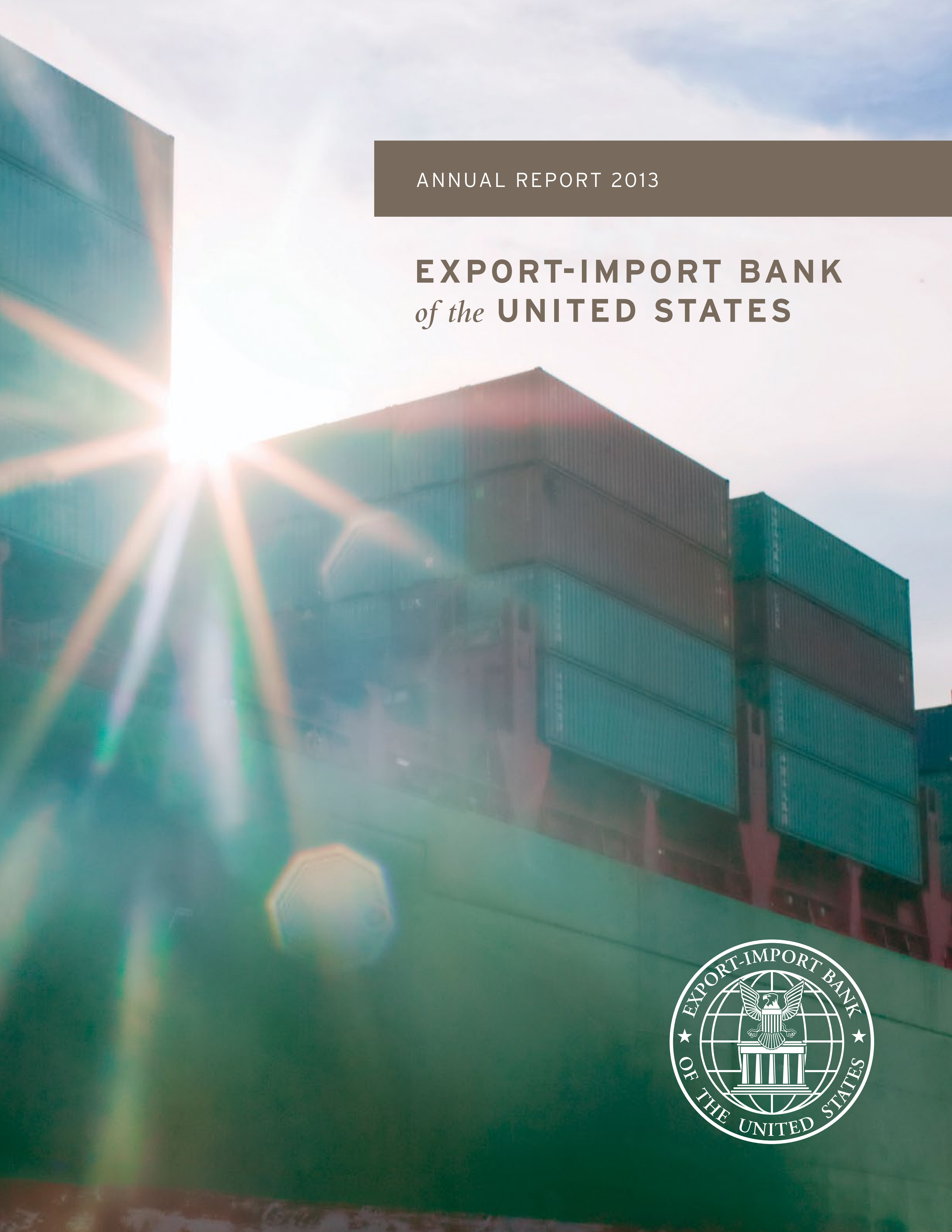
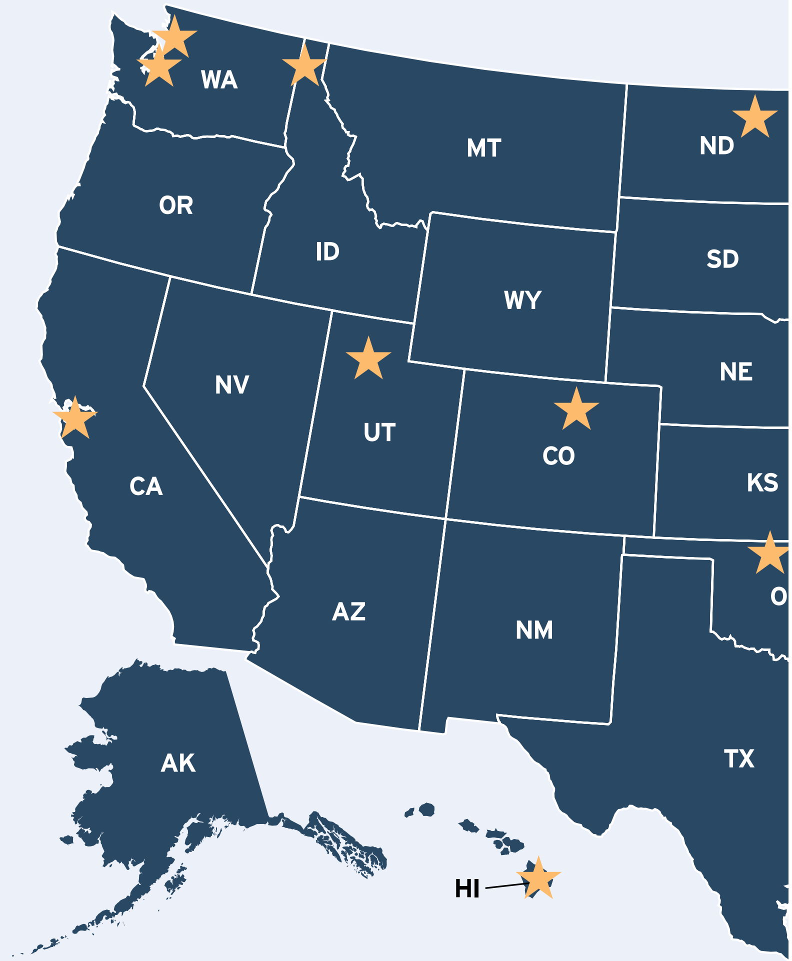
ANNUAL REPORT 2013

EXPORT-IMPORT BANK *of the* UNITED STATES



Financing "Made in the USA" to M

A Sampling of Ex-Im-Supported U.S. Exporter Success Stories, Large and Sm



HEALTHY OILSEEDS LLC | Carrington, ND

EXPORT: Flaxseed, Borage and Flaxseed Oils
MARKETS: South Korea, Brazil, China, Spain
JOBS SUPPORTED: 2

FIBERLOK INC. | Fort Collins, CO

EXPORT: Speciality Printing/Mouse Rug™
MARKETS: Germany, Mexico, United Kingdom
JOBS SUPPORTED: 10

CYTOZYME LABORATORIES INC. | Salt Lake City, UT

EXPORT: Nitrogenous Fertilizer
MARKETS: Brazil, Chile, China, India
JOBS SUPPORTED: 10

BUCK KNIVES | Post Falls, ID

EXPORT: Knives
MARKETS: United Kingdom, Germany, France
JOBS SUPPORTED: 18

STE. MICHELLE WINE ESTATES | Woodinville, WA

EXPORT: Wines
MARKETS: Europe and Asia
JOBS SUPPORTED: 4

WILLIAMSON & ASSOCIATES | Seattle, WA

EXPORT: Underwater Drilling Systems
MARKETS: Japan and India
JOBS SUPPORTED: 18

SPACE SYSTEMS/LORAL LLC (SSL) | Palo Alto, CA

EXPORT: Satellites
MARKETS: Hong Kong
JOBS SUPPORTED: 600

BIG ISLAND BEES | Kealakekua, HI

EXPORT: Organic Hawaiian Honey
MARKETS: Bahrain, Canada, China
JOBS SUPPORTED: 9

CESSNA AIRCRAFT CO. | Wichita, KS

EXPORT: Business Aircraft
MARKETS: Slovenia and Tanzania
JOBS SUPPORTED: 400

DEVCO USA | Tulsa, OK

EXPORT: Sulfur-Purification Plant
MARKETS: Iraq
JOBS SUPPORTED: 380

DETCON INC. | The Woodlands, TX

EXPORT: Gas Sensors and Analyzers, Control Systems
MARKETS: Mexico
JOBS SUPPORTED: 90

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nall

SIKORSKY AIRCRAFT CORP. | Stratford, CT

EXPORT: Helicopters
MARKETS: Mexico and Ireland
JOBS SUPPORTED: 1,000

GAMESA CORP. | Trevose, PA

EXPORT: Wind Turbines
MARKETS: Honduras, Costa Rica and Uruguay
JOBS SUPPORTED: 200

GATEKEEPER INC. | Sterling, VA

EXPORT: Under-Vehicle/Remote-Access Control Technologies
MARKETS: Saudi Arabia, Mexico, United Arab Emirates
JOBS SUPPORTED: 20

OLD ORCHARD FOODS LLC | Kernersville, NC

EXPORT: Miss Jenny's Pickles®
MARKETS: China
JOBS SUPPORTED: 4

CAROLINA COTTON WORKS INC. | Gaffney, SC

EXPORT: Textile Dyeing and Finishing
MARKETS: Western Europe
JOBS SUPPORTED: 10

DELTA TECHOPS | Atlanta, GA

EXPORT: Aircraft-Engine Maintenance
MARKETS: Brazil
JOBS SUPPORTED: 400

MORGANNA'S ALCHEMY | Port Richey, FL

EXPORT: Cosmetics
MARKETS: France, the Carribean, Canada
JOBS SUPPORTED: 2

A.J. ROSE MANUFACTURING CO. | Cleveland, OH

EXPORT: Precision-Formed Metal Products
MARKETS: Brazil, Canada, China, Germany, Mexico
JOBS SUPPORTED: 19

AUBURN LEATHER CO. | Auburn, KY

EXPORT: Leather Laces
MARKETS: Hong Kong, China, Indonesia
JOBS SUPPORTED: 50

W.S. DARLEY & CO. | Itasca, IL

EXPORT: Fire-Fighting Trucks
MARKETS: Nigeria
JOBS SUPPORTED: 100

FOR MORE SMALL-BUSINESS SUCCESS STORIES, VISIT:
WWW.EXIM.GOV/ABOUT/WHATWEDO/SUCCESSSTORIES

Jobs estimates were provided by the companies or estimated through Ex-Im's jobs-calculation methodology.

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Revised April 2014

Mission

The Export-Import Bank of the United States (Ex-Im Bank) is the official export-credit agency of the United States. Ex-Im Bank is an independent, self-sustaining executive agency and a wholly owned U.S. government corporation.

Ex-Im Bank's mission is to support American jobs by facilitating the export of U.S. goods and services. The Bank provides competitive export financing and ensures a level playing field for U.S. exporters competing for sales in the global marketplace.

Ex-Im Bank does not compete with private-sector lenders but provides export-financing that fill gaps in trade financing. The Bank assumes credit and country risks that the private sector is unable or unwilling to accept. It also helps to level the playing field for U.S. exporters by matching the financing that other governments provide to their exporters.

The Bank's charter requires that the transactions it authorizes demonstrate reasonable assurance of repayment. The Bank closely monitors credit and other risks in its portfolio.

EX-IM BANK FACTS

The Export-Import Bank of the United States (Ex-Im Bank), an independent federal government agency, ***operates at no cost to U.S. taxpayers****.*

After paying all of its operating and program costs during the past five years, ***Ex-Im Bank earned $2 billion for U.S. taxpayers****.*

Nearly ***90 percent*** *of Ex-Im's transactions* ***directly benefit small businesses****.*

From FY 2009 through FY 2013, Ex-Im Bank has assisted in creating or sustaining more than ***1.2 million American jobs****.*

Chairman's Message

There are few bank presidents who would celebrate an $8 billion reduction in business over the previous year, but count me among them.

Here at the Export-Import Bank of the United States (Ex-Im Bank), we ensure that financing won't stand in the way of an American exporter closing a sale. We work with American entrepreneurs to create and support jobs in a fiercely competitive global marketplace. And we're getting results.

> **In 2013, Ex-Im Bank supported $37.4 billion worth of U.S. exports and 205,000 export-related American jobs. Over the past five years, the Bank has supported over 1.2 million jobs in communities across the country.**

While Ex-Im's total financing may have decreased in fiscal year 2013, overall exports of American goods and services now are a record $2.2 trillion a year, up from $1.4 trillion only five years ago. This is proof that the private sector is once again stepping up and supporting jobs.

Since President Obama launched the National Export Initiative in 2009, we've seen a tremendous increase in U.S. exports, with a commensurate increase in export finance. More than ever, our work at Ex-Im Bank is supporting the small businesses and manufacturers that are the engine of the American economy. It is our job to help open doors to the world's most promising markets.

Developing economies on every continent continue to grow the global middle class, creating ever stronger demand for goods and services. This is a tremendous opportunity for American exporters, as an estimated 200 million new consumers are joining the global middle class every year.

And we are already seeing results. Here at Ex-Im Bank, we have financed more global infrastructure projects in the past three years than in the previous 17 years ***combined***, supporting quality American jobs.

BRIDGING THE GAP BETWEEN AMERICAN BUSINESS AND THE WORLD'S CUSTOMERS

Ex-Im Bank still has a critical role to play in making sure that financing does not stand in the way of exporters. Our competitive financing enables them to reach the 95 percent of the world's customers that live outside the United States.

CONSIDER THE FOLLOWING:

- We financed **3,413 transactions for small-business exporters, the highest number ever for small businesses**, representing nearly 90 percent of transactions and 19 percent of total authorizations.
- **On top of that, one out of every five transactions went to women and minority-owned businesses**, another record high.
- Our 188 transactions for exports to **sub-Saharan Africa** represented an all-time high, as that region rapidly becomes one of **the world's most promising new export markets**.

- Ex-Im Bank's **success in financing exports from U.S. manufacturers** – nearly $8.5 billion in 2013 – reflected this sector's rebound from the recession. In fact, manufacturing topped aircraft financing for the first time since 1997.
- Mexico became the first market to reach more than $9.4 billion in Ex-Im Bank exposure – reflecting its strong growth, especially in purchases of U.S. exports of energy equipment and services.

MEETING EX-IM'S MISSION AND CONTRIBUTING TO DEFICIT REDUCTION

We take seriously our responsibility to U.S. taxpayers to fulfill our mission of supporting export-related jobs and prudent, responsible management. In FY 2013, Ex-Im Bank's financial performance excelled. A few performance highlights:

- **Ex-Im Bank sent $1.057 billion to the U.S. Treasury – an all-time record –** for deficit reduction. That amount was the "negative subsidy" (profit) from interest and fees collected from our customers above and beyond the Bank's operating expenses of administrative costs and prudent reserve requirements.
- We had a **historically low active-default rate of 0.237 percent** for the last quarter of 2013. Consider this: Ex-Im Bank paid $48.8 million in claims in FY 2013 on a total exposure of $113.8 billion.
- And we have done it all with a staff of about 400 employees. We managed to support a staggering $90.5 million in exports and 512 export-related jobs per employee in 2013.

Here at Ex-Im Bank, we always strive to provide government services "at the speed of business," partnering with the private sector to support U.S. jobs. In October, we signed an agreement with Federal Express that will enable its sales and marketing professionals to guide small businesses to our financing products.

I am extremely proud of the work of every Ex-Im employee. And I am not alone in my admiration. Last year Ex-Im Bank was named the world's "Best Export-Credit Agency" by both Trade Finance magazine and Trade and Forfaiting Review – well-deserved recognition.

MEETING THE CHALLENGES OF THE NEW COMPETITION

This past year, I was honored to be renominated by President Obama and confirmed by the Senate for a second four-year term as chairman and president of the Export-Import Bank. There is much work left to do.

There is a massive, global race to create jobs through increased exports. And often our main competitors in developing countries like China, India and Brazil simply do not abide by the same export-finance rules we follow. That makes for a brutally competitive landscape. Americans offer the world's highest-quality goods and services, but that may not be enough when up against government-owned and government-subsidized competitors. We need to ensure that there is a level playing field.

WHAT'S AHEAD

While our top line number may have been down for 2013, Ex-Im Bank is well-positioned for another impressive year in 2014. I expect to see continued growth in Mexico, especially in the energy sector. Other potential growth areas that may require Ex-Im financing include the aerospace, satellite and semiconductor industries.

But challenges remain.

The new capital requirements in Basel III will continue to constrain the private sector from making long-term loans – which is why Ex-Im Bank is needed now more than ever. I hope that Congress will reauthorize the Bank as soon as possible so that businesses large and small can have the certainty they need to remain competitive in the global marketplace.

As we look for more opportunities for American small businesses to thrive, we must make sure that the doors to the world's economies remain open to them. I look forward to working with our partners in both the private and public sectors to build on the progress we made in 2013.

Sincerely,

Fred P. Hochberg

Fred P. Hochberg
Chairman and President

FY 2013 Highlights

Ex-Im Bank plays an essential role in the competitive global marketplace. The Bank supported $37.4 billion of U.S. exports – at no cost to American taxpayers and with prudent financial management.

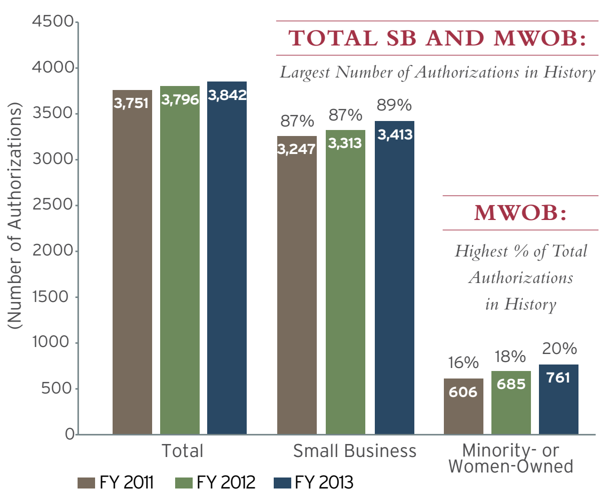
Ex-Im financing remains as essential as ever for U.S. companies to grow through exporting and create American jobs.

FY 2013 was another strong year of Ex-Im support for U.S. exporters. Key FY 2013 performance highlights:

TOTAL EX-IM BANK FINANCING

- In FY 2013, Ex-Im Bank authorized a total of $27.3 BILLION to support $37.4 billion of U.S. exports worldwide.
- Ex-Im Bank approved an all-time high of 3,842 authorizations.

AUTHORIZATIONS BY NUMBER, FY 2011 – FY 2013



SUPPORTING U.S. JOBS

- Ex-Im's FY 2013 authorizations are supporting approximately 205,000 American jobs.
- Over the past five years, the Bank has supported 1.2 million jobs in the United States.

1.2 MILLION

Over the past five years, Ex-Im Bank has helped companies to create or sustain 1.2 million export-related jobs in the United States.

SMALL-BUSINESS SUPPORT

- In FY 2013, the Bank approved a record-high 3,413 small-business authorizations – nearly 90 percent of the total number of Ex-Im authorizations.
- In FY 2013, 625 U.S. small businesses were first-time users of Ex-Im products.
- The Bank authorized amounts under $500,000 for 1,923 small-business transactions.
- Ex-Im Bank authorized more than $5.2 BILLION in financing and insurance for the direct support for American small-business exporters in FY 2013.
- Exports from small businesses constituted 20 percent or more of Ex-Im-supported exports in nearly every state in the nation.

MINORITY- AND WOMAN-OWNED SUPPORT

- FY 2013 authorizations for woman-owned and minority-owned small businesses totaled nearly $815.6 MILLION.
- In FY 2013, one in five of total authorizations supported minority-owned and woman-owned businesses.

$1.057 BILLION

After covering operating expenses and loan-loss reserves, Ex-Im Bank contributed to deficit reduction by sending $1.057 billion to the U.S. Treasury in FY 2013.

PRUDENT FINANCIAL MANAGEMENT

- In FY 2013, Ex-Im Bank sent a record $1.057 BILLION to the U.S. Treasury in negative subsidy (or profit).
- Over the past five years, the net amount sent by the Bank to Treasury was $2 BILLION.
- Ex-Im Bank reports its default rate to Congress on a quarterly basis. As of the last quarter of FY 2013, the Bank's default rate was 0.237 percent.
- Ex-Im Bank has a successful recovery rate for transactions that enter default (i.e., 50 cents on the dollar since 1992). In the past three years, the Bank recovered more money than it paid out in claims.

0.237%

Ex-Im's comprehensive risk-management system achieved a default rate of 0.237% in the last quarter of FY 2013.

GOVERNMENT AT THE SPEED OF BUSINESS

- In FY 2013, Ex-Im Bank processed 89 percent of new transactions within 30 days and 98 percent within 100 days.
- The time required to process long-term transactions dropped to an average of 88 days in FY 2013, down from an average of 163 days in FY 2009.

$48 MILLION

Ex-Im Bank recovered more money ($62.6 million) than the $48 million paid out in net claims in FY 2013.

INFRASTRUCTURE

Ex-Im Bank finances U.S. exports to meet the rising demand for infrastructure development.

FY 2013 Authorizations:

- $11.4 BILLION for infrastructure projects – nearly 42 percent of the Bank's total authorizations.
- $9.8 BILLION for long-term structured and project-finance transactions. This financing is supporting American-produced exports to a range of infrastructure projects, such as oil and gas development, power generation, mining and telecommunications, including $964.3 MILLION to finance U.S-manufactured satellites.
- $8.3 BILLION to support U.S.-manufactured commercial aircraft, business aircraft and helicopters.

400

Our 400 employees are proud of our work in fulfilling Ex-Im's mission to finance U.S. exports in support of American jobs while safeguarding the taxpayers' money.

KEY SECTORS AND MARKETS

In FY 2013, Ex-Im Bank financed U.S. goods and services to countries around the globe. Sectors included satellites and other telecommunications equipment, solar panels and other renewable-energy products, commercial aircraft and avionics, locomotives and services.

FY 2013 Authorizations:

- $8.5 BILLION to finance U.S. exports from manufacturing industries, surpassing commercial aircraft for the first time since 1997.
- $4 BILLION to finance all types of U.S.-produced services, including engineering, aircraft-engine maintenance, and oil and gas drilling, among others.
- $604 MILLION to support U.S. exports to sub-Saharan Africa – including an all-time high number of 188 transactions. In the past four years, Ex-Im Bank has authorized more than $4 billion for this region.

Supporting U.S. Jobs

U.S. exports are a bright spot in America's economic recovery and support nearly 10 million jobs.

Source: U.S. Department of Commerce

When the U.S. shoe industry began to decline in the 1980s due to low-cost foreign competition, Auburn Leather Co., a small manufacturer in Auburn, Ky., faced extinction. Auburn's President and CEO Lisa Howlett turned her company around by shifting production to exports of leather laces to overseas shoemakers. Today, two-thirds of the company's products are exported, partly due to Ex-Im's small-business insurance. The town's largest private-sector employer, Auburn Leather estimates that its Ex-Im-supported exports have led to the creation of at least 20 new jobs.

There are stories like Auburn Leather's all over America.

Creating and sustaining jobs is Ex-Im's mission. By financing U.S. exports, Ex-Im Bank helps to meet the export goals of President Obama's National Export Initiative and fulfills its congressional charter: "The Bank's objective in authorizing loans, guarantees, insurance and credits shall be to contribute to maintaining or increasing employment of United States workers."

In the past five years (FY 2009 to FY 2013), Ex-Im Bank has assisted in financing more than $188 billion of U.S. exports and supported 1.2 million American jobs.

In FY 2013, Ex-Im Bank approved an all-time high of 3,842 authorizations with a total estimated export value of $37.4 billion. This support is estimated to have sustained an estimated 205,000 export-related U.S. jobs.

> **Over the past five years, Ex-Im Bank has supported 1.2 million American jobs across the country.**

JOBS-CALCULATION METHODOLOGY

Ex-Im Bank began calculating the jobs associated with its financing through a calculation methodology in FY 2010. Ex-Im's jobs-estimate methodology follows the jobs-calculation methodology designated by the Trade Promotion Coordinating Committee (TPCC), which uses employment data computed by the Bureau of Labor Statistics (BLS) to calculate the number of jobs associated with Ex-Im Bank-supported exports of goods and services.

The Bank uses the latest available domestic employment requirements table (ERT) as computed by the BLS to calculate the number of jobs associated with Ex-Im-supported goods and services. The ERT quantifies the number of direct and indirect production-related jobs associated with a million dollars of final demand for 196 detailed industries.

The ERT is derived from a set of data showing the relationship between industries, known as input-output tables. These tables are based on historical relationships between industry inputs (e.g., labor) and outputs (e.g., goods for consumption). For more information, see "Management's Discussion and Analysis," page 43.

For jobs estimates based on FY2013 authorizations, Ex-Im Bank supports **6,390 jobs per $1 billion of U.S. exports**. This is a weighted average based on each industry's relative jobs per $1 billion average at time of calculation.

SINGLE AUTHORIZATION SUPPORTS NEARLY 10,000 U.S. JOBS

GLOBALFOUNDRIES is a full-service semiconductor foundry with a global manufacturing and technology footprint. Thanks to a $1.03 billion loan from Ex-Im Bank, American exporters in four states will be able to supply equipment and services for the expansion of GLOBALFOUNDRIES silicon-wafer fabrication plant in Dresden, Germany.

Ex-Im's financing is part of a larger $2 billion facility that also involves Atradius and Nippon Export Investment Insurance (NEXI), Japan's export-credit agency.

Applied Materials Inc., one of the principal exporters, is a global leader in providing manufacturing solutions for the semiconductor, flat-panel display and solar-photovoltaic industries. The company has more than 7,000 U.S. employees at corporate, manufacturing and research-and-development facilities in California, Massachusetts, Montana and Texas.

> *"The ability of our customer GLOBALFOUNDRIES to access this financing benefits the manufacturing and R&D of Applied Materials in the United States, as well as our supply chain, at a time of tremendous global competition for high-tech jobs."*
>
> ***Mike Splinter, chairman and CEO, Applied Materials Inc.***

Exporters:
Applied Materials Inc., Santa Clara, California; Axcelis Technologies Inc., Beverly, Massachusetts; Novellus Systems Inc., Tualatin, Oregon; More Exporters in California and Massachusetts

Market:
Germany

Ex-Im Bank Product:
Direct Loan

Jobs Supported:
9,700

Keeping America Competitive

Today, U.S. exporters face a brutally competitive global marketplace, often against competitors that are heavily supported by their governments. America needs Ex-Im Bank to level the playing field.

At the same time, the "Made in the USA" brand has never been stronger, thanks to superior technology, craftsmanship and overall quality. But often American exporters face challenges beyond competing on quality or price.

In the wake of an uneven global recovery from the financial crisis, many countries are doing whatever it takes to promote their chosen "national champions."

Foreign enterprises that compete with U.S. exporters may be government-owned, government-protected, government-subsidized, government-sponsored or all of the above. These competitors frequently have access to financing not available to U.S. exporters.

