



EXPORT-IMPORT BANK
of the UNITED STATES

Jobs Through Exports

Financing and Increasing Export Sales ...

Egypt: Forward -
Transportation Business Briefing
June 30, 2011

EXPORT-IMPORT BANK *of the* UNITED STATES



Ex-Im within the U.S. Government



- **State Department**
... provides foreign policy guidance – U.S. Embassies



- **Commerce Department**
... provides information, counseling and expertise - FCS



- **U.S. Trade & Development Agency**
... provides project planning funding and assistance



- **OPIC**
... provides project finance and investment insurance



- **Export-Import Bank**
... finances exports through various term loan, guarantee and insurance programs



Ex-Im Bank Basics

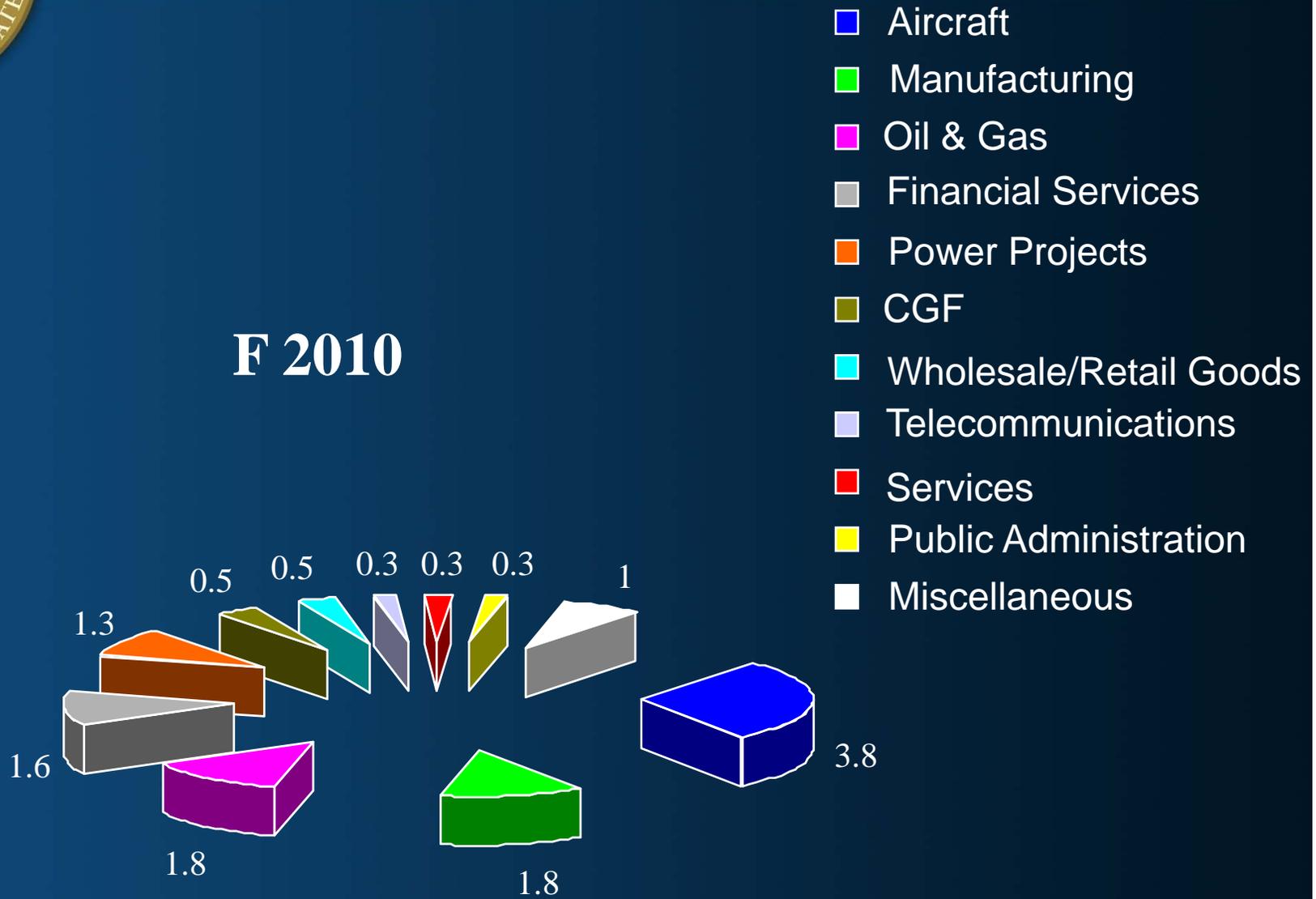
- Official export credit agency (ECA) of the U.S. Government.
- Mission: Create and sustain U.S. jobs through exports.
- Since establishment in 1934: supported more than \$400 billion in U.S. exports.
- Since 1992: Ex-Im has returned more than \$4.5 billion to the U.S. Treasury.
- In FY 2009: supported 2,800-plus U.S. export transactions with authorizations in excess of \$21 billion.
- In FY 2010: supported approximately 3,400 U.S. export transactions with authorizations in excess of \$24 billion supporting more than 200,000 U.S. jobs.



Authorizations by Economic Sector

(\$ in billions)

F 2010





Operational Principles

- Provides financing support for the purchase of U.S. goods and services.
- Assumes credit and country risks the private sector unable or unwilling to accept without support.
- Does not compete with private sector banks or insurance companies.
- Requires reasonable assurance of repayment:
 - Debt service ability
 - Adequate capitalization
- Adheres to terms of the OECD Arrangement.
- Member of the Berne Union.



