



Reducing Risk. Unleashing Opportunity.

Financing tools available through EXIM for U.S. Exporters

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WHO WE ARE

EXIM is the official export credit agency (ECA) of the United States Government.

Mission: Supporting American jobs by facilitating the export of U.S. goods and services.

- › Fills gaps or complements private-sector lender/insurance offerings.
- › Levels the playing field for U.S. companies competing for global sales.

MINIMUM REQUIREMENTS

- › U.S. based export
- › Foreign buyer
- › Reasonable assurance of repayment



EXIM's history includes many landmark projects

1930s

1934 The Export-Import Bank of Washington is established to assist in sustaining U.S. employment during the **Great Depression**.

1938 The Bank approved a \$22 million loan to China supporting U.S. exports to build the **Burma Road**.



1938 The Bank authorized a \$5.5 million loan to Haiti supporting exports for the improvement of economic conditions.

1940s-1960s

1941 EXIM authorizes financing of U.S. exports for the construction of the **Pan American Highway**.



1943 EO 9380 transfers the EXIM from the **Office of Economic Warfare** to the **Foreign Economic Administration**

1945 The Export-Import Bank Act of 1945 establishes EXIM as an independent agency. Lending authority is increased.

1945 The Bank authorizes more than \$2 billion for **post-World War II reconstruction** in Europe, Asia, and Africa.

1947 EXIM is designated to administer funds for the Economic Cooperation Administration under the **Marshall Plan**.

1948 At the **Cold War's** outset, EXIM increased lending to **promote the production of strategic materials**, causing EXIM to open for business in the Middle East, Africa, and Asia.

1948-1951 EXIM activity in Latin America jumped from 14% to 63% of total disbursements, in response to political events and natural disasters.

1960 EXIM provided short-term export credit insurance through the Foreign Credit Insurance Agency for the first time, which continued until 1992 when EXIM assumed administration of its insurance products.

1962 EXIM approved a \$55 million credit to **Portugal** supporting U.S. exports to build Lisbon's Tagus River Bridge, the longest suspension bridge in Europe.



1968 "The Export-Import Bank of the United States" becomes the agency's official name under P.L. 90-267.

1980s-1990s

1982 EXIM joined other USG agencies and the IMF to provide a \$10b financial package for **Mexico**.

1984 EXIM launched working capital lender loan guarantee and short-term umbrella policy to support small business exporters.

1989 EXIM opened in the **former Soviet Union** and for the first time since WWI in Poland and Czechoslovakia.

1992 The Export Enhancement Act of 1992 directed EXIM to consider potential environmental impacts of projects and provide environmental and social impact assessments where required.

1998 EXIM provided a \$1b short-term insurance facility to support U.S. exports to South Korea during the **Asian Financial Crisis**.

2000s

2000 EXIM approved a \$300m loan guarantee financing U.S. exports to build the Chad Cameroon pipeline to transport crude oil to the Atlantic Coast.



2011 EXIM financing for sub-Saharan Africa exceeded \$1b for the first time.

2012 In the aftermath of the **global financial crisis**, EXIM reaches a historic level of nearly \$35.8b in authorizations, supporting a record \$50b of U.S. exports and an estimated 255,000 American jobs.

EXIM has three “C’s” that it looks at when evaluating a transaction



<u>C</u> ountry	<p>EXIM must be open in the country.</p> <ul style="list-style-type: none">• <i>We’re open in most markets Globally</i>• <i>Key reference: EXIM’s Country Limitation Schedule (CLS)</i>
<u>C</u> ontent	<p>EXIM financing is tied to U.S. procurement</p> <ul style="list-style-type: none">• <i>Most sectors qualify for EXIM support</i>• <i>Key document: The underlying U.S. supply contract</i>
<u>C</u> redit	<p>EXIM counterparties must be bankable</p> <ul style="list-style-type: none">• “Reasonable Assurance of Repayment”• Private Sector: Audited Financial Statements• Public Sector: MOF Guarantee

EXIM is the U.S. Government's Official Export Credit Agency



EXIM offers financial products that benefit companies and governments *purchasing U.S. goods and services*

<u>Products</u>	<u>Structures</u>
Short and Medium-Term Insurance	Corporate Finance
Working Capital Guarantees	Project Finance
Medium and Long-Term Loan Guarantees	Sovereign Backed
Long-Term Loans	Asset Backed

EXIM has several more policy requirements



■ Ex-Im Bank Charter

- Reasonable Assurance of Repayment
- Additionality
- Economic-Impact Assessment
- Environmental Regulations
- Exports non-military in nature (military buyers not eligible)



