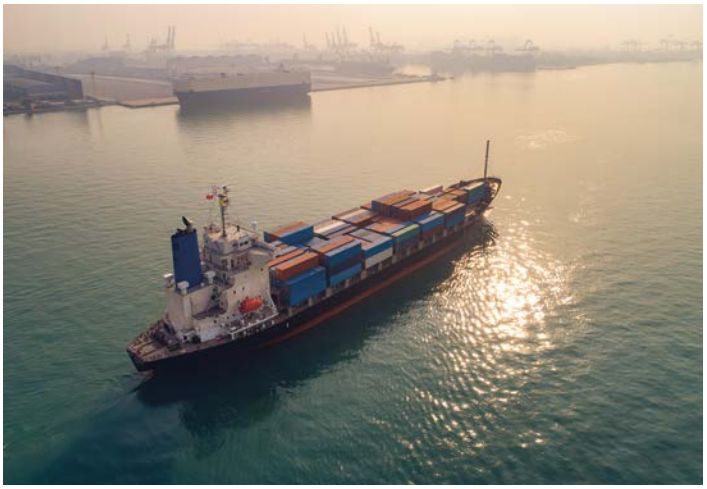
CREDIT SUISSE

Trade protection

We'll back you with bank guarantees and surety bonds



At a glance
With a bank **guarantee** or **surety bond**, Credit Suisse acts as guarantor of a receivable (payment guarantee) in lieu of the debtor, or of an obligation (protection against nonperformance) in lieu of the service provider. Credit Suisse is not obliged to make the guaranteed payment in the place of your customer. The bank's obligation is limited to its pledge to pay a maximum specified amount when the conditions of the guarantee/surety bond are met. A guarantee or surety bond may only be issued if the customer has been granted a line of credit. In certain cases, the bank may require certain collateral.

Your needs
- As the **seller** of a product, you would like to secure yourself against any nonpayment on the part of the purchaser with a maximum defined sum.
- As a **purchaser** of goods, you would like to keep your damages within a maximum defined threshold in case of defective deliveries.

Your benefits
- **Long-standing expertise:** With many years of experience, Credit Suisse's specialists are able to contribute to the smooth processing of payment and performance security and create solutions that are specially customized to your needs.
- **Online access:** Our online "Direct Trade Finance" solution enables you to place orders quickly and easily online and to obtain information on the current status of your security at any time.

The instruments at a glance
- A **bank guarantee** is a distinct promise to pay and is not dependent on the principal obligation. No objections can be raised with regard to the underlying relationship between the customer and the beneficiary (addressee of the guarantee). In other words, the guarantor pays upon the first written request (claim) by the beneficiary, on presentation of the confirmation specified in the guarantee text and any required documents. Different guarantees are used in the import and export business, mainly bid bonds, performance bonds, advance payment guarantees, guarantee bonds, and payment guarantees.
- A **surety bond**, pursuant to Art. 492 et seq. of the Swiss Code of Obligations, generally serves the sole purpose of protecting the claims of Swiss creditors. The surety bond is completely dependent on the principal debt relationship (accessoriness). The customer (principal debtor) may submit a written objection to the bank regarding the principal debt, stating the reasons for nonpayment. The bank, in turn, is obliged to notify the beneficiary (creditor) of any entitlement to appeal on the part of the principal debtor (Art. 502 SCO).

Your costs
Commission is charged by the bank to cover the credit and settlement risk, the work performed, and the capital allocation costs relating to the operation. The level of the commission depends on the type of bank guarantee/surety bond, the creditworthiness of the customer, and the cover. It is generally calculated on a quarterly basis (every three months). In addition, any charges, commission, and fees levied by a correspondent bank must be paid if a correspondent bank has to be involved in accordance with specific national requirements or special regulations.

Further information
You can find further information in our manual "Bank Guarantees," which is available online at credit-suisse.com/tradefinance.

Your contacts

Zurich
Letters of credit and documentary collection
Telephone + 41 44 334 48 38
Telephone 0800 880 885 (in Switzerland only)
mailbox.dokumentargeschaeft@credit-suisse.com
Bank guarantees and surety bonds
Telephone + 41 44 332 87 01
zurich.guarantees@credit-suisse.com

Geneva
Letters of credit and documentary collection
Telephone + 41 22 393 32 47
mailbox.tfsc-geneve@credit-suisse.com
Bank guarantees and surety bonds
Telephone + 41 22 393 32 15
geneva.guarantees@credit-suisse.com

Lugano
Letters of credit and documentary collection
Telephone +41 91 802 52 57
mailbox.tfsc-lugano@credit-suisse.com
Bank guarantees and surety bonds
Telephone +41 91 802 52 78
lugano.guarantees@credit-suisse.com

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CREDIT SUISSE (Switzerland) Ltd.
P.O. Box
CH-8070 Zurich
credit-suisse.com/tradefinance

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