

Aircraft Finance

Ex-Im Bank supports Vietnamese buyers of U.S. commercial aircraft and general aviation aircraft through loan guarantees and insurance. Its specialized Transportation Finance Division can provide expert guidance in all aspects of the transaction.

Ex-Im Bank financing support can also cover spare parts, ground equipment, training costs and transaction expenses.

Structured and Project Finance

Ex-Im Bank offers a range of financing solutions for Vietnamese customers. Project (limited recourse) Financing and Structured Finance are two options that can offer maximum flexibility for project sponsors in natural resource and infrastructure sectors. For major transactions with significant equity participation, Project Financing allows Ex-Im Bank to lend to newly

created companies with reliance on the project's future cash flows as the primary source of repayment. Through Structured Finance, Ex-Im Bank can combine some elements of pure Project Finance with recourse to creditworthy participants in the form of loan guarantees and risk-sharing agreements.

Medical, Environmental and Transportation Security Initiatives

Ex-Im Bank provides enhanced support for medical equipment exports, exports that benefit the environment and exports related to international transportation security. Benefits include extended repayment terms (up to 18 years for renewable-energy and water projects) and coverage of local costs for up to an additional 30 percent of the U.S. contract value.

Renewable Express

Ex-Im Bank's Renewable Express product assists Vietnamese buyers

of U.S. clean energy equipment, technology and services by providing streamlined financing for small clean-energy projects. Ex-Im Bank can process transactions of between \$3 million to \$10 million in as few as 60 days.

Credit Requirements

- Ex-Im Bank cover/support for public sector transactions is limited to transactions which commit the full faith and credit of the government, typically in the form of a guarantee from the Ministry of Finance.
- Ex-Im Bank cover/support for private sector transactions is typically limited to transactions with a commercial lender as obligor or guarantor.
- Coverage under short-term insurance policies is only available if specified in a Special Buyer Credit Limit endorsement, an Issuing Bank Credit Limit endorsement, or a Country Limit of Liability endorsement. Discretionary Credit Limits are not available.

Vietnam: An Ex-Im Bank Key Market

Ex-Im Bank is open in over 180 countries but has identified nine key markets that offer strong potential for increased amounts of U.S. exports. One of these markets is Vietnam. Key factors in this selection were Vietnam's continued strong rate of economic growth, ongoing political and market reforms and a large population of 86 million—half of which are under the age of thirty—that have combined to create a dynamic and quickly evolving commercial environment.