Approximately 60 export-credit agencies (ECAs) currently operate worldwide. All are working to win sales and create jobs for their nations. U.S. exporters compete in many markets and sectors designated by other countries as in their "national interest." Many other ECAs operate with considerably more leeway in supporting their exporters.

We at Ex-Im Bank work every day to provide financing to support America's exporters and their workers – and keep them in the game. Ex-Im Bank has long been one of the most reliable and cost-effective sources for long-term-financing of U.S. exports. Without us, many American companies would be missing opportunities to sell to the 95 percent of the world's customers who live overseas.

In order to keep American businesses competitive, we need to evolve and innovate. We are achieving results.

FY 2013 AWARDS FOR EXCELLENCE IN EXPORT FINANCE

"**World's Best Export-Credit Agency**"
Trade and Forfaiting Review

"**Best Global Export-Credit Agency**"
(for the second time) and

"**Best ECA in the Americas**" (for the fourth consecutive time) Trade Finance magazine

"**Deals of the Year**" (four awards, e.g.,capital-markets financing for Delta TechOps)
Airfinance Journal

"**Most Innovative Business-Jet Financier 2013**"
Corporate Jet Investor Web site

Ex-Im Bank and the ECAs of countries that belong to the Organisation for Economic Cooperation and Development (OECD) operate in compliance with an OECD agreement known as the "Arrangement on Officially Supported Export Credits."

ECAs of non-OECD countries, such as China, Russia and Brazil, operate by a different set of rules. Their exporters are accustomed to advantages not available to exporters from OECD countries, such as borrow-now-buy-later drives (financing now for benefits later) and other forms

GUARANTEEING CAPITAL-MARKETS BOND TO FINANCE EXPORTS OF U.S.-MADE HELICOPTERS

In FY 2013, Ex-Im Bank provided a $187.4 million guarantee of a capital-markets bond to finance the export of Sikorsky S-92® helicopters to The Milestone Aviation Group Ltd. of Dublin, Ireland. The transaction is Ex-Im Bank's largest financing of US.-manufactured commercial helicopter exports and first to a helicopter-leasing company. It is also Ex-Im's first use of the capital markets to fund helicopter exports.

Sikorsky Aircraft Corp. has a U.S.-based workforce of approximately 13,000 employees. The capital-markets transaction is supporting 1,000 jobs at Sikorsky and its subcontractors.

> *"Ex-Im's capital-markets financing facilitates this large capital investment and makes the Sikorsky S-92® an even better fit for our customers."*
>
> ***Bob Kokorda, vice president, Worldwide Sales, Sikorsky Aircraft Corp.***

Exporter: **Sikorsky Aircraft Corp., Stratford, Connecticut**	**Ex-Im Bank Product:** Capital-Markets Bond Guarantee
Market: Ireland	**Jobs Supported:** 1,000

of untied export credit. Such practices disadvantage American exporters and distort export finance.

Our mission is fundamentally different. We are first and foremost focused on jobs. And we don't pick winners and losers; we help private entrepreneurs to compete in the global marketplace. Many other ECAs, however, lend on a national-benefit basis, not on a content-requirement one, thereby promoting "national champions."

Ex-Im Bank is continually working to refine our approach to meet the challenges that our customers – America's exporters – face. We have expanded sources of funding through cofinancing and guaranteed bonds issued in the capital markets. We have also filled liquidity gaps with direct lending.

We have joined with other ECAs and increased cofinancing of transactions. For example, in FY 2013, the Bank cofinanced with Japan's Nippon Export and Investment Insurance (NEXI) a total of 35 wide-body aircraft aggregating over $4 billion in aircraft financings for 14 different airlines and leasing companies in Africa, Latin America, Europe, the Middle East, Russia and other regions.

Ex-Im Bank-guaranteed bonds issued in the capital markets have been very successful in funding commercial aircraft exports. This financing is being applied to other aviation exports as well. For the first time in FY 2013, Ex-Im Bank guaranteed a capital-markets bond to support the export of U.S.-manufactured helicopters. (See featured story.)

In FY 2012 and FY 2013, Ex-Im Bank-guaranteed bonds also financed the export of engine overhaul services by Delta Airlines' maintenance operations, Delta TechOps. (See featured story in "Key Sectors.") Capital-markets funding has also been used to finance U.S. exports to Mexico's national oil-and-gas company, Pemex.

As commercial banks continue their transition from a funding role to one of arranging, particularly on large projects, Ex-Im Bank has offered direct loans when warranted or requested by applicants. As with all of Ex-Im's products, our direct lending aims to fill the gap between the export-financing needs of our exporters and the availability of funds from commercial lenders.

Managing Risk

Ex-Im Bank takes very seriously its responsibility to be a prudent steward of taxpayer dollars in providing export credit that is backed by the full faith and credit of the U.S. government.

To ensure that the Bank adheres to the highest standards, we provide prudent oversight and due diligence to protect taxpayers through our comprehensive risk-management framework.

Every year, Ex-Im Bank provides Congress with quarterly reports on our default rate. As evidence of the success of the Bank's risk-management activities, Ex-Im's overall active default rate for the last quarter of FY 2013 was ***0.237 percent***.

This active default rate reflects the total amount of required payments that are overdue (claims paid on guarantees and insurance transactions plus loans that are past due) divided by the total amount of financing involved (disbursements). The default rate is the result of the Bank's relatively few defaults coupled with high recovery rates (i.e., 50 cents on the dollar since 1992) on those credits that enter default.

> **Ex-Im's overall active default rate in the last quarter of FY 2013 was below 0.24 percent.**

Ex-Im's risk management framework begins with effective underwriting to ensure, as the Bank's congressional charter requires, "a reasonable assurance of repayment." All transactions under consideration for the Bank's financing must indicate a sufficient source of repayment.

The risk-management program includes detailed documentation to ensure the Bank's rights are protected legally and that the transaction is not in violation of any U.S. government policy.

A comprehensive risk-management framework with strong emphasis on continuous improvement minimizes claims and defaults. Prudent risk management continues after transactions are approved through proactive monitoring efforts to minimize defaults. The Bank engages in robust portfolio management, as well as in oversight and governance, including the setting aside of adequate loan-loss reserves.

To further strengthen our risk-management program, in FY 2013 Ex-Im Bank announced that a chief risk officer would be added to our senior management team. In December 2013, the Bank named Charles J. Hall to serve as executive vice president and chief risk officer.

Although Ex-Im Bank is always looking for ways to assist American exporters in closing a sale, we go to great lengths to ensure that we are not taking undue risks and that the credits extended by the Bank result in solid performance for U.S. exporters ***and*** taxpayers.

Customer Focus

The customer is at the forefront of what we do at Ex-Im Bank. For us, "Government at the Speed of Business" is more than a slogan – It's a guiding principle.

Ex-Im Bank developed Total Enterprise Modernization (TEM), an initiative to modernize systems infrastructures, update business processes and engage with customers in new and improved ways. The Bank is streamlining processes and concentrating on providing outstanding customer service and efficient turnaround of transactions.

For example, Ex-Im Bank set an ambitious goal to complete 80 percent of its new transactions within 30 days. In FY 2013, we processed 89 percent of new transactions within 30 days and 98 percent within 100 days.

Between FY 2009 and FY 2013, a period in which the Bank saw a 34 percent increase in the number of new authorizations (not including renewals), the number of days needed to reach an authorization decision was reduced by more than 53 percent from an average of 32 days in FY 2009 to an average of 15 days in FY 2013. The time required to process long-term transactions dropped by more than 46 percent, from an average of 163 days in FY 2009 to an average of 88 days in FY 2013.

> **In the five-year period between FY 2009 and FY 2013, the number of days needed to reach an authorization decision was reduced by more than 53 percent.**

UPDATE ON PRODUCTS/IMPROVEMENTS:

- Express Insurance helps small businesses compete with global suppliers, enter new markets, add foreign buyers and improve cash flow while extending attractive payment terms. It is a popular tool for small businesses, many of which are micro-sized or new-to-exporting. For eligible applicants that provide complete applications, the approval rate is 90 percent. The Bank issued 711 Express Insurance policies that were operative at the end of FY 2013, with a risk portfolio totaling $320.4 million.
- Global Credit Express (GCE) is a direct-lending pilot program launched in FY 2012 offering small-business loans of up to $500,000. Under GCE, Ex-Im Bank provides liquidity to eligible small businesses through direct loans that otherwise would be unavailable. In FY 2013, 42 GCE loans were processed. The product was modified in September 2013 based on feedback from originating partner banks, and applications have increased.
- Process Streamlining – Through analysis of transportation and structured- and project-finance processes, Ex-Im staff identified ways to reduce cumbersome tasks and paper work, and implement technology to streamline applications. TEM projects in FY 2014 include introducing "Smart Forms" and a new financial-management system.
- Upgrading Technology – Through the Web site, www.exim.gov, the Bank provides customers with an online application process (Exim Online) and information regarding Ex-Im webinars, online registration for Bank events, regional offices and other contacts. In October 2013, the Exim Online server was upgraded, improving system responsiveness by 15 percent.

Boosting Small Business

Small business is the engine of the American economy and a major source of employment. Small enterprises create two out of every three new jobs, and more than half of all Americans work for or own a small business.

Source: Small Business Administration

Ex-Im Bank is dedicated to working with small businesses to help them to access the financing they need to grow through exporting. In support of the National Export Initiative (NEI), the Bank is adding new small-business customers. And we are making steady progress. Over 2,500 new small-business customers have been added since the announcement of the NEI in 2009.

We are reaching more small businesses than ever before. ***In FY 2013, Ex-Im Bank approved a record-high 3,413 small-business authorizations.*** In FY 2013, 625 U.S. small businesses were first-time users of Ex-Im products. The Bank authorized amounts under $500,000 for 1,923 small-business transactions.

Minority-Owned and Woman-Owned Support – In FY 2013, Ex-Im Bank authorized $815.6 MILLION to support 761 transactions by U.S. small and medium-sized businesses known to be owned by minorities and/or women. This financing represents 3 percent of all Ex-Im authorizations – an all-time high. ***Approximately one in five Ex-Im transactions directly benefited minority-owned or woman-owned small businesses.***

EX-IM BANK HAS ADDED 2,500 NEW SMALL-BUSINESS CUSTOMERS SINCE 2009.

FINANCING BENEFITING SMALL BUSINESS

Direct Support – Measured by **dollar volume**, Ex-Im financing that directly benefits small businesses has increased by 36 percent or more in each of the past five years in comparison with FY 2008. Ex-Im's FY 2013 small-business authorizations were **$5.2 BILLION, accounting for 19 percent of the total dollar volume of authorizations**.

When measured by **number of authorizations**, however, Ex-Im's direct small-business support has increased even more dramatically. In each of the past five years, the number of small-business authorizations has accounted for 86 percent or more of Ex-Im's total authorizations. In FY 2013, the Bank approved a record-high 3,413 small-business authorizations – **almost 90 percent of the total number of Ex-Im authorizations**.

Indirect Support – Small businesses often serve as suppliers for U.S. exporters in larger transactions and derive business indirectly from Ex-Im's long-term loans and guarantees. These transactions typically are for $10 million or more and/or have a repayment term in excess of seven years. At the time of authorization, the Bank captures the value provided by small-business suppliers by estimating the participation of small businesses in the overall long-term transaction.

The Bank estimates that the export value of its long-term transactions in FY 2013 was $17.3 billion, of which **$740 million represents indirect small-business support**. The indirect small-business support represents four percent of the total estimated export value associated with long-term transactions.

EX-IM BANK INSURANCE HELPS WOMAN-OWNED SMALL BUSINESS CREATE 20 NEW JOBS

Auburn Leather Co. is a woman-owned small business that manufactures leather laces for the footwear and sporting-equipment industries. The company has experienced an increase in demand for their laces from foreign manufacturers, leading to an upswing in sales, due in part to the Ex-Im small-business insurance policy that Auburn uses.

Ex-Im Bank's insurance protects the company against foreign-buyer nonpayment and facilitates the company's access to working-capital funds. These funds have supported the growth of the firm, which has added at least 20 jobs in the last two years. Exports now account for more than 45 percent of Auburn's sales.

In Auburn's first year in business, the company had 12 employees and $900,000 in sales. Auburn Leather has grown to more than 120 employees and currently has $20 million in annual sales.

"Ex-Im Bank is enabling us to meet the global demand for our genuine, American-made rawhide laces. I look forward to additional growth in the coming years."

Lisa Howlett, president and CEO, Auburn Leather Co.

Exporter:
Auburn Leather Co., Auburn, Kentucky

Markets:
Worldwide, including Hong Kong, China and Indonesia

Ex-Im Bank Product:
Small-Business Insurance

Jobs Supported:
50

SMALL-BUSINESS OUTREACH

Throughout FY 2013, Ex-Im board members and staff engaged small businesses across the country in town-hall style discussions known as Global Access forums. These forums provide small companies with the insights and expertise to reach foreign buyers. The Bank has sponsored 60 Global Access forums nationwide since the launch of Global Access for Small Business in January 2011.

To reach more companies often underserved by export credit, Ex-Im staff have participated in 182 seminars nationwide sponsored by women-business centers, small-business associations, minority-focused chambers of commerce and other organizations.

Ex-Im's Regional Export-Finance Centers focus exclusively on small business. They are located in three principal regions: Eastern (main office in Miami), Central (main office in Chicago) and Western (main office in Newport Beach, Calif.), with additional offices in each region. See the map of Ex-Im Bank Regional Export-Finance Centers on the inside back cover.

INCREASED LENDER/BROKER PARTICIPATION

Ex-Im Bank leverages its resources by working with private-sector lenders, insurance brokers, and other financial and trade institutions. The Bank works to expand these partnerships to make its financing products more accessible to small businesses.

By the end of FY 2013, 133 lenders were enrolled in Ex-Im's Working Capital Guarantee Program, 109 of which have delegated authority to provide Ex-Im's guarantee of working capital loans without prior Ex-Im approval. A total of 14 new lenders were added in FY 2013. An additional 22 brokers serving small businesses were added to the Bank's roster of 138 active brokers providing Ex-Im's export-credit insurance.

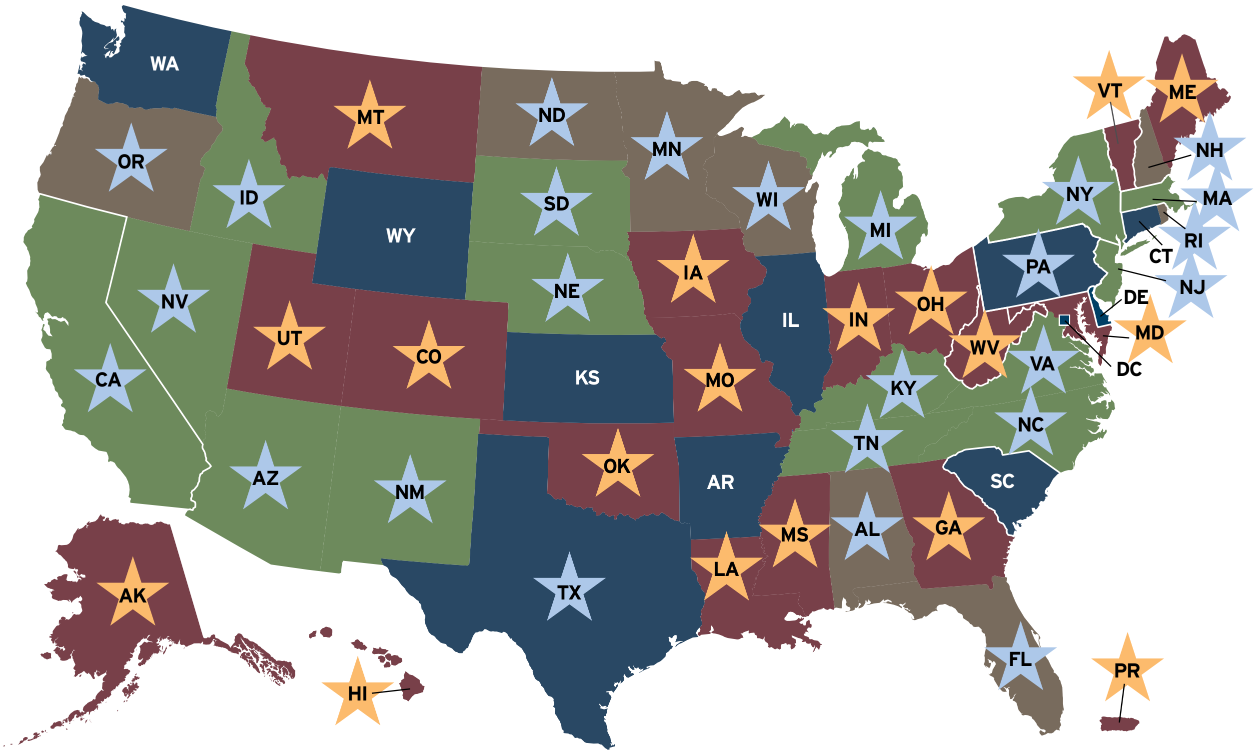
INDIRECT SUPPORT FOR SMALL-BUSINESS MANUFACTURERS

A family-owned small business, **Davis Tool Inc.** (**DTI**), is a high-tech contract manufacturer of precision-formed metal parts. The 160-employee company is part of a global supply chain serving the aerospace, medical and computer industries. DTI exports its products and also ships parts to other manufacturers, including The Boeing Company, America's largest exporter.

> *"We consider Ex-Im Bank financing for U.S. aircraft manufacturers to be a major support of the demand for our supply-chain business."*
>
> ***Ron Davis, Jr., president, Davis Tool Inc.***

Exporter: **Davis Tool Inc., Hillsboro, Oregon**	**Ex-Im Bank Product:** Indirect Support
Markets: Worldwide	**Jobs Supported:** 40

SMALL-BUSINESS SUPPORT BY STATE



★ INDICATES 20% OR MORE SMALL-BUSINESS EXPORTS ★ INDICATES 75% OR MORE SMALL-BUSINESS EXPORTS

SMALL-BUSINESS EXPORTS MAKE UP 20 PERCENT OR MORE OF EX-IM-SUPPORTED EXPORTS IN NEARLY EVERY STATE.

75% TO 100% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
AK	$25,000	100%
CO	$38 MILLION	96%
GA	$690 MILLION	75%
HI	$2 MILLION	100%
IN	$293 MILLION	83%
IA	$15.5 MILLION	94%
LA	$107.5 MILLION	86%
ME	$8 MILLION	100%
MD	$199 MILLION	83%
MS	$45.5 MILLION	83%
MO	$176 MILLION	94%
MT	$605,000	100%
OH	$267 MILLION	89%
OK	$134 MILLION	95%
PR	$12.4 MILLION	98%
UT	$80 MILLION	95%
VT	$22.4 MILLION	100%
WV	$781,000	100%

50% TO 74% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
AL	$102 MILLION	67%
FL	$1.7 BILLION	60%
MN	$273 MILLION	57%
NH	$46.5 MILLION	67%
ND	$2.4 MILLION	65%
OR	$167.5 MILLION	70%
RI	$16 MILLION	72%
WI	$216 MILLION	66%

25% TO 49% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
AZ	$188 MILLION	40%
CA	$4.90 BILLION	26%
ID	$33 MILLION	30%
KY	$1.1 BILLION	32%
MA	$773 MILLION	47%
MI	$3.3 BILLION	28%
NE	$117 MILLION	42%
NV	$21 MILLION	31%
NJ	$515 MILLION	39%
NM	$12 MILLION	41%
NY	$1.7 BILLION	29%
NC	$434 MILLION	36%
SD	$4 MILLION	27%
TN	$219 MILLION	46%
VA	$247 MILLION	44%

0% TO 24% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
AR	$88 MILLION	8%
CT	$445 MILLION	18%
DE	$12 MILLION	0%
DC	$1 MILLION	0%
IL	$887 MILLION	16%
KS	$221 MILLION	6%
PA	$1.5 BILLION	20%
SC	$258 MILLION	15%
TX	$3.8 BILLION	22%
WA	$21.2 BILLION	1%
WY	$50 MILLION	0%

NOTE: Map data shows estimated Ex-Im-assisted exports per state with percentages by small businesses. Estimates are based on disbursements of Ex-Im financing in FY 2013.

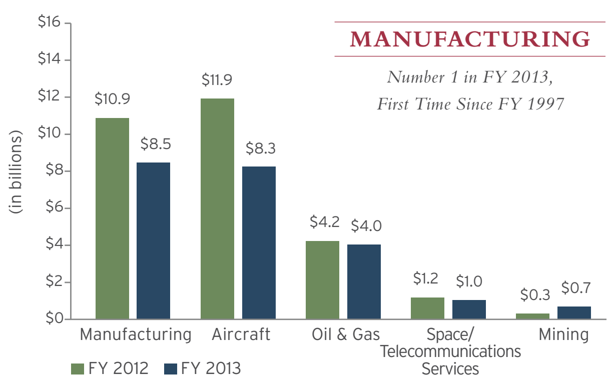
Key Sectors

Ex-Im Bank offers financing products to meet the diverse needs of U.S. exporters producing a broad range of products and services. Several key sectors are achieving strong export growth in global markets.

America produces some of the world's best products, technologies and services that are very competitive in global markets based on their quality and price. Ex-Im's export-financing enables U.S. exporters in a wide variety of sectors to be competitive on the financing as well.

The Bank has identified key sectors with high potential for U.S. export growth: agribusiness, aircraft and avionics, construction, medical technologies, mining, oil and gas, and power generation, including renewable energy. These industries support the needs of emerging and other global markets that offer U.S. exporters some of their best opportunities for sales growth.

AUTHORIZATIONS BY SECTOR, FY 2012 – FY 2013



FY 2013 AUTHORIZATIONS:

- $4 BILLION to finance exports of all types of U.S.-produced services, including engineering, design, construction, aircraft-engine maintenance, computer software, oil and gas drilling, architecture, transportation services, legal services, training and consulting. This aggregate figure includes authorizations that are also reported under some other sectors. (Estimate revised March 2014.)
- $8.5 BILLION for U.S. manufacturing industries (excluding commercial aircraft), surpassing the aircraft sector in authorizations for the first time since 1997.
- $8.3 BILLION in total financing to support the export of U.S.-made aviation-related manufacturing, including:
- $7.9 BILLION in financing to support the export of 106 U.S.-manufactured commercial aircraft to a total of 21 airlines and eight aircraft-leasing companies in 24 different countries, including support for aircraft exports to Russia, Kazakhstan, Poland and Slovakia.
- $420 MILLION in support of U.S.-manufactured business aircraft and helicopters.
- $4 BILLION to support U.S. goods and services exports related to oil-and-gas projects development and refining.

SUPPORTING U.S. EXPORTS OF AIRCRAFT-ENGINE MAINTENANCE SERVICES

Delta TechOps, a subsidiary of Delta Airlines, is providing aircraft-engine maintenance services to a Brazilian airline, GOL, with the backing of a $45.5 million loan guarantee from Ex-Im Bank in 2013. This is Ex-Im's second authorization supporting Delta TechOps exports to GOL, following an $84.8 million loan guarantee approved in 2012 that was successfully funded by the capital markets and earned Ex-Im Bank an Airfinance Journal "Deal of the Year" award in April.

> *"Delta TechOps, a division of Delta Airlines, is performing essential aircraft-engine maintenance and overhaul services for our existing fleet. The availability of Ex-Im Bank's financing was key to our choosing this U.S. provider for these services, strengthening the partnership between the two companies."*
>
> ***Paulo Kakinoff, GOL CEO***

Exporter: Delta TechOps, Atlanta, Georgia	**Ex-Im Bank Product:** Loan Guarantee
Market: Brazil	**Jobs Supported:** 400

- $714 MILLION of U.S. agribusiness exports that included agricultural goods and services, including farm equipment, commodities, livestock, chemicals, supplies and services.
- $700 MILLION for U.S. exports to international mining projects, including $494.5 million for exports to a copper-mining project in Mongolia.
- $433 MILLION to support U.S. exports of environmentally beneficial goods and services.
- $257 MILLION – Nearly 60 percent of environmentally beneficial exports – supported U.S. goods and services to international renewable-energy projects, including authorizations of $160 million supporting exports of wind-energy turbines from Gamesa Technology Corp. to three separate projects in Honduras, Costa Rica and Uruguay. (See featured story in "Renewable Energy.")
- $263 MILLION in support of U.S. exports of medical equipment and services, including $155.4 million for a hospital expansion project in Ghana. (See featured story in "Sub-Saharan Africa.")
- $253 MILLION to support U.S. exports to power-generation projects around the globe.
- $105 MILLION ($65 MILLION in working capital guarantees and $40 MILLION in export-credit insurance) to provide liquidity and risk protection to U.S. textile mills.

Building Infrastructure

Today, approximately two billion people worldwide have attained the socioeconomic level of the middle class. By 2030, that number is expected to rise to 4.9 billion, creating an enormous global demand for infrastructure.

Source: Brookings Institution

The explosion of the global middle class is creating a sharply rising demand for infrastructure development of all kinds: civil aviation, roads and bridges, power plants, telecommunications and facilities to provide for clean water and other needs. Ex-Im Bank is supporting U.S. exporters as they realize these vast sales opportunities.

In fact, we financed more global infrastructure projects in the past three years than in the previous 17 years combined, supporting jobs in communities across America.

Consistent with the World Bank and OECD, Ex-Im Bank defines infrastructure to include the large physical networks necessary for the functioning of commerce, such as highways, railroads, power generation plants, pipelines, satellites and radio-transmission systems. Infrastructure also includes the goods and services essential to maintaining a country's health, cultural and social standards, including educational and healthcare equipment and services. Also included in the Bank's definition of infrastructure are transportation components, such as aircraft and locomotives, and equipment and services related to mining industries.

> **Ex-Im Bank financed more global infrastructure projects in the past three years than in the previous 17 years combined, supporting jobs in communities across America.**

FY 2013 AUTHORIZATIONS:

- $11.4 BILLION to support U.S. exports in infrastructure projects, including large transportation equipment. This financing represents nearly 42 percent of total authorizations for FY 2013.
- $9.8 BILLION for long-term structured and project-finance transactions. The FY 2013 financing is supporting American exports for a range of infrastructure projects, including oil and gas development, power generation, mining projects, liquefied natural gas production and telecommunications.
- $964.3 MILLION to finance exports of U.S.-manufactured telecommunications satellites. Notable FY 2013 satellite transactions include supporting the export of satellites from Orbital Space Sciences Corp. to Spain and from Boeing and Space Systems/Loral LLC (SSL) to Hong Kong. (See featured story.) Ex-Im's satellite financing also supported launch services by SpaceX to Hong Kong and Israel.
- $8.3 BILLION to support the export of U.S.-made aviation-related goods and services, including approximately $420 million in support of U.S.-manufactured business aircraft and helicopters. The Bank approved $7.9 billion in financing for U.S.-made commercial aircraft. (See "Key Sectors.")
- More than $200 MILLION to support U.S. locomotive exports to South Africa and Indonesia.
- More than $4 BILLION authorizations to support U.S. exports to oil-and-gas projects, including $1.5 billion for exploration and development projects of Mexico's national oil-and-gas company, Petróleos Mexicanos (Pemex).

