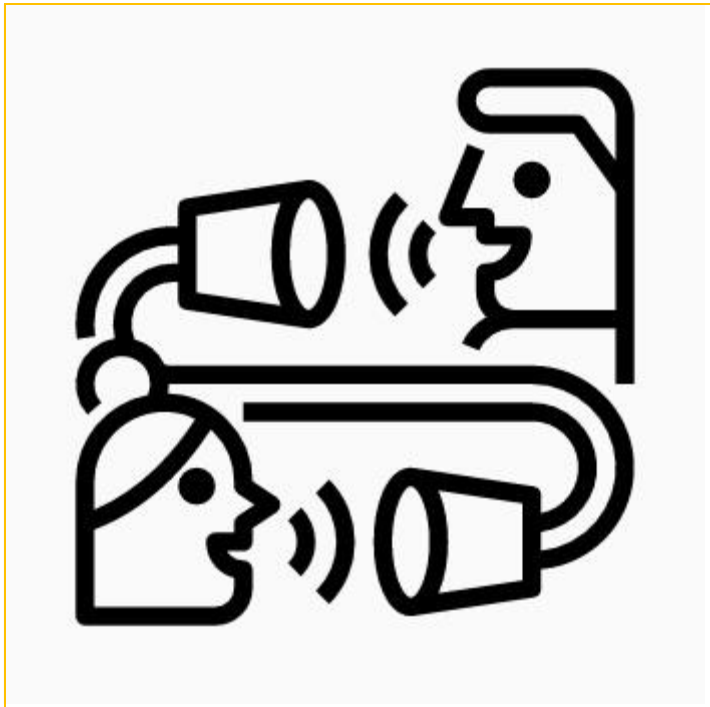
7 - Securities Borrowing and Lending Agreement is issued and sent to the borrower / client together with all information to clearly identify the securities that will build the basis on which the BG or SBLC will be issued for the client.

At this stage, the client will then have all details of these securities and can request Bloomberg Printout, Security Card of the Stock Exchange market where the instrument is quoted, Prospectus of the Issuing Program of the Bank to permit the designated Borrower's Bank Officer to check the availability on Euroclear, Clearstream or the Bloomberg systems.



8 - Within 20 days, client's bank sends the conditional payment instrument to pay for the borrowing and lending fees

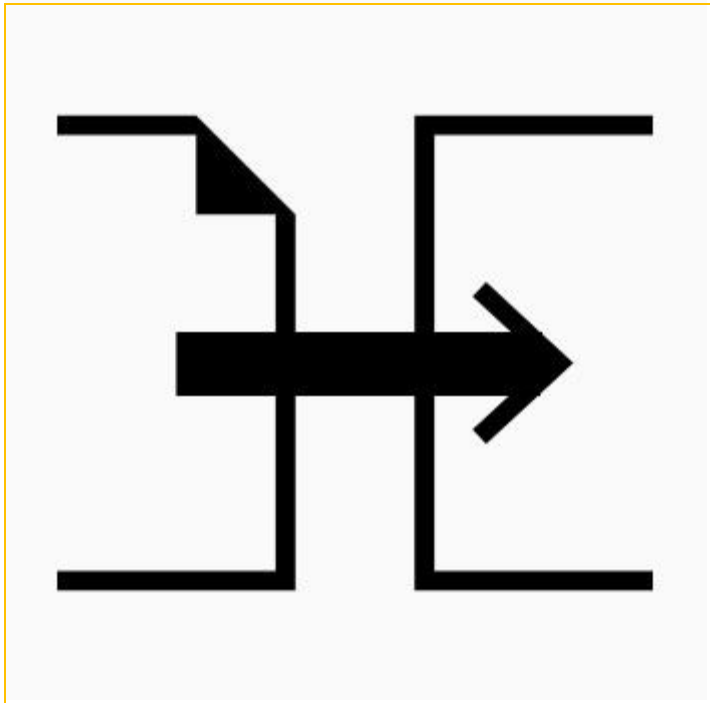
If the client’s bank issues or endorses any of the 4 conditional payment methods to pay for the Borrowing and Lending fees, the ICPO, Promissory Note, conditional SWIFT MT103, conditional DLC SWIFT MT 700, and provides a confirmation for the safe return of the collateral after the agreed term, then the Facilitator can guarantee to deliver.



