



EXPORT-IMPORT BANK
of the UNITED STATES

Jobs Through Exports

Financing and Increasing Export Sales ...

EXPORT-IMPORT BANK *of the* UNITED STATES



What is Ex-Im Bank?

The official Export Credit Agency (ECA) of U.S. Government, it is a self-sustaining, independent agency of the United States government

- Established in 1934
- Official Export Credit Agency of the U.S.
- Headquarters located in Washington D.C.
- Eight regional offices

We support sales of US-made goods and services



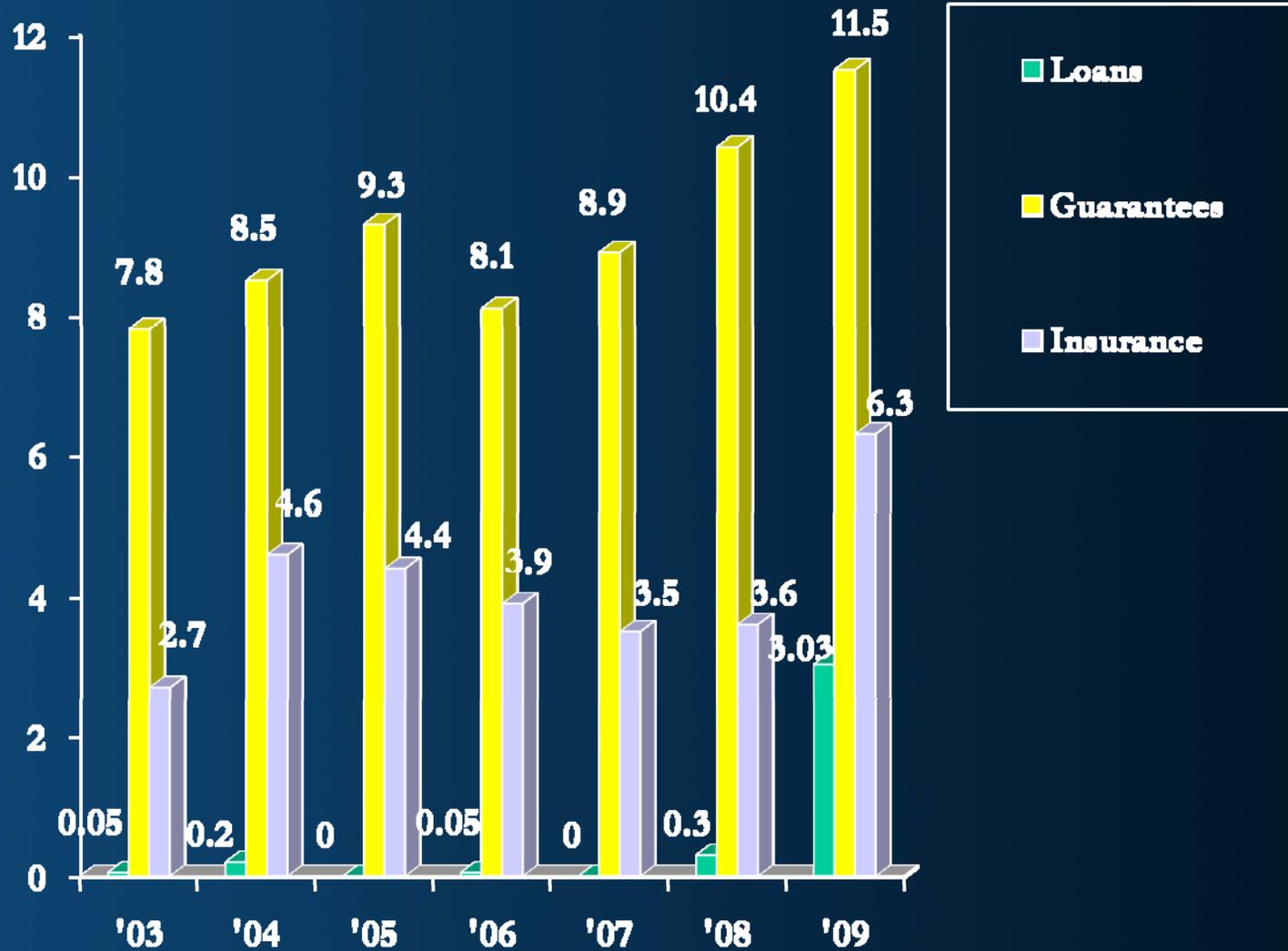
Our Programs Make a Difference

- Minimize risk
- Level the playing field
- Supplement commercial financing





Total Authorizations in \$ Billions

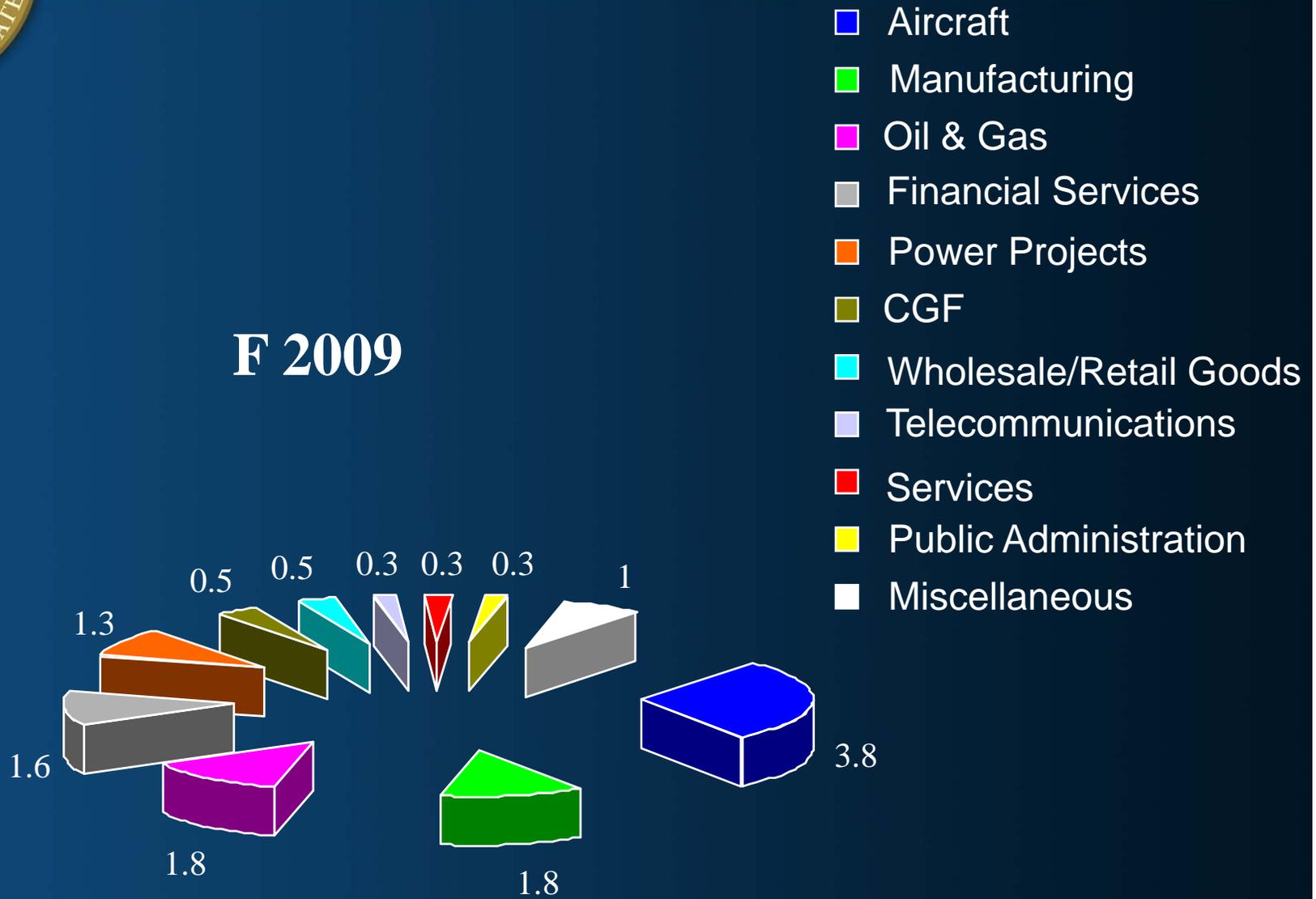




Authorizations by Economic Sector

(\$ in billions)