SUPPORTING EXPORTS OF U.S.-MANUFACTURED SATELLITES

Space Systems/Loral LLC (**SSL**) is a California-based satellite and space-systems manufacturer that currently boasts more satellite capacity on orbit than any other manufacturer.

In FY 2013, Ex-Im Bank authorized $523 million to finance the export of three SSL telecommunications satellites to Hong Kong in keeping with the Bank's robust activity in the satellite sector. The exports are helping to create 600 new jobs at SSL.

Beginning with the world's first active-repeater communications satellite launched in 1960, SSL has manufactured more than 250 satellites. The company has 2,800 employees at its manufacturing facility in Palo Alto, Calif.

> *"More than half of the communications satellites built at SSL in Palo Alto are manufactured for export. We appreciate Ex-Im Bank's support of U.S. manufacturers and the space industry. The satellites that we are providing to AsiaSat help create jobs and keep hundreds of highly skilled engineers, technicians and managers employed."*
>
> ***John Celli, president, SSL***

Exporter:
Space Systems/Loral LLC (SSL), Palo Alto, California

Markets:
Hong Kong

Ex-Im Bank Product:
Direct Loan

Jobs Supported:
600

Opening Markets

Open for business in almost 200 countries across six continents, Ex-Im Bank provides financing nearly everywhere for international buyers of American products and services.

U.S. exporters and their international customers rely on Ex-Im Bank to provide export financing across the globe, especially in some of the world's fastest-growing markets. Where the private sector is unwilling or unable to provide financing, the Bank has the credit analysis and project expertise to facilitate the export of nearly every kind of U.S. product or service to almost every market. From short-term insurance for shipments under $1,000 to multibillion-dollar projects, we can finance credit-worthy transactions almost anywhere.

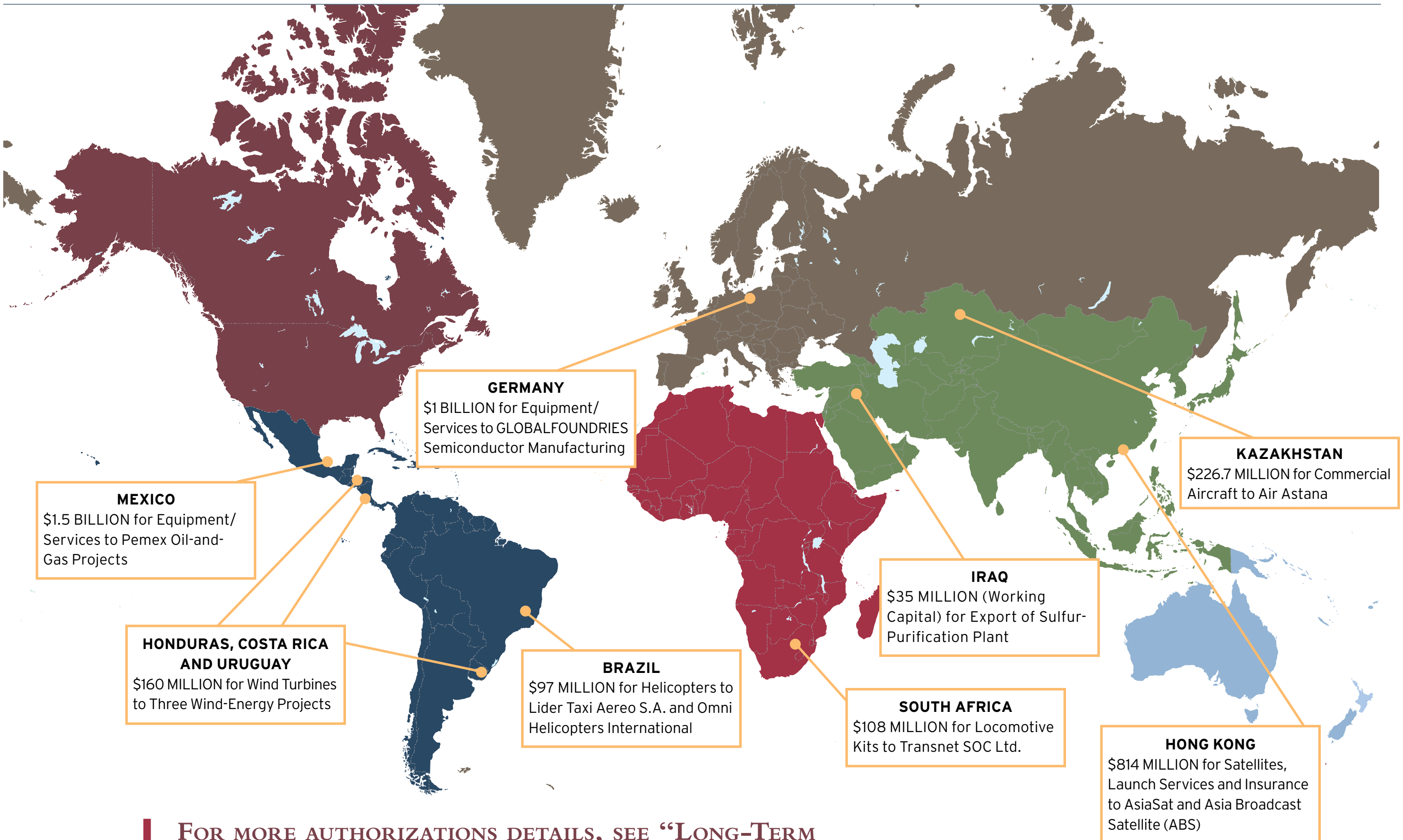
Ex-Im Bank provides financing in response to the applications received, and the actual markets vary from year to year. Markets where growing infrastructure needs are anticipated to generate strong demand include Brazil, India, Indonesia, Mexico, Nigeria, South Africa and Vietnam. The infrastructure needs of these and other developing markets are significant. Ex-Im's financing is helping American companies meet this rising demand for "Made in the USA" products and services in these and other global markets.

> **Asia was Ex-Im Bank's largest market in FY 2013, with authorizations of $9.7 billion that brought Ex-Im's exposure in Asia to a record $46.5 billion by fiscal-year end.**

FY 2013 HIGHLIGHTS:

- The largest region in Ex-Im Bank's portfolio remains Asia, which the Bank defines as a region stretching from the Pacific Rim to the Middle East. At the close of FY 2013, the Bank's exposure in Asia was $46.5 billion, a 9.7 percent increase from FY 2012.
- The Bank's total authorizations in Asia were $9.7 BILLION, a decrease from the FY 2012 authorizations level of $13.5 billion due to fewer large authorizations in FY 2013. Asian authorizations of note in FY 2013 included financing of U.S. exports to AsiaSat and Asia Broadcast Satellite (ABS) in Hong Kong; a liquefied natural gas (LNG) project in Queensland, Australia; agricultural aircraft to China; and commercial aircraft sales to several East Asian countries, including China, Korea and Indonesia.
- Included in the Asia totals are authorizations for U.S. exports to the Middle East, including a sulfur-purification plant in Iraq, satellite launch services to Israel and commercial aircraft to the United Arab Emirates.
- Europe and Latin America were the second-largest and third largest regions of Ex-Im activity in FY 2013, with authorizations of $5.7 BILLION for Europe and $2.9 BILLION for Latin America. Notable authorizations included the financing of U.S. technology and services for a semiconductor foundry in Germany, U.S.-manufactured helicopters to Brazil and Mexico, and U.S. wind turbines to Honduras, Costa Rica and Uruguay.

FY 2013 AUTHORIZATIONS BY REGION



For more authorizations details, see "Long-Term Loans and Guarantees Authorizations."

NORTH AMERICA: $3.4 BILLION
LATIN AMERICA/CARIBBEAN: $2.9 BILLION
AFRICA: $600 MILLION
EUROPE: $5.7 BILLION
ASIA: $9.7 BILLION
OCEANIA: $300 MILLION

- The Bank continued its strong support for U.S. exports to sub-Saharan Africa, financing 3 percent of U.S. merchandise exports to this region, which is the home of seven out of 10 of the world's fastest-growing markets.
- In FY 2013, the Bank approved an all-time high of 188 authorizations to sub-Saharan Africa, with total authorizations of $604 MILLION. This financing supported U.S. goods and services for projects including oil-drilling in Nigeria, the expansion of a hospital complex in Ghana, the sale of GE locomotives to Transnet SOC Ltd. in South Africa and the export of U.S.-manufactured business aircraft to Tanzania.
- The largest of Ex-Im's single-country markets was India, with authorizations of $2.1 BILLION that financed exports to the Jamnagar petrochemical refinery and several solar-energy projects.
- The second-largest single-country market was Mexico, with authorizations of $2 BILLION that increased Ex-Im's exposure in Mexico to $9.4 billion. This financing is supporting exports of U.S.-manufactured helicopters, commercial aircraft, and equipment and services for projects of Petróleos Mexicanos (Pemex) and Comisión Federal de Electricidad (CFE).
- Ex-Im's third-largest single-country market was Indonesia, with authorizations of $1.2 BILLION. This financing includes approximately $1 billion supporting Lion Air's purchase of a fleet of Boeing 737-900ER (extended range) aircraft and $94 million supporting exports of locomotive kits from General Electric (GE) Transportation.

Sub-Saharan Africa

Sub-Saharan Africa is home to seven out of the 10 fastest-growing economies in the world. Ex-Im Bank provides export financing to sub-Saharan Africa to promote trade and economic growth on both sides of the Atlantic.

In the past four years, Ex-Im Bank has authorized more than $4 BILLION in financing for U.S. exports to sub-Saharan Africa, including $604 MILLION in authorizations in FY 2013. Ex-Im-supported exports accounted for 3 percent of all U.S. merchandise exports to sub-Saharan Africa during the year.

The Bank approved ***an all-time high number of 188 authorizations to sub-Saharan Africa*** in FY 2013. This financing supported U.S. exports to 35 of 49 sub-Saharan African countries, including Cameroon, Ethiopia, Ghana, Kenya, Mozambique, Nigeria, South Africa and Tanzania.

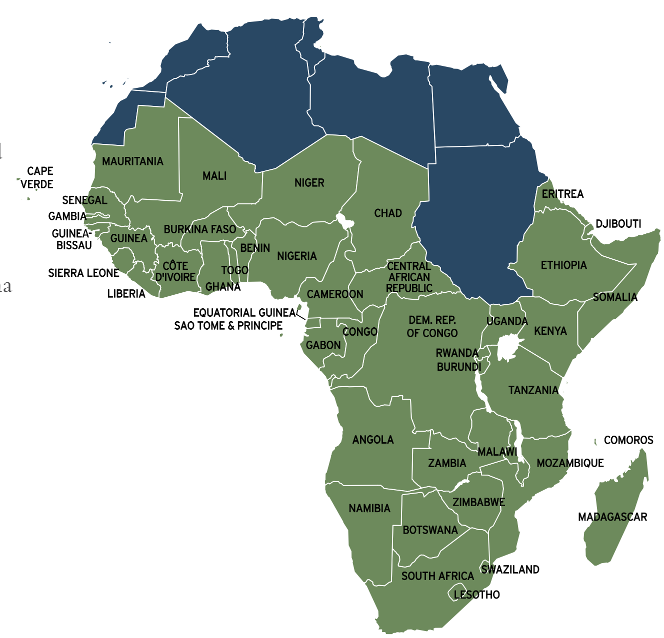
As a destination market, Sub-Saharan Africa receives about 1 percent of U.S. exports, but the region receives a higher percentage of Ex-Im's financing. On a per-export-dollar basis, we do more business in sub-Saharan Africa than in any other region. In FY 2013, almost 5 percent of Ex-Im's portfolio supported U.S. exports to sub-Saharan Africa.

FY 2013 AUTHORIZATIONS:

- $155.4 MILLION direct loan to the Republic of Ghana to finance exports from Americaribe Inc. of Miami, Fla., for the design and construction of the Ghana Ridge Hospital serving the country's capital city of Accra. (See featured success story.)
- $15.7 MILLION direct loan to the state government of Lagos, Nigeria, to finance the purchase of 32 fire-fighting trucks manufactured by W.S. Darley & Co. of Itasca, Ill.
- $108 MILLION loan guarantee to finance the purchase of 53 locomotive kits from GE Transportation by Transnet SOC Ltd., a large freight-rail, port and pipeline infrastructure company in South Africa.

In FY 2013, Ex-Im Bank opened for long-term financing in Rwanda and Zambia. The Bank can now provide its long-term loans and guarantees in 23 sub-Saharan countries.

Ex-Im's Short-Term Africa initiative makes available short-term export-credit insurance to buyers in 28 sub-Saharan countries where Ex-Im financing is not available otherwise. The $100 million initiative was renewed through March 2015.



SUPPORTING U.S. EXPORTS FOR HOSPITAL EXPANSION IN GHANA

In FY 2013, Ex-Im Bank authorized a $155.4 million loan to the Republic of Ghana to finance American exports for the design and construction of a hospital expansion in Ghana. The Ridge Hospital Complex serves as the primary hospital for the greater Accra area and will be among the most advanced medical facilities in West Africa. The U.S. exporter, **Americaribe Inc.** of Miami, Fla., specializes in the design, engineering and construction of healthcare and other projects.

> *"The Ghana Ridge Hospital is a key business-development project, enabling us to create between 15 and 20 new U.S. jobs during the contract term."*
>
> ***Jean-Baptiste Baudin de la Valette, president, Americaribe Inc.***

Exporter: **Americaribe Inc., Miami, Florida**

Ex-Im Bank Product: Direct Loan

Markets: Ghana

Jobs Supported: 20

COORDINATING WITH OTHER U.S. GOVERNMENT ENTITIES

Ex-Im Bank is a key player in President Obama's Power Africa initiative, involving other U.S. government agencies including the U.S. Agency for International Development (USAID), U.S. Trade and Development Agency (USTDA), the Overseas Private Investment Corp. (OPIC) and the departments of State and Energy. Ex-Im Bank pledged support of up to $5 billion over the next five years in support of President Obama's goal of doubling sub-Saharan Africa's access to electricity.

The Bank also participates in the U.S.-Africa Clean Energy Development and Finance Center, an initiative to provide a coordinated interagency approach to promoting clean-energy development in sub-Saharan Africa.

Ex-Im Bank supports the "Doing Business in Africa" campaign with other U.S. agencies to raise awareness among American businesses – including members of Africa's "Diaspora" community – of the region's great potential for U.S. exports.

The Bank engages in export-focused events with the U.S. Foreign Service, Foreign Commercial Service, USTDA, USAID, the Millenium Challenge Corp. (MCC) and other U.S. government entities to encourage economic engagement pursuant to the Africa Growth and Opportunity Act (AGOA). The Bank coordinates outreach with the Corporate Council on Africa and African chambers of commerce.

BUILDING RELATIONSHIPS WITH AFRICAN INSTITUTIONS

Ex-Im Bank maintains strong ties with banks in South Africa, Nigeria, and regional banks such as Eastern and Southern Africa Trade and Development Bank, the West African Development Bank, the African Finance Corp., the African Export-Import Bank and the Industrial Development Corp. of South Africa.

Renewable Energy

More than half of total net additions to global electricity generation came from renewable sources last year. By 2035, overall renewable-energy capacity is expected to triple and supply almost one-third of the world's electricity.

Source: National Renewable Energy Laboratory

Renewable energy means jobs – more than 600,000 in the United States alone. These jobs are generated by clean-energy industries such as solar, wind and biomass. In support of these high-tech jobs, Ex-Im Bank is a committed partner of U.S. exporters of renewable-energy and other environmentally beneficial technologies. We provide the export financing to enable them to realize the sales opportunities in nations around the globe that are investing substantially in clean-energy development.

Ex-Im Bank is a recognized global leader among international financial institutions in addressing environmental issues and supporting environmentally beneficial exports. The Bank's principal objective is to maintain U.S. exporters' competitiveness in the global marketplace while ensuring that the projects that the Bank supports are environmentally responsible. In addition, since 1994, the Bank has also fulfilled a congressional mandate to increase support for environmentally beneficial U.S. exports, including those related to the production of renewable sources of energy.

INCREASED RENEWABLE-ENERGY FINANCING

Beginning in FY 2009 – following the implementation of a revised business-development strategy – Ex-Im Bank significantly increased its support of renewable-energy exports. Although total financing in any given year is variable due to the impact of individual large projects, over the last five years (FY 2009 through FY 2013), Ex-Im Bank has increased renewable-energy authorizations in every year in comparison with FY 2008 ($30.4 million). Annual renewable-energy authorizations during the five-year period were $257 million in FY 2013, $355.5 million in FY 2012, $721.4 million in FY 2011, $332 million in FY 2010 and $101 million in FY 2009.

EX-IM BANK SUPPORTED ALMOST $640 MILLION OF U.S. ENVIRONMENTALLY BENEFICIAL EXPORTS IN FY 2013 – NEARLY 60 PERCENT FOR RENEWABLE ENERGY.

FY 2013 AUTHORIZATIONS:

- $433 MILLION in financing to support $638 million of U.S. exports of environmentally beneficial goods and services. Nearly 60 percent of these authorizations supported renewable-energy exports.
- $257 MILLION for renewable-energy exports in wind, solar, biomass and other renewable-energy industries, primarily to Central and Latin America.
- $92 MILLION supporting exports from solar photovoltaic (PV) and semiconductor industries, including a rooftop-solar project in Mexico and solar projects in India.
- Nearly $160 MILLION for exports to wind-energy projects, including projects in Honduras, Costa Rica and a first-time authorization of these products to Uruguay.
- $4 MILLION for exports to projects in the biomass, biodiesel, hydroelectric and renewable-energy storage sectors.

U.S. WIND TURBINES POWER PROJECTS IN HONDURAS, COSTA RICA AND URUGUAY

Employees of **Gamesa Technology Corp.** in Pennsylvania are assembling wind turbines for export to Central and South America, thanks to a total of nearly $160 MILLION in Ex-Im loans.

In **Honduras**, a $28 million Ex-Im loan to Energía Eólica de Honduras S.A., is supporting Gamesa's turbines for the expansion of the Cerro de Hula Wind Farm, for which the Bank previously provided support. In **Uruguay**, a $72.6 million Ex-Im loan is supporting Gamesa's exports to Palmatir S.A. This is Ex-Im's first wind-power project in Uruguay and the largest Ex-Im-supported transaction in that country's history. In **Costa Rica**, a $59 million Ex-Im loan is supporting Gamesa's exports to Inversiones Eólicas de Orosi Dos S.A. This is the first Ex-Im wind-energy authorization in Costa Rica.

Gamesa operates a nacelle plant in Fairless Hills, Pa. Suppliers from five additional states will also benefit from the exports.

> *"Thanks to Ex-Im Bank, these export projects are creating new business opportunities in emerging markets and supporting good-paying jobs at Gamesa and throughout our entire supply chain."*
>
> ***David Flitterman, North American chairman, Gamesa Technology Corp.***

Exporter:
Gamesa Technology Corp., Trevose, Pennsylvania

Markets:
Central and South America

Ex-Im Bank Product:
Direct Loan

Jobs Supported:
360 in Pennsylvania,
Additional States

Environmental Stewardship

Ex-Im Bank – the first export-credit agency in the world to adopt environmental procedures and guidelines – monitors and seeks to mitigate the environmental impacts of its projects while facilitating U.S. exports and jobs.

A global leader in environmental stewardship, Ex-Im Bank has employed environmental procedures and guidelines in its credit-analysis process since 1994, in accord with the Bank's 1992 reauthorization legislation. In 2009, the Bank became the ***first export-credit agency (ECA) to adopt a carbon policy*** to address the climate-change concerns raised by emissions from the projects that the Bank finances.

Ex-Im Bank is also the first and only ECA to provide transparency on greenhouse-gas emissions. We report the level of carbon-dioxide (CO_2) emissions associated with approved projects in our annual report and those associated with new projects for which financing is requested on our Web site. Tracked projects are those associated with fossil-fuel exploration/production and others in which CO_2 production is expected to exceed more than 25,000 tons per year.

FY 2013 CO_2 EMISSIONS REPORTING:

- Approved a total of 67 loans, guarantees and working capital guarantees and approximately 77 new and renewed export-credit insurance policies to finance U.S. exports related to foreign energy development, production and transmission. These activities include electric-power generation and transmission, coal mining, oil-and-gas-field exploration and development, production, pipelines and refineries. ***The estimated export value of these transactions exceeded $7.7 billion, supporting more than 46,000 U.S. jobs.***
- Authorized $633.6 million for U.S. exports to four new fossil-fuel power plants. The Bank estimates that the aggregate amount of CO_2 emissions produced directly by these projects will total approximately 5.87 million metric tons per year. Of this amount, 3.67 million metric tons will be produced at natural gas-fired power plants in Spain, Russia and Israel. An estimated 2.2 million metric tons will be produced by a coal-fired power plant related to a copper-mining project in Mongolia.
- Authorized $3.8 billion for the development of an oil-and-gas-field project, a liquefied-natural-gas (LNG) production project, a petrochemical-production project and an oil refinery. The Bank estimates that the aggregate amount of CO_2 emissions produced directly by these projects will total approximately 20.15 million metric tons per year. Of this amount, 2.7 million metric tons is estimated to be produced by the oil-and-gas-field project, 5.7 million metric tons by the LNG project, 9.75 million metric tons by the petrochemical project and 2.0 million metric tons by the oil refinery.
- Authorized $1.8 billion for U.S. exports to be used in the development of other projects with significant CO_2 emissions, including one aluminum smelter, two semi-conductor projects and one automobile-manufacturing plant. The Bank estimates that the aggregate amount of CO_2 emissions produced directly by these projects will total approximately 5.52 million metric tons per year. Of this amount, 4.8 million metric tons is estimated to be produced by the aluminum smelter and an aggregate of 0.72 million metric tons by the remaining projects.

2013 Financial Report

FISCAL YEAR 2013 AUTHORIZATIONS SUMMARY

($ millions)

	NUMBER OF AUTHORIZATIONS		AMOUNT AUTHORIZED		ESTIMATED EXPORT VALUE		PROGRAM BUDGET USED	
Program	2013	2012	2013	2012	2013	2012	2013	2012
LOANS								
Long-Term Loans	29	18	$6,878.4	$11,751.7	$7,913.2	$9,702.7	$0.2	$-
Medium-Term Loans	-	2	-	12.8	-	15.8	-	0.4
Working Capital Loans	42	4	15.4	1.2	146.7	9.0	-	-
Total Loans	**71**	**24**	**6,893.8**	**11,765.7**	**8,059.9**	**9,727.5**	**0.2**	**0.4**
GUARANTEES								
Long-Term Guarantees	73	92	12,179.7	14,879.6	10,746.4	14,968.3	1.8	1.8
Medium-Term Guarantees	68	62	132.5	186.8	134.0	229.3	9.5	13.2
Working Capital Guarantees	533	590	2,599.6	3,252.9	12,925.8	19,349.6	-	3.4
Total Guarantees	**674**	**744**	**14,911.8**	**18,319.3**	**23,806.2**	**34,547.2**	**11.3**	**18.4**
EXPORT-CREDIT INSURANCE								
Short-Term	3,027	2,934	5,440.3	5,534.3	5,440.3	5,534.3	19.8	34.3
Medium-Term	70	94	101.7	165.0	105.6	179.9	5.0	19.0
Total Insurance	**3,097**	**3,028**	**5,542.0**	**5,699.3**	**5,545.9**	**5,714.2**	**24.8**	**53.3**
GRAND TOTAL	**3,842**	**3,796**	**$27,347.6**	**$35,784.3**	**$37,412.0**	**$49,988.9**	**$36.3**	**$72.1**

FY 2013 SMALL-BUSINESS AUTHORIZATIONS

($ millions)

	NUMBER		AMOUNT	
	2013	2012	2013	2012
Export-Credit Insurance	2,847	2,760	$2,812.5	$3,233.9
Working Capital Guarantees	507	505	1,813.8	2,075.8
Guarantees and Direct Loans	59	48	596.7	813.2
GRAND TOTAL	**3,413**	**3,313**	**$5,223.0**	**$6,122.9**

FY 2013 AUTHORIZATIONS BY MARKET

(in dollars)	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
ALBANIA					23,478,335
ALGERIA					80,275,919
ANGOLA					381,075,226
ANGUILLA					359,441
ANTIGUA AND BARBUDA					18,686,784
ARGENTINA			15,799,968	15,799,968	335,444,880
ARMENIA					351,515
ARUBA					1,489,245
AUSTRALIA	13,220,008	284,114,107	1,000,175	298,334,290	4,690,545,732
AUSTRIA			225,000	225,000	70,616,925
AZERBAIJAN					117,294,422
BAHAMAS					6,669,276
BAHRAIN					242,279,529
BANGLADESH					240,590,228
BARBADOS			180,000	180,000	5,631,248
BELARUS					348,743
BELGIUM			1,651,500	1,651,500	18,370,255
BELIZE					3,879,778
BENIN					36,975
BERMUDA					1,802,901
BOLIVIA			63,000	63,000	3,755,197
BOSNIA-HERZEGOVINA					20,521,773
BRAZIL		187,664,385	44,481,087	232,145,472	2,933,126,051
BRUNEI					113,083
BULGARIA					2,541,279
BURKINA FASO					2,088,369
CAMEROON			270,000	270,000	47,407,537
CANADA		190,488,570	2,367,000	192,855,570	1,721,457,918
CAPE VERDE					887
CAYMAN ISLANDS					69,963,877
CENTRAL AFRICAN REPUBLIC					12,737
CHILE		313,689,057	9,667,434	323,356,491	2,266,567,075
CHINA		623,823,186	11,748,653	635,571,839	2,699,210,861
COLOMBIA		1,159,023	6,799,579	7,958,602	3,661,491,363
CONGO					11,799
CONGO, DEMOCRATIC REPUBLIC OF			760,000	760,000	2,143,044
COSTA RICA	58,811,127	4,824,858	10,581,662	74,217,647	116,580,372
CÔTE D'IVOIRE					3,217,301
CROATIA					314,828
CUBA					36,266,581
CYPRUS			10,817,856	10,817,856	29,265,453
CZECH REPUBLIC			900,000	900,000	30,557,120
DENMARK			135,000	135,000	6,488,807
DOMINICA					757,093
DOMINICAN REPUBLIC		3,061,542	21,283,938	24,345,480	594,259,112
ECUADOR					62,902,636
EGYPT			16,082,750	16,082,750	402,542,668