9 - Issuing and Receiving Bank communicate to fine tune the SWIFT MT760 delivery of the instrument and perform their own due diligence on the parties involved.

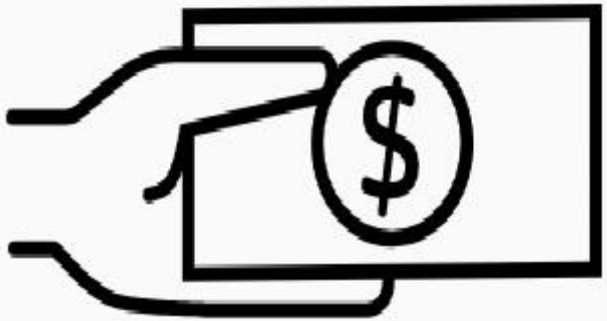
10 - Receiving Bank consents to return the SBLC/BG 15 days prior maturity

The receiving bank must undertake the irrevocable commitment to return the instrument unencumbered, free and clear of any debts or claims 15 days prior maturity.



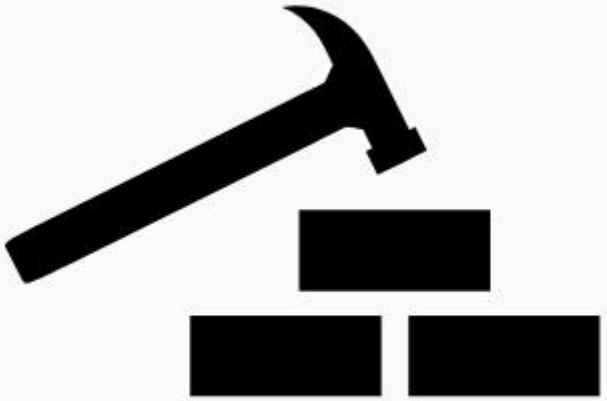
11 - In this Securities Borrowing and Lending transaction, the issuing bank sends the agreed SBLC or BG via SWIFT MT760 to the receiving bank in line with the Securities Borrowing and Lending Agreement.

More information about Securities Borrowing and Lending can be obtained here

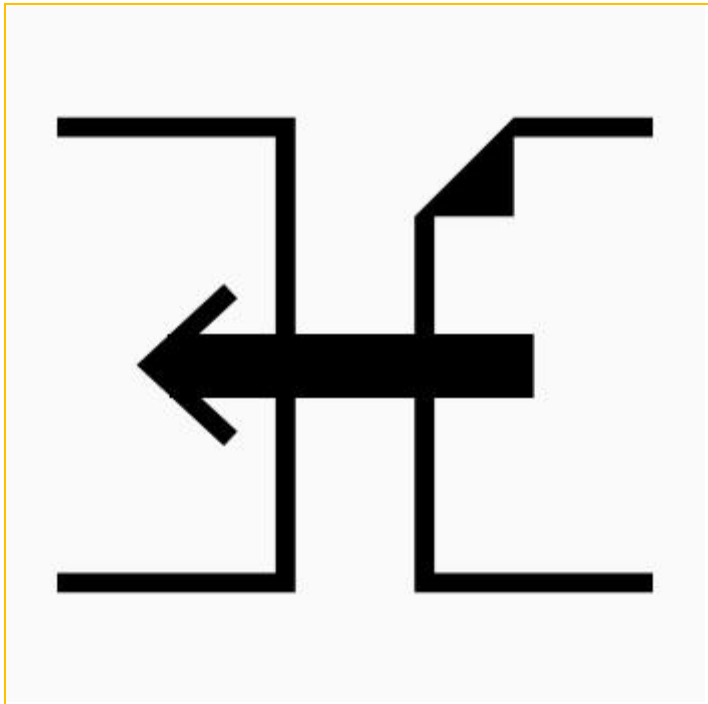


12 - Receiving Bank verifies the SWIFT MT760 SBLC or BG instrument and releases payment for the borrowing and lending fees.

Prime Bank Stanby Letter of Credit or Bank Guarantee, fully cash backed, divisible and assignable, emitted on the basis of highly rated securities purchased for your transaction.



13 – The Borrower Client starts his project and has the unrestricted use of the collateral as to the Securities and Borrowing Agreement for the upcoming 350 days.



14 - Fifteen days prior maturity, the Borrower Client can extend the service for another year. If the client does not need the instrument any longer, the client's bank returns the SBLC/BG after 350 days.

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