

Citi Export and Agency Finance

As a market leader, Citi has partnered with over 60 Export Credit Agencies around the world in order to enhance its clients' ability to expand their reach to higher risk markets and to deliver short-term trade finance designed to improve risk capacity for exporters.

What is Agency Financing?

Agency Financing is a highly structured financing solution, in which international agencies can offer guarantees to cover commercial banks' credit and political risks, and also direct funding.

Specifically, Agency Financing enhances exporters' risk capacity, enabling domestic companies to export goods and services to buyers around the world with a certain level of security.

These enhancements can include:

- Export financing
- Capital expenditures
- Pre-export financing
- Working capital financing
- Letters of credit
- Contract bonds

What is an Export Credit Agency (ECA)?

An Export Credit Agency is a government agency which supports trade and investment, usually from the OECD countries to the emerging markets. ECAs must adhere to an established set of guidelines called OECD consensus. ECA is a "Tied" financing structure, meaning it is directly linked to the procurement of goods.

Top Citi ECA partners:

- U.S. Eximbank (U.S.)
- Hermes (Germany)

- EDC (Canada)
- JBIC/Nexi (Japan)
- SACE (Italy)
- Coface (France)
- EKN (Sweden)
- SINOSURE (China)

In today's current economic environment, Export Credit Agencies are highly motivated, and in some cases have been mandated by both global and regional leaders to increase their support of international trade flows with the export of goods and services from their countries.

While the programs offered by the Export Credit Agencies are referred to as short-term, the tenor is often flexible and can be determined on a case-by-case basis depending on the structure of the underlying transaction.

Programs are generally designed to complement one another and, as a result, several programs can be used from one Export Credit Agency for the same client, exporter and/or transaction at the same time.

Pricing is market-based and varies by:

- Country
- Tenor
- Risk Counterparty

Benefits at a Glance

- **Attractive Pricing:** Agency pricing is often lower and less volatile than market pricing and is typically withholding tax exempt
- **Investor-Base Diversification:** Diversifies financial partners that can support larger transactions
- **Longer Tenors:** Tenors are typically longer than without Agency involvement
- **Greater Visibility:** Sovereign Agency (AAA) involvement gives a positive endorsement of counterparties
- **Political Risk Mitigation:** Sovereign Agency involvement can also give deals increased political clout

What is a Multilateral Agency (MLA)?

A Multilateral Agency (MLA) is an institution owned by more than one country that supports economic and social progress in their member countries. MLAs focus on financing developmental projects. Solutions include guarantees and insurance, as well as direct lending.

Citi partners with all the major MLAs around the world, including:

- EIB (European Investment Bank)
- ADB (Asia Development Bank)
- CAF(Corporación Andina de Fomento)
- IFC (International Finance Corporation)
- IADB (Inter-American Development Bank)

What is a Development Finance Institution (DFI)?

A Development Finance Institution (DFI) is a government agency that supports overseas investments into emerging markets. DFIs focus on financing of developmental projects related to their own government objectives. Solutions include rating enhancement, political guarantees, partial guarantees and direct loans.

Some of Citi's main partners are:

- OPIC (Overseas Private Investment Corporation)
- FMO (Netherlands Development Finance Company)
- Afreximbank (African Export-Import)
- ADB (Asian Development Bank)

Why Citi Transaction Services

- 100+ years of local market expertise
- Proprietary presence in over 21 markets in Latin America
- Access to over 3,000 correspondent bank relationships
- six round-the-clock trade processing centers around the world
- World's Best Trade Finance Provider, named by Global Finance 2009-2011

To learn more about this solution, contact your Citi representative or visit transactionservices.citi.com