FY 2013 AUTHORIZATIONS BY MARKET

(in dollars)	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
EL SALVADOR			16,296,500	16,296,500	53,413,359
ESTONIA			130,500	130,500	2,861,267
ETHIOPIA		124,604,901		124,604,901	1,813,974,896
FIJI					208,823
FINLAND					2,509,506
FRANCE			787,500	787,500	89,705,274
FRENCH POLYNESIA					211,393
GABON					11,394,313
GAMBIA					174,814
GERMANY	1,030,181,000		1,215,000	1,031,396,000	1,076,560,577
GHANA	155,377,026		1,881,000	157,258,026	665,038,672
GIBRALTAR					89,096
GREECE			3,600,000	3,600,000	8,149,437
GRENADA					3,797,816
GUATEMALA		801,391	4,810,000	5,611,391	42,932,125
GUYANA					1,345,754
HONDURAS	28,265,412		8,067,424	36,332,836	225,204,204
HONG KONG	813,963,109			813,963,109	3,389,065,766
HUNGARY					63,406,873
ICELAND			45,000	45,000	817,375
INDIA	1,101,008,210	1,000,888,420	270,000	2,102,166,630	8,142,826,587
INDONESIA	94,285,480	1,125,575,956	382,500	1,220,243,936	2,626,997,138
IRAQ			6,553,155	6,553,155	7,662,874
IRELAND		335,293,381	549,000	335,842,381	4,879,894,747
ISRAEL	105,436,551	238,562,105	1,908,000	345,906,656	734,357,116
ITALY			463,500	463,500	39,489,489
JAMAICA			2,700,000	2,700,000	27,351,758
JAPAN			1,318,500	1,318,500	117,019,625
JORDAN					3,586,023
KAZAKHSTAN		226,778,638		226,778,638	763,912,638
KENYA			180,000	180,000	248,923,070
KOREA, REPUBLIC OF		625,045,000	162,000	625,207,000	3,536,877,124
KUWAIT		323,382,500	90,000	323,472,500	564,149,289
LATVIA					335,414
LEBANON			1,305,000	1,305,000	7,327,764
LIBERIA			425,000	425,000	426,890
LIECHTENSTEIN					148,775
LITHUANIA					1,419,489
LUXEMBOURG		463,386,699		463,386,699	1,533,389,273
MACAU					222,682
MADAGASCAR					137,295
MALAWI					164,349
MALAYSIA			85,191	85,191	15,719,120
MALDIVES					203,323
MALI					7,106,907
MALTA					325,938
MAURITANIA					9,237,191

FY 2013 AUTHORIZATIONS BY MARKET

(in dollars)	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
MAURITIUS					2,214,258
MEXICO		1,805,679,791	257,773,673	2,063,453,464	9,425,139,616
MICRONESIA					1,680
MONACO					76,784
MONGOLIA	494,565,125			494,565,125	580,020,181
MONTENEGRO					16,094,728
MONTSERRAT					134,766
MOROCCO		93,267,887		93,267,887	510,492,387
MOZAMBIQUE					926,367
NETHERLANDS			272,655,000	272,655,000	1,360,945,106
NEW CALEDONIA					15,050
NEW ZEALAND			675,000	675,000	564,107,374
NICARAGUA			9,121,500	9,121,500	37,619,321
NIGER					45,000
NIGERIA	15,677,943	43,117,829	3,665,617	62,461,389	152,177,285
NORWAY		245,521,395		245,521,395	939,631,167
OMAN					48,204,610
PAKISTAN			2,149,487	2,149,487	676,194,301
PANAMA			29,265,033	29,265,033	806,053,556
PAPUA NEW GUINEA					3,000,419,059
PARAGUAY		9,350,948	1,377,420	10,728,368	15,414,604
PERU		2,645,377	3,971,005	6,616,382	421,367,498
PHILIPPINES		299,680,197	45,000	299,725,197	619,257,348
POLAND		479,234,469	563,491	479,797,960	471,425,469
PORTUGAL					2,646,821
QATAR					775,010,308
ROMANIA		18,987,728		18,987,728	74,022,311
RUSSIA	32,273,301	581,710,854	15,870,000	629,854,155	1,020,847,035
SAMOA					38,292
SAUDI ARABIA			7,597,800	7,597,800	6,954,073,675
SENEGAL					10,342,528
SERBIA			344,660	344,660	144,206,417
SEYCHELLES					52,735
SIERRA LEONE			95,000	95,000	348,562
SINGAPORE		568,098,401	747,000	568,845,401	2,070,313,462
SLOVAK REPUBLIC		48,109,600	270,000	48,379,600	60,251,874
SLOVENIA		8,629,505		8,629,505	8,818,215
SOUTH AFRICA	22,576,730	150,154,424	504,000	173,235,154	1,151,856,068
SPAIN	90,348,944	91,797,477	1,305,000	183,451,421	546,688,219
SRI LANKA			270,000	270,000	80,796,180
ST. KITTS AND NEVIS			90,000	90,000	408,889
ST. LUCIA					673,453
ST. VINCENT AND GRENADINES					139,831
SUDAN					28,246,331
SURINAME					1,827,091
SWAZILAND					1,555
SWEDEN					6,337,127

FY 2013 AUTHORIZATIONS BY MARKET

(in dollars)	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
SWITZERLAND			360,000	360,000	69,160,043
TAIWAN			855,000	855,000	296,260,045
TAJIKISTAN					65,000,000
TANZANIA		2,117,295		2,117,295	9,572,025
THAILAND			270,000	270,000	312,908,438
TONGA					765
TRINIDAD AND TOBAGO			1,350,000	1,350,000	111,793,658
TUNISIA					277,801
TURKEY	640,716,277	169,873,174	23,098,148	833,687,599	4,340,317,206
TURKS AND CAICOS					1,260,431
UGANDA			90,000	90,000	853,395
UKRAINE		88,853,970		88,853,970	285,714,550
UNITED ARAB EMIRATES	239,521,816	900,631,581	2,728,242	1,142,881,639	6,209,029,253
UNITED KINGDOM	1,852,853,927	10,530,209	1,915,063	1,865,299,199	2,832,560,057
UNITED STATES	15,453,200	3,220,306,890		3,235,760,090	8,775,463,298
URUGUAY	72,651,214	251,550	7,534,341	80,437,106	102,867,031
UZBEKISTAN					37,658,760
VARIOUS COUNTRIES UNALLOCABLE					57,683,361
VENEZUELA					35,253,770
VIETNAM	16,710,255		360,000	17,070,255	159,122,191
VIRGIN ISLANDS (BRITISH)			4,457,502	4,457,502	19,318,146
WEST INDIES (BRITISH)					616,035
WEST INDIES (FRENCH)					603,036
ZAMBIA					5,409,730
ZIMBABWE					69,603
Subtotal	**6,893,896,655**	**14,911,694,270**	**859,413,356**	**22,665,004,281**	**107,987,562,529**
Multi-Buyer Insurance - Short Term			**4,682,595,256**	**4,682,595,256**	**5,837,738,053**
GRAND TOTAL	**6,893,896,655**	**14,911,694,270**	**5,542,008,613**	**27,347,599,538**	**113,825,300,583**

FY 2013 LONG-TERM LOANS AND GUARANTEES AUTHORIZATIONS

Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
AUSTRALIA						
1/17/13	Jabiru Satellite Ltd. Lockheed Martin Corp. Newsat Ltd.	086539	3	Satellite and Launch Insurance (Amendment)	$13,220,000	
5/10/13	Australia Pacific LNG Processing Pty Ltd. Bechtel Power Corp.	085675	1	Engineering Services (Amendment)	$8	
9/19/13	Qantas Airways Ltd. The Boeing Co.	087980	3	Commercial Aircraft		$284,114,107
Australia Total					**$13,220,008**	**$284,114,107**
BRAZIL						
11/19/12	OHI Finance S.A. Agusta Aerospace Corp. Omni Helicopters International S.A.	087015	2	Helicopters		$43,928,000
1/22/13	Global Helicopters B.V. Sikorsky Aircraft Corp. Lider Taxi Aéreo S.A.	087548	2	Helicopters		$20,603,393
5/9/13	VRG Linhas Aéreas S.A. The Boeing Co.	083332	3	Commercial Aircraft		$32,787,000
5/9/13	VRG Linhas Aereas S.A. Delta TechOps GOL Linhas Aéreas Intelligentes S.A.	087901	2	Aircraft Engine Overhauls		$45,526,516
7/9/13	OHI Finance S.A. Agusta Aerospace Corp. Omni Helicopters International S.A.	088064	2	Helicopters		$32,341,094
Brazil Total						**$175,186,003**
CANADA						
7/19/13	Westjet Airlines Ltd. The Boeing Co.	087891	3	Commercial Aircraft		$190,488,570
Canada Total						**$190,488,570**
CHILE						
2/21/13	Lan Airlines S.A. The Boeing Co.	087730	3	Commercial Aircraft		$311,241,112
Chile Total						**$311,241,112**
CHINA						
6/20/13	Export Import Bank of China Deere & Company Ministry of Finance	087932	1	Agricultural Machinery and Equipment		$18,179,979
6/20/13	Air China The Boeing Co.	087801	3	Commercial Aircraft		$558,350,949
6/27/13	Export Import Bank Of China Thrush Aircraft Inc. Ministry of Finance	087932	1	Agricultural Aircraft		$37,400,569
China Total						**$613,931,497**
COSTA RICA						
9/27/13	Inversiones Eólicas de Orosi Dos S.A. Gamesa Technology Corp.	085968	1	Wind-Power Turbines	$58,811,127	
Costa Rica Total					**$58,811,127**	

* Not all guarantors are reported for private-sector authorizations.

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1. To assume commercial or political risk that exporter and/or private financial institutions are unwilling or unable to undertake.
2. To overcome maturity or other limitations in private-sector export financing.
3. To meet competition from a foreign, officially sponsored, export-credit agency.

Beginning in FY 2013, in accordance with 12 U.S.C. Section 635g(h) as amended May 2012, Ex-Im Bank will separately report reasons 1 and 2.

FY 2013 LONG-TERM LOANS AND GUARANTEES AUTHORIZATIONS

Authorization Date	Obligor Principal Supplier Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
ETHIOPIA						
6/20/13	Ethiopian Airlines The Boeing Co.	087872	1	Commercial Aircraft		$124,604,901
Ethiopia Total						**$124,604,901**
GERMANY						
12/13/12	GLOBALFOUNDRIES Inc. Applied Materials Inc., et. al. GLOBALFOUNDRIES Singapore Pte. Ltd., et. al.	086105	1	Semiconductor-Manufacturing Equipment and Related Services	$1,030,181,000	
Germany Total					**$1,030,181,000**	
GHANA						
1/10/13	Ministry of Finance and Economic Planning GE Healthcare	087225	3	Engineering and Construction Services, and Medical Appliances for Expansion of Ghana Ridge Hospital	$155,377,026	
Ghana Total					**$155,377,026**	
HONDURAS						
2/21/13	Energia Eólica de Honduras S.A. Gamesa Technology Corp.	087547	2	Wind-Power Turbines	$28,265,412	
Honduras Total					**$28,265,412**	
HONG KONG						
11/15/12	Kingsbridge Ltd. Space Systems/Loral LLC (SSL), et. al. Asia Broadcast Satellite HK Ltd., et. al.	083531	3	Satellite and Launch Insurance	$179,609,546	
11/15/12	Kingsbridge Ltd. Boeing Satellite Systems Inc., Space Exploration Technologies Corp. (SpaceEx), et, al. Asia Broadcast Satellite HK Ltd., et. al.	086918	1	Satellite, Launch Services and Launch Insurance	$291,060,659	
5/30/13	Asia Satellite Telecommunications Co. Ltd., et. al. Space Systems/Loral LLC (SSL), Space Exploration Technologies Corp. (SpaceEx), et. al.	086677	2	Satellites, Launch Services and Launch Insurance	$343,292,904	
Hong Kong Total					**$813,963,109**	
INDIA						
11/19/12	Reliance Industries Ltd. Fluor Corp., ConocoPhillips Co., et. al.	086383	3	Turbine-Generator Sets for Jamnagar Petrochemical Plant	$1,000,000,000	$1,000,000,000
3/21/13	Mahindra Suryaprakash Private Ltd. First Solar Inc.	086794	1	Thin-Film Solar-Photovoltaic Modules (Amendment)	$1,514,316	
3/21/13	Solarfield Energy Two Private Ltd. First Solar Inc.	086796	1	Thin-Film Solar-Photovoltaic Modules (Amendment)	$514,543	
4/25/13	Sai Maithili Power Company Ltd. Miasolé	086837	3	Thin-Film Solar-Photovoltaic Panels	$8,968,850	
9/6/13	Ford India Private Ltd. MAG IAS, ABB Inc., et. al. Ford Motor Co.	087256	3	Industrial Manufacturing Machinery	$90,010,501	
India Total					**$1,101,008,210**	**$1,000,000,000**

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2. To overcome maturity or other limitations in private-sector export financing.
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FY 2013 LONG-TERM LOANS AND GUARANTEES AUTHORIZATIONS

Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
INDONESIA						
2/21/13	Transportation Partners Pte. Ltd. The Boeing Co. Lion Air	085680	3	Commercial Aircraft		$1,125,575,956
4/2/13	PT. Kereta Api Indonesia (Persero) GE Transportation	087413	1	Locomotive Kits	$94,285,480	
Indonesia Total					**$94,285,480**	**$1,125,575,956**
IRELAND						
4/18/13	Milestone Aviation Group Ltd. Sikorsky Aircraft Corp.	087549	2	Helicopters		$187,394,000
8/23/13	Avolon Aerospace Leasing Ltd. The Boeing Co.	088099	2	Commercial Aircraft		$147,899,381
Ireland Total						**$335,293,381**
ISRAEL						
3/21/13	El Al Israel Airlines The Boeing Co.	086911	1	Commercial Aircraft		$95,109,900
3/21/13	El Al Israel Airlines The Boeing Co.	087599	1	Commercial Aircraft		$95,109,900
8/23/13	Space Communication Ltd. Space Exploration Technologies Corp. (SpaceEx)	087586	3	Satellite Launch Vehicles and Launch Insurance	$105,436,551	
9/6/13	Mashav Initiating and Development Ltd. GE Packaged Power Inc.	087782	2	Turbine and Turbine-Generator Set Units		$44,842,520
Israel Total					**$105,436,551**	**$235,062,320**
KAZAKHSTAN						
7/18/13	Air Astana The Boeing Co.	087136	3	Commercial Aircraft		$226,778,638
Kazakhstan Total						**$226,778,638**
KOREA, REPUBLIC OF						
2/19/13	Korean Air Lines The Boeing Co.	087595	3	Commercial Aircraft		$470,045,000
6/14/13	Asiana Airlines The Boeing Co.	087013	3	Commercial Aircraft		$155,000,000
Korea, Republic of Total						**$625,045,000**
KUWAIT						
5/30/13	ALAFCO Aviation and Lease Finance Co. The Boeing Co.	087858	3	Commercial Aircraft		$323,382,500
Kuwait Total						**$323,382,500**
LUXEMBOURG						
11/20/12	Cargolux Airlines International S.A. The Boeing Co.	084399	2	Commercial Aircraft (Amendment)		$308,226
3/7/13	Cargolux Airlines International S.A. The Boeing Co.	086856	1	Commercial Aircraft		$306,170,000
9/19/13	Cargolux Airlines International S.A. The Boeing Co.	088133	1	Commercial Aircraft		$156,908,473
Luxembourg Total						**$463,386,699**

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2. To overcome maturity or other limitations in private-sector export financing.
3. To meet competition from a foreign, officially sponsored, export-credit agency.

Beginning in FY 2013, in accordance with 12 U.S.C. Section 635g(h) as amended May 2012, Ex-Im Bank will separately report reasons 1 and 2.

FY 2013 LONG-TERM LOANS AND GUARANTEES AUTHORIZATIONS

Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
MEXICO						
10/11/12	Aeroservicios Especializados S.A. de C.V. Sikorsky Aircraft Corp. Lomex Aeronáutica S.A. de C.V.	087423	3	Helicopters		$56,577,162
12/18/12	Grupo Metal Intra S.A. de C.V. Suniva Inc. Tecnología Eléctrica Instalaciones S.A., et. al.	087603	1	Solar-Photovoltaic Panels		$775,210
12/20/12	Comisión Federal de Electricidad Various U.S. Suppliers	087483	1	Electric-Power Generation Equipment and Supplies		$89,215,801
5/30/13	Aerovías de Mexico S.A. de C.V. The Boeing Co.	087791	3	Commercial Aircraft		$117,395,421
8/23/13	Petróleos Mexicanos (Pemex) Various U.S. Suppliers Pemex Exploración y Producción	087913	3	Equipment and Services for Oil-Field and Gas-Field Projects		$200,000,000
8/23/13	Petróleos Mexicanos (Pemex) Various U.S. Suppliers Pemex Exploración y Producción	087912	3	Equipment and Services for Oil-Field and Gas-Field Projects		$1,300,000,000
9/30/13	Aerolíneas Ejecutivas Beechcraft Corp.	087890	3	Business Aircraft		$5,500,000
Mexico Total						**$1,769,463,594**
MONGOLIA						
5/16/13	Oyu Tolgoi LLC Komatsu America Corp.	086115	1	Mining Trucks	$494,565,125	
Mongolia Total					**$494,565,125**	
MOROCCO						
3/11/13	Royal Air Maroc The Boeing Co.	078791	1	Commercial Aircraft		$93,267,887
Morocco Total						**$93,267,887**
NIGERIA						
1/4/13	First City Monument Bank Ltd. W.S. Darley & Co. First City Monument Bank Ltd.	086696	3	Fire-Fighting Vehicles and Apparatus	$15,677,943	
3/11/13	Drillog Petro-Dynamics Ltd. Applied Machinery Corp., et. al. Diamond Bank Ltd.	086782	1	Oil-Drilling Equipment (Rig Package)		$25,747,399
5/30/13	Michharry & Company Nigeria Ltd. Offshore Marine Services Inc. Diamond Bank PLC	087598	1	Liftboat and Engineering Services		$17,370,430
Nigeria Total					**$15,677,943**	**$43,117,829**
NORWAY						
7/9/13	Norwegian Air Shuttle ASA The Boeing Co.	087223	2	Commercial Aircraft		$163,823,220
7/18/13	Norwegian Air Shuttle ASA The Boeing Co.	087223	2	Commercial Aircraft		$81,698,175
Norway Total						**$245,521,395**
PHILIPPINES						
4/18/13	Philippine Airlines Inc. The Boeing Co.	087073	3	Commercial Aircraft		$299,680,197
Philippines Total						**$299,680,197**

* Not all guarantors are reported for private-sector authorizations.

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2. To overcome maturity or other limitations in private-sector export financing.

3. To meet competition from a foreign, officially sponsored, export-credit agency.

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FY 2013 LONG-TERM LOANS AND GUARANTEES AUTHORIZATIONS

Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
POLAND						
10/25/12	LOT Polish Airlines The Boeing Co.	087110	1	Commercial Aircraft		$479,234,469
Poland Total						**$479,234,469**
ROMANIA						
4/5/13	Gaia Enolia Solar Energy SRL Suniva Inc.	087576	1	Solar-Photovoltaic Panels		$8,275,433
4/5/13	Gaia Enolia Solar Energy SRL Suniva Inc.	087834	1	Solar-Photovoltaic Panels		$9,563,113
Romania Total						**$17,838,546**
RUSSIA						
11/8/12	OJSC EVRAZ Consolidated West Siberian Metallurgical Plant Steel Equipment Specialists Inc., Bronx International Inc.	086365	1	Railhead-Hardening Equipment		$69,941,726
11/19/12	VEB Leasing JSC The Boeing Co.	087414	3	Commercial Aircraft		$496,934,008
1/24/13	LLC Kastamonu Integrated Wood Industry GE Packaged Power Inc. Kastamonu Entegre AĐaç Sanayi Ve Ticaret A.S.	087386	3	Gas-Turbine Generator Set		$14,835,120
5/16/13	Vung Ro Petroleum Ltd. UOP LLC Sberbank	087518	2	Engineering Services for Petroleum Refinery Plant	$32,273,301	
Russia Total					**$32,273,301**	**$581,710,854**
SINGAPORE						
11/8/12	Boc Aviation Pte. Ltd. The Boeing Co.	087476	3	Commercial Aircraft		$99,450,000
8/23/13	Micron Semiconductor Asia Pte. Ltd. Axcelis Technologies Inc., et. al. Micron Technology Inc.	086036	1	Semiconductor-Manufacturing Equipment and Related Services		$462,278,974
Singapore Total						**$561,728,974**
SLOVAK REPUBLIC						
9/12/13	Luxury Business Jets A.S. The Boeing Co.	088208	2	Business Aircraft		$48,109,600
Slovak Republic Total						**$48,109,600**
SOUTH AFRICA						
12/6/12	Comair Ltd. The Boeing Co.	085158	1	Commercial Aircraft		$36,836,854
6/14/13	Transnet SOC Ltd. GE Transportation	085332	3	Locomotive Kits		$108,025,830
8/15/13	Abener Energía S.A. The Dow Chemical Co. Abengoa S.A.	087838	3	Heat-Transfer Fluid	$22,576,730	
South Africa Total					**$22,576,730**	**$144,862,684**

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FY 2013 LONG-TERM LOANS AND GUARANTEES AUTHORIZATIONS

Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
SPAIN						
12/13/12	Abener Energía S.A. General Electric Co. Abengoa S.A.	087292	3	Gas Turbines, Generators, Accessories and Services	$79,359,515	
1/17/13	Hispasat Canarias S.L. Orbital Sciences Corp. Hispasat S.A.	087365	3	Satellite and Launch Insurance		$87,149,423
8/15/13	Abener Energía S.A. The Dow Chemical Co. Abengoa S.A.	087838	3	Heat-Transfer Fluid	$10,989,429	
Spain Total					**$90,348,944**	**$87,149,423**
TANZANIA						
4/9/13	Zantas Air Services Ltd. Cessna Aircraft Co.	087865	2	Business Aircraft		$2,117,295
Tanzania Total						**$2,117,295**
TURKEY						
3/7/13	Turk Hava Yollari AO The Boeing Co.	087734	3	Commercial Aircraft		$169,873,174
9/27/13	Star Rafineri A.S. Fluor Corp.	086942	2	Industrial Equipment for Petroleum Refinery	$640,716,277	
Turkey Total					**$640,716,277**	**$169,873,174**
UKRAINE						
1/4/13	Ferrexpo Poltava Mining Metso Minerals Industries Inc. Ferrexpo AG	087318	3	Mining Machinery and Equipment		$25,384,088
6/14/13	Ferrexpo Yeristovo Mining Caterpillar Inc. Ferrexpo PLC	086754	3	Mining Machinery and Equipment		$17,788,433
6/14/13	Ferrexpo Yeristovo Mining Caterpillar Inc., et. al. Ferrexpo PLC	087407	3	Mining Machinery and Equipment		$15,614,547
8/26/13	Mriya-Leasing LLC Deere & Company Mriya Agro Holding Public Ltd.	088097	1	Farm Machinery and Equipment		$11,151,436
Ukraine Total						**$69,938,504**
UNITED ARAB EMIRATES						
11/29/12	Emirates Airline The Boeing Co.	087436	3	Commercial Aircraft		$436,185,246
1/17/13	Etihad Airways The Boeing Co.	087613	3	Commercial Aircraft		$157,188,335
4/25/13	Emirates Aluminum Co. Ltd. PJSC General Electric Co.	085996	2	Steam-Turbine Generator Set	$239,521,816	
4/25/13	Dubai Aerospace Enterprise Ltd. The Boeing Co.	087679	3	Commercial Aircraft		$307,258,000
United Arab Emirates Total					**$239,521,816**	**$900,631,581**

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FY 2013 LONG-TERM LOANS AND GUARANTEES AUTHORIZATIONS

Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
UNITED KINGDOM						
10/15/12	CWE Northwind Ltd. Northern Power Systems Inc.	086271	1	Wind-Power Turbines (Credit Increase)		$4,425,373
11/8/12	BG Energy Holdings Ltd. McDermott International Inc., et. al.	086970	3	Gas-Turbine Compressor Set	$36,813,598	
11/28/12	Avanti Communications Group PLC Orbital Sciences Corp.	084271	1	Satellite (Amendment)	$6,657,868	
12/27/12	BG Energy Holdings Ltd. Bechtel Power Corp.	085833	3	Engineering Services for Queensland Curtis Liquefied Natural Gas (LNG) Plant	$1,809,382,461	
6/13/13	Gama Aviation Ltd. Beechcraft Corp.	088091	2	Business Aircraft		$6,104,836
United Kingdom Total					**$1,852,853,927**	**$10,530,209**
URUGUAY						
12/13/12	Palmatir S.A. Gamesa Technology Corp.	086967	1	Wind-Power Turbines	$72,651,214	
Uruguay Total					**$72,651,214**	
VIETNAM						
6/27/13	National Power Transmission Corp. General Electric Co. Vietcombank	087392	3	Electricity-Transmission Equipment	$16,710,255	
Vietnam Total					**$16,710,255**	
MISCELLANEOUS						
10/25/12	International Lease Finance Corp. The Boeing Co.	087328	3	Commercial Aircraft		$287,042,000
12/12/12	Aviation Capital Group Corp. The Boeing Co.	085190	3	Commercial Aircraft		$375,471
1/17/13	Air Lease Corp. The Boeing Co.	087512	3	Commercial Aircraft		$76,530,000
	Private Export Funding Corp. (PEFCO)	003048	N/A	Interest on PEFCO's Own Debt		$256,870,069
Miscellaneous Total						**$620,817,540**
GRAND TOTAL					**$6,878,443,455**	**$12,179,684,439**

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Management's Discussion and Analysis of Results of Operations and Financial Condition

For the Years Ended September 30, 2013, and September 30, 2012

EXECUTIVE SUMMARY

The Export-Import Bank of the United States (Ex-Im Bank or the Bank) is an independent executive agency and a wholly owned U.S. government corporation. Ex-Im Bank is the official export-credit agency of the United States. Its mission is to support U.S. jobs by facilitating the export of U.S. goods and services by providing competitive export financing and ensuring a level playing field for U.S. goods and services in the global marketplace. Ex-Im Bank does not compete with private-sector lenders but provides export-financing products that fill gaps in trade financing. We assume credit and country risks that the private sector is unable or unwilling to accept. We also help to level the playing field for U.S. exporters by matching the financing that other governments provide to their exporters. The Bank's charter requires reasonable assurance of repayment for the transactions it authorizes, and the Bank closely monitors credit and other risks in its portfolio.

In FY 2013, Ex-Im Bank authorized $27,347.6 million of loans, guarantees (guaranteed loans or loan guarantees) and insurance in support of an estimated $37,412.0 million of U.S. export sales and of an estimated 205,000 U.S. jobs. This is a 23.6 percent decrease in authorizations from FY 2012 of $35,784.3 million. Over the past five fiscal years, annual authorizations have ranged from $21,021.1 million to $35,784.3 million in support of estimated U.S. export sales from $26,440.8 million to $49,988.9 million.

The productivity contributed by each Ex-Im employee has significantly increased over the past five years as measured by the dollar amount and number of authorizations. In FY 2013, the average dollar amount of authorizations per employee was $68.0 million, up from $57.6 million in FY 2009, an increase of 18.1 percent. The average number of authorizations per employee was 9.6 in FY 2013, up from 7.9 in FY 2009, an increase of 21.5 percent. Ex-Im Bank credits these increases to its continued improvements in bankwide operations as well as the commitment and dedication of its employees.