■ U.S. Content Policies

- Coverage for Services
- Exporter Certificates



■ U.S. MARAD Requirements



■ OECD Arrangement

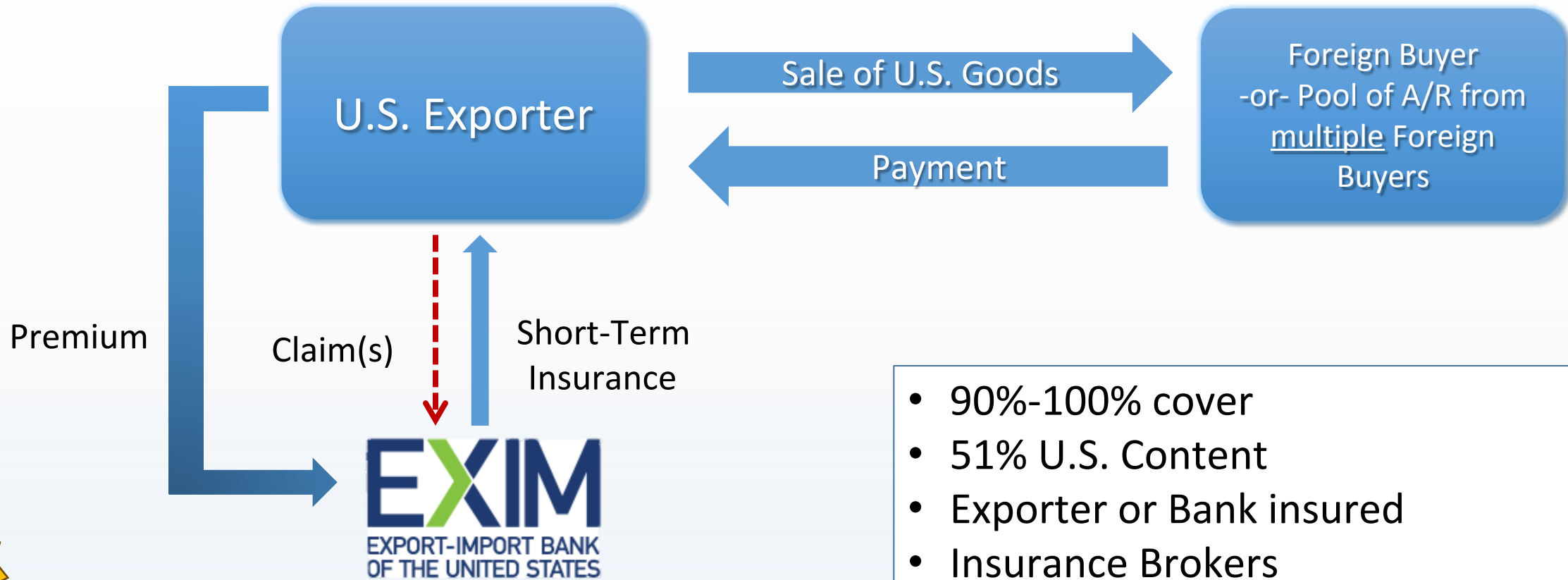
- Maximum Re-Payment Term
- Minimum Exposure Fee



The 5 c's of credit underpin every transaction

<u>C</u>haracter	The reputation of the borrower
<u>C</u>apacity	Analytic evidence of repayment ability
<u>C</u>apital	Measuring borrower's commitment to the business or project
<u>C</u>ollateral	What specific assets may provide value for repayment or recovery
<u>C</u>onditions	What is the economic state, industry trends, geographic or political events; use of proceeds

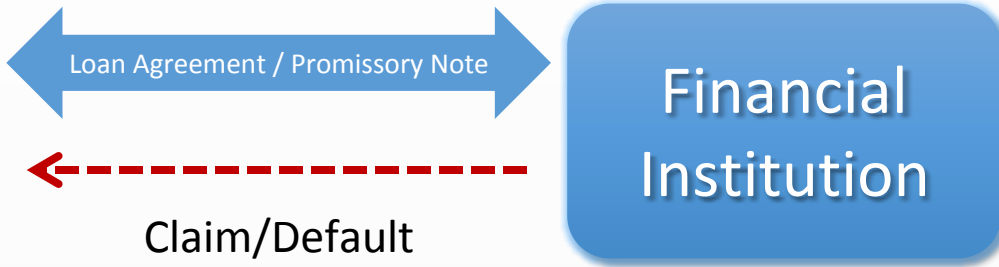
EXIM can insure a U.S. exporter's short-term sale to clients directly or through a bank



