

Executive Overview

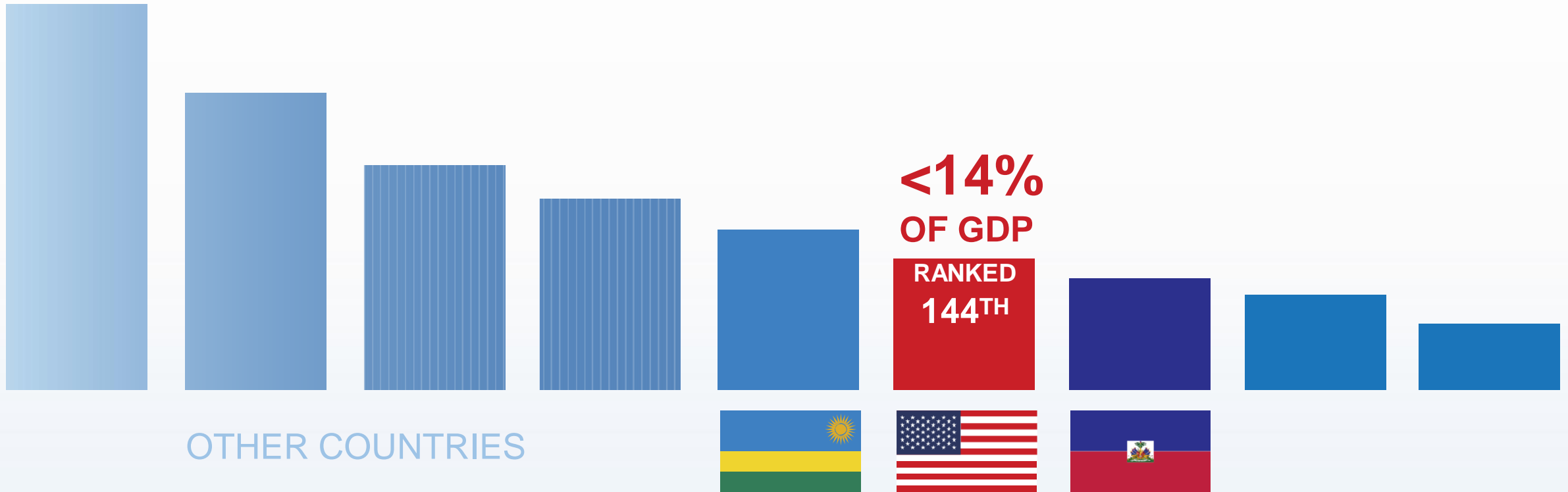
Eric Miller, CGBP

Regional Director
Office of Small Business



Reducing Risk. Unleashing Opportunity.