Ex-Im Bank continues its prudent oversight and due diligence standards to protect taxpayers through its comprehensive risk-management framework. This framework starts with effective underwriting and includes detailed documentation and proactive monitoring efforts to minimize defaults. In FY 2013, Ex-Im Bank paid $48.8 million in gross claims compared to a five-year average of $120.5 million.

Ex-Im Bank had $1,254.8 million in offsetting collections, after setting funds aside for credit-loss reserves, in FY 2013 and $1,001.6 million in FY 2012. Of these amounts, $1,056.9 million and $803.7 million, respectively, were sent to the U.S. Treasury. The remaining funds are used to cover administrative and program costs. In addition, in both FY 2013 and FY 2012, $400.0 million of previously collected unobligated funds were returned to the U.S. Treasury due to rescissions. Since 1992, Ex-Im Bank has sent a net $6.7 billion to the U.S. Treasury which includes any offsetting collections, re-estimates, appropriations and rescissions.

Ex-Im Bank reports under generally accepted accounting principles in the United States applicable to federal agencies (government GAAP). Under government GAAP standards, Ex-Im Bank's net excess costs over revenue for FY 2013 was $539.9 million and net excess costs over revenue for FY 2012 was $751.5 million. The improvement in net costs is mostly the result of increased interest and fee revenue.

Small-business authorizations in FY 2013 totaled $5,223.0 million, representing 19.1 percent of total authorizations. These totals compare to new small-business authorizations in FY 2012 that equaled $6,122.9 million, representing 17.1 percent of total authorizations. In FY 2013, the number of transactions that were made available for the direct benefit of small-business exporters increased by 3.0 percent to 3,413 transactions (88.8 percent of total transactions), compared to 3,313 small-business transactions (87.3 percent of total transactions) in FY 2012.

Over the past five fiscal years, Ex-Im Bank's direct support for the small-business sector has ranged from $4,360.4 million to $6,122.9 million. Of the total small-business support, $4,626.3 million (88.6 percent) and $5,309.7 million (86.7 percent), in FY 2013 and FY 2012, respectively, is from working capital guarantees and export-credit insurance authorizations. For FY 2013, Ex-Im Bank estimates that the authorizations with indirect small-business support were $0.8 billion, compared to $1.4 billion in FY 2012. The total small-business support in FY 2013 was $6.0 billion, compared to $7.5 billion in FY 2012.

Ex-Im Bank currently has exposure in 168 countries throughout the world. Total exposure increased by 6.7 percent to $113,825.3 million at September 30, 2013, compared to $106,646.4 million at September 30, 2012. The small increase in exposure resulted due to lower authorizations and higher-than-expected cancellations. Of this total, the Bank's largest exposure is in the aircraft-transportation sector, accounting for 45.1 percent of total exposure in FY 2013 and 46.3 percent in FY 2012. The highest geographic concentration of exposure is in Asia, with 40.8 percent of total exposure at September 30, 2013, and 39.7 percent at September 30, 2012. The percentages are in line with five-year trends.

While most of Ex-Im Bank's financings are denominated in U.S. dollars, Ex-Im Bank also guarantees notes denominated in certain foreign currencies. In FY 2013, Ex-Im Bank approved $1,040.1 million in foreign-currency-denominated transactions. Total outstanding foreign-currency exposure at September 30, 2013, was $8,370.2 million, which was 7.4 percent of total exposure. The Bank expects that its demand for authorizations denominated in a currency other than the U.S. dollar will continue to be strong, given its borrowers' interest in matching debt-service costs with their earnings.

The overall weighted-average risk rating for new FY 2013 authorizations for short-term rated, medium-term, and long-term export-credit authorizations was 3.88 compared to a weighted-average risk rating of 3.23 for new authorizations in FY 2012. In FY 2013, 63.2 percent of Ex-Im Bank's short-term rated, medium-term and long-term new authorizations were in the level 1 to 4 range (AAA to BBB-) while 36.8 percent were rated level 5 to 8 (BB+ to B-).

The overall weighted-average risk rating for the outstanding portfolio remains relatively unchanged at 3.70 in FY 2013 compared to 3.66 in FY 2012.

Over the years, there has been a shift in Ex-Im Bank's portfolio from primarily sovereign and other public-sector borrowers to primarily private-sector borrowers. Between FY 2009 and FY 2013, exposure to public-sector obligors has decreased from 38.9 percent to 29.0 percent, while exposure to private-sector obligors has increased from 61.1 percent to 71.0 percent.

Ex-Im Bank's strategic plan reinforces the Bank's ability to accomplish its mission and meet its congressional mandates in future years. The Bank's vision is to create and sustain U.S. jobs by substantially increasing the number of companies it serves and expanding their access to global markets. The strategic plan consists of four goals:

- Expand awareness of Ex-Im Bank services through focused business development and effective partnerships.
- Improve ease of doing business for customers.
- Create an environment that fosters high performance and innovation.
- Ensure effective enterprise risk management consistent with the Bank's charter requirements.

Through implementation of its strategic plan, Ex-Im Bank works to support more U.S. companies to export to more countries and more customers and thereby create more jobs in the United States.

Ex-Im Bank continued to strive for performance excellence. For example, the Bank received:

- Recognition as the world's "Best Export-Credit Agency" by *Trade and Forfaiting Review* (TFR) as part of their 2013 Excellence Awards
- Recognition as the Best Global Export-Credit Agency (ECA) Award for the second time and the Best ECA in the Americas Award for the fourth consecutive time T*rade Finance Magazine*

I. MISSION AND ORGANIZATIONAL STRUCTURE

Congressional Authorization and Mission

Ex-Im Bank is an independent executive agency and a wholly owned U.S. government corporation that was first organized as a District of Columbia banking corporation in 1934. Ex-Im Bank's operations subsequent to September 30, 1991, are subject to the provisions of the Federal Credit Reform Act of 1990 (P.L. 101-508) (FCRA). The Export-Import Bank Reauthorization Act of 2012 extended the Bank's authority until September 30, 2014. In accordance with its enabling legislation, continuation of Ex-Im Bank as an independent corporate agency of the United States is subject to periodic extensions granted by Congress.

Ex-Im Bank's mission is to support U.S. jobs by facilitating the export of U.S. goods and services by providing competitive export financing and ensuring a level playing field for U.S. goods and services in the global marketplace. Ex-Im Bank supports U.S. exports by providing export financing through its loan, guarantee and insurance programs in cases where the private sector is unable or unwilling to provide financing or where such support is necessary to level the playing field due to financing provided by foreign governments to their exporters that are in competition for export sales with U.S. exporters. The Bank's charter requires reasonable assurance of repayment for the transactions the Bank authorizes, and the Bank closely monitors credit and other risks in its portfolio. In pursuit of its mission of supporting U.S. exports, Ex-Im Bank offers four financial products: direct loans, loan guarantees, working capital guarantees and export-credit insurance. All Ex-Im Bank obligations carry the full faith and credit of the U.S. government.

Products

From a portfolio perspective, guarantees made up the largest portion (61.8 percent and 62.7 percent) of Ex-Im Bank's exposure at September 30, 2013, and September 30, 2012, respectively.

(in millions)	FY 2013		FY 2012	
Outstanding Guarantees	$59,195.7	52.0%	$54,133.5	50.8%
Outstanding Loans	18,248.1	16.0%	12,354.1	11.6%
Outstanding Insurance	2,867.0	2.5%	2,689.4	2.5%
Outstanding Claims	1,328.9	1.2%	1,499.2	1.4%
Total Outstanding	**81,639.7**	**71.7%**	**70,676.2**	**66.3%**
Undisbursed Loans	14,755.9	13.0%	16,404.2	15.4%
Undisbursed Guarantees	11,148.6	9.8%	12,726.7	11.9%
Undisbursed Insurance	6,281.1	5.5%	6,839.3	6.4%
Total Undisbursed	**32,185.6**	**28.3%**	**35,970.2**	**33.7%**
Total Exposure	**$113,825.3**	**100.0%**	**$106,646.4**	**100.0%**

Ex-Im Bank loan guarantees cover the repayment risks on the foreign buyer's debt obligations incurred to purchase U.S exports. Ex-Im Bank guarantees to a lender that, in the event of a payment default by the borrower, it will pay to the lender the outstanding principal and interest on the loan. Ex-Im Bank's comprehensive guarantee covers commercial and political risks for up to 85 percent of the U.S. contract value.

When needed, Ex-Im Bank offers fixed-rate loans directly to foreign buyers of U.S. goods and services. Ex-Im Bank extends to a company's foreign customer a fixed-rate loan covering up to 85 percent of the U.S. contract value. Ex-Im Bank's direct loans generally carry fixed-interest rate terms under the Arrangement on Guidelines for Officially Supported Export Credits negotiated among members of the Organisation for Economic Co-operation and Development (OECD).

Loans and guarantees extended under the medium-term loan program typically have repayment terms of one to seven years, while loans and guarantees extended under the long-term loan program usually have repayment terms in excess of seven years.

Under the Working Capital Guarantee Program, Ex-Im Bank provides repayment guarantees to lenders on secured, short-term working capital loans made to qualified exporters. The working capital guarantee may be approved for a single loan or a revolving line of credit.

Ex-Im Bank's Export-Credit Insurance Program helps U.S. exporters sell their goods overseas by protecting them against the risk of foreign-buyer or other foreign-debtor default for political or commercial reasons, allowing them to extend credit to their international customers. Insurance policies may apply to shipments to one buyer or many buyers, insure comprehensive (commercial and political) credit risks or only political risks, and cover short-term or medium-term sales.

Reasonable Assurance of Repayment

Ex-Im Bank's charter requires a reasonable assurance of repayment for all credit authorizations in order to ensure that Ex-Im Bank balances support for U.S. export transactions with protection of taxpayer resources.

The Bank's Board of Directors, or a Bank officer acting pursuant to delegated-approval authority from the Board of Directors, makes the final determination of reasonable assurance of repayment, taking into consideration staff recommendations as well as the environmental impact. Transactions require the approval of the Board of Directors directly or through delegated authority.

Budgeting for New Authorizations Under the FCRA

Under the FCRA, the U.S. government budgets for the present value of the estimated cost of credit programs. For Ex-Im Bank, the cost is determined by analyzing the net present value of expected cash receipts and cash disbursements associated with all credits authorized during the year. Cash receipts typically include fees or premia and loan principal and interest, and cash disbursements typically include claim payments and loan disbursements. Ex-Im Bank collects fees that cover program obligations and administrative costs.

When expected cash disbursements exceed cash receipts, there is a net outflow of funds, resulting in a "cost" to the Bank. This cost is sometimes referred to as subsidy or program cost. Ex-Im Bank is required to annually estimate this cost and to seek budget authority from Congress to cover that cost. New loans and guarantees with a program cost cannot be committed unless sufficient budget authority is available to cover the calculated credit cost.

When expected cash receipts exceed cash disbursements, there is a net inflow of funds to Ex-Im Bank. The net inflow to the Bank is a "negative" subsidy or program revenue. Prior to FY 2008, the amount of program revenue was not credited or retained by the Bank but instead was transferred to a general fund receipt account at the U.S. Treasury upon disbursement of the underlying credit.

In FY 2008, Congress changed how budget authority is provided to the Bank to cover (1) the estimated costs for that portion of new authorizations where fees are insufficient to cover expected losses (subsidy or program cost) and (2) administrative expenses. At the start of the fiscal year, the U.S. Treasury provides Ex-Im Bank with an appropriation warrant for program costs as well as administrative expenses. The amount of the warrant is established by spending limits set by Congress. Fees collected during the year that are in excess of expected losses (offsetting collections) are retained by Ex-Im Bank and used to repay the warrant received at the start of the year, resulting in a net appropriation of zero and the Bank being self-financing for budgetary purposes.

This change occurred as a result of an ongoing in-depth analysis of the Bank's historical net default experience in relation to the fees collected on its credit programs. The analysis shows that fees collected were not only sufficient to cover credit losses, they were also sufficient to cover administrative costs. In fact, since the inception of FCRA in 1990, the Bank has sent to the U.S. Treasury $6.7 billion more than it received in appropriations for program and administrative costs.

Although Ex-Im Bank no longer receives appropriations, Congress continues its oversight of the Bank's budget, setting annual limits on its use of funds for program and administrative expense obligations.

Organizational Structure

Ex-Im Bank's headquarters are located in Washington, D.C., with business-development efforts supported through 12 regional offices across the country.

Ex-Im Bank is divided into the following key functional areas:

Board of Directors: The Board of Directors consists of the president of the Bank, who also serves as the chairman, the first vice president of the Bank, who serves as vice chairman, and three additional directors. All are appointed by the president of the United States with the advice and consent of the Senate. The board authorizes the Bank's transactions either directly or through delegated authority and includes an Audit Committee.

Office of the Chairman: The president serves as the chief executive officer of the Bank and chairman of the board of directors. The president represents the board in its relations with other officers of the Bank, with agencies and departments of the government, and with others having business with the Bank. The president has charge over the business of the Bank.

Credit and Risk Management Group: The Credit and Risk Management Group is responsible for reviewing the creditworthiness of certain proposed transactions and reviewing transactions for compliance with the Bank's individual delegated authority. This group also evaluates the technical aspects and environmental impact of proposed projects and is responsible for country risk and economic analysis.

Export Finance Group: The Export Finance Group is responsible for the origination and processing of transactions for most lines of business, as well as transaction servicing, operations and business development.

Small Business Group: The Small Business Group leads the Bank's outreach to small-business exporters and includes Ex-Im Bank's 12 regional offices, which focus on small-business outreach, as well as the Business Credit and Short-Term Trade Finance groups.

Office of the General Counsel: The Office of the General Counsel provides legal counsel to the Bank's management, staff and the Board of Directors, and negotiates and documents the Bank's transactions. The Office of the General Counsel also ensures that the Bank complies with all applicable laws and regulations.

Office of the Chief Financial Officer: The Office of the Chief Financial Officer is responsible for all financial operations of the Bank, including budget formulation and execution, treasury, internal audit, credit accounting and servicing, financial reporting, asset monitoring and management, claims and recoveries, and portfolio review.

Office of Policy and Planning: The Office of Policy and Planning is responsible for policy development and analysis and serves as the Bank's liaison with the OECD and Berne Union.

Office of Resource Management: The Office of Resource Management directs human resources, contracting, technology management, agency administration and operating services.

Office of Communications: The Office of Communications is responsible for marketing, public affairs and external affairs.

Office of Congressional Affairs: The Office of Congressional Affairs is responsible for the Bank's relations with Congress and other government agencies.

Office of Inspector General: The Office of Inspector General is an independent office within the Bank created by law to conduct and supervise audits, inspections and investigations relating to the Bank's programs and supporting operations; to detect and prevent waste, fraud and abuse; and to promote economy, efficiency and effectiveness in the administration and management of the Bank's programs.

II. FINANCIAL ACCOUNTING POLICY

The accompanying FY 2013 and FY 2012 financial statements have been prepared in accordance with generally accepted accounting principles in the United States applicable to federal agencies. The format of the financial statements and footnotes are in accordance with form and content guidance provided in Circular A-136, *Financial Reporting Requirements*, revised as of October 21, 2013, issued by the Office of Management and Budget (OMB). Circular A-136 details the financial data required to be disclosed, the assertions and reviews over financial information that must be performed and suggests the presentation of such information.

Ex-Im Bank follows OMB Circular A-11 as the primary guidance for calculating the program cost associated with the Bank's transactions. In accordance with this guidance, the amount of program cost calculated on the Bank's transactions authorized after FCRA and the associated fees collected equates to the loss allowance on these transactions and is disclosed as such on the financial statements and related notes.

III. MISSION AND CONGRESSIONAL MANDATES

Facilitate U.S. Exports To Support U.S. Jobs
Ex-Im Bank supports U.S. jobs by facilitating the export of U.S. goods and services by providing competitive export financing and ensuring a level playing field for U.S. goods and services in the global marketplace. Ex-Im Bank's programs offer effective financing support, enabling exporters to win export sales where such support is necessary to match officially supported foreign competition and to fill financing gaps due to the lack of available commercial financing. Exports and the jobs they support are a critical component of the U.S. economy, with exports representing about 13.4 percent of the U.S. gross domestic product as of the second quarter of FY 2013.

Jobs-Calculation Methodology
Ex-Im Bank's jobs-estimate methodology follows the jobs-calculation methodology designated by the Trade Promotion Coordinating Committee (TPCC), which uses employment data computed by the Bureau of Labor Statistics (BLS) to calculate the number of jobs associated with Ex-Im Bank-supported exports of goods and services.

The Bank uses the latest available domestic employment requirements table (ERT) as computed by the BLS to calculate the number of jobs associated with Ex-Im-supported goods and services. The ERT quantifies the number of direct and indirect production-related jobs associated with a million dollars of final demand for 196 detailed industries.

The ERT is derived from a set of data showing the relationship between industries, known as input-output tables. These tables are based on historical relationships between industry inputs (e.g., labor) and outputs (e.g., goods for consumption). BLS then scales these relationships using estimates about labor productivity (output per person employed) into employment required for one million dollars of output in that industry (jobs ratios). The TPCC designated this basic input-output approach as the standard for U.S. government agencies.

This jobs-calculation methodology has advantages and disadvantages. For example, an advantage is its being based on the input-output approach commonly used in economic analysis; it captures indirect jobs in the supply chain and can be performed using limited resources. However, important limitations and assumptions also accompany this jobs-calculation methodology. For example, the employment data are a count of jobs that treat full-time, part-time and seasonal jobs equally. In addition, the data assume average industry relationships, but Ex-Im's clients could be different from the typical firm in the same industry. Further, the underlying approach cannot answer the question of what would have happened without the effect of Ex-Im financing, thus preventing Ex-Im Bank from distinguishing between jobs that were newly created and those that were maintained.

For jobs estimates based on FY2013 Ex-Im Bank authorizations, the Bank supports 6,390 jobs per $1 billion of U.S. exports. This figure is a weighted average based on each industry's relative jobs per $1 billion average at time of calculation.

Strategic Plan

Ex-Im Bank's strategic plan reinforces the Bank's ability to accomplish its mission and meet its congressional mandates in future years. The Bank's vision is to create and sustain U.S. jobs by substantially increasing the number of companies it serves and expanding their access to global markets. The strategic plan consists of four goals:

- Expand awareness of Ex-Im Bank services through focused business development and effective partnerships.
- Improve ease of doing business for customers.
- Create an environment that fosters high performance and innovation.
- Ensure effective enterprise risk management consistent with the Bank's charter requirements.

The update to the strategic plan added the goal to ensure effective enterprise-risk management consistent with the Bank's charter requirements.

This strategic plan is designed to help guide efforts at all levels of the organization and is used as a foundation for strategic and operational discussions internally.

Ex-Im also realigned its procedures to be more customer-focused and developed new products to further support exporters, especially small businesses. These new products include:

> Global Credit Express Pilot Loan Program for small businesses specially designed to deliver short-term working capital loans directly to creditworthy small-business exporters. Through this new program, exporters may be eligible for a six-month or 12-month revolving line of credit of up to $500,000. Global Credit Express adds liquidity to the U.S. small-business export market by financing the business of exporting rather than specific export transactions.
>
> Express Insurance, which provides small businesses with payment-risk protection, allows the extension of competitive credit terms to foreign buyers and enables small businesses to obtain lender financing of receivables through the assignment of policy proceeds. It also delivers a five-day turnaround on policy quotation and two buyer-credit decisions on a simple, streamlined application platform. The Express Insurance program has been recognized with a "Bright Idea in Government" award from the Ash Center for Democratic Governance and Innovation at Harvard University's John F. Kennedy School of Government.

In FY 2012, the Bank began a multiyear project to modernize IT systems infrastructure. The Total Enterprise Modernization (TEM) project will make long-deferred technology investments and focus on transforming business processes to grow the Bank's capacity to meet customer needs and enhance long-term capabilities of the Bank.

Results: FY 2013 Authorizations

In FY 2013, Ex-Im Bank approved $27,347.6 million in authorizations. This is a 23.6 percent decrease over authorizations of $35,784.3 million in FY 2012. The authorizations supported an estimated U.S. export value of $37,412.0 million for FY 2013 and $49,988.9 million in FY 2012, and an estimated 205,000 and 255,000 U.S jobs in FY 2013 and FY 2012, respectively. Full-year authorizations ranged from $21,021.1 million to $35,784.3 million during the past five fiscal years as shown in Exhibit 1.

EXHIBIT 1: AUTHORIZATIONS BY FISCAL YEAR

(in millions) Authorizations	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Long-Term					
Loans	$3,025.5	$4,255.5	$6,315.0	$11,751.7	$6,878.4
Guarantees	9,628.5	10,225.0	15,479.4	14,879.6	12,179.7
Subtotal, Long-Term	12,654.0	14,480.5	21,794.4	26,631.3	19,058.1
Medium-Term					
Loans	-	5.1	7.9	12.8	-
Guarantees	315.2	702.5	693.0	186.8	132.5
Insurance	237.3	312.9	238.8	165.0	101.7
Subtotal, Medium-Term	552.5	1,020.5	939.7	364.6	234.2
Short-Term					
Working Capital	1,531.0	2,178.5	3,228.0	3,254.1	2,615.0
Insurance	6,275.8	6,788.3	6,765.0	5,534.3	5,440.3
Subtotal, Short-Term	7,806.8	8,966.8	9,993.0	8,788.4	8,055.3
Tied Aid	7.8	-	-	-	-
Total Authorizations	**$21,021.1**	**$24,467.8**	**$32,727.1**	**$35,784.3**	**$27,347.6**

Facilitate U.S. Exports by Small Businesses

Small businesses are major creators of jobs in America. The Bank's mandate from Congress places significant emphasis on supporting small-business exports. In addition, the Bank's charter states: "The Bank shall make available, from the aggregate loan, guarantee and insurance authority available to it, an amount to finance exports directly by small-business concerns (as defined under Section 3 of the Small Business Act) which shall be not less than 20 percent of such authority for each fiscal year."

Ex-Im Bank's Small Business Group provides a bankwide focus on small-business support with overall responsibility for expanding and overseeing small business outreach. This group is responsible for helping to provide small businesses with financial assistance to increase export sales and for acting as a liaison with the Small Business Administration and other departments and agencies in the U.S. government in matters affecting small businesses.

Ex-Im Bank's programs play an important role in providing export-finance support to small businesses that have the ability to expand and create American jobs. In 1978, Ex-Im Bank introduced its first short term export-credit insurance policy tailored for small business. Since this introduction, Ex-Im Bank has been designing and implementing programs and policies to meet the needs of the U.S. small-business exporter.

Results: FY 2013 Small-Business Authorizations

Ex-Im Bank's objective is to grow small-business authorizations in the context of a reasonable assurance of repayment and in response to market demand. Small-business authorizations in FY 2013 decreased 14.7 percent to $5,223.0 million, as compared with new small-business authorizations for FY 2012 of $6,122.9 million. In FY 2013, small-business authorizations represented 19.1 percent of total authorizations, compared to 17.1 percent of total authorizations in FY 2012. During FY 2013, the number of transactions that were made available for the direct benefit of small-business exporters increased by 3.0 percent to 3,413 transactions (88.8 percent of the total number of transactions), compared to 3,313 transactions (87.3 percent of the total number of transactions) in FY 2012. Over the past five fiscal years, Ex-Im Bank's direct support for the small-business sector has ranged from $4,360.4 million to $6,122.9 million, a 40.4 percent increase. For FY 2013, Ex-Im Bank estimates that the authorizations with indirect small-business support were $0.8 billion compared to $1.4 billion in FY 2012.

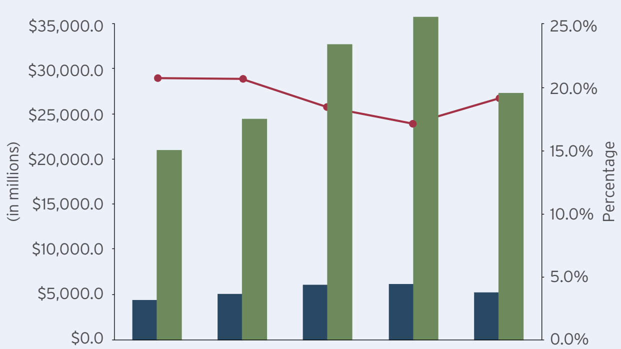
In FY 2013, Ex-Im Bank authorized $815.6 million to support exports by small and medium-sized businesses known to be minority-owned and women-owned. This is a 2.8 percent decrease compared to authorizations of $838.3 million in FY 2012.

Ex-Im Bank offers two products that primarily benefit small businesses: working capital guarantees (including supply-chain finance guarantees) and export-credit insurance. In FY 2013 and FY 2012, $1,813.8 million and $2,075.8 million, respectively, (69.5 percent and 63.8 percent, respectively), of total authorizations in the Working Capital Guarantee Program supported small businesses. One of the main reasons for the decrease in small-business authorizations in working capital was that one of the larger supply-chain transactions authorized in FY 2012 for $360.0 million was not renewed in FY 2013. The small-business component of this transaction totaled $180.0 million. Additionally, working capital transactions as a whole decreased in FY 2013, of which small-business authorizations total about two-thirds. The slowdown in Europe (a major market for working capital exporters) was a major contributor to the decrease in volume.

Of the total authorizations under the export-credit insurance program in FY 2013, $2,812.5 million (50.8 percent) supported small businesses, compared to $3,233.9 million (56.7 percent) in FY 2012.

Exhibit 2 shows the total dollar amount of authorizations for small-business exports for each year since FY 2009 together with the percentage of small-business authorizations to total authorizations for that fiscal year.

EXHIBIT 2: SMALL-BUSINESS AUTHORIZATIONS



FISCAL YEAR	2009	2010	2011	2012	2013
Small-Business Authorizations	$4,360.4	$5,052.9	$6,037.3	$6,122.9	$5,223.0
Total Authorizations	$21,021.1	$24,467.8	$32,727.1	$35,784.3	$27,347.6
Percent of Authorizations	20.7%	20.7%	18.4%	17.1%	19.1%

Facilitate U.S. Exports for Environmentally Beneficial Goods and Services

Ex-Im Bank's financing helps mitigate risk for U.S. companies that offer environmentally beneficial goods and services and also offers competitive financing terms to international buyers for the purchase of these goods and services. Ex-Im Bank has an active portfolio that includes financing for U.S. exports of:

- Renewable-energy equipment
- Wastewater-treatment projects
- Air-pollution technologies
- Waste-management services
- Other various environmental goods and services

Ex-Im Bank support for U.S. environmental companies ultimately fuels U.S. job creation and the innovative research and development that allow the U.S. environmental industry to remain at the forefront worldwide.

Results: FY 2013 Environmentally Beneficial Authorizations

The total number of environmentally beneficial authorizations decreased 4.1 percent to 143 in FY 2013 from 149 in FY 2012. In FY 2013, Ex-Im Bank authorizations of environmentally beneficial goods and services decreased 29.5 percent to $433.1 million (1.6 percent of total transactions) from $614.5 million (1.7 percent of total transactions).

