Boeing, Citi Start Export-Import Bank Supplier Financing Program

- Offers small businesses quicker access to cash, lower financing costs

- Injects liquidity to help suppliers sustain jobs

SEATTLE, Feb. 17, 2012 /PRNewswire/ -- Boeing (NYSE: BA) has become the latest U.S. exporter to help its eligible small-business suppliers gain access to affordable financing through participation in a Supply Chain Financing Program guaranteed by the Export-Import (Ex-Im) Bank of the United States.

Boeing is notifying several hundred qualifying U.S.-based suppliers that system testing is complete for the new financing program, to be operated by Citibank N.A. (Citi), allowing sign ups to proceed and payments to flow.

The Ex-Im program, first offered in 2009, allows small businesses involved in exporting non-military goods to receive attractively priced working-capital financing. It is done through early payment of their accounts receivable, in this case from Boeing, in exchange for a small discount fee paid to Citi for those receivables accepted for the program.

The program is part of Obama Administration's National Export Initiative to double U.S. exports within five years.

At a time when economic recovery continues, the Bank's program helps inject liquidity into qualifying small businesses, providing faster access to needed cash flow. Ex-Im provides a 90 percent guarantee of the eligible invoices while a lender, such as Citi, bears 10 percent of the risk.

"Increasingly Boeing has called on small business to help us in sustaining export-related jobs. The Supplier Financing Program is a great tool to encourage this key growth area to prosper," said Tom Dillon, Boeing corporate finance director who led the financing program's implementation. "Small business can truly join larger exporters in working together to grow much needed jobs supported by demand for American products the world wants."

The Boeing supplier program was authorized in September 2011 with Ex-Im Bank's approval for an initial $740 million capacity..

"Ex-Im is proud to have America's number one exporter, Boeing, join with us in supporting the company's small business suppliers using our supply chain financing product. Eligible companies will be able to more quickly turn their accounts receivable into cash, helping them power more sales and supporting American jobs," said Fred P. Hochberg, Chairman and President of Ex-Im Bank.

Participating suppliers select accounts-receivable invoices they want to sell to Citi which, if accepted, are paid in a day or two instead of on the longer due dates. Capital flows to small businesses faster, and at a lower cost, as a benefit of being a supply partner to a major U.S. exporter.

"Citi is pleased to be a part of this very important initiative in partnership with Ex-Im Bank and Boeing. We fully appreciate the role of small and medium-sized businesses (SMEs) in the growth of the U.S. economy. The SME market is one of the keys to sustaining economic growth and stimulating the trade supply chain, globally," said Craig Weeks, Global Head of Trade Product Sales at Citigroup. He adds, "This program represents Citi's continued commitment to the U.S. economy by providing the financing required for credit-challenged sectors."

Boeing is offering the program to its aircraft-related suppliers domiciled in the U.S. that qualify under Ex-Im Bank's guidelines for the program. At least half of the outstanding value of the purchased receivables is expected to be from suppliers meeting U.S. Small Business Administration qualifications. The company could expand supplier participation at a later time.

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