U.S. COMPANIES – EXPORT RANKING

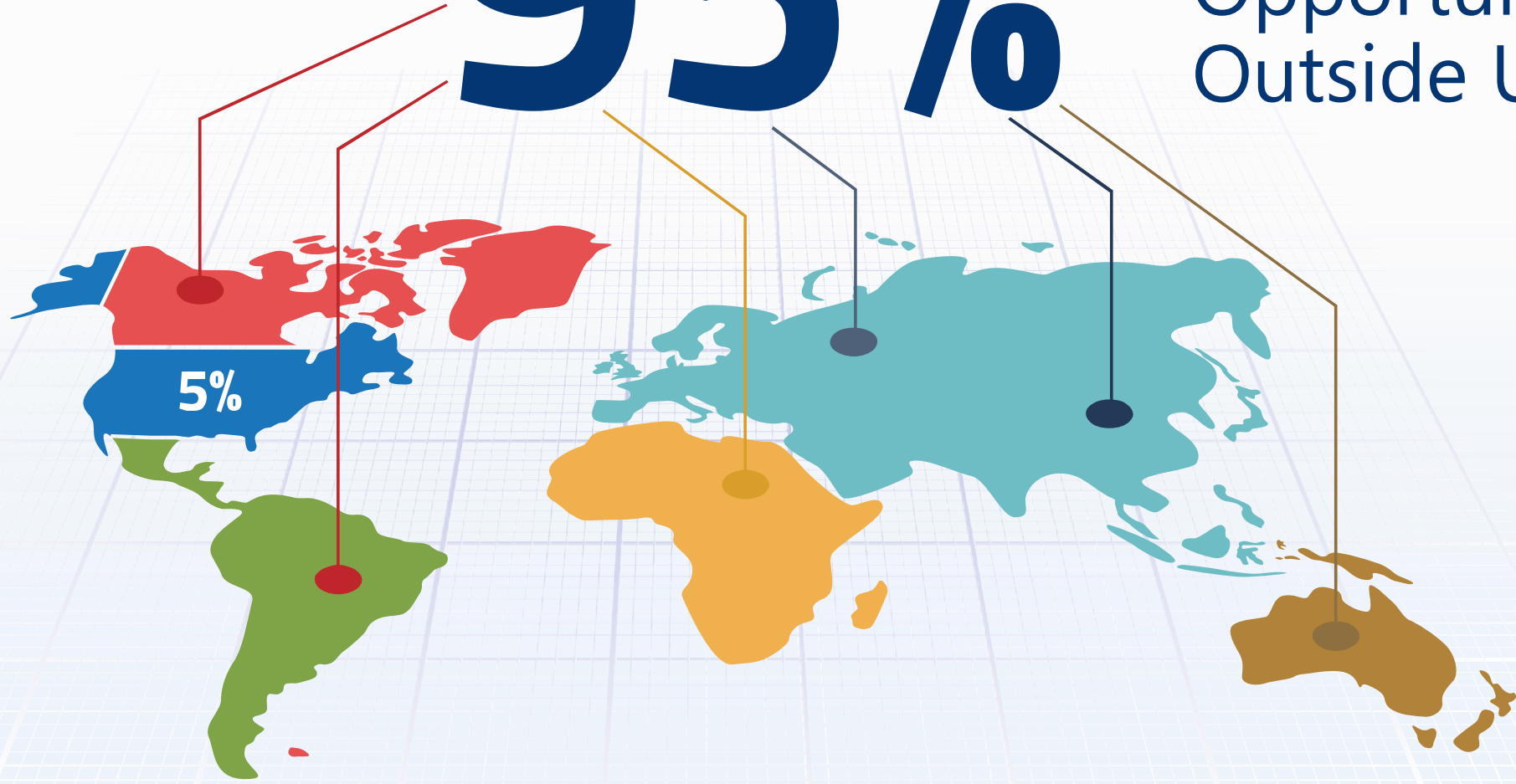


GLOBAL SALES



95%

of Sales Opportunities Outside U.S.