Ex-Im Bank's total number of renewable-energy authorizations, a subset of the Bank's environmentally beneficial authorizations, increased 6.9 percent to 32 in FY 2013 from 29 in FY 2012. In FY 2013, Ex-Im Bank authorizations which support U.S. renewable-energy exports and services decreased 27.7 percent to $257.0 million (0.9 percent of total transactions) from $355.5 million (1.0 percent of the number of transactions) in FY 2012. In FY 2013, authorizations were driven by an increase in applications for financing wind-energy projects in the Americas compared to solar projects in FY 2012.

It is important to note that Ex-Im Bank's financing is demand-driven. Since the creation of Ex-Im Bank's Office of Renewable Energy in 2009, Ex-Im Bank has experienced significant growth, compared to the FY 2008 level of $30.4 million, in financing renewable energy exports.

Facilitate U.S. Exports to Sub-Saharan Africa

Ex-Im Bank provides U.S. exporters with the financing tools they need to successfully compete for business in Africa. Ex-Im Bank's products and initiatives help U.S. exporters in all regions of Africa, including high-risk and emerging markets. The Bank's charter states that the Bank shall "take prompt measures, consistent with the credit standards otherwise required by law, to promote the expansion of the Bank's financial commitments in sub-Saharan Africa under the loan, guarantee and insurance programs of the Bank." Ex-Im Bank has established an advisory committee to advise the Board of Directors on the development and implementation of policies and programs designed to support those programs.

Results: FY 2013 Sub-Saharan Africa Authorizations

The total number of sub-Saharan Africa authorizations increased 15.3 percent to 188 in FY 2013 from 163 in FY 2012. The dollar amount of authorizations decreased 60.3 percent to $604.2 million (2.2 percent of total authorizations) in FY 2013 from $1,522.1 million (4.3 percent of total authorizations) in FY 2012. The decrease was the result of a decrease in aircraft authorizations from approximately $1,300.0 million in FY 2012 to $160.0 million in FY 2013. However, the value of non-aircraft transactions doubled and the Bank authorized transactions in 35 of the 43 markets in Sub-Saharan Africa, a record high. Noteworthy authorizations include financing for the purchase of 32 U.S. fire trucks to Nigeria to upgrade its fleet of vehicles and improve fire response in Lagos, Africa's largest city, and financing the purchase of 53 GE locomotives for South Africa's Transnet – on top of the 100 purchased last year – to improve that country's logistics and productivity.

IV. EFFECTIVENESS AND EFFICIENCY

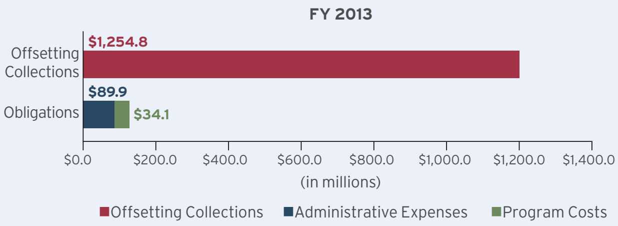
Ex-Im Bank uses various measures to assess the relative efficiency and effectiveness of the Bank's programs. As an overall measure, the Bank's annual *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States* (competitiveness report) compares the Bank's competitiveness with that of the other export-credit agencies (ECAs). In addition, Ex-Im Bank uses various leverage measures to assess efficiency and cost effectiveness.

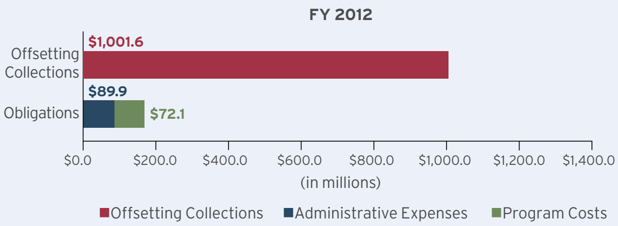
Ex-Im Bank Has Been Self-Sustaining Since FY 2008

Ex-Im Bank has been self-sustaining for budgetary purposes since FY 2008. As a result, the Bank does not rely on congressional appropriation to sustain operations, which is critical in a tight budgetary environment. Ex-Im Bank's program revenue (i.e., in a given year, fee collections from transactions that exceed the forecasted loss on those transactions) is retained as offsetting collections and used to offset the cost of new obligations in the fiscal year, including prudent reserves to cover future losses as well as all administrative costs. In FY 2013, Ex-Im Bank collected $1,254.8 million in offsetting collections, while new obligations totaled $136.3 million, compared with $1,001.6 million offsetting collections and $162.0 million new obligations in FY 2012.

Ex-Im Bank's self-sustaining status also complies with the World Trade Organization (WTO) Agreement on Subsidies and Countervailing Measures, which is an agreement between 138 member countries. This agreement contains a list of prohibited export subsidies, one of which is official export credit. The relevant guidance for guarantees and insurance is that such programs are prohibited subsidies if the activity is done at premium rates which are inadequate to cover long-term operating costs and losses.

EXHIBIT 3: OFFSETTING COLLECTIONS AND NEW OBLIGATIONS





Looking at this from the perspective of the number of Ex-Im Bank employees, for each dollar of administrative and program cost, the Bank generated $10.12 in offsetting collections, compared to $6.18 in FY 2012.

Recognition From Customers and Peers

The Bank's competitiveness report to Congress showed survey results from exporters and lenders that indicated the Bank's core business policies and practices were classified as competitive with other officially supported foreign competition, primarily other G-7 ECAs. According to the data, Ex-Im Bank terms, including policy coverage, interest rates, exposure-fee rates and risk premia, consistently matched competitors.

Ex-Im Bank continues to receive recognition from Trade Finance Magazine. In 2013, the Bank received the Best Global Export Credit Agency (ECA) Award for the second time and the Best ECA in the Americas Award for the fourth consecutive time. This publication serves as the global magazine for decision makers in the trade-finance and export communities. The Bank also received the world's "Best Export Credit Agency" award by Trade and Forfaiting Review.

Additionally, the Bank was recognized by AirFinance Journal with four of its calendar year 2012 aviation "Deal of the Year" awards. The Bank was awarded for capital-markets financings of U.S.-manufactured Boeing commercial aircraft to airlines in Ethiopia and Chile, and Atlas Air, an operator of a global fleet of cargo aircraft based in Purchase, N.Y. The Bank was also awarded for its financing of engine overhaul services provided by Delta TechOps to a Brazilian airline.

The landscape of export-credit agencies is shifting. Many of Ex-Im Bank's competitor ECAs are moving away from their traditional roles and are evolving into quasi-market players. They are doing this by allowing greater nondomestic content in the projects that they support and by venturing into more commercial endeavors, such as financing into high-income markets. Also, Ex-Im Bank's public-policy constraints – economic-impact analysis, foreign-content policy, local-costs policy, tied-aid policies and procedures, and U.S. shipping requirements – have the potential to create tensions between the goals of maximizing U.S. exporter competitiveness as compared with foreign ECA-backed competition and satisfying public mandates.

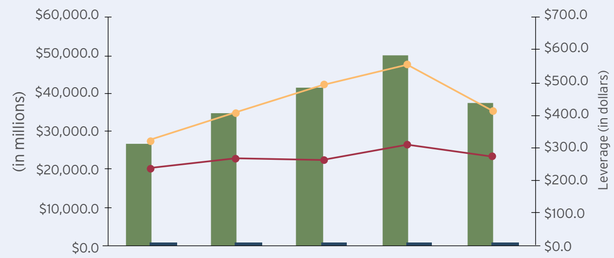
Leverage of Resources

The Bank uses leverage ratios to assess efficiency and to measure the return on resources invested in Ex-Im Bank programs. Prior to FY 2008, resources to cover Ex-Im Bank's program costs (excess of expected credit losses over fees for individual credits) and administrative costs were in the form of appropriations from Congress. Beginning in FY 2008, resources available to the Bank are collections (mostly exposure fees) in excess of amounts needed to cover estimated credit losses.

For every dollar of budget authority used for program and administrative expenses during FY 2013, Ex-Im Bank facilitated an estimated $275 of U.S. exports. This multiple compares to $309 of U.S. exports in FY 2012.

The leverage in terms of administrative-budget authority is even greater. For every dollar of administrative-budget authority used during FY 2013, Ex-Im Bank provided financing in support of an estimated $304 of U.S. exports, compared to an estimated $556 of U.S. exports in FY 2012. In FY 2009, the multiple was $323, an increase of $77 when compared to FY 2013. Exhibit 4 shows the total estimated U.S. exports, the corresponding total budget authority and resulting leverage measures for the past five fiscal years.

EXHIBIT 4: BUDGET AUTHORITY TO EXPORT VALUE



FISCAL YEAR	2009	2010	2011	2012	2013
Export Value	$26,440.8	$34,342.9	$41,305.1	$49,988.9	37,412.00
Total Budget Authority	$111.4	$127.9	$157.0	$162.0	$136.3
Export to Total Budget Authority Leverage	$237.4	$268.6	$263.1	$308.6	$274.5
Export to Admin Budget Authority Leverage	$323.2	$409.4	$492.3	$556.1	$416.2

Protecting the U.S. Taxpayer

Ex-Im Bank continues its prudent oversight and due diligence standards to protect taxpayers through its comprehensive risk-management framework. This framework starts with effective underwriting to ensure a reasonable assurance of repayments. More than 80 percent of Ex-Im Bank's entire portfolio is backed by some form of collateral or a sovereign guarantee. The Bank's comprehensive risk-management program includes detailed documentation to ensure the Bank's rights are protected legally and that the transaction is not in violation of U.S. government policy, including Iran sanctions. It continues after a transaction is approved with pro-active monitoring efforts to minimize defaults. The Bank believes that a comprehensive risk-management framework with strong emphasis on continuous improvement minimizes claims and defaults. Ex-Im Bank engages in robust portfolio management, as well as oversight and governance, including the setting aside of adequate loan-loss reserves.

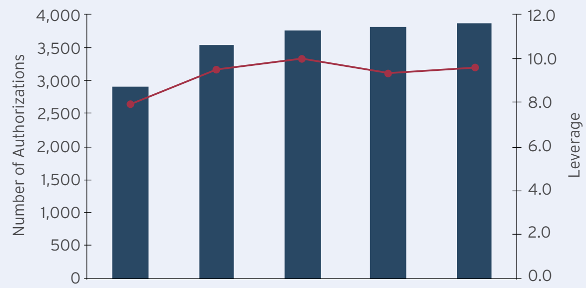
Ex-Im Bank reports to the U.S. Congress quarterly the current default rate. The reported default rate in September 2013 was 0.237 percent. This rate reflects a "total amount of required payments that are overdue" (claims paid on guarantees and insurance transactions plus loans past due) divided by a "total amount of financing involved" (disbursements). The low default rate is the result of the Bank's few defaults coupled with high recovery rates on those credits that default.

Claims and defaulted loans are paid from fees collected from the Bank's customers. Over the last five fiscal years as the Bank's authorizations increased 30 percent, the payments on claims and defaulted loans decreased 71 percent. In FY 2013, Ex-Im Bank paid $48.8 million in gross claims compared to a five-year average of $120.5 million.

Another efficiency measure (Exhibit 5), examines the productivity contributed by each employee as measured by the dollar amount and number of authorizations. The average dollar amount of authorizations per employee was $68.0 million, down from $90.9 million in FY 2012. However, In FY 2013, the total number of authorizations increased to 3,842 as compared to 3,796 in FY 2012. The average number of authorization transactions per employee was 9.6, an increase from 9.4 in FY 2012.

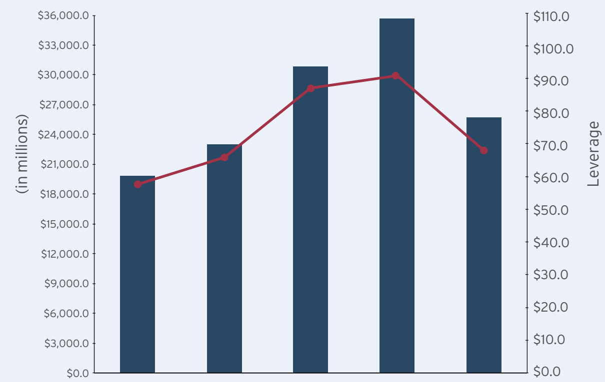
EXHIBIT 5: EMPLOYEE LEVERAGE

NUMBER OF AUTHORIZATIONS PER EMPLOYEE



FISCAL YEAR	2009	2010	2011	2012	2013
Number of Authorizations	2,891	3,532	3,751	3,796	3,842
Authorizations per Employee	7.9	9.5	10.0	9.4	9.6

DOLLAR AMOUNT OF AUTHORIZATIONS PER EMPLOYEE



FISCAL YEAR	2009	2010	2011	2012	2013
Authorizations Level	$21,021.1	$24,467.8	$32,727.1	$35,784.3	$27,347.6
Authorizations to Employee Leverage (in millions)	$57.6	$65.9	$86.9	$90.9	$68.0

V. PORTFOLIO ANALYSIS

Ex-Im Bank's Portfolio by Program, Region, Industry, Obligor Type and Foreign Currency

For financial statement purposes, Ex-Im Bank defines exposure as the authorized outstanding and undisbursed principal balance of loans, guarantees and insurance. It also includes the unrecovered balance of payments made on claims that were submitted to Ex-Im Bank in its capacity as guarantor or insurer under the export guarantee and insurance programs. Exposure does not include accrued interest or transactions pending final approval. This corresponds to the way activity is charged against the Bank's FY 2013 $130 billion lending limit imposed by Section 6(a)(2) of Ex-Im Bank's charter for FY 2013.

Working capital guarantees may be approved for a single loan or a revolving line of credit, with an availability generally of one year. Guaranteed lenders do not report activity to Ex-Im Bank, the entire credit is assumed to be "disbursed" when the fee is paid to Ex-Im Bank. The credit is recorded as repaid in one installment six months after the expiry date of the credit unless the controller's office is notified before that time that a claim has been paid. Under the assumption that the exporter is using the credit up to the end of the expiry period, six months provides sufficient time for the guaranteed lender to report defaults to Ex-Im Bank in the event that the exporter does not repay the credit. If a claim is paid, the remaining outstanding balance of the credit associated with the claim is reduced to zero. Exposure is then reflected as an unrecovered claim.

Since there is typically a delay in reporting shipments under the insurance program, undisbursed balances remain on the books for 120 days after the expiry date to allow for the posting of shipments that took place within the period covered by the policy but were reported after the expiry date. These unreported shipments pose some liability in the form of claims that have been incurred but not yet reported (IBNR). Leaving the policy open past the expiry date provides a reserve for IBNR.

Ex-Im Bank currently has exposure in 168 countries throughout the world, totaling $113,825.3 million at September 30, 2013. In general, total exposure over the five-year period has averaged $90.6 billion.

Exhibit 6 summarizes total Ex-Im Bank exposure by program and shows each program as a percentage of the total exposure at the end of the respective fiscal year.

EXHIBIT 6: EXPOSURE BY PROGRAM

(in millions)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Guarantees	$48,301.3	$51,828.9	$61,429.1	$66,860.2	$70,344.3
Loans	7,910.5	11,200.3	16,732.4	28,758.3	33,004.0
Insurance	9,365.9	9,866.5	9,312.9	9,528.7	9,148.1
Receivables from Subrogated Claims	2,410.1	2,318.2	1,677.6	1,499.2	1,328.9
Total Exposure	**$67,987.8**	**$75,213.9**	**$89,152.0**	**$106,646.4**	**$113,825.3**

(% of Total)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Guarantees	71.0%	68.9%	68.9%	62.7%	61.8%
Loans	11.6%	14.9%	18.8%	27.0%	29.0%
Insurance	13.8%	13.1%	10.4%	8.9%	8.0%
Receivables from Subrogated Claims	3.6%	3.1%	1.9%	1.4%	1.2%
Total Exposure	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Exhibit 7 summarizes total Ex-Im Bank exposure by geographic region. The All Other category in Exhibit 7 includes undisbursed balances of short-term multibuyer insurance that is not allocated by region until the shipment has taken place.

EXHIBIT 7: GEOGRAPHIC EXPOSURE

(in millions)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Asia	$28,271.2	$27,655.2	$32,832.3	$42,345.3	$46,463.2
Latin America and Caribbean	14,222.2	15,606.3	19,728.3	22,104.6	21,454.2
Europe	6,897.2	7,907.3	10,772.7	11,303.8	15,711.8
North America	6,136.1	7,773.9	9,352.9	10,579.3	10,496.9
Oceania	1,394.5	4,601.9	5,372.5	8,305.0	8,255.5
Africa	4,555.8	4,949.4	4,832.5	5,770.8	5,548.3
All Other	6,510.8	6,719.9	6,260.8	6,237.6	5,895.4
Total Exposure	**$67,987.8**	**$75,213.9**	**$89,152.0**	**$106,646.4**	**$113,825.3**

(% of Total)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Asia	41.6%	36.8%	36.9%	39.7%	40.8%
Latin America and Caribbean	20.9%	20.7%	22.1%	20.7%	18.8%
Europe	10.1%	10.5%	12.1%	10.6%	13.8%
North America	9.0%	10.3%	10.5%	9.9%	9.2%
Oceania	2.1%	6.1%	6.0%	7.8%	7.3%
Africa	6.7%	6.6%	5.4%	5.4%	4.9%
All Other	9.6%	9.0%	7.0%	5.9%	5.2%
Total Exposure	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Exhibit 8 shows exposure by the major industrial sectors in the Bank's portfolio.

EXHIBIT 8: EXPOSURE BY MAJOR INDUSTRIAL SECTOR

(in millions)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Air Transportation	$33,203.0	$35,370.6	$43,014.5	$49,419.6	$51,337.8
Manufacturing	4,614.5	8,904.7	12,499.8	18,091.0	20,632.3
Oil and Gas	8,014.7	10,408.5	10,916.6	13,938.7	16,718.9
Power Projects	4,448.5	4,599.1	6,818.8	8,649.2	7,370.1
All Other	17,707.1	15,931.0	15,902.3	16,547.9	17,766.2
Total Exposure	**$67,987.8**	**$75,213.9**	**$89,152.0**	**$106,646.4**	**$113,825.3**

(% of Total)	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Air Transportation	48.8%	47.0%	48.2%	46.3%	45.1%
Manufacturing	6.8%	11.8%	14.0%	17.0%	18.1%
Oil and Gas	11.8%	13.8%	12.2%	13.1%	14.7%
Power Projects	6.5%	6.1%	7.6%	8.1%	6.5%
All Other	26.1%	21.3%	18.0%	15.5%	15.6%
Total Exposure	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Through the years, there has been a shift in Ex-Im Bank's portfolio. As the need for private-sector financing has increased, the percentage of Ex-Im Bank's portfolio represented by private obligors has increased from 61.1 percent in FY 2009 to 71.0 percent in FY 2013.

Of the portfolio at September 30, 2013, 29.0 percent represents credits to public-sector obligors or guarantors (7.5 percent to sovereign obligors or guarantors and 21.5 percent to public nonsovereign entities), and 71.0 percent represents credits to private-sector obligors. A breakdown of public-sector versus private-sector exposure is shown in Exhibit 9.

EXHIBIT 9: PUBLIC AND PRIVATE OBLIGORS

Year End	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Private Obligors	61.1%	67.2%	68.6%	69.3%	71.0%
Public Obligors	38.9%	32.8%	31.4%	30.7%	29.0%

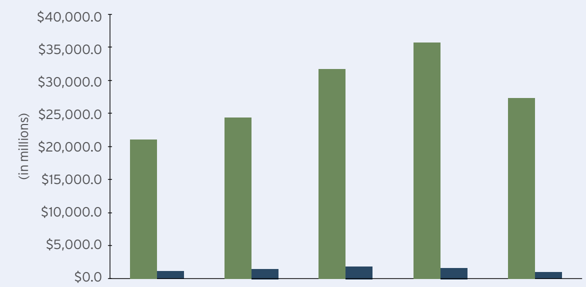
Ex-Im Bank provides guarantees in foreign currency to allow borrowers to better match debt service costs with earnings. Ex-Im Bank adjusts its reserves to reflect the potential risk of foreign-currency fluctuation.

In FY 2013, Ex-Im Bank approved $1,040.1 million in transactions denominated in a foreign currency, representing 3.8 percent of all new authorizations, as shown in Exhibit 10. In FY 2012, Ex-Im Bank approved $1,721.2 million in transactions denominated in a foreign currency, representing 4.8 percent of all new authorizations. Foreign-currency transactions are booked in U.S. dollars based on the exchange rate at the time of authorization. The U.S. dollar exposure is adjusted at year end using the latest exchange rates.

At September 30, 2013, Ex-Im Bank had 138 transactions with outstanding balances denominated in a foreign currency. Using the foreign-currency exchange rates at September 30, 2013, Ex-Im Bank adjusted the dollar amount of the outstanding balances for these transactions. The adjustment was a net increase in exposure of $524.5 million for a total outstanding balance of $8,370.2 million of foreign-currency-denominated guarantees, representing 7.4 percent of total Bank exposure.

At September 30, 2012, Ex-Im Bank had 138 transactions with outstanding balances denominated in a foreign currency. Using the foreign-currency exchange rates at September 30, 2012, Ex-Im Bank adjusted the dollar amount of the outstanding balances for these transactions. The adjustment was a net increase in exposure of $408.4 million for a total outstanding balance of $8,620.3 million of foreign-currency-denominated guarantees, representing 8.1 percent of total Bank exposure.

EXHIBIT 10: FOREIGN-CURRENCY TRANSACTIONS



FISCAL YEAR	2009	2010	2011	2012	2013
Authorizations	$21,021.1	$24,467.8	$32,727.1	$35,784.3	$27,347.6
Foreign-Currency Authorizations	$1,217.5	$1,529.3	$1,896.3	$1,721.2	$1,040.1

The level of foreign-currency authorizations is attributable in large part to borrowers' desire to borrow funds in the same currency as they earn funds in order to mitigate the risk involved with exchange-rate fluctuations. The majority of the foreign-currency authorizations support U.S. exports of commercial jet aircraft. Exhibit 11 shows the U.S.-dollar value of the Bank's outstanding foreign-currency exposure by currency.

EXHIBIT 11: U.S.-DOLLAR VALUE OF OUTSTANDING FOREIGN-CURRENCY EXPOSURE

	FY 2013		FY 2012	
Currency	Outstanding Balance (in millions)	Percentage of Total	Outstanding Balance (in millions)	Percentage of Total
Euro	$5,915.1	70.6%	$6,138.9	71.3%
Canadian Dollar	719.0	8.6%	824.9	9.6%
Japanese Yen	638.1	7.6%	357.2	4.1%
New Zealand Dollar	278.5	3.3%	315.3	3.7%
Australian Dollar	248.4	3.0%	378.5	4.4%
Mexican Peso	240.7	2.9%	251.7	2.9%
South African Rand	168.1	2.0%	155.2	1.8%
Korean Won	122.0	1.5%	132.5	1.5%
British Pound	39.3	0.5%	64.1	0.7%
Swiss Franc	1.0	0.0%	2.0	0.0%
Total	**$8,370.2**	**100.0%**	**$8,620.3**	**100.0%**

VI. LOSS RESERVES, MAJOR IMPAIRED ASSETS AND PARIS CLUB ACTIVITIES

Allowance for Losses on Loans, Guarantees, Insurance and Subrogated Claims

The total allowance for Ex-Im Bank credits is comprised of an allowance for loss on all credits and defaulted guarantees and insurance policies. A provision is charged to earnings as losses are estimated to have occurred. Write-offs are charged against the allowance when management determines that a loan or claim balance is uncollectable. Subsequent recoveries, if any, are credited to the allowance.

The allowance for Ex-Im Bank credits authorized after FCRA equates to the amount of credit loss associated with the applicable credit. Ex-Im Bank has established cash flow models for expected defaults, fees and recoveries to estimate the credit loss for allowance purposes. The models incorporate Ex-Im Bank's actual historical loss and recovery experience. In addition, beginning in FY 2012, based upon industry best practices as well as recent changes to the portfolio, the Bank has incorporated qualitative factors into the quantitative methodology to calculate the credit loss allowance.

Due to the fact that financial and economic factors affecting credit repayment prospects change over time, the net estimated credit loss of loans, guarantees, and insurance is re-estimated annually in accordance with OMB guidelines and Statement of Federal Financial Accounting Standards 18, "Amendments to Accounting Standards for Direct Loans and Loan Guarantees." This re-estimate indicates the appropriate level of funds necessary to cover projected future claims. Decreases in estimated credit losses result in excess funds returned to the U.S. Treasury while increases in estimated credit losses are covered by additional appropriations that become automatically available through permanent and indefinite authority, pursuant to the FCRA.

As indicated in Exhibit 12B and 15, the overall weighted-average risk rating of the Bank's portfolio remained relatively unchanged from a rating of 3.66 at the end of FY 2012 to a rating of 3.70 at the end of FY 2013.

Prior to FY 2012, Ex-Im Bank relied primarily on quantitative factors to calculate loss reserves. Because the portfolio grew significantly over the past few years and the composition of the portfolio became more complex, the Bank analyzed and developed for FY 2012 credit loss factors that incorporated both a quantitative and an enhanced qualitative framework. The additional qualitative factors are based on the risk profile of the Bank's portfolio and were added to the quantitative factors to better and more accurately measure risk through the reserve process. The Bank continues to improve both its quantitative and qualitative framework. In FY 2013, the Bank incorporated 10 qualitative adjustments into its loss model, of which seven were built into the quantitative framework. Those built into the quantitative framework include factors such as loss curves for sovereign guaranteed transactions and asset backed aircraft. Those not built into the quantitative framework look at minimum levels of expected losses, the global macroeconomic environment and the recent growth in the Bank's portfolio.

The re-estimate of the credit loss of the exposure for FY 1992 through FY 2013 commitments calculated at September 30, 2013, indicated that the net amount of $492.5 million of additional funds were needed in the financing accounts. This will be received from the U.S. Treasury in FY 2014. The re-estimate of the credit loss of the exposure for FY 1992 through FY 2012 commitments calculated at September 30, 2012, indicated that of the balances in the financing accounts, the net amount of $577.3 million of additional funds were needed in the financing accounts. This amount was received in FY 2013.

The total allowance for losses at September 30, 2013, for loans, claims, guarantees and insurance commitments is $4,631.4 million, representing 4.1 percent of total exposure of $113,825.3 million (Exhibit 12B). This compares to the allowance for losses at September 30, 2012, for loans, claims receivable, guarantees and insurance commitments of $4,596.5 million representing 4.3 percent of total exposure of $106,646.4 million.

