

**From:** [Richard Thelen](#)  
**To:** [Alice Albright](#)  
**Subject:** Contacts so far  
**Date:** Wednesday, January 30, 2013 5:50:02 PM  
**Attachments:** [Contacts Spreadsheet.xlsx](#)

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Alice,

Here is an updated contact list. I still wasn't able to locate all email addresses in your email. I'll try other places tomorrow.

RT

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**From:** [Michele Kuester](#)  
**To:** [Alice Albright](#); [John A McAdams](#); [Charles Tansey](#); [Angela Freyre](#); [James Cruse](#); [Ravi Arulanantham](#); [David M. Sena](#); [Jeffrey Abramson](#); [Fernanda Young](#)  
**Subject:** Notes from 6/13/12 PEFCO Meeting  
**Date:** Friday, June 15, 2012 10:05:12 AM  
**Attachments:** [Notes from PEFCO Advisory Council Mtg 6-13-12.docx](#)

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Attached are my notes from the PEFCO advisory council meeting that I participated in on Wednesday. As you'll see, the discussion was wide-ranging. It covered the "liquidity" problems, processing challenges, content, capital markets, credit requirements, etc.

Michele

# Export-Import Bank of the U.S.

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## Memorandum

Date: June 14, 2012

From: Michele Kuester

Subject: Key Takeaways from PEFCO's Bankers' Advisory Board and Exporters' Council Meeting held on June 13, 2012

### Overview

On June 13, 2012 PEFCO held their semi-annual Bankers' Advisory Board and Exporters' Council Meeting at their offices in New York. See attachment 1 for a list of institutions in attendance. The meeting agenda encompassed four updates, from each of PEFCO, Ex-Im Bank, Bankers and Exporters.

PEFCO's update focused on the growth in volume and their increase in capital – they have increased capital by \$18 million and hope to get another \$5 to \$10 million to handle the volume of demand they are seeing. Ex-Im Bank's update focused on some of the new Charter requirements and on Ex-Im Bank's investigation into the "liquidity" problem. Meanwhile, bankers focused on the changes they are making in how they operate in the area of export finance while the exporters focused on the various processing problems they encountered.

The next meeting of this group is scheduled for December 12, 2012.

### Reactions to Ex-Im Bank Update

In discussing the reauthorization I focused on the new public notice requirement for deals over \$100 million, the economic impact and U.S./foreign content reviews, the exposure cap and briefly mentioned the authority to use excess revenue to fund systems updates. Once I clarified that the public notice requirement would occur at the same time as the Congressional notification period – and thus should not further delay transactions, both the exporters and bankers seemed somewhat indifferent. No one commented on the economic impact review, but one banker was concerned that the content review might result in a further tightening of Ex-Im Bank's content requirements – to which I responded that a tightening was not our aim. Bankers were interested in the ramifications of the exposure cap; while exporters were intrigued by the possibility of upgrading or replacing Ex-Im Bank's systems.

I used the exposure cap discussion to segue into a discussion of our research into the liquidity problem. When I reported that our current research seemed to suggest that there are alternative lenders willing to offer dollar-denominated long-term financing, none of the lenders disagreed. In fact, one lender specifically responded that there isn't a liquidity problem, rather as he called it, a pricing problem. That is to say, most of the European lenders cannot fund long-term dollar deals at current pricing – but they recognize that other institutions around the world are not so constrained. As is discussed below, the French bankers expressed interest in taking early maturities on an uncovered basis. They consider it a form of risk sharing (which they believe they can price attractively) and thought it might help expand the amount of business we could support within the exposure cap limitations. One lender countered that

he thought it would add complexity to the deal and questioned whether or not we were just trying to help a small niche of lenders. I responded that obviously we did not want to expand complexity and that the intent is to ensure sufficient long-term dollar-denominated lending capacity is available to support U.S. export sales – hopefully without having to step in and provide loans directly. In response to that last comment, Caterpillar reported that a number of the banks they work with have approached him to see if Caterpillar would be willing to tell Ex-Im Bank to stop offering so many direct loans. He has been telling them that he won't (though he did accomplish the same thing by bringing it up in this conversation.)