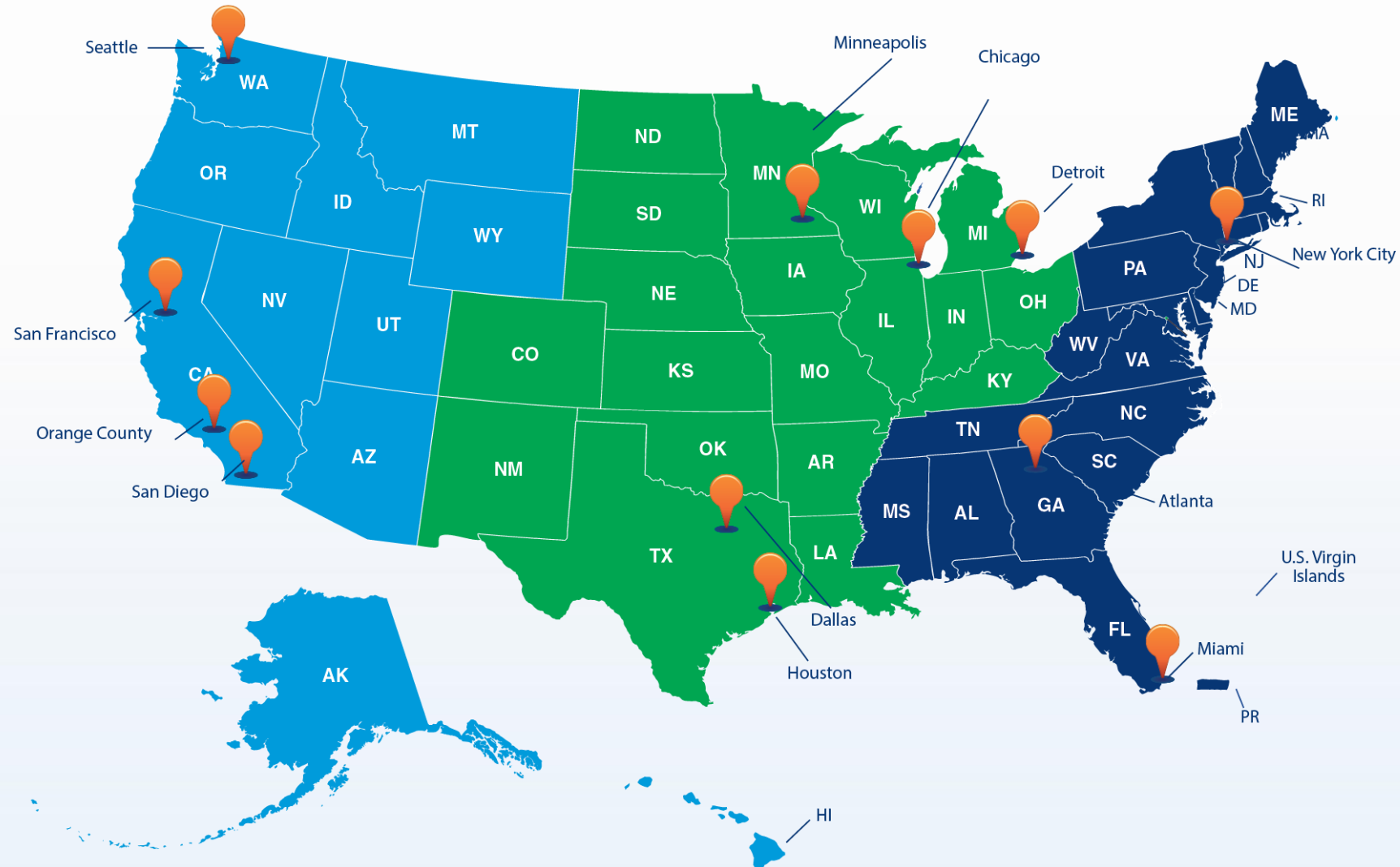
WHO WE ARE - WHAT WE DO

- › Office Export Credit Agency (“ECA”) of the USA
- › Independent Agency
- › Established in 1934
- › Headquartered in Washington, DC
- › Twelve Regional Export Centers



Mission: *To create and sustain jobs by increasing U.S. export sales*

EXIM REGIONAL EXPORT CENTERS



NO COST TO TAXPAYERS



More than \$7 billion
over last 20 years



GLOBAL COMPETITION



OUR FINANCING MAKES THE DIFFERENCE

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



THREE WAYS EXIM CAN SUPPORT YOU



1. Insure your export credit sales
2. Provide access to export working capital
3. Offer term loans to your foreign buyers



SOLUTION 1: EXPORT CREDIT INSURANCE



Risk Protection

Protect against nonpayment by foreign buyers due to commercial risks and political risks

Sales Tool

Offer competitive terms to foreign buyers (generally up to 180 days, some products may qualify for 360 day terms)

Financing

Enable additional financing. Insured foreign receivables may be added to your borrowing base by assignment of policy proceeds (claim payments) to a lender

HOW EXPORT CREDIT INSURANCE WORKS



Exporter chooses
insurance policy



Exporter offers
credit term to buyer for
services to be performed



Contract states the payment
schedule and terms, and
buyer accepts



Buyer pays. If buyer fails to
do so, buyer claims payment
with EXIM



Exporter reports
export to EXIM, and pays
premium on amount due on
services provided



