



EXPORT-IMPORT BANK
of the UNITED STATES

Jobs Through Exports

Ex-Im Bank Export Finance Solutions



Who We Are

- Official export credit agency of the USA
- Continuously operating since 1934
- EXPORTS only since the 50's
- 2000 US exporting companies insured for foreign receivables losses
- Funds for US Exporters provided by Delegated Authority lenders in the USA; and,
- For Foreign Buyers by US and foreign banks insured/guaranteed on loans or leases



What We Do

- **Ex-Im Bank** has a Theme: it's U.S. jobs.
- **Ex-Im Bank** (i) takes the foreign risk on an export transaction; or, (ii) we support the U.S. Exporter with loan guarantees; (iii) sometimes, the Foreign Buyer





Selected States: Ex-Im Involvement

STATE of	Companies	Towns	Amount	Example
MONTANA	9	6	\$10.6 mm	Agmore, Inc. (Bozeman, MT)
				Big Sky Laser, Int Bozeman, MT
				Semitool Inc. (Kalispell, MT)
				Techlusion Inc. (Belgrade, MT)
				SRS Crisafulli, Inc. (Glendive, MT)
				Materials Bio, Inc. (Ryegate, MT)
				RM International (Stevensville, MT)
WYOMING	2	2	\$230,000	W.L.Plastics Corp (Casper, WY)
				Pertech Resources Inc. (Riverton, WY)
IDAHO	32	17	\$54 mm	



Main

CREDIT/FINANCE PRODUCTS

- export credit insurance (exporters)
- export working capital loan guarantees (exporters)
- *Medium-term* export credit insurance (exporters or interested banks/lenders)
- *Medium-term* loan guarantees (interested lenders)
- Project finance/structured finance
- Foreign dealer finance insurance (equipment flooring lines)
- Finance Lease Guarantees



What we did in 2009

- \$21B total transactions, 75-year record high, 50% increase over FY08
- \$4.4B for Small Businesses, 38% increase over '08
- 2,891 approvals, 88% for Small Businesses
- No transaction was too small, too large
- 400 Small Bus. utilized Exim first-time in '09
- \$1B guarantees covered Korean Banks
- 100% increase in applications
- 15% premium reductions, affecting 50%



What we can't do, by law (U.S. Congress):

- Credit/guarantee authority legislated by US Congress
- No exports of anything to military buyers
- No exports of munitions to anybody
- Exporters and buyers need to be “arm’s length”
- No adverse impact on U.S. economy
- No grants, no subsidies
- no start-up risk, no rescues



Cannot do, by law, p.2:

- No business in some countries, e.g., Bolivia, Burma, Cuba, Iran, Iraq, N Korea, Somalia, Sudan, Tajikistan, Venezuela
- Exports with less than 50% “US Content”: only the US Content amount is eligible
- 15% cash down payment required for Ex-Im *medium-term* cover, and amount of cover only on the U.S. content
- Environmental impact and economic impact will always be factors in approval process



Exporter Working Capital Guarantee

- 90% (principal & interest) on loans made to exporters
- Commercial banks and lenders provide the loans; Ex-Im provides the Guarantee
- Exporters provide COLLATERAL: existing foreign a/r and/or inventory for export
- No limitations on loan amount
- Loan supports advances made against export-related inventory and foreign A/Rs:
 - Up to 75% advance rate on inventory
 - Up to 90% on foreign A/Rs



WCG increases borrowing ability.

		Your Working Capital Facility without Ex-Im Bank		Your Working Capital Facility with Ex-Im Bank	
<u>Collateral (Inventory)</u>	<u>Amount</u>	<u>Advance Rate</u>	<u>Borrowing Base</u>	<u>Advance Rate</u>	<u>Borrowing Base</u>
<i>Export Inventory</i>					
Raw Materials	\$200,000	20%	\$ 40,000	75%	\$ 150,000
WIP	200,000	0%	0	75%	150,000
Finished Goods	600,000	50%	300,000	75%	450,000
<i>Export/Foreign Accounts Receivable</i>					
Open Account/Foreign Account Receivable	\$400,000	0%	0	90%	\$ 360,000
L/C Backed A/R	600,000	70%	<u>420,000</u>	90%	<u>540,000</u>
Total Borrowing Base			<u>\$760,000</u>	vs.	<u>\$ 1,650,000</u>



Export Credit Insurance Benefits

- Reduce nonpayment risk
 - Commercial (90% to 95% coverage)
 - Political (90% to 100%)
- Extend competitive credit terms to buyers
- Export to new markets with confidence
- Increased ability to finance foreign a/r
- Two Options:
 - Single-Buyer
 - Multi-Buyer (Small Business or Standard Multi-Buyer)
- Low cost, “pay as you go” premium, easily passed to buyer



Medium-term Insurance and Guarantees

- When buyer is seeking extended credit terms over one-year (generally, 2 to 5 years)
- **100%** coverage on both principal and interest on loans made to foreign buyers
- **Capital equipment** and related services
- Buyer must be located in an **emerging market**
- Exporter is paid shortly after presentation of export documents to a lender



Long-Term Financing

- Amounts over \$10 million
- Repayment term: 7 to 10, 12, or 14 years (15 years for environmental exports)
- 15% down payment: 85% financed amount
 - Guarantees
 - Direct Loans





Call Ex-Im, If You...

- ...have a foreign **buyer** that wants **credit** terms...
- ...export routinely but your growth in foreign sales is limited because of **risks of non-payment**?
- ...are **losing** export opportunities because you will only accept a **L/C or cash** upfront?
- ...**can't find a lender** to finance your overseas purchase orders?
- ... are encountering **cash flow problems** due to increased foreign sales?
- ...couldn't get your lender to confirm a L/C from your buyer's bank?
- ...have a **buyer** that **needs several years** to pay for capital equipment?



Whom To Contact

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Nearest Exim Regional Offices, by State coverage:

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