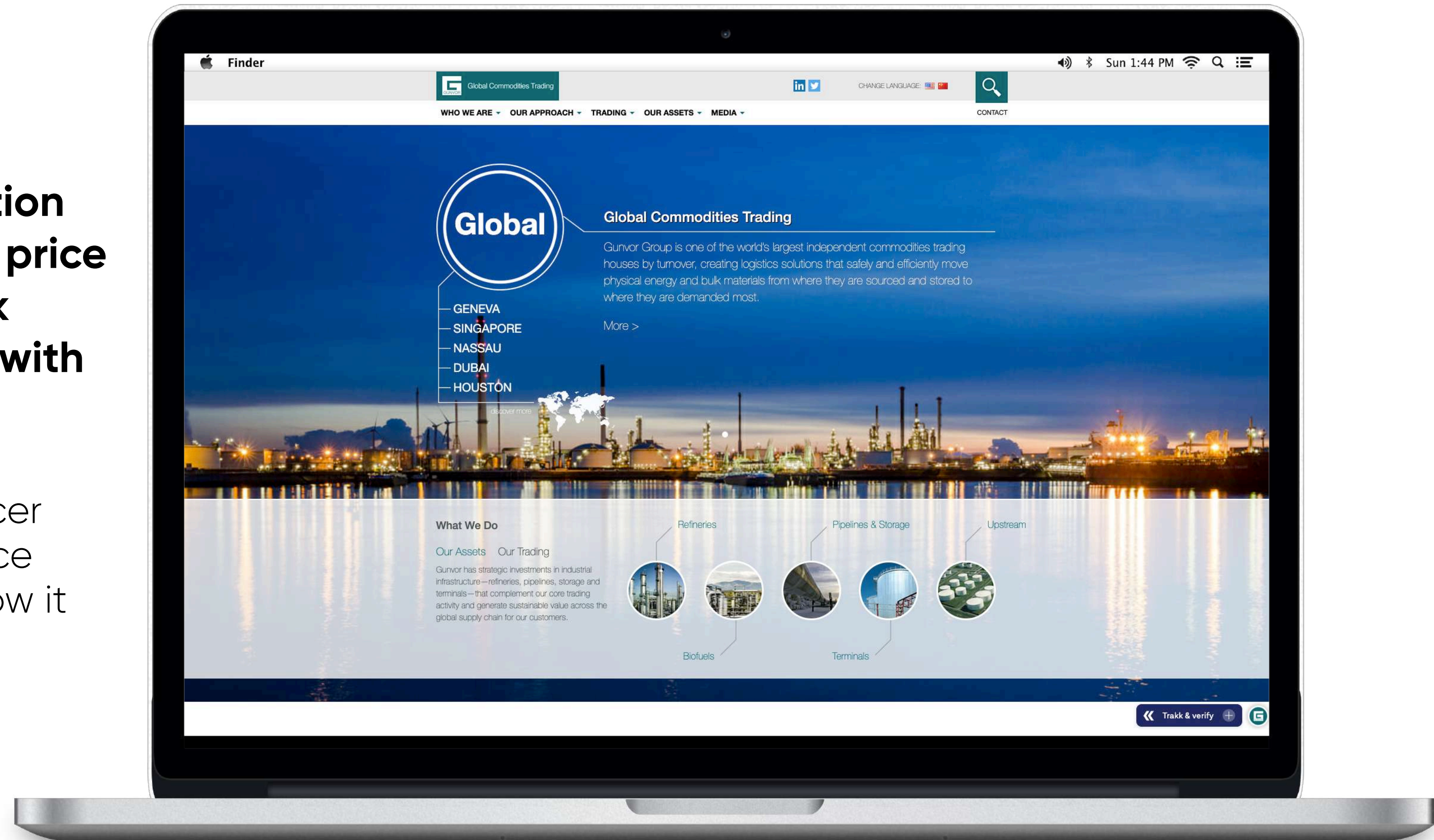


Gunvor Group

Gunvor uses Komgo's "Market" solution as a data aggregator to accelerate price discovery and deal execution on risk cover and discounting transactions with the company's trade finance banks.