## Banking Issues

As might be expected from the variety of banks in attendance, there were some distinct differences in how the banks are looking at their role in export finance. The French banks indicated that they were interested in taking some risk (such as uncovered early maturities of either project finance or aircraft finance transactions); however, they have a significant problem funding long-term dollar loans. Thus, while they were interested in the uncovered early maturities (for the first 2-3 years), they would need Ex-Im Bank to provide the financing, via a direct loan, for the remaining maturities. As they defined it, their problem is a pricing problem – not a liquidity problem. They would need margins in the range of ~200bps to provide long-term funding for dollar deals.

On the other hand, the two large U.S. banks were focused on the attractiveness of the capital markets for deals. They both spoke very positively about Ex-Im Bank's support of pre-funding and noted that they were finding many borrowers interested in the option and attracted to the pricing. PEFCO noted that their (PEFCO's) deals were pricing at (b) (4) whereas on an all-in basis the capital markets deals were coming in about 3 to 5 bps lower. The U.S. banks are more focused on the pricing of the actual bonds and are noting that they are much lower than even what PEFCO can offer – on a pure margin basis.

Several of the European banks indicated that they have moved away from lending to more of a Global Advisory services role. One of the bankers indicated that he didn't think his bank would ever go back to using their balance sheet to provide loans to U.S. customers.

Lastly, the two U.S. lenders who tend to focus more on small businesses indicated that small businesses are continuing to have a problem getting working capital (whether for exports or domestic). The lender with actual lending capacity indicated that his bank was moving away from providing financing for short-term deals – in part because Ex-Im Bank frequently requires collateral and it is extremely difficult to get and track collateral on short-term deals (such as agricultural commodities). The lender who is more of an advisor indicated that most banks won't return his calls when he is trying to arrange financing for small customers or small deals (under \$5 million). [Note: I suggested he needed to come and speak with our Small Business Group as they have some new product offerings and are interested in discussing how best to help small business exporters.]

## Exporter Issues

Although there was a mix of project-oriented (long-term) and product-oriented (medium-term) exporters all indicated that they were generally looking for ways to avoid using Ex-Im Bank.

The most significant point raised by the medium-term exporters was how our processing times are getting longer/worse. I dug into this because I didn't think our processing data supported this complaint. In response, every medium-term exporter reiterated that processing times for medium-term transactions were very bad and worse than they had been. Several of them went on to note that when

combined with the additional credit requirements (such as obtaining security interests in the export items) and our long-standing Policy restrictions (specifically, content) they were switching to private insurers – who might have the same credit requirements, but no Policy restrictions and a much faster processing time.

Following up on the processing time complaints, I discovered that from the exporters' perspective there were long delays in getting a credit decision, Annex Bs (to document the credit decision) and Operative memos (so they could begin shipping). Of particular note, several exporters noted that the time between when a credit decision is made and when the Annex B or Insurance policy is issued has risen from 1 – 3 days to 17 – 20 days. They cited errors and typos in the system generated memo as the main cause for delays.

The two primarily long-term exporters, Bechtel and Siemens, did not note any particular processing time issues, but they did indicate that content requirements and economic impact analyses were significant disincentives. Bechtel noted that so far they have been winning sales without having to provide a financing offer – so they aren't active at Ex-Im Bank. Siemens, on the other hand, noted that the Policy requirements were significantly onerous and as a result they are trying all kinds of workarounds to avoid using Ex-Im Bank.

All of the exporters expressed interest in working with Ex-Im Bank to fix processing problems and are hoping that some of the analyses required in the reauthorization language might promote greater flexibility in content requirements and/or economic impact.

