



EXPORT-IMPORT BANK
of the UNITED STATES

Jobs Through Exports

Increasing Your Export Sales While Minimizing Your Risks



Discover how to Enter New Markets with Confidence and Increase Sales in Existing Ones!

- Extend credit to your buyers and protect against nonpayment
- Access working capital loans to help fulfill export orders
- Offer buyer financing
- Free-up available credit for other business needs



Who is Ex-Im Bank?

Ex-Im Bank is an independent agency of the United States

- Established in 1934
- Official Export Credit Agency of the U.S.
- Headquarters are in Washington D.C. with five regional offices
- Supported more than \$420 billion of U.S. exports in 72 years



Foreign Export Credit Agencies

Your foreign competitors have similar support!

- **EDC** **Canada**
- **ECGD** **UK**
- **Coface** **France**
- **Hermes** **Germany**
- **JBIC** **Japan**
- **Sace** **Italy**
- **KEIC, Keximbank** **S. Korea**
- **OeKB** **Austria**
- **Efic** **Australia**



We Can Assist You on Short-Term Transactions ...

Exporter Needs

Pre-Export Financing

**Short-Term Accounts
Receivable Financing**

Our Solutions

Working Capital Guarantee

**Working Capital Guarantee and
Export Credit Insurance**



... and on Term Financing!

Your Buyer Needs

Medium-Term Financing

Long-Term Financing

Our Solutions

**Export Credit Insurance,
Loan Guarantee, and
Lease Guarantee**

**Loan Guarantee, Lease
Guarantee, and Direct
Loans**



Working Capital Guarantee

- Provides lenders with the confidence to extend short-term loans for your export funding needs
 - Loans can be used to purchase inventory, pay for labor, overhead, and / or provide services destined for export
 - Advance rates are up to 90% against export accounts receivable and up to 75% against exportable inventory (including work-in-process)



Working Capital Guarantee (cont.)

- Export-related inventory and accounts receivable are used as collateral
- Loans can be transaction-specific or revolving
- Generally, one-year commitment
- No minimum or maximum loan size



Export Credit Insurance - Benefits

➤ Risk Protection

- Insures you against non-payment by your foreign buyers due to commercial and political risks

➤ Expand Sales and Develop New Markets

- Increase sales to your existing or potential customers by offering 30, 60, 90-day plus open account terms

➤ Become More Competitive in the Global Economy

- Your competitors are offering open account terms. Are you insisting on letters of credit or pre-payment?
- Eliminating the need for these expensive letters of credit or pre-payment requirements will increase your global competitiveness



Export Credit Insurance – Benefits (cont.)

➤ Boost Borrowing Base

- Assign your **Ex-Im Bank** insured receivables to your lender as collateral on your line of credit borrowing base

➤ Improve Liquidity

- Discount your **Ex-Im Bank** insured receivables at competitive rates

➤ Stabilize Case Flow

- Budget premium costs and avoid catastrophic bad debt expense



Short-Term Export Credit Insurance

- **Small Business Multi-Buyer Policy**
 - For companies with annual export credit sales of less than \$5 million and meet the SBA “small business” qualification
- **Standard Multi-Buyer Policy**
 - For companies not defined as a small business, or that have export credit sales of more than \$5 million
- **Single-Buyer Policy**
 - For companies wishing to insure single or multiple sales to one buyer



Small Business Multi-Buyer Policy

- 95% commercial and political risk coverage against buyer payment defaults
- No first-loss deductible
- Simplified “pay-as-you-ship” premium-rate schedule, based on type of buyer and length of credit terms extended
- Premium payments based only on actual shipments
- Enhanced assignment (for qualified exporters) that allows your lender to advance funds on your insured receivables and receive even greater protection than provided by the insurance policy



Small Business Multi-Buyer Premium Rates

Term	Public Sector	Financial Institution	Private Sector
Sight Letters of Credit	\$0.04	\$0.04	N/A
Cash Against Documents	\$0.07	\$0.09	\$0.24
1-60 Days	\$0.19	\$0.24	\$0.65
61-120 Days	\$0.32	\$0.39	\$1.06
121-180	\$0.41	\$0.50	\$1.35
181-270 days	\$0.51	\$0.63	\$1.70
271-360 Days	\$0.62	\$0.77	\$2.08



Standard Multi-Buyer Insurance Policy

- Provides 95% commercial and political risk coverage against buyer payment defaults after a first-loss deductible
- Permits experienced exporters to insure sales to international customers without Ex-Im Bank's prior approval (up to certain limits)
- Premium payments based only on actual shipments; premium rates are calculated based on buyer type, length of credit terms, and buyer's country



Single-Buyer Insurance Policy

- Supports single or multiple shipments to one buyer
- Coverage is equalized for both commercial and political risks:
 - 90% for Private Buyers
 - 100% for Sovereign Buyers
 - 95% for Letter of Credit Transactions
 - 98% for Bulk Agricultural Commodities



Medium-Term Financing Challenges

- Your European and Asian competitors are offering five-year financing. Credit from in-country lenders is unavailable or prohibitively expensive. Without a counter offer you are going to lose the sale!
- Ex-Im Bank's medium-term support fills this void and enables U.S. exporters to compete with confidence worldwide



Medium-Term Financing

- Ex-Im Bank provides support for Medium-Term transactions with repayment terms of up to seven years for financed amounts of \$10 million or less
- The length of the repayment term supported depends on the dollar size of the transaction, the useful life of the items, and the country of the buyer. Typically repayment terms are five-years



Medium-Term Financing (Cont.)

- Support is available in the form of credit insurance and guarantees
- A minimum 15% cash payment is required from the buyer
- Financing in numerous foreign currencies may be supported



Long-Term Financing

- Ex-Im Bank also supports Long-Term financing for transactions or projects which are over \$10 million
- Repayment terms are typically up to ten years, but can be up to twelve years for large civil aircraft and power plants
- Fifteen years may be considered for certain renewable energy and water sector projects
- A 15% cash payment is required from buyer
- Financing in numerous foreign currencies may be supported



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) for coverage availability and any special conditions which may apply



Policy Considerations

- Impact on the U.S. economy
- Competition with private sector
- U.S. content
- U.S. Flag shipping rules
- Effect on the environment
- Military items





U.S. Content Requirements

Short -Term Insurance and the Working Capital Guarantee

- Goods and services insured must be shipped from the United States
- Eligible goods and services are those produced or originated entirely in the U.S.; or those containing U.S. and foreign-originated components
- Each item must be at least 50% U.S. content



U.S. Content Requirements

Medium -Term and Long Term Insurance, Guarantees, and Leases

- Goods and services must be shipped from the United States
- Eligible goods and services are those produced or originated entirely in the U.S.; or those containing U.S. and foreign-originated components
- The total level of support will be the lesser of 85% of the value of all eligible goods and services; or 100% of the U.S. content in all eligible goods and services



Small Business is Our Business

- Over 85% of **Ex-Im Bank** transactions supported small business exporters
- No transaction is too small





For additional information

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With Ex-Im Bank's trade financing support, you can increase revenues, enter new markets with limited risk, and capture market share from your international competitors.