EXHIBIT 12A: OUTSTANDING EXPOSURE AND ALLOWANCE BY PROGRAM

(in millions)	FY 2013	FY 2012
Outstanding Loans	$18,248.1	$12,354.1
Allowance for Loan Losses	1,927.2	1,585.6
Percent Allowance to Outstanding Balance	10.6%	12.8%
Outstanding Defaulted Loans	1,328.9	1,499.2
Allowance for Loan Losses	1,083.4	1,196.9
Percent Allowance to Outstanding Balance	81.5%	79.8%
Outstanding Guarantees and Insurance	62,062.7	56,822.9
Liability for Guarantees and Insurance	1,620.8	1,814.0
Percent Allowance to Outstanding Balance	2.6%	3.2%

The allowance for losses for Ex-Im Bank credits authorized after the Federal Credit Reform Act of 1990 (FCRA) equates to the amount of estimated credit loss associated with the applicable loans, claims, guarantees and insurance. According to SFFAS 2, Accounting for Direct Loans and Guarantees, direct loans disbursed and outstanding are recognized as assets at the present value of their estimated net cash flows. The difference between the outstanding principal of the loans and the present value of their net cash inflows is recognized as the allowance for credit losses. For guaranteed loans outstanding, the present value of estimate net cash flows of the loan guarantee is recognized as a guaranteed loan liability.

Ex-Im Bank's credit programs generally have fees and interest rates higher than the expected default and funding costs, resulting in the net present value of cash inflows to be greater than the outstanding principal of the credit. This has caused a slight decrease in the allowance for credit losses as a percent of total credits outstanding.

EXHIBIT 12B: LOSS RESERVES AND EXPOSURE SUMMARY

(in millions)	FY 2013	FY 2012
Outstanding Guarantees and Insurance	$62,062.7	$56,822.9
Outstanding Loans	18,248.1	12,354.1
Outstanding Defaulted Guarantees and Insurance	1,328.9	1,499.2
Total Outstanding	**$81,639.7**	**$70,676.2**
Undisbursed Guarantees and Insurance	$17,429.7	$19,566.0
Undisbursed Loans	14,755.9	16,404.2
Total Undisbursed	**$32,185.6**	**$35,970.2**
Total Exposure	**$113,825.3**	**$106,646.4**
Weighted-Average Risk Rating of Total Exposure	3.70	3.66
Loss Reserves		
Liability for Guarantees and Insurance	$1,620.8	$1,814.0
Allowance for Loan Losses	1,927.2	1,585.6
Allowance for Defaulted Guarantees and Insurance	1,083.4	1,196.9
Total Reserves	**$4,631.4**	**$4,596.5**
Loss Reserve as Percentage of Outstanding Balance	5.7%	6.5%
Loss Reserve as Percentage of Total Exposure	4.1%	4.3%

Major Impaired Assets

Impaired credits are defined as those transactions risk rated from 9 to 11 (refer to section VII, "Portfolio-Risk Rating System and Risk Profile," for the explanation of risk ratings), or on the verge of impairment due to political, commercial, operational and/or technical events or situations, and/or force majeure that have affected the borrower's ability to service repayment of Ex-Im Bank credits.

At September 30, 2013, Ex-Im Bank's aggregate amount of impaired credits exposure was $434.0 million, compared to $817.0 million in September 30, 2012.

Paris Club Activities

The Paris Club is a group of 19 permanent member-creditor countries that meet regularly in Paris to discuss and provide debt relief to qualifying debtor countries. The U.S. Departments of Treasury and State are members of the organization and represent the interests of all U.S. agencies that hold international debt. In FY 2013 and FY 2012, two countries and one country, respectively, were eligible for forgiveness of their debt owed to Ex-Im Bank (Exhibit 13).

EXHIBIT 13: PARIS CLUB BILATERAL AGREEMENTS

(in thousands)	FY 2013	FY 2012
Country	**Principal Forgiven**	**Principal Forgiven**
Guinea	$6,049.0	$ -
Côte d'Ivoire	98,876.0	5,214.0
Total	**$104,925.0**	**$5,214.0**

VII. PORTFOLIO-RISK RATING SYSTEM AND RISK PROFILE

The Interagency Country Risk Assessment System (ICRAS)

OMB established the Interagency Country Risk Assessment System (ICRAS) to provide a framework for uniformly measuring the costs of the U.S. government's international credit programs across the various agencies that administer them. To operate this framework, OMB chairs an interagency working group composed of the agencies with international loan programs, as well as the U.S. Departments of State and Treasury, the Federal Deposit Insurance Corp. and the Federal Reserve Board. In addition, OMB consults annually with the Congressional Budget Office.

The ICRAS methodology determines both the risk levels for lending to sovereign governments and nonsovereign borrowers. One of OMB's key goals in developing this system was to pattern ICRAS after systems in the private sector. Therefore ICRAS adopts similar ratings and rating methodologies as the private rating agencies, such as Moody's, Standard & Poor's and Fitch IBCA.

Risk Ratings

ICRAS rates every country to which U.S. government agencies have outstanding loans or loan guarantees or are anticipating making new credits available. ICRAS rates countries on the basis of economic and political/social variables. There are 11 sovereign and nine nonsovereign risk categories and each country receives two ratings: a sovereign-risk rating and a private-risk rating. ICRAS currently has risk ratings for 199 sovereign and 201 nonsovereign markets.

Like the private-sector risk-rating agencies, ICRAS rates countries on the basis of economic, political and social variables. Throughout the rating process analysts use private-sector ratings as one of the benchmarks for determining the ICRAS rating in keeping with the principle of congruence to private ratings. When ICRAS ratings significantly deviate from Moody's, S&P's, Fitch IBCA's or OECD ratings, the reasoning is substantiated in an ICRAS paper and is the subject of interagency discussion. This presumption serves as a key reference point throughout the ICRAS process.

The ratings are based, in general, on a country's (1) ability to make payments, as indicated by relevant economic factors, and (2) willingness to pay, as indicated by payment record and political and social factors. Four categories, ratings 1 through 4, are roughly equivalent to "creditworthy" or "investment grade" private bond ratings. Three categories, ratings 9 to 11, are for countries either unable to pay fully, even with extended repayment periods, or currently unwilling to make a good faith effort. In between are categories reflecting various degrees of potential or actual payment difficulties.

ICRAS Default Estimates

Ex-Im Bank has established cash flow models for expected defaults, fees and recoveries to estimate the credit loss for each approved credit. For new authorizations in FY 2013 and FY 2012, the models incorporated Ex-Im Bank's actual historical loss and recovery experience.

Portfolio-Risk Monitoring and Evaluation

The recent volatility in commodity prices, the fluctuation in currency exchange rates, the general level of economic activity, and rebound in availability of private-sector liquidity have had an impact on the Bank's operations. Ex-Im Bank, like most participants in the market, is not immune from the effect of this crisis, as evidenced by increased requests for Ex-Im Bank support from riskier obligors.

Ex-Im Bank's exposure to the banking sector is approximately $1.6 billion. Approximately 8 percent of this exposure is in the form of paid claims. Following the global crisis that resulted in claims from this sector, the signs have been encouraging in that no claims were processed in FY 2013. A return to stability is noted in Ex-Im Bank's exposure in Kazakhstan, based on steps taken in tightening credit standards and improving governance. Banking sector reform has been introduced in Nigeria, and confidence has slowly returned as a result of stronger balance sheets, improved fiduciary oversight and rising demand for bank services. Ex-Im Bank has taken a selective approach in effecting recoveries ranging from proactively serving in creditor committees to adopting exit strategies where appropriate. In some cases, our recoveries were facilitated by a combination of sovereign support and bank regulatory reform. These troubled credits continue to be closely monitored by the Bank. Ex-Im Bank continuously monitors its portfolio of credits after they have been approved. This entails scheduled risk-based review of the debt-service capacity of the obligors taking into account internal and external factors that directly impact ability and willingness to pay. These periodic reviews allow staff to build greater familiarity with the businesses to which Ex-Im Bank is exposed and the information obtained through this effort allows staff to identify vulnerabilities or weaknesses in the credit. Consequently, the ability to develop and implement remediation actions is greatly enhanced, which ultimately has a positive impact on the quality of the portfolio and final outcome. Most importantly, the information thus gathered serves as a very critical variable as the Bank reviews new requests for support.

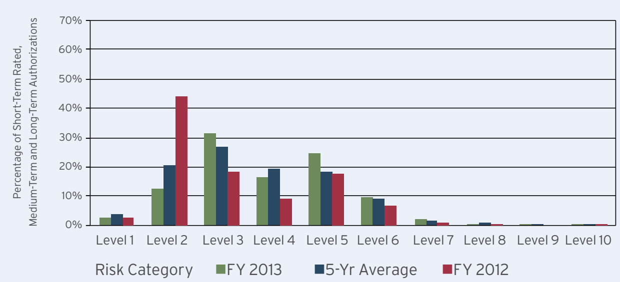
Exposure-Risk Profile

In accordance with the risk rating system detailed above, Ex-Im Bank classifies credits into 11 risk categories, with level 1 being the lowest risk. Ex-Im Bank generally does not authorize new credits that would be risk-rated worse than level 8. On this scale, level 3 is approximately equivalent to Standard and Poor's BBB, level 4 approximates BBB- and level 5 approximates BB. In addition, certain credits and capitalized interest included in gross loans receivable are reserved at 100 percent.

The increase in the new authorization weighted-average risk rating is primarily related to the increase in demand for Ex-Im Bank-supported financing among riskier-rated obligors. The overall weighted-average risk rating for FY 2013 short-term rated, medium-term and long-term export-credit authorizations was 3.88 compared to a weighted-average risk rating of 3.23 in FY 2012 and 3.63 on average for the last five years. For FY 2013, 63.2 percent of Ex-Im Bank's short-term rated, medium-term and long-term new authorizations were in the level 1 to 4 range (AAA to BBB-), while 36.8 percent were rated level 5 to 8 (BB+ to B-).

Exhibit 14 shows the risk profile of Ex-Im Bank's short-term rated, medium-term and long-term authorizations in FY 2013 and FY 2012 and the past five-year average-risk profile.

EXHIBIT 14: SHORT-TERM RATED, MEDIUM-TERM AND LONG-TERM AUTHORIZATIONS BY RISK CATEGORY



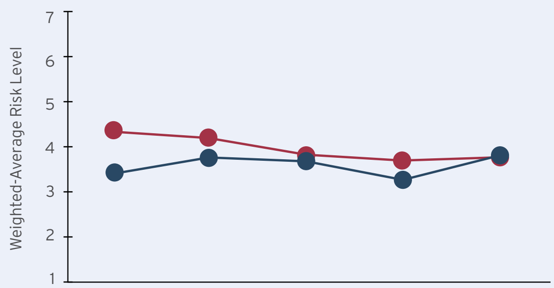
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	Level 9	Level 10
2012	2.50%	44.28%	18.18%	9.05%	17.55%	6.77%	0.98%	0.68%	0.00%	0.01%
2013	2.50%	12.67%	31.36%	16.64%	24.62%	9.80%	1.96%	0.43%	0.01%	0.01%
5-Year Average	3.77%	20.41%	26.78%	19.15%	18.29%	9.10%	1.76%	0.72%	0.01%	0.01%

Changes in the Portfolio-Risk Level

At September 30, 2013, Ex-Im Bank had a portfolio of $113,825.3 million of loans, guarantees, insurance and outstanding claims receivable. Exhibit 15 shows the weighted-average risk rating for new authorizations and the outstanding portfolio over the past five fiscal years. The new-business risk rating includes all short-term rated, medium-term and long-term transactions authorized in each respective fiscal year and reflects the weighted-average risk rating for these authorizations. The outstanding portfolio includes new business transactions and the existing portfolio risk-rated at the end of each fiscal year.

The risk rating for the outstanding portfolio remained fairly constant at 3.70 in FY 2013, as compared to 3.66 in FY 2012 (Exhibit 15).

EXHIBIT 15: CREDIT-QUALITY RISK PROFILE



FISCAL YEAR	2009	2010	2011	2012	2013
● Total Exposure	4.31	4.13	3.87	3.66	3.70
● New Business	3.43	3.87	3.81	3.23	3.88

VIII. Results of Operations

Ex-Im Bank reports financial results under government GAAP and in accordance with form and content guidance provided in OMB Circular A-136, *Financial Reporting Requirements*, revised as of October 21, 2013. Under government GAAP standards, the Bank reported total net excess program costs over revenue of $539.9 million for the year ended September 30, 2013, and $751.5 million for the year ended September 30, 2012. One of the main causes of the improvement in net cost was increased interest and fees revenue in FY 2013.

Although the Bank may on occasion receive appropriations when it is determined that additional funds are needed through the credit loss re-estimate of the Bank's existing portfolio, the Bank no longer receives appropriations from Congress to cover administrative costs and program costs for new loan, guarantee and insurance authorizations. Instead, the Bank covers these costs from the fees collected on a cash basis (offsetting collections) from the Bank's credit program customers. Fees collected are first used to cover the costs of the Bank's loan, guarantee and insurance programs by setting aside prudent reserves for credit losses. Fees collected in excess of those set aside for reserves (offsetting collections) are then used to cover administrative and program costs up to limits set by Congress. The disposition of fees collected in excess of amounts set aside for administrative and program costs are determined by the Bank's annual appropriation act passed by the U.S. Congress.

In FY 2013, Ex-Im Bank collected $1,254.8 million in offsetting collections, of which $89.9 million was used to cover administrative expense obligations; $1,056.9 million was sent to the U.S. Treasury; and $108.0 million was retained and is available for obligation until September 30, 2016. Program costs of $34.1 million were obligated from available funds carried over from prior years. A rescission of $400.0 million was sent to the U.S. Treasury.

In FY 2012, Ex-Im had $1,001.6 million in offsetting collections, of which $89.9 million was used to cover administrative-expense obligations; $803.7 million was sent to the U.S. Treasury; $108.0 million was retained and is available for obligation until September 30, 2015. Program costs of $72.1 million were obligated from available funds carried over from prior years.

The receipt of appropriations through the re-estimate process and the transfer of excess offsetting collections to the U.S. Treasury are governed by separate processes and different statutory requirements. The credit loss re-estimate applies to the entire portfolio, and, if necessary, funds required for an upward re-estimate are provided by specific appropriations pursuant to the FCRA. New obligations made in the current fiscal year for administrative and program costs are covered by fee collections and the use and restriction of those collections is defined in the Bank's annual appropriations acts and frequently results in the transfer of some offsetting collections to the U.S. Treasury.

Significant Financial Data

Exhibit 16 presents certain financial data from the Balance Sheets and the Statements of Net Costs. This financial data is highlighted due to a significant change (10 percent or more) and/or significant dollar difference between the applicable periods for FY 2013 and FY 2012. More detailed financial information can be found in the financial statements and notes.

EXHIBIT 16: SIGNIFICANT FINANCIAL DATA

(in millions)

Balance Sheets	FY 2013	FY 2012
Fund Balance with the U.S. Treasury	$3,387.0	$2,477.3
Loans Receivable, Net	16,447.5	10,865.4
Receivables from Subrogated Claims, Net	247.0	303.7
Other Assets	33.7	22.8
Borrowings from the U.S. Treasury	18,101.8	11,301.3
Accounts Payable to the U.S. Treasury	1,201.2	704.0
Payment Certificates	33.1	47.5
Claims Payable	12.5	2.5
Guaranteed Loan Liability	1,620.8	1,814.0
Other Liabilities	263.6	563.0
Cumulative Results of Operations	(2,330.9)	(1,975.9)
Statements of Net Costs		
Interest Expense	666.9	523.9
Interest Income	728.0	526.1
Fee and Other Income	477.0	366.4

Balance Sheet

Fund Balance with the U.S. Treasury: The Fund Balance with the U.S. Treasury increased by $909.7 million from $2,477.3 million at September 30, 2012, to $3,387.0 million at September 30, 2013. The change is primarily attributed to approximately $1,273.8 million in loan principal repayments, interest and guarantee fee collections; $6,800.4 million in net borrowings from Treasury; $737.7 million in exposure-fee collections; and $577.3 million received for the FY 2012 net credit-loss reserve re-estimate. This is offset by $6,663.8 million in direct-loan disbursements, $442.6 million in net Treasury interest expense, a rescission of $400.0 million and the transfer of $1,056.9 million in offsetting collections to the U.S. Treasury.

Loans Receivable, Net: Loans Receivable increased $5,582.1 million from $10,865.4 million at September 30, 2012, to $16,447.5 million at September 30, 2013, primarily as a result of $6,663.8 million in direct-loan disbursements, offset by a $246.2 million decrease in allowance of doubtful accounts and $1,093.0 million of direct-loan repayments.

Receivables from Subrogated Claims, Net: Receivables from Subrogated Claims, Net decreased $56.7 million from $303.7 million at September 30, 2012, to $247.0 million at September 30, 2013. The decrease is related to claim recoveries exceeding claim payments.

Other Assets: Other Assets increased $10.9 million from $22.8 million at September 30, 2012, to $33.7 million at September 30, 2013. The change mostly relates to an increase in interest and commitment-fee receivables.

Borrowings from the U.S. Treasury: Borrowings from the U.S. Treasury increased $6,800.5 million from $11,301.3 million at the end of FY 2012 to $18,101.8 million as of September 30, 2013. The increase is attributable to additional borrowings used to fund direct loans.

Accounts Payable to the U.S. Treasury: Accounts Payable to Treasury increased $497.2 million from $704.0 million at September 30, 2012, to $1,201.2 million as of September 30, 2013. The increase is mostly due to a $445.8 million transfer to the U.S. Treasury of the downward portion of the FY 2012 credit-loss reserve re-estimate offset by a $942.1 million accrual of the FY 2013 downward portion of the credit-loss reserve re-estimate which will be transferred to the U.S. Treasury in FY 2014.

Payment Certificates: Payment Certificates decreased $14.4 million from $47.5 million at the end of FY 2012 to $33.1 million as of September 30, 2013. The decrease is mostly due to the overall decrease in the issuance of new certificates and the repayment of existing certificates.

Claims Payable: Claims Payable increased $10.0 million from $2.5 million at September 30, 2012, to $12.5 million at September 30, 2013. The balance increased mostly due to new claims not yet paid. This is more reflective of a timing issue than an identifiable trend.

Guaranteed Loan Liability: Guaranteed Loan Liability decreased by $193.2 million from $1,814.0 million at September 30, 2012, to $1,620.8 million at September 30, 2013. The change is attributed to changes to the risk profile of the portfolio.

Other Liabilities: Other Liabilities decreased $299.4 million from $563.0 million at September 30, 2012, to $263.6 million at September 30, 2013. The change is mostly related to a $348.5 million decrease in offsetting collections.

Cumulative Results of Operations: Cumulative Results of Operations decreased $355.0 million from cumulative loss of $1,975.9 million at September 30, 2012, to cumulative loss of $2,330.9 million at September 30, 2013. This is mostly a result of the activity from the annual credit-loss reserve re-estimate.

Statement of Net Cost

Interest Expense: Interest Expense increased by $143.0 million from $523.9 million for the period ended September 30, 2012, to $666.9 million for the same period in FY 2013. The change relates to an increase in FY 2013 borrowings from the U.S. Treasury.

Interest Income: Interest Income increased by $201.9 million from $526.1 million for the period ended September 30, 2012, to $728.0 million for the same period in FY 2013.

The increase is related mostly to direct-loan interest income, which has increased as more loans are authorized.

Fees and Other Income: Fees and Other Income increased $110.6 million from $366.4 million as of September 30, 2012, to $477.0 million in the same period in FY 2013. The change represents activity resulting from increased levels of loan, guarantee and insurance disbursements compared to prior year.

Significant Factors Influencing Financial Results

The most significant factor that determines Ex-Im Bank's financial results and condition is a change in the risk level of Ex-Im Bank's loan, guarantee and insurance portfolio, and the adjustment to the allowance for credit losses that must be made to reflect the change in risk. The level of risk of individual credits or groups of credits may change in an unexpected manner as a result of international financial, economic and political events. Consequently, significant and unanticipated changes in Ex-Im Bank's allowance for credit losses may occur in any year.

The major risks to the Bank in its credit portfolio are repayment risk and concentration risk. Other risks the Bank must assess and attempt to minimize are foreign-currency risk, operational risk, organizational risk and interest-rate risk.

Repayment Risk: In fulfilling its mission to support U.S. jobs by facilitating the export of U.S. goods and services by providing competitive export financing and ensuring a level playing field for U.S. goods and services in the global marketplace, Ex-Im Bank must balance the risks associated with assuming credit and country risks that the private sector is unable or unwilling to accept with the requirement of reasonable assurance of repayment for its credit authorizations. Repayment risk is the risk that a borrower will not pay according to the original agreement and the Bank may eventually have to write-off some or all of the obligation. Repayment risk is primarily composed of:

> ***Credit Risk:*** The risk that an obligor may not have sufficient funds to service its debt or may not be willing to service its debt even if sufficient funds are available.
>
> ***Political Risk:*** The risk that payment may not be made to the Bank, its guaranteed lender or its insured as a result of expropriation of the obligor's property, war or inconvertibility of the borrower's currency into U.S. dollars.

Concentration Risk: Risks stemming from the composition of the credit portfolio as opposed to risks related to specific obligors. The Bank has the following concentration risks:

> ***Industry:*** The risk that events could negatively impact not only one company but many companies simultaneously in the same industry. The Bank's credit exposure is highly concentrated by industry: 77.9 percent of the Bank's credit portfolio is in three industries (air transportation, manufacturing, and oil and gas), with air transportation representing 45.1 percent of the Bank's total exposure. Events impacting these industries are frequently international in nature and may not be confined to a specific country or geographic area.
>
> ***Geographic Region:*** The risk that events could negatively impact not only one country but many countries simultaneously in an entire region. The Bank's credit exposure is concentrated by geographic region, with 59.6 percent of the portfolio contained in two geographic regions: Asia (40.8 percent) and Latin America and Caribbean (18.8 percent).
>
> ***Obligor:*** The risk stemming from portfolio concentration with one or a few obligors such that a default by one or more of those borrowers will have a disproportionate impact. The Bank's 10 largest public-sector obligors make up 17.1 percent of its portfolio, and the 10 largest private-sector obligors make up 24.1 percent.

Foreign-Currency Risk: Risk stemming from an appreciation or depreciation in the value of a foreign currency in relation to the U.S. dollar in Ex-Im Bank transactions denominated in that foreign currency. At the time of authorization, Ex-Im Bank does not hedge its foreign-currency exposure; however, when the Bank pays claims under foreign-currency guarantees, the notes are converted from a foreign-currency obligation to a U.S.-dollar obligation. The obligor must then repay to Ex-Im Bank the balance in U.S. dollars. This converts the foreign-currency loan to a dollar loan at that point, thereby eliminating any further foreign-exchange risks.

Ex-Im Bank provides support for guarantees and insurance denominated in certain foreign currencies. The foreign currencies approved for Ex-Im Bank transactions as of September 30, 2013, are: Australian dollar, Brazilian real, British pound, Canadian dollar, CFA franc, Colombian peso, Egyptian pound, euro, Hong Kong dollar, Indian rupee, Indonesian rupiah, Japanese yen, Korean won, Malaysian ringgit, Mexican peso, Moroccan dirham, New Zealand dollar, Norwegian krone, Pakistani rupee, Philippine peso, Polish zloty, Russian ruble, Singapore dollar, South African rand, Swedish krona, Swiss franc, Taiwanese dollar, Thai baht and UAE dirham. At the time of authorization, Ex-Im Bank records the authorization amount as the U.S.-dollar equivalent of the foreign-currency obligation based on the exchange rate at that time.

Operational Risk: Operational risk is the risk of material losses resulting from human error, system deficiencies and control weaknesses. To mitigate the risk of loss stemming from operational dysfunctions, Ex-Im Bank has established a strong internal control environment that is reviewed by an independent internal auditor and has included process documentation, proper supervisory monitoring and technology access/edit controls. Ex-Im Bank also has an Office of Inspector General that conducts audits, inspections and investigations relating to the Bank's program and support operations.

Organizational Risk: The risk of loss to Ex-Im Bank due to the organizational environment: people and skills, incentives, culture and values. Ex-Im Bank hires highly qualified individuals and has a culture of rigorous risk assessment. Continual training opportunities are offered to all employees to maintain and enhance their high skill levels.

Interest Rate Risk: Ex-Im Bank makes fixed-rate loan commitments prior to borrowing to fund loans and takes the risk that it will have to borrow the funds at an interest rate greater than the rate charged on the credit. Any interest rate disparity would be accounted for in the subsidy re-estimate.

IX. OTHER MANAGEMENT INFORMATION

Statutory Limitations

Ex-Im Bank has several significant financial limitations that are contained in its charter and in various appropriation acts. The following exhibits (Exhibit 17 and Exhibit 18) summarize the status of those limitations as of September 30, 2013, as well as the utilization of available funding.

EXHIBIT 17: FINANCIAL STATUTORY LIMITATIONS

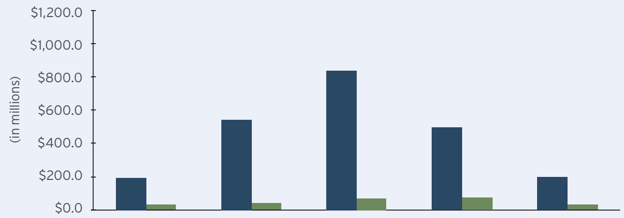
(in millions)

Spending Authority	Program Budget	Tied-Aid	Admin. Expense
Carry-Over from Prior Year	$415.0	$178.4	$2.5
Rescission of Carry-Over Funds	(400.0)	-	N/A
Cancellations During FY 2013	4.2	-	N/A
Offsetting Collections	108.0	-	134.7
Inspector General	N/A	N/A	4.0
Total	**$127.2**	**$178.4**	**$141.2**
Obligated	$34.1	-	$102.2
Unobligated Balance Lapsed	8.3	-	-
Unobligated Balance Available	$84.8	$178.4	$39.0

	Available	Obligated	Balance
Statutory Lending Authority	$130,000.0	$113,825.3	$16,174.7

Tied-aid is government-to-government concessional financing of public-sector capital projects in developing countries. Tied-aid terms usually involve total maturities longer than 20 years, lower-than-market interest rates and/or direct grants.

EXHIBIT 18: PROGRAM BUDGET (EXCLUDING TIED AID) AVAILABLE AND UTILIZED



FISCAL YEAR	2009	2010	2011	2012	2013
Available	$192.2	$541.6	$838.7	$487.9	$197.9
Utilized	$29.6	$44.0	$68.1	$72.1	$34.1

X. LIMITATIONS OF THE FINANCIAL STATEMENTS

The financial statements have been prepared to report the financial position and results of operations of Ex-Im Bank, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of Ex-Im Bank in accordance with government GAAP and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the understanding that they are for a component of the U.S. government, a sovereign entity.

XI. REQUIRED SUPPLEMENTARY INFORMATION

Exhibit 19 presents the Statement of Budgetary Resources by Ex-Im Bank's major budget accounts.

Improper Payments Elimination and Recovery Act

The Improper Payments Elimination and Recovery Act (IPERA) of 2010 (P.L. No. 111-204) requires agencies to review their programs and activities to identify those susceptible to significant improper payments. In accordance with the Improper Payments Information Act of 2002 (IPIA), Ex-Im Bank assessed its risk of a significant erroneous payment (defined for this purpose as annual erroneous payments in a program exceeding both 2.5 percent of the program payments and $10.0 million or $100.0 million, regardless of the improper payment percentage of total program outlays). The scope of this assessment included all program payments. For this purpose the term "payment" is defined as any payment that is:

- A payment or transfer of funds (including a commitment for future payment, such as cash, securities, loans, loan guarantees and insurance subsidies) to any nonfederal person or entity

- Made by a federal agency, a federal contractor, federal grantee or a governmental or other organization administering a federal program or activity.