## **Bankers' Advisory Board Attendees**

Citibank  
Deutsche Bank  
Finance Specialists  
ING  
JP Morgan  
Natexis  
Societe Generale  
UPS Capital  
Wells Fargo

## **Exporters' Council Attendees**

Bechtel  
Caterpillar  
Diebold  
General Electric  
John Deere  
Siemens



**From:** [Berneunion](#)  
**To:** [Alice Albright](#); [Angela Freyre](#); [Charlotte Stirkens](#); [David Brooks](#); [David M. Sena](#); [Fred Hochberg](#); [Helene Walsh](#); [James Cruse](#); [James Mahoney](#); [Jeffrey Abramson](#); [John A McAdams](#); [Kenneth Tinsley](#); [Kevin Varney](#); [Kia Walters](#); [Laura Wohlford](#); [Margaret Miller](#); [Mark Thorum](#); [Patricia James](#); [Piper Moffatt](#); [Richard Brackley](#); [Scott Schloegel](#); [Walter Kosciow](#); [William Marsteller](#); [Jessica Farmer](#); [Osvaldo L Gratacos](#); [Alice Smith](#); [Sabrina Campbell](#)  
**Subject:** The 23rd Annual Insuring Export Credit & Political Risk: 27-28 February 2012 - Berne Union Member Discount  
**Date:** Thursday, December 06, 2012 10:16:56 AM  
**Attachments:** [Insuring Export Credit & Political Risk - BU Email 1.docx](#)

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Good morning,

There is a Berne Union member discount for anyone at Ex-Im that wants to attend this Export Credit conference in London. The discount ends this Friday, the 7th. See attachment and message below for more details.

### **The 23rd Annual Insuring Export Credit & Political Risk**

**Main Conference:** 27th – 28th February 2013

**Legal Aspects of Export Credit & PRI Claims Workshop:** 26th February

**Identifying & Mitigating Political Risks Workshop:** 1st March (am)

**Impact of Basel III on Trade & Export Finance Workshop:** 1st March (pm)

Hilton London Tower Bridge Hotel

<http://www.iiribcfinance.com/event/exportcredit?xtssot=0>

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**From:** Andy Hall [mailto:ahall@berneunion.org]  
**Sent:** Wednesday, December 05, 2012 7:46 AM  
**To:** ASEI BU Contact; ASHRA BU Contact; ASHRA Maria Kofman; ATRADIUS Albers Nicki NL; ATRADIUS BU Contact; CESCE BU Contact; CGIC BU Contact; CHARTIS BU Contact; COFACE Agnes Degoix; COFACE Anna Robert; COFACE BU Contact ; COFACE Cécile Le Maitre; COFACE Didier Morand ; COFACE Eric Regnault; COFACE Marie-Hélène Alexis ; COSEC BU Contact; ECGC BU Contact; ECGD BU Contact; ECGD Tahir Ahmed; ECIC SA Chris Thirion; ECIC SA Mandisi Nkuhlu; ECICS BU Contact 1; ECICS BU Contact 2 ; ECICS BU Contact 3; EDC BU Contact; EDC Christine Karlsen ; EFIC BU Contact; EGAP BU Contact; EH GERMANY (gov); EH GERMANY (priv); EH GERMANY (priv) BU Contact 1; EH GERMANY (priv) BU Contact 2; EH GERMANY (priv) Inga Heine ; EH GERMANY (priv) Uwe Kniehs; EKF BU Contact; EKN BU Contact; EXIM J Shernett Manning; EXIMBANKA SR Silvia Gavornikova; FCIA BU Contact; FINNVERA BU Contact; GIEK BU Contact; HISCOX Victoria Padfield ; HKEC BU Contact; ICIEC BU Contact; KSURE Eun-young Lee ; KSURE Seung-Taek Baek; KSURE Won-Tae Kim; KUKU PC Contact; MEHIB BU Contact; MEHIB Tamás Gulyás ; MEXIM BU CONTACT 1; MEXIM BU CONTACT 2; MIGA Edith P. Quintrell; MIGA Marc Roex; NEXI BU Contact; ODL BU Contact; OeKB BU Contact; ONDD BU Contact; OPIC Carolyn Davis; OPIC Diane Ferrier; OPIC J. M. Saxton-Ruiz; OPIC John F. Moran; OPIC Ruth Ann Nicastrì; PwC BU Contact; SACE BT Alice Cetroni; SACE BU Contact; SACE Michal Ron ; SBCE 2 BU Contact; SBCE BU Contact; SBCE Carlos Salazar; SERV BU Contact ; SERV Christoph Bossart ; SID Vida Zabukovec; SINOSURE Lei Zhu ; SINOSURE Yifeng Sun; SLECIC BU Contact; SOVEREIGN BU Contact; TEBC BU Contact; THAI EXIMBANK BU Contact 2; THAI EXIMBANK Jarupat Panitying ; TURK EXIMBANK Taner Sayer ; TURK EXIMBANK Tugba Solak; Berneunion; Piper Moffatt; ZURICH Anna Zeltsman ; ZURICH Daniel Riordan; ZURICH Deborah Bryant  
**Subject:** The 23rd Annual Insuring Export Credit & Political Risk: 27-28 February 2012 - Berne Union Member Discount