We asked Structured Trade Finance Officer Janina Taneva about Gunvor's experience deploying and using the solution, and how it benefits the business.



About Gunvor

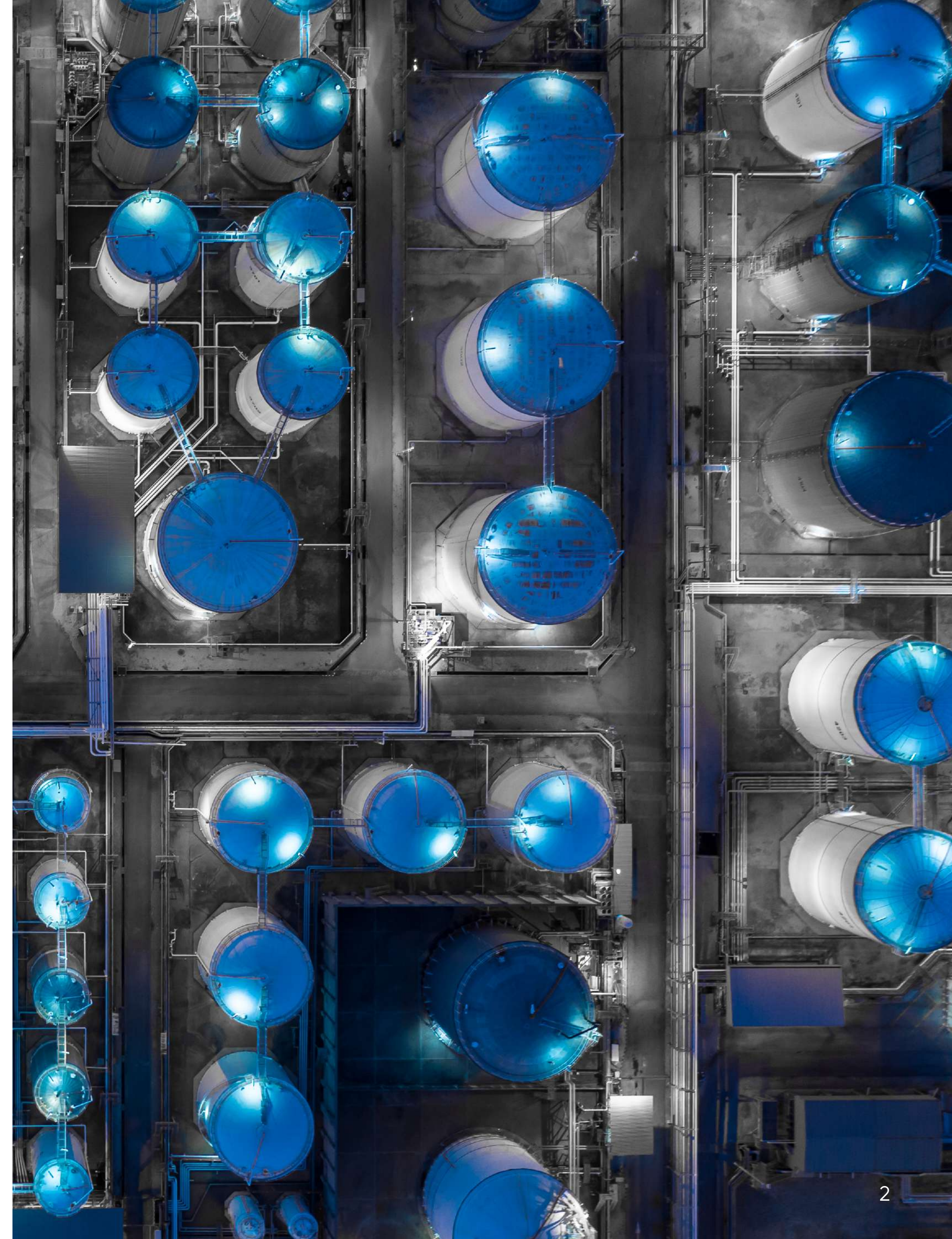
Gunvor Group is one of the world's largest independent commodities trading houses by turnover, creating logistics solutions that safely and efficiently move physical energy and bulk materials from where they are sourced and stored to where they are demanded most.