Exporter performs
the services and bills
the buyers



COVERED RISKS



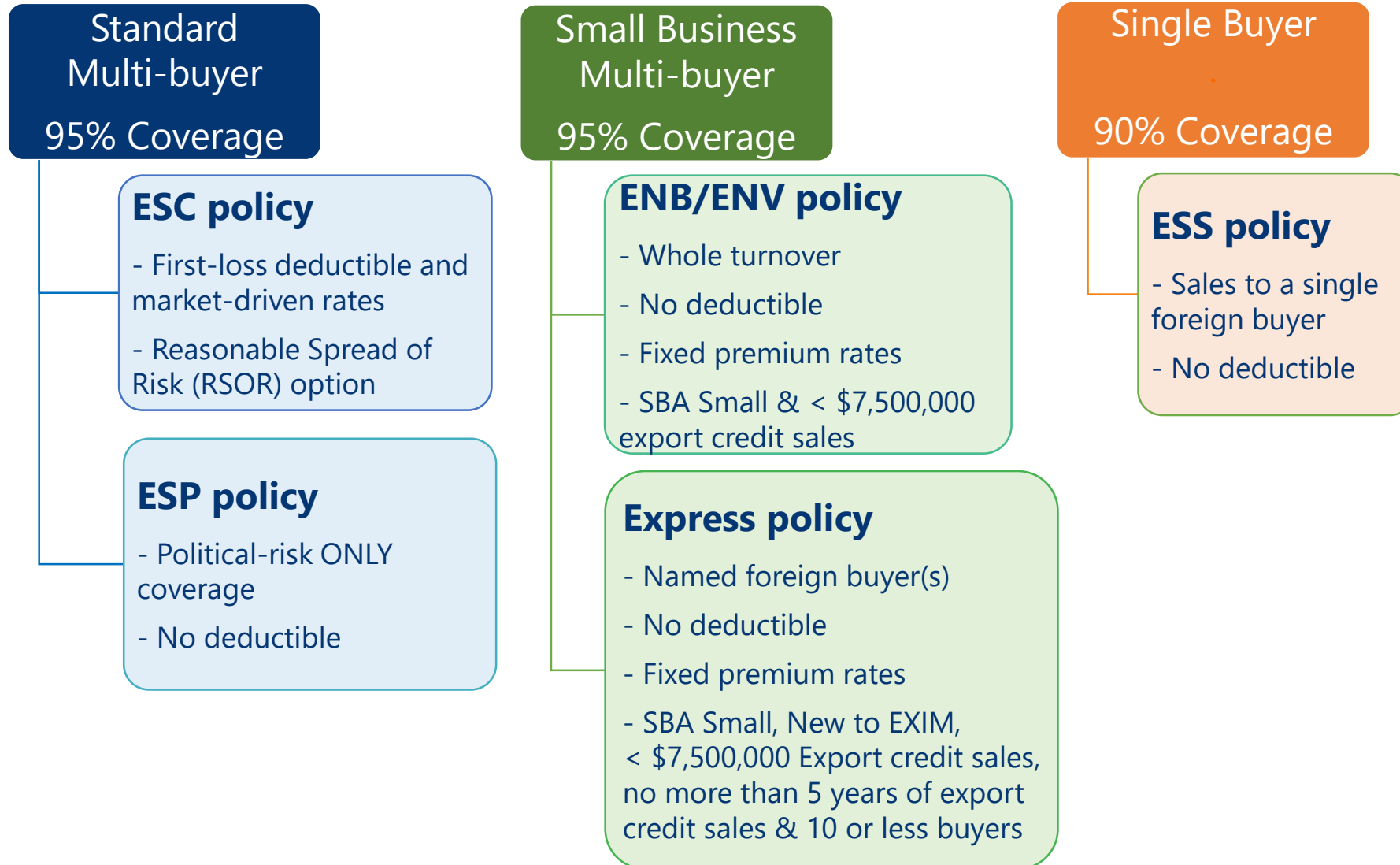
Commercial Risk

- Insolvency
- Bankruptcy
- Protracted Default

Political Risk

- Currency Transfer Risk
- War, Revolution, Insurrection, Expropriation
- Cancellation of an Import or Export License

EXPORTER-HELD POLICY TYPES



PRICING: SMALL BUSINESS POLICY



Term/ Type of Foreign Buyer	Class I: Sovereign	Class II: Bank	Class III: Private
Sight Letters of Credit	\$0.03	\$0.03	N/A
S/DD/P; CAD	\$0.06	\$0.08	\$0.20
1-60 Days	\$0.16	\$0.20	\$0.55
61-120 Days	\$0.27	\$0.33	\$0.90
121-180 Days	\$0.35	\$0.43	\$1.15
181-270 Days	\$0.43	\$0.54	\$1.45
271-360 Days	\$0.53	\$0.65	\$1.77

➤ Pricing per \$100 of insured shipments

ELIGIBLE U.S. EXPORTERS



Exporters Must:



- Be in business at least three years
- Have DUNS number and financial statements or tax returns
- 50+% U.S. content including labor (cost basis)



SOLUTION 2: WORKING CAPITAL LOAN GUARANTEE



- Provides a 90% guarantee of repayment to a lender (principal and interest) on loans to exporters
- No minimum or maximum amounts
- Loan supports advances made against export-related inventory (including WIP) and foreign receivables
- May also be used to collateralize a stand-by letter of credit or performance bonds



SOLUTION 3: FOREIGN BUYER FINANCE



› Offer loans to your foreign buyers

- Typically capital equipment sales and services

› Foreign buyer criteria

- 15% down payment required from borrower
- Minimum 3 year history
- Reliable financial statements (Audited if amount borrowing exceeds \$1 million)
- Buyer to meet financial ratios

PUBLIC POLICY (CHARTER) RESTRICTIONS

- › No Military or Defense-related products or obligors (exceptions apply)
- › U.S. Content (Standard Term: 50+%; Medium Term: 85% U.S.)
- › Restricted Countries





Your Local EXIM Contact:

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