

> Using the Working Capital Loan Guarantee:

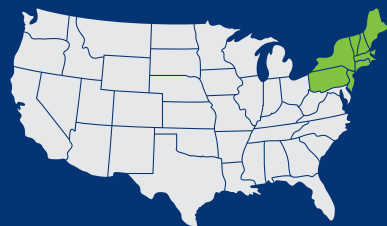
INCREASE YOUR BORROWING BASE WITH EXPORT A/R

Through EXIM's Working Capital Guarantee Program (WCGP), U.S. exporters can obtain financing from participating lenders when traditional commercial financing is not available, or when the borrowing needs are greater than the lenders' credit standards will allow. This affords exporters a variety of benefits.

Before EXIM

Hypothetical Scenario:

ACME Industrial is an international distributor of intermediate chemicals. The company buys from major chemical manufacturers in the U.S. and sells to buyers in emerging economies. With a distributor profile made up of concentration suppliers, pre-sold inventory, diversified foreign receivables, and relatively thin margins, working capital was key to the successful operation of the business.



 Based In:
Northeast United States

How It Works:

1

ACME Industrial was accustomed to uncommitted bilateral credit lines/programs from a variety of international banks.

2

Their credit programs dried up in the current credit cycle.

3

The company was forced to greatly reduce its borrowing to pay for its inventory of chemical; having less inventory then caused missed sales.

4

Understanding the benefits of the EXIM Working Capital Guarantee, the company's U.S.-based bank could offer:

- > a **committed, 1-year, \$5 million, asset-secured borrowing base structure** to lend against the export-related accounts receivable and inventory on the company's balance sheet
- > an EXIM Multi-Buyer Credit Insurance policy on its account debtors (their customers)



Results

The company is now able to **offer competitive, credit-insured, terms** to both new and existing international customers.

The company was able to get an EXIM Multi-Buyer Credit Insurance policy at a time when credit capacity for emerging countries was tight in insurance markets and when foreign buyers would be hard pressed to accept letter of credit sales terms.

EXIM EXPORT-IMPORT BANK OF THE UNITED STATES

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grow.exim.gov/mark-klein

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