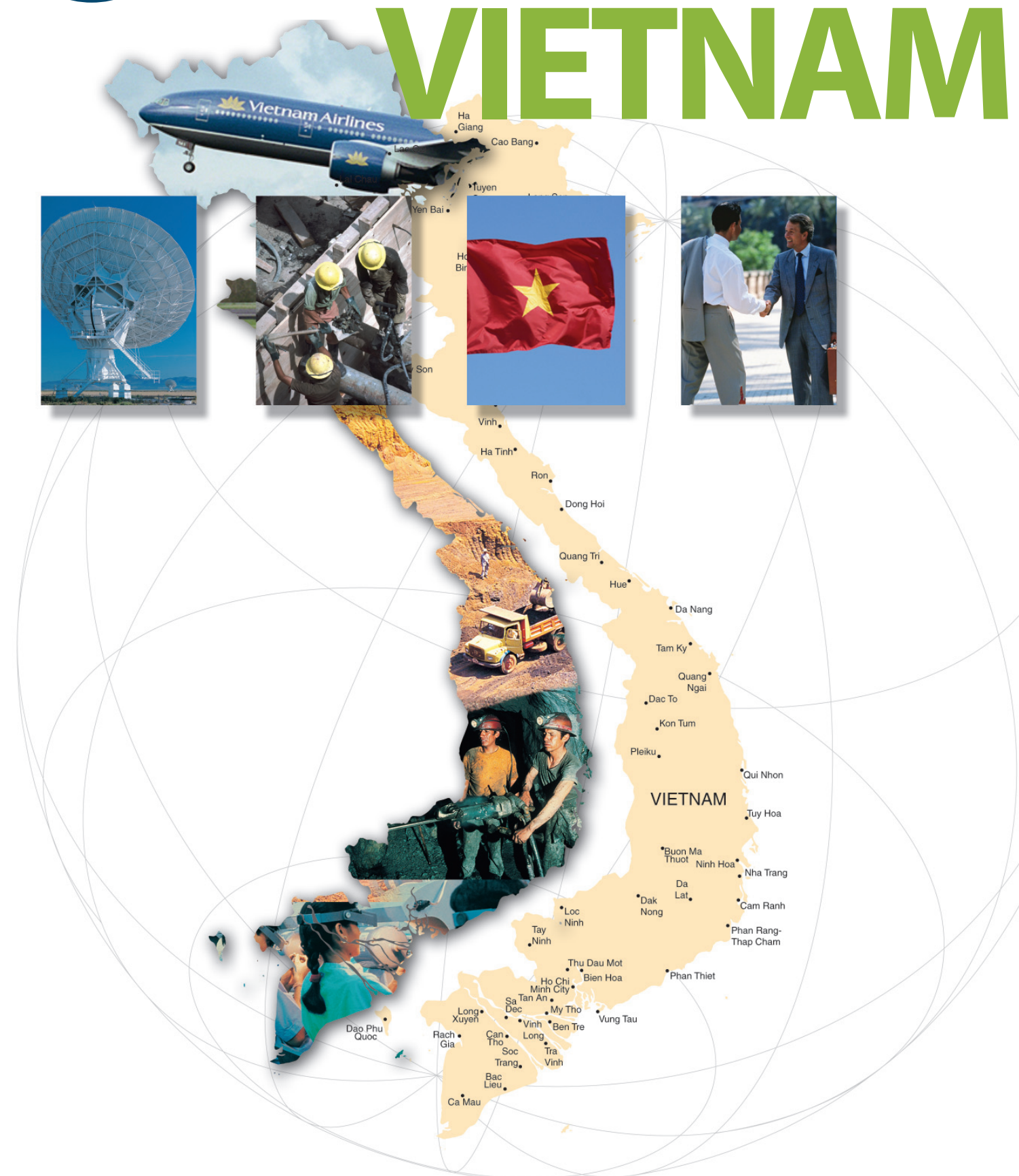
In 2001, some of Ex-Im Bank's financing products became available in Vietnam, and all of the Bank's products have been available since 2008.

Transactions currently in the Bank's pipeline include the potential financing of U.S. exports of large commercial aircraft, and equipment and services for infrastructure projects such as renewable-energy production, telecommunications, and electric-power generation and transmission.



Export-Import Bank of the United States

VIETNAM



EXPORT-IMPORT BANK OF THE UNITED STATES

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Ex-Im Bank Finances Opportunity U.S. Exports to Vietnam



Vietnam is a strong emerging market, offering ground floor and growing opportunities for U.S. exporters and investors. Its economic growth rate has been among the highest in the world in recent years, expanding at an average about 7.2 percent per year during the period 2001-2010. Industrial production grew at an average of about 12 percent during the same period.

Despite the continuing global economic recession in 2010, U.S. exports to Vietnam grew by an impressive 21 percent to \$4.8 billion in the 12 months ending November 2011. U.S. exporters saw significant growth in agricultural products sectors, which accounted for roughly one-third of U.S. exports to Vietnam. Industrial inputs also continued to see steady growth as Vietnam continues to import machinery, chemicals, instrumentation and software to support its growing industrial sector.

The momentum and direction generated by the entry into force of the U.S.-Vietnam Bilateral Trade Agreement (BTA) in 2001 transformed the bilateral commercial relationship between the United States and Vietnam and accelerated Vietnam's entry into the global economy with Vietnam joining the World Trade Organization (WTO) in January 2007. Since the BTA, bilateral trade has increased over sevenfold-from from \$2.9 billion in 2002 to \$21.9 billion in 2011.