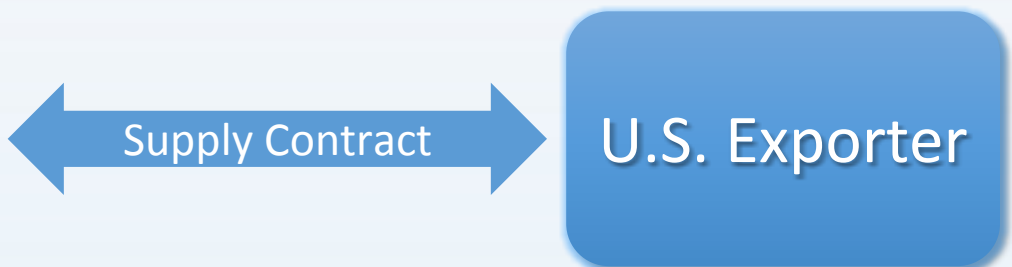
- 90%-100% cover
- 51% U.S. Content
- Exporter or Bank insured
- Insurance Brokers
- Terms vary depending on product, payment terms, and obligor.

- EXIM can also insure a bank's credit to a buyer of US goods and services
- EXIM can also insure L/C's issued by international banks being confirmed/ advised by US Banks.

Medium and Long-term loan guarantee structure – private bank funds the transaction, EXIM takes the risk



Loan Agreement



- Up to 85% U.S. Content
- 40%+ Local Costs
- OECD Arrangement
- Master Guarantee Agreement Lenders
- $i = \text{SOFR} + \text{Spread}$
- Foreign Currency
- Tenors determined by the underlying transaction – can be up to 22 years

- EXIM does have a Direct Loan Option
- Flexibilities on China Competition and Transformational Exports

EXIM has a strong history and is mandated to support U.S. exports



EXIM has:

... decades of experience supporting projects, companies, and governments globally.

... enhanced tools to support the green economy transition, Chinese Competition, Transformational Exports – including 22-year repayment terms.

... the will to match Chinese terms to level the playing field

... the balance sheet and risk appetite to support bankable projects in global markets.

CHINA AND TRANSFORMATIONAL EXPORTS PROGRAM (CTEP)

Purpose: 2019 Congressional mandate directing EXIM to support the extensions of loans, guarantees, and insurance at rates and on terms that are fully competitive, to the extent practicable, with those provided by China, in order to:

Directly neutralize competing subsidies provided by China through official export credit, tied aid or blended finance, or

Advance the comparative leadership of the U.S. with respect to China in strategic areas (see below)

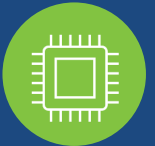
- AI • Biotech • Biomedical • Wireless Communications • Quantum Computing
- Renewable Energy, Storage, & Energy Efficiency • Semiconductors • Fintech
- Water Treatment & Sanitation • High Performance Computing

CTEP (CONTINUED)

MANDATE'S PURPOSE



Ensure the foreign buyer makes their decision on the quality of the good and/or service rather than on the financing that supports the deal



Increase Exports in 10 transformational export areas



Reserve no less than \$27 billion lending capacity for CTEP

BENEFITS



FLEXIBLE RATES, TERMS, & CONDITIONS



COUNTRY LIMITATION SCHEDULE EXCEPTIONS



TAILORED CONTENT POLICY

5G FINANCING



Priority for EXIM and the USG



Trusted Vendors, regardless of HQ location



Financing Deals from the millions to billions of dollars



CASE STUDY: 5G IN COSTA RICA

- In June 2023, EXIM approved a **preliminary commitment** to demonstrate EXIM's willingness to finance a \$300 million credit to the Government of Costa Rica's Instituto Costarricense de Electricidad & Subsidiaries (ICE) for procuring equipment and supporting materials and services from trusted vendors to deploy a fifth generation (5G) network across Costa Rica.
- A preliminary commitment is a non-binding offer of EXIM financing, subject to the award of the export contract and EXIM's additional review of an application for a final commitment.
- CTEP supported the use of the December 2020 transformational export area content policy, as clarified by the Board in January 2023 for 5G transactions.

CASE STUDY: SUN AFRICA

- In June 2023, EXIM approved a \$907 million **direct loan** to the Ministry of Energy and Water of the Republic of Angola to support the construction of two photovoltaic (PV) solar energy power plants in Angola.
- The project will generate more than 500 MW of renewable power; provide access to clean energy resources across Angola; help Angola meet its climate commitments; and support exports of U.S. solar panel mounting systems, connectors, switches, sensors, and other equipment.
- A CTEP Determination qualified the transaction for a 95% financed amount and a 5% cash payment (vice the normal 85% financed amount and 15% cash payment).

Thank You

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