Small Business *IS* our Business

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





Our Financing Covers the Spectrum

Pre-Export
Financing

Post-Export
Financing



**Working
Capital
Guarantee**

**Insurance
Guarantees
Direct Loans**



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!)



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



Short-Term Accounts Receivable 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



Express Insurance

Expedited Program for Small Businesses:

- Small business
- less than \$7.5 mil over last 3 years
(excludes sales to Canada, letters of credit, cash or sight payments)
- At least one year operating history and a positive net worth
- Existing file with Dun & Bradstreet
- Ten or less existing foreign buyers
- Complimentary credit reports
- Quick turnaround time

Days	Rate(s) /\$100
1-60	.65
61-120	1.06
121-180	1.35



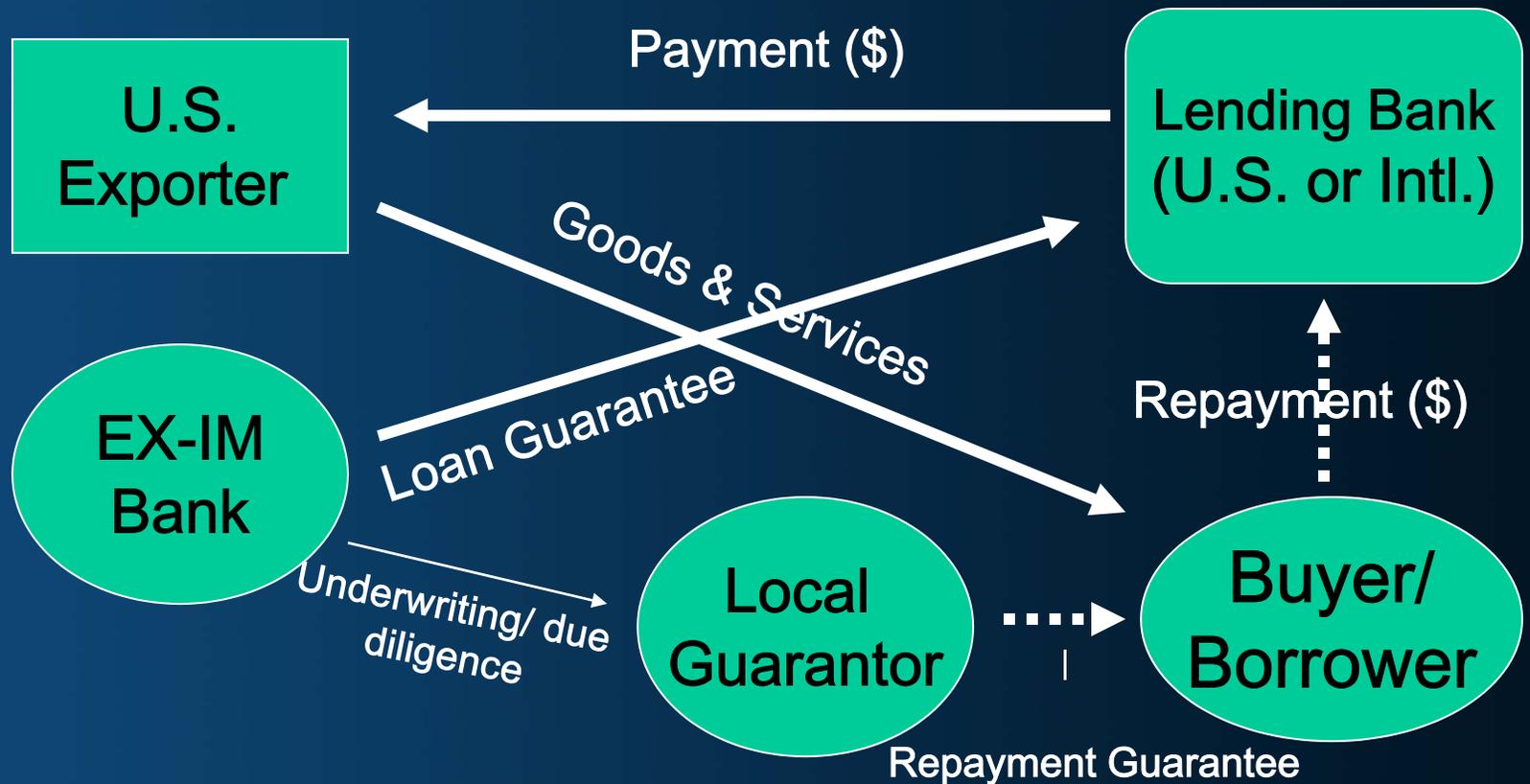
Medium-Term Financing

- 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



“Typical” Buyer Finance Structure

Although there are a variety of financing structures Ex-Im Bank supports, the fundamental elements are generally consistent:





Medium Term Buyer Financing Example

- US supply contract = \$1,176,470.59
- 85% = \$1,000,000 (Ex-Im Bank financed amount)
- 15% = \$176,470.59 (Buyer cash payment amount)
- 10.65% (Exposure Fee) x \$1,000,000 = \$106,500
 - Paid up front in cash at a slightly lower rate, or
 - Financed as an addition to the loan amount
- Local costs in an amount up to 30% of the US supply contract *may* be requested and approved for inclusion in the loan amount
- Loan amortizes in 4.5 years or (9) equal semi-annual installments, commencing 6 months after the “starting point” as per the contract, for example, after final shipment



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



General Requirements

Basic Transaction Criteria



Minimum U.S. Content



Shipped from the U.S.



No minimum or maximum transaction size



Limited Exclusions



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