01/

Founded in 2000 as a merchant of crude oil and oil products, Gunvor today trades about 50% "transitional" commodities, including biofuels and natural gas, while employing more than 1'500 people worldwide

02/

In addition to structured finance, Gunvor performs receivables financing and confirmation activity with several of its banks.



Gunvor's Needs

Managing such a global network of financial institutions requires a lot of coordination and paperwork.

01/

Receivables financing requires a constant flow of time-sensitive information about appetite, availability and pricing with multiple providers, which is time-consuming to collect and cumbersome to reconcile.

03/

Meanwhile another database of past transactions also needed to be manually updated to gain an historical view.

02/

Email and telephone were predominantly used for collecting quotes from separate banks, while Excel was the tool to store and compare the latest data, which had to be manually copied out of emails.

04/

Gunvor's finance team sought a tool that would enable them to perform transactions from beginning to end – from quoting to completion of the discount and repayment, with all its banks on the same system.

"We wanted one single place where we could do all of this activity, the price discovery and the follow-up of the operations, which could accelerate coordination with the banks.

It was also very important to have a secure way to exchange documents – because it's too easy to send an email with sensitive information to the wrong person or the wrong organisation."

Komgo's Expert Solutions

In late 2020 Gunvor began using "Market" for price discovery and deal-execution on its receivables financing transactions.

01/

"Market" is a multi-bank tool for obtaining credit appetite quotes to manage risk derived from LC and open account flows, conduct end-to-end transactions (including the secure exchange of documents), and request pricing from lenders on deposits and loans.

03/

While receivables financing activities usually happen within a clear framework (e.g. a Master Receivables Purchase Agreement) between a trader and their banks making establishment of new relationships difficult, "Market" can also play a business development or match-making role by helping corporates to find appetite on new names or unlock additional liquidity.

02/

It provides a common reference by bringing all pricing interactions and transactions onto a single system with standardised exchanges and comparable quotes, enabling users to automate information sharing and gain insights and intelligence from their pricing data.

"We were contacted by a bank that was not part of our portfolio, and we have started exchanging with them with a view to building a relationship."

*Screen for demo purposes only

Bank confirmation / discounting: issuing banks dashboard

This is an aggregated view of all credit appetite information shared by your komgo counterparties on Issuing banks. Information is shared on a bilateral basis and does not represent any commitment from the organization(s) involved.

Requests Issuing banks Banks

I... ↑	COUNTRY	BANK	APPETITE	AVAILABIL...	LOWEST C...	MAX TEN...	LAST UPDATED	
AB...	South Afr...	4	Yes (4/4)	Yes (3/4)	1.40 %	90 days	2021/04/01	...
AB...	Zambia	1	Yes (1/1)	Yes (1/1)	1.68 %	180 days	2021/02/25	...
AF...	Cameroon	1	Yes (1/1)	Yes (1/1)	0.50 %	88 days	2021/04/16	...
AK...	Turkey	1	Yes (1/1)	Yes (1/1)	1.25 %	180 days	2020/12/11	...
AT...	Morocco	1	Yes (1/1)	Yes (1/1)	-	-	2020/11/04	...

Make a request

Export to

Feedback & Results

“Use of the “Market” platform is generally well accepted among our banks, most of them provide quotes promptly after we send requests. For new joiners, there is still a period of adaptation, but overall we receive prompt feedback from those on the platform, allowing us to allocate business to them in an efficient manner.”

01/

While the change management and adoption process has been straightforward internally for Gunvor, the main challenge is sensitising banks to this new way of working.

02/

However, in terms of their primary goal of consolidating or harmonising previously disparate and manual pricing exchanges, Gunvor has already successfully shifted the majority of its operations onto “Market”.

50+

Transactions per month.

2

Gunvor entities requesting pricing.

73%

Total discounting activities on-platform in 2021.

3'200

Emails saved.

“Using the platform has saved us sending more than 3’200 emails over the past year.

By 2022 our goal is to have 100% of the transactions flowing on “Market”, reducing even further the need for email.”

Janina Taneva, Structured Trade Finance Officer
Gunvor Group

Contact us

To learn what Komgo can do for your business.

sales@komgo.io

komgo