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Small Business *IS* our Business

- Over 80% of **Ex-Im Bank** transactions support small business exporters
- No transaction is too small





How Our Programs Support Exporters

- Reduce risk
- Offer export financing to customers beyond exporters' lending limits
- Allow exporters to safely extend credit terms to foreign buyers
- Obtain guarantees for working capital loans to support the export of goods and services



Our Financing Covers the Spectrum

Pre-Export
Financing

Post-Export
Financing



**Working
Capital
Guarantee**

**Insurance
Guarantees
Direct Loans**



Scenario 1: Pre-Export Financing

- Small- and medium-sized U.S. companies
- A 90% conditional guarantee to lenders for export- related working capital loans
- Loans can be transaction specific or revolving
- No minimum or maximum loan amount



Working Capital Guarantee

- Provides lenders with the confidence to extend short-term loans for pre-export funding needs
 - **Funds may be used to purchase or manufacture U.S.-sourced inventory, pay for labor, overhead, and / or provide services destined for export**
 - **Funds may also be used to open a stand-by letter of credit as a performance bond**
 - **Advance rates are up to 90% against export accounts receivable and up to 75% against exportable inventory (including work-in-process!)**



Scenario 2: Short-Term Accounts Receivable Insurance

- Coverage Parameters:
 - Up to 180 days, exceptionally 1 year
 - Commercial and political risks
- Lender Policies:
 - Bank Letter of Credit
 - Financial Institution Buyer Credit
- Exporter Policies:
 - Multi-Buyer or Single-Buyer



Export Credit Insurance - Benefits

- RISK MITIGATION TOOL: Risk Protection
 - Insures against non-payment by foreign buyers due to commercial and political risks
- MARKETING TOOL: Expand Sales, Develop New Markets, Increase Market Share
 - Increase sales to existing or potential customers by offering open account terms instead of requiring cash-in-advance or costly letters of credit; increase market share
- FINANCING TOOL: Arrange Attractive Financing with Lenders
 - Include insured foreign receivables in borrowing base, immediately increasing line of credit



Short-Term Export Credit Insurance

- Pay-as-you-ship, only on WHAT you ship, WHEN you ship!
- Small Business Multi-Buyer Policy
 - For exporters with annual export *credit* sales of less than \$7.5 million, and which meet the SBA definition of “small business”
- Standard Multi-Buyer Policy
 - For exporters not defined as a small business, or that have export *credit* sales of more than \$7.5 million
- Single-Buyer Policy
 - For exporters wishing to insure single or multiple shipments to one buyer



Scenario 3: Medium-Term Financing

- Used to finance foreign buyers purchasing U.S. capital equipment:
 - 85% financed, 15% cash down payment
 - Repayment up to 5 years, exceptionally 7 years
 - Amounts of \$10 million or less



Scenario 4: Long-Term Financing

- Generally used for buyer financing of very large capital goods contracts (e.g., combined cycle turbine kits):
 - Over 5 year repayment or over \$10 million
 - 15% down payment; up to 85% financed



Military Policy

- No defense articles or services, or military buyers
- Three exceptions
 - Humanitarian purposes
 - Drug interdiction
 - Dual use items





U.S. Content Requirements

Short-Term:

Each product must be derived from at least 50% U.S. content based on all direct and indirect costs, excluding profit

Medium & Long-Term:

Products (in aggregate) must represent at least 85% U.S. content for Ex-Im Bank to support the entire transaction



Coverage in Over 150 Countries!

- Ex-Im Bank is open for business in over 150 countries
- Refer to Ex-Im Bank's Country Limitation Schedule (CLS) at www.exim.gov for coverage availability and any special conditions which may apply



Additional Potential Concerns

- Economic Impact
- Shipping
- “Additionality”



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