Dear colleagues

Please find attached information about the 23<sup>rd</sup> Annual Insuring Export Credit & Political Risk

conference which takes place in London on 27-28 February 2013.

Please note that you can maximise discounted savings by using the Berne Union member discount and getting the early registration rate for the event by the end of the week – **Friday 7 December** (full details in the attached word document).

If you have any questions about the event please contact Informa - [kmregistration@informa.com](mailto:kmregistration@informa.com)

Kind regards

Andy.

**Andy Hall** | Technology Manager  
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**The 23rd Annual Insuring Export Credit & Political Risk**  
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**Legal Aspects of Export Credit & PRI Claims Workshop: 26th February**  
**Identifying & Mitigating Political Risks Workshop: 1st March (am)**  
**Impact of Basel III on Trade & Export Finance Workshop: 1st March (pm)**  
Hilton London Tower Bridge Hotel

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Dear ,

[Insuring Export Credit and Political Risk](#) is the **leading global event for ECAs, insurers, trade & export financiers and corporate exporters & investors**. With **nearly 300 attendees from 37 countries** last year, it is an ideal opportunity to meet top executives from around the world and hear the very latest news and views from across the continents.

Join us for critical analysis, stimulating debate and in-depth discussion on how world events including the persistent **Eurozone crisis**, the **looming US fiscal cliff** and **destabilising political unrest in MENA** and other regions will impact the export credit and political risk insurance market. [View the latest agenda here](#).

Hear from an expert speaker line up of **70+ international representatives** from all sections of the industry including these special guests:

**Johan Schrijver**, *President, Berne Union - BU President's Address*

**Marc Auboin**, *Counsellor, Economic Research, WORLD TRADE ORGANISATION - Emerging Markets Growth*

**Gulf - Sir Richard Dalton**, *Former British Ambassador to Iran - Tensions in the Persian*

PLUS! Charles Berry, BPL GLOBAL ~ Michael Menhart, MUNICH RE ~ Price Lowenstein, President, SOVEREIGN RISK INSURANCE ~ Hans Janus, EULER HERMES ~ Dr Reinhard Zehetner, SIEMENS VAI METALS TECHNOLOGIES GmbH ~ Satoru Koyama, NEXI ~ Lorraine Audsley, EDC ~ Carmen Vara, CESCE ~ Kai Preugschat, UNICREDIT ~ Valentino Gallo, CITI ~ Marcelo Franco, SBCE ~ Justyna Majcher-Williams, DG COMP, EUROPEAN COMMISSION ~ Eeva-Maija Pietikäinen, FINNVERA ~ Simon Sayer, DEUTSCHE BANK ~ Robert Nijhout, ICISA ~ Pankaj Gupta, Manager, IBRD ~ Jan Vassard, EKF ~ Leigh Salkeld, IBM UK Ltd ~ Chris Mitman, INVESTEC ~ Charles Gurdon, Managing Director, MENAS ASSOCIATES and many more...

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**- Political Risk & Global Economics**

■ Emerging markets growth ■ Fate of the Eurozone ■ Prospects for MENA

**- The Export Finance Crunch**

■ Funding for world trade ■ Industry Perspectives on Basel III ■ Alternative finance sources

**- Trade Credit & PRI Market**

■ Evolution of ECA models ■ Public-private dynamic ■ Claims, recoveries, products

[Visit the website](#) for the full agenda and speaker line up as well as information about are 3 Multi-Speaker Interactive Workshops

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We look forward to meeting you in London.

Kind regards,  
Marianne Ford  
Marketing Manager  
IBC Conferences