Vietnamese Buyers: Buy More U.S. Goods and Services with Competitive Financing

Ex-Im Bank has been providing financing since 1934 to buyers of quality U.S. products and services. Our flexible financing options can assist creditworthy buyers that might have difficulty obtaining credit through traditional financing sources.

U.S. Exporters: Get the Financing Tools Needed to Increase Your Sales to Vietnam

By protecting against political and commercial risks, Ex-Im Bank's credit insurance and loan guarantees provide U.S. exporters with the tools to confidently offer competitive sales financing terms when competing for increased business in Vietnam.

Short-Term Up to one year repayment terms Export-Credit Insurance

Ex-Im Bank's export credit insurance policies can enhance the competitiveness of U.S. exporters by allowing them to offer extended payment terms to their customers in Vietnam. The insurance protects exporters against both commercial and political risks that can result in non-payment of their export receivables.

- Benefits:**
- Allows for competitive sales terms to be arranged for the Vietnamese buyer directly by the U.S. exporter or the exporter's financial institution
 - Can cover exporter's open account terms or lender payments against drafts drawn under sight Letters of Credit (L/Cs) and deferred payment

Coverage is generally available for terms of up to 180 days on sales of U.S. goods and services, including such items as consumer products, raw materials, parts, semi-manufactured and finished goods. Some products, such as bulk agricultural commodities, qualify for 360 day terms. Policies are available for Single-Buyer, Multi-Buyer and Bank L/C programs.

- Ex-Im Bank export credit insurance policies also facilitate the exporter's access to additional financing by assignment of insured receivables and policy proceeds to the exporter's lender

Medium-Term Typically up to five years repayment and under \$10 million Export-Credit Insurance and Guarantees of Commercial Loans

Ex-Im Bank can support the purchase of U.S. goods and services by Vietnamese buyers by providing medium-term credit insurance and loan guarantees to financial institutions that provide loans to the buyers.

Ex-Im Bank protects lenders against both commercial and political risks that could result in non-payment of the loan, thereby promoting the willingness of lenders to provide financing and the pricing of loans at competitive interest rates and terms.

Ex-Im Bank's support can cover up to 85 percent of the U.S. contract value, including both goods and services

- Benefits:**
- Standardized program terms and documentation allow for quick turnaround
 - Interest rates are negotiated directly with the guaranteed Lender, thereby providing for lower financing costs
 - The guarantee covers 100 percent of principal and interest on any loan amount

Long-Term Typically up to 10 years repayment or over \$10 million Loan Guarantees

With Ex-Im Bank's guarantee, Vietnamese buyers of U.S. goods and services are able to obtain attractive financing terms from commercial lenders. This is critical for U.S. companies to achieve export success in the Vietnam marketplace.

- Benefits:**
- Repayment terms depend on the specific project, but could be up to 12 years for conventional power generation and up to 18 years for renewable energy projects
 - Principal repayment profiles can be somewhat tailored to project cash flows
 - Interest rates are negotiated directly with the guaranteed lender, and fixed interest rate options are available

Export Insurance Provides Credit and Risks

In July 2011, Petrovietnam Drilling and Well Services Corp in Ho Chi Minh purchased oilfield equipment from The GAR Company based in Houston, Texas. It needed financing to secure this transaction.

Ex-Im Bank stepped-in with a single-buyer export credit insurance policy which provided Petrovietnam with \$1 million of credit at a competitive interest rate and repayment terms up to 180 days. GAR also benefited from the insurance as Ex-Im Bank covered 90% of its nonpayment risks for single or multiple shipments to this customer.



Fly Deals with Ex-Im Bank Support

Vietnam Airlines Corporation has purchased four Boeing 777 aircraft with more than \$400 million in competitive financing support from Ex-Im Bank.

Vietnam Airlines has also received a Bank preliminary commitment for more than \$400 million in additional Ex-Im Bank support to enable Vietnam Airlines to acquire its first four Boeing 787 aircraft in the coming years.

Ex-Im Bank provides a loan guarantee to lenders which make lenders less risk averse and they subsequently provide more attractive financing terms to the buyer. The repayment term for Ex-Im Bank supported financings for commercial aircraft can be as long 12 years.



Success Story

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