Ex-Im Bank identified three areas of payments that qualify under the above definition and therefore warranted a risk assessment: administrative payments, claim payments and loan disbursements. Ex-Im Bank assessed the risk of improper payments associated with these programs to be low due to its internal controls in place, the nature of these disbursements and the results of an internal risk-assessment questionnaire.

The questionnaire includes questions categorized per the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework (control environment, risk assessment, control activities, information and communication, and monitoring). Inclusion of the questionnaire incorporates additional quantitative components into the risk assessment. Based on this assessment, under the IPIA, no further action was required.

EXHIBIT 19: DISAGGREGATED STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2013

(in millions)	Program Account	Direct Loan Financing Account	Guaranteed Loan Financing Account	Pre-Credit Reform Financing Account	Other	Total
BUDGETARY RESOURCES						
Unobligated Balance, Brought Forward October 1	$855.7	$ -	$1,399.4	$ -	$11.9	$2,267.0
Recoveries of Prior-Year Unpaid Obligations	12.1	1,419.5	-	-	0.7	1,432.3
Other Changes in Unobligated Balance	(2.1)	(959.1)	-	-	(0.3)	(961.5)
Unobligated Balance From Prior-Year Budget Authority, Net	865.7	460.4	1,399.4	-	12.3	2,737.8
Appropriations (Discretionary and Mandatory)	624.5	-	-	-	3.8	628.3
Borrowing Authority (Discretionary and Mandatory)	-	5,746.9	-	-	-	5,746.9
Spending Authority From Offsetting Collections (Discretionary and Mandatory)	231.7	2,129.4	1,365.8	11.1	0.1	3,738.1
Total Budgetary Resources	**$1,721.9**	**$8,336.7**	**$2,765.2**	**$11.1**	**$16.2**	**$12,851.1**
STATUS OF BUDGETARY RESOURCES						
Obligations Incurred	$1,180.9	$8,336.6	$711.7	$11.1	$4.5	$10,244.8
Unobligated Balance, End of Year:						
Apportioned	282.0	-	2,053.7	-	11.6	2,347.3
Unapportioned	259.0	-	-	-		259.0
Total Unobligated Balance, End of Year	541.0	-	2,053.7	-	11.6	2,606.3
Total Status of Budgetary Resources	**$1,721.9**	**$8,336.6**	**$2,765.4**	**$11.1**	**$16.1**	**$12,851.1**
CHANGE IN OBLIGATED BALANCE						
Unpaid Obligations, Brought Forward, October 1 (Gross)	$117.9	$17,229.3	$2.5	$ -	$1.2	$17,350.9
Obligations Incurred	1,180.9	8,336.6	711.7	11.1	4.5	10,244.8
Outlays (Gross)	(1,171.2)	(8,406.1)	(701.0)	(11.1)	(3.7)	(10,293.1)
Recoveries of Prior-Year Unpaid Obligations	(12.0)	(1,419.5)	-	-	(0.8)	(1,432.3)
Unpaid Obligations, End of Year	115.6	15,740.3	13.2	-	1.2	15,870.3
Uncollected Payments:						
Uncollected Payments, Federal Sources Brought Forward, Oct 1	-	(16.6)	(125.1)	-	-	(141.7)
Change in Uncollected Payments, Federal Sources	-	3.7	12.4	-	-	16.1
Actual Transfers, Uncollected Payments, Federal Sources (Net)	-	-	-	-	-	-
Uncollected Customer Payments From Federal Sources, End of Year	-	(13.0)	(112.6)	-	-	(125.6)
Memorandum (Non-Add) Entries	-	-	-	-	-	-
Obligated Balance, Start of Year	117.9	17,212.7	(122.6)	-	1.2	17,209.2
Obligated Balance, End of Year, Net	**$115.6**	**$15,727.3**	**($99.4)**	**$-**	**$1.2**	**$15,744.7**
Budget Authority and Outlays, Net:						
Budget Authority, Gross (Discretionary and Mandatory)	$856.2	$7,876.2	$1,365.7	$11.1	$3.8	$10,113.0
Actual Offsetting Collections (Discretionary and Mandatory)	(231.6)	(2,145.7)	(1,382.3)	(31.5)	(22.2)	(3,813.3)
Change in Uncollected Customer Payments From Federal Sources (Discretionary and Mandatory)	-	3.6	12.5	-	-	16.1
Budget Authority, Net (Discretionary and Mandatory)	**$624.6**	**$5,734.1**	**($4.1)**	**($20.4)**	**($18.4)**	**$6,315.8**
Outlays, Gross (Discretionary and Mandatory)	$1,171.2	$8,406.1	$701.0	$11.1	$3.7	$10,293.1
Actual Offsetting Collections (Discretionary and Mandatory)	(231.7)	(2,145.8)	(1,382.3)	(31.5)	(22.0)	(3,813.3)
Outlays, Net (Discretionary and Mandatory)	**$939.5**	**$6,260.3**	**($681.3)**	**($20.4)**	**($18.3)**	**$6,479.8**

Management Report on Financial Statement and Internal Accounting Controls

December 12, 2013

Ex-Im Bank's management is responsible for the content and integrity of the financial data included in the Bank's annual report and for ascertaining that this data fairly presents the financial position, results of operations and cash flows of the Bank.

The Bank's operations fall under the provisions of the Federal Credit Reform Act of 1990. This law provides that subsidy calculations must be performed (on a present-value basis) for all new loan, guarantee and insurance commitments, and the resulting cost, if any, must be covered by budget authority provided by Congress. Credits may not be approved if sufficient budget authority is not available.

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America for federal agencies (government GAAP). As explained in more detail in the notes, the financial statements recognize the impact of credit-reform legislation on the Bank's commitments. Other financial information related to the Bank included elsewhere in the report is presented on a basis consistent with the financial statements.

The Bank maintains a system of internal accounting controls that is designed to provide reasonable assurance at reasonable cost that assets are safeguarded and that transactions are processed and properly recorded in accordance with management's authorization, and that the financial statements are accurately prepared. The Bank believes that its system of internal accounting controls appropriately balances the cost/benefit relationship.

Ex-Im Bank's Board of Directors pursues its responsibility for the Bank's financial statements through its Audit Committee. The Audit Committee meets regularly with management and the independent accountants. The independent accountants have direct access to the audit committee to discuss the scope and results of their audit work and their comments on the adequacy of internal accounting controls and the quality of financial reporting.

The Bank believes that its policies and procedures, including its system of internal accounting controls, provide reasonable assurance that the financial statements are prepared in accordance with provision of applicable laws and regulations.

As required by the Federal Information Security Management Act (FISMA), the Bank develops, documents and implements an agency-wide program to provide information privacy and security (management, operational and technical security controls) for the information and information systems that support the operations and assets of the agency, including those provided or managed by another agency, contractor or other source.

The Bank's financial statements were audited by independent accountants. Their opinion is printed in this annual report immediately following the notes to the financial statements.

Fred P. Hochberg
Chairman and President

David M. Sena
Chief Financial Officer

BALANCE SHEETS

(in millions)	As of September 30, 2013	As of September 30, 2012
ASSETS		
Intragovernmental		
Fund Balance With the U.S. Treasury (Note 2)	$3,387.0	$2,477.3
Public		
Cash (Note 3)	0.1	0.1
Loans Receivable, Net (Note 4A)	16,447.5	10,865.4
Receivables From Subrogated Claims, Net (Note 4E)	247.0	303.7
Other Assets (Note 8)	33.7	22.8
Total Assets - Public	**16,728.3**	**11,192.0**
TOTAL ASSETS	**$20,115.3**	**$13,669.3**
LIABILITIES		
Intragovernmental		
Borrowings From the U.S. Treasury (Note 10)	$18,101.8	$11,301.3
Accounts Payable to the U.S. Treasury	1,201.2	704.0
Total Liabilities - Intragovernmental	**19,303.0**	**12,005.3**
Public		
Payment Certificates (Note 10)	33.1	47.5
Claims Payable	12.5	2.5
Guaranteed Loan Liability (Note 4G)	1,620.8	1,814.0
Other Liabilities (Note 11)	263.6	563.0
Total Liabilities - Public	**1,930.0**	**2,427.0**
TOTAL LIABILITIES	**21,233.0**	**14,432.3**
NET POSITION		
Capital Stock	1,000.0	1,000.0
Unexpended Appropriations	213.2	212.9
Cumulative Results of Operations	(2,330.9)	(1,975.9)
Total Net Position	**(1,117.7)**	**(763.0)**
TOTAL LIABILITIES AND NET POSTION	**$20,115.3**	**$13,669.3**

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF NET COSTS

(in millions)	Loans	Guarantees	Insurance	Total
For the Year Ended September 30, 2013				
Costs				
Interest Expense	$666.9	$ -	$ -	$666.9
Claim Expenses	-	4.1	3.5	7.6
Provision for Credit Losses	1,037.4	(76.9)	35.6	996.1
Broker Commissions	-	-	6.8	6.8
Total Costs	**1,704.3**	**(72.8)**	**45.9**	**1,677.4**
Earned Revenue				
Interest Income	(633.2)	(94.8)	-	(728.0)
Fee and Other Income	(68.0)	(409.0)	-	(477.0)
Insurance Premium and Other Income	-	-	(48.0)	(48.0)
Total Earned Revenue	**(701.2)**	**(503.8)**	**(48.0)**	**(1,253.0)**
TOTAL NET EXCESS PROGRAM COSTS OVER (REVENUE)	**1,003.1**	**(576.6)**	**(2.1)**	**424.4**
Administrative Costs (Note 4K, 14)				115.5
Liquidating Account Distribution of Income				-
Total Net Excess Program Costs Over (Revenue)				**$539.9**

(in millions)	Loans	Guarantees	Insurance	Total
For the Year Ended September 30, 2012				
Costs				
Interest Expense	$523.9	$ -	$ -	$523.9
Claim Expenses	-	7.2	3.8	11.0
Provision for Credit Losses	341.4	644.6	36.9	1,022.9
Broker Commissions	-	-	6.5	6.5
Total Costs	**865.3**	**651.8**	**47.2**	**1,564.3**
Earned Revenue				
Interest Income	(459.5)	(66.6)	-	(526.1)
Fee and Other Income	(39.3)	(327.1)	-	(366.4)
Insurance Premium and Other Income	-	-	(42.4)	(42.4)
Total Earned Revenue	**(498.8)**	**(393.7)**	**(42.4)**	**(934.9)**
NET EXCESS OF PROGRAM COSTS OVER (REVENUE)	**366.5**	**258.1**	**4.8**	**629.4**
Administrative Costs (Note 4K, 14)				98.7
Liquidating Account Distribution of Income				23.4
TOTAL NET EXCESS PROGRAM COSTS OVER (REVENUE)				**$751.5**

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET POSITION

(in millions)	Capital Stock	Unexpended Appropriations	Cumultative Results of Operations	Total
For the Year Ended September 30, 2013				
BEGINNING NET POSITION	**$1,000.0**	**$212.9**	**($1,975.9)**	**($763.0)**
Budgetary Financing Sources (Uses)				
Appropriations Received - Inspector General	-	4.0	-	4.0
Appropriations Received - Re-estimate	-	1,024.5	-	1,024.5
Canceled Authority	-	(2.3)	-	(2.3)
Transfer Out Without Reimbursement	-	-	(1,001.3)	(1,001.3)
Other Adjustments	-	3.2	4.3	7.5
Appropriations Used	-	(1,029.1)	1,029.1	-
Offsetting Collections	-	-	149.3	149.3
Other Financing Sources				
Imputed Financing	-	-	3.5	3.5
Total Financing Sources (Uses)	**-**	**0.3**	**184.9**	**185.2**
Adjusted Net Position	**1,000.0**	**213.2**	**(1,791.0)**	**(577.8)**
Less: Excess of Program Costs Over Revenue	**-**	**-**	**539.9**	**539.9**
ENDING NET POSITION	**$1,000.0**	**$213.2**	**($2,330.9)**	**($1,117.7)**

(in millions)	Capital Stock	Unexpended Appropriations	Cumultative Results of Operations	Total
For the Year Ended September 30, 2012				
BEGINNING NET POSITION	**$1,000.0**	**$215.8**	**($1,675.5)**	**($459.7)**
Budgetary Financing Sources (Uses)				
Appropriations Received - Inspector General	-	4.0	-	4.0
Appropriations Received - Re-estimate	-	793.5	-	793.5
Canceled Authority	-	(0.4)	-	(0.4)
Transfer Out Without Reimbursement	-	-	(486.4)	(486.4)
Other Adjustments	-	0.6	(0.3)	0.3
Appropriations Used	-	(800.6)	800.6	-
Offsetting Collections	-	-	134.1	134.1
Other Financing Sources				
Imputed Financing	-	-	3.1	3.1
Total Financing Sources (Uses)	**-**	**(2.9)**	**451.1**	**448.2**
Adjusted Net Position	**1,000.0**	**212.9**	**(1,224.4)**	**(11.5)**
Less: Excess of Program Costs Over Revenue	**-**	**-**	**751.5**	**751.5**
ENDING NET POSITION	**$1,000.0**	**$212.9**	**($1,975.9)**	**($763.0)**

The accompanying notes are an integral part of the financial statements.

COMBINED STATEMENTS OF BUDGETARY RESOURCES

(in millions)	For the Year Ended September 30, 2013 Budgetary	For the Year Ended September 30, 2013 Non-Budgetary Credit-Reform Financing Account	For the Year Ended September 30, 2013 Total	For the Year Ended September 30,2012 Budgetary	For the Year Ended September 30,2012 Non-Budgetary Credit-Reform Financing Account	For the Year Ended September 30,2012 Total
BUDGETARY RESOURCES:						
Unobligated Balance Brought Forward, October 1	$857.7	$1,409.3	$2,267.0	$1,198.7	$1,283.6	$2,482.3
Recoveries of Prior-Year Unpaid Obligations	12.8	1,419.5	1,432.3	21.4	215.5	236.9
Other Changes in Unobligated Balance	(2.4)	(959.1)	(961.5)	(3.0)	(1,919.3)	(1,922.3)
Unobligated Balance From Prior-Year Budget Authority, Net	868.1	1,869.7	2,737.8	1,217.1	(420.2)	796.9
Appropriations (Discretionary and Mandatory)	628.3	-	628.3	397.5	-	397.5
Borrowing Authority (Discretionary and Mandatory) (Note 16)	-	5,746.9	5,746.9	-	13,640.5	13,640.5
Spending Authority From Offsetting Collections (Discretionary and Mandatory)	242.9	3,495.2	3,738.1	229.7	3,238.3	3,468.0
Total Budgetary Resources (Note 16)	**$1,739.3**	**$11,111.8**	**$12,851.1**	**$1,844.3**	**$16,458.6**	**$18,302.9**
STATUS OF BUDGETARY RESOURCES:						
Obligations Incurred (Note 16)	$1,196.5	$9,048.3	$10,244.8	$986.6	$15,049.3	$16,035.9
Unobligated Balance, End of Year:						
Apportioned	283.8	2,063.5	2,347.3	607.7	1,409.3	2,017.0
Unapportioned	259.0	-	259.0	250.0	-	250.0
Total Unobligated Balance, End of Year (Note 16)	**542.8**	**2,063.5**	**2,606.3**	**857.7**	**1,409.3**	**2,267.0**
Total Status of Budgetary Resources	**$1,739.3**	**$11,111.8**	**$12,851.1**	**$1,844.3**	**$16,458.6**	**$18,302.9**
CHANGE IN OBLIGATED BALANCE:						
Unpaid Obligations, Brought Forward, October 1	$119.3	$17,231.6	$17,350.9	$99.2	$9,574.2	$9,673.4
Obligations Incurred	1,196.5	9,048.3	10,244.8	986.6	15,049.3	16,035.9
Outlays (Gross)	(1,185.9)	(9,107.2)	(10,293.1)	(945.1)	(7,176.4)	(8,121.5)
Recoveries of Prior-Year Unpaid Obligations	(12.8)	(1,419.5)	(1,432.3)	(21.4)	(215.5)	(236.9)
Unpaid Obligations, End of Year	117.1	15,753.2	15,870.3	119.3	17,231.6	17,350.9
Uncollected Payments:						
Uncollected Payments, Federal Sources Brought Forward, Oct 1	-	(141.7)	(141.7)	-	-	-
Change in Uncollected Payments, Federal Sources	-	16.1	16.1	-	(141.7)	(141.7)
Actual Transfers, Uncollected Payments, Federal Sources (Net)	-	-	-			
Uncollected Customer Payments From Federal Sources, End of Year	-	(125.6)	(125.6)	-	(141.7)	(141.7)
Memorandum (Non-Add) Entries						
Obligated Balance, Start of Year	$119.3	$17,089.9	$17,209.2	886.4	8,763.0	9,649.4
Obligated Balance, End of Year, Net	**$117.1**	**$15,627.6**	**$15,744.7**	**$119.3**	**$17,089.9**	**$17,209.2**
BUDGET AUTHORITY AND OUTLAYS, NET:						
Budget Authority, Gross (Discretionary and Mandatory)	$871.1	$9,241.9	$10,113.0	$627.1	$16,878.9	$17,506.0
Actual Offsetting Collections (Discretionary and Mandatory)	(263.3)	(3,550.0)	(3,813.3)	(253.1)	(3,133.0)	(3,386.1)
Change in Uncollected Customer Payments From Federal Sources (Discretionary and Mandatory)	-	16.1	16.1	-	(141.7)	(141.7)
Budget Authority, Net (Discretionary and Mandatory)	**$607.8**	**$5,708.0**	**$6,315.8**	**$374.0**	**$13,604.2**	**$13,978.2**
Outlays, Gross (Discretionary and Mandatory)	$1,185.9	$9,107.2	$10,293.1	$945.1	$7,176.4	$8,121.5
Actual Offsetting Collections (Discretionary and Mandatory)	(263.3)	(3,550.0)	(3,813.3)	(253.1)	(3,133.0)	(3,386.1)
Outlays, Net (Discretionary and Mandatory)	**$922.6**	**$5,557.2**	**$6,479.8**	**$692.0**	**$4,043.4**	**$4,735.4**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

For the Year Ended September 30, 2013, and Year Ended September 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Enabling Legislation and Mission

The Export-Import Bank of the United States (Ex-Im Bank or the Bank) is an independent executive agency and a wholly owned U.S. government corporation that was first organized as a District of Columbia banking corporation in 1934. Ex-Im Bank is the official export-credit agency of the United States. Ex-Im Bank's operations subsequent to September 30, 1991, are subject to the provisions of the Federal Credit Reform Act (FCRA) of 1990 (P.L. 101-508), which became effective October 1, 1991. The Export-Import Bank Reauthorization Act of 2012 extended the Bank's charter until September 30, 2014.

Ex-Im Bank's mission is to support U.S. jobs by facilitating the export of U.S. goods and services by providing competitive export financing and ensuring a level playing field for U.S. goods and services in the global marketplace. Ex-Im Bank supports U.S. exports by providing export financing through its loan, guarantee and insurance programs in cases where the private sector is unable or unwilling to provide financing or when such support is necessary to level the playing field due to financing provided by foreign governments to their exporters that compete with U.S. exporters. The Bank's charter requires reasonable assurance of repayment for the transactions it authorizes, and the Bank closely monitors credit and other risks in its portfolio. In pursuit of its mission of supporting U.S. exports, Ex-Im Bank offers four financial products: direct loans, loan guarantees, working capital guarantees and export-credit insurance. All Ex-Im Bank obligations carry the full faith and credit of the U.S. government.

Loans and guarantees extended under the medium-term loan program typically have repayment terms of one to seven years, while loans and guarantees extended under the long-term loan program usually have repayment terms in excess of seven years. Generally, both the medium-term and long-term loan and guarantee programs cover up to 85 percent of the U.S. contract value of shipped goods.

Under the Working Capital Guarantee Program, Ex-Im Bank provides repayment guarantees to lenders on secured, short-term working capital loans made to qualified exporters. The working capital guarantee may be approved for a single loan or a revolving line of credit. Ex-Im Bank's working capital guarantee protects the lender from default by the exporter for 90 percent of the loan principal and interest. Ex-Im Bank's Supply Chain Finance Guarantee Program (SCF Program) is designed to support U.S. exporters and their U.S. based suppliers many of whom are small and medium-sized companies. Under the SCF Program, lenders will purchase accounts receivable owned by the suppliers and due from the exporter. Ex-Im Bank provides a 90 percent guarantee on the repayment obligation of the exporter. The purchase of accounts receivable allows suppliers to receive immediate payment of their outstanding invoices, decreases their cost of financing, and enables them to better fulfill new orders and maintain and/or add jobs. The exporters benefit by having the option to extend payment terms without imposing undue financial hardship on their suppliers.

Ex-Im Bank's export-credit insurance policies help U.S. exporters sell their goods overseas by protecting them against the risk of foreign-buyer or other foreign-debtor default for political or commercial reasons, allowing them to extend credit to their international customers. Insurance policies may apply to shipments to one buyer or many buyers, insure comprehensive (commercial and political) credit risks or only political risks, and cover short-term or medium-term sales.

Basis of Accounting

The format of the financial statements and footnotes is in accordance with form and content guidance provided in Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, revised as of October 21, 2013.

According to the guidance in the revised Circular A-136, the presentation of the Combined Statements of Budgetary Resources (SBR) for the years ended September 30, 2013, and September 30, 2012, was reformatted to better align with information presented in the Budget of the United States Government.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and net position and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and costs during the reporting period. The most significant of these estimates are the allowances for losses on loans receivable, subrogated claims receivable, and guarantees and insurance. Ex-Im Bank uses its historical default and recovery experience to calculate loss estimates. Actual results may differ from those estimates.

Loans Receivables, Net

Loan obligations are carried at principal and interest receivable amounts less an allowance for credit losses.

From time to time, Ex-Im Bank extends the repayment date and may modify the interest rate of some or all principal installments of a loan because the obligor or country has encountered financial difficulty and Ex-Im Bank has determined that providing relief in this manner will enhance the ability to collect the loan.

Receivables from Subrogated Claims, Net

Receivables from subrogated claims represent the outstanding balance of payments that were made on claims that were submitted to Ex-Im Bank in its capacity as guarantor or insurer under Ex-Im Bank's export guarantee or insurance programs. Receivables from subrogated claims are carried at principal and interest receivable amounts less an allowance for claim losses. Under the subrogation clauses in its guarantee and insurance contracts, Ex-Im Bank receives all rights, title and interest in all amounts relating to claims paid under insurance policies and guarantees and therefore establishes an asset to reflect such rights.

Accrued Interest

Interest is accrued on loans and claims as it is earned. Generally, loans and subrogated claims receivable delinquent 90 days or more are placed on a nonaccrual status unless they are well-secured and significant collections have been received. At the time that a loan or claim is placed on nonaccrual status, any accrued but unpaid interest previously recorded is reversed against current-period interest income. The interest on these loans is accounted for on a cash basis until qualifying for return to accrual status. Loans are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Accounting for Capitalized Interest on Rescheduled Loans and Subrogated Claims

Rescheduling agreements frequently allow for Ex-Im Bank to add uncollected interest to the principal balance of rescheduled loans and subrogated claims receivable (i.e., capitalized interest). When capitalized, any accrued interest receivable is reversed against current period's interest income. The amount of interest that was capitalized and included in the principal balance is recorded as income when cash collections occur and only after all principal not related to the capitalized interest is paid. An allowance is established for all uncollected capitalized interest.

Allowance for Losses on Loans, Guarantees, Insurance and Subrogated Claims

The allowance for losses provides for estimated losses inherent in the loan, claim, guarantee and insurance portfolios. The allowance is established through a provision charged to earnings. Write-offs are charged against the allowance when management believes the uncollectibility of a loan or claim balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the credits in light of historical and market experience, the nature and volume of the credit portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing worldwide economic and political conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance for Ex-Im Bank credit-reform credits represents the amount of estimated credit loss associated with the applicable credit. The credit loss is defined as the net present value of estimated loan, guarantee and insurance defaults less subsequent estimated recoveries. Ex-Im Bank has established cash-flow models for expected defaults, fees and recoveries to estimate the credit loss for each approved credit. For new authorizations, the models incorporate Ex-Im Bank's actual historical loss and recovery experience.

The net credit loss of credit-reform loans, guarantees and insurance is re-estimated annually in accordance with OMB guidelines and Statement of Federal Financial Accounting Standards (SFFAS) 18, "Amendments to Accounting Standards for Direct Loans and Loan Guarantees." The re-estimates adjust the allowance for credit losses to account for actual activity and changes in the financial and economic factors that affect the repayment prospects over time.

Accounting for Guarantees in a Foreign Currency
Ex-Im Bank provides guarantees and insurance denominated in certain foreign currencies. The foreign currencies approved for Ex-Im Bank guarantees as of September 30, 2013, are: Australian dollar, Brazilian real, British pound, Canadian dollar, CFA franc, Colombian peso, Egyptian pound, euro, Hong Kong dollar, Indian rupee, Indonesian rupiah, Japanese yen, Korean won, Malaysian ringgit, Mexican peso, Moroccan dirham, New Zealand dollar, Norwegian krone, Pakistani rupee, Philippine peso, Polish zloty, Russian ruble, Singapore dollar, South African rand, Swedish krona, Swiss franc, Taiwanese dollar, Thai baht and UAE dirham. At the time of authorization, Ex-Im Bank records the authorization amount as the U.S.-dollar equivalent of the foreign-currency obligation based on the exchange rate at that time. At the end of each fiscal year, Ex-Im Bank determines the dollar equivalent of the outstanding balance for each foreign-currency guarantee based on the exchange rate at the end of the year and adjusts the guarantee loan liability accordingly.

Borrowings from the U.S. Treasury
The main source of Ex-Im Bank's outstanding debt is borrowings from the U.S. Treasury. Borrowings from the U.S. Treasury are used to finance medium-term and long-term loans. These borrowings carry a fixed rate of interest. They are further discussed in Note 10.

Payment Certificates
Payment certificates represent Ex-Im Bank's outstanding borrowings related to specific claims for which Ex-Im Bank is paying the guaranteed lender as the guaranteed installments become due. Payment certificates are issued by Ex-Im Bank in exchange for the foreign importer's defaulted note which was guaranteed by Ex-Im Bank and the payment certificates carry the same repayment terms and interest rate as the guaranteed foreign importer's note. Payment certificates are backed by the full faith and credit of the government and are freely transferable.

Claims Payable
Liabilities for claims arising from Ex-Im Bank's guarantee and insurance activities and the related estimated losses and claim recovery expenses are accrued upon approval of a claim.

Accounts Payable to the U.S. Treasury
Accounts payable to the U.S. Treasury include the results of the credit-loss re-estimate required under the FCRA. The payable represents funds that are held in credit-reform financing accounts that are determined to be in excess of amounts needed to cover future defaults. The payable also includes expired budget authority no longer available for obligation that will be returned to the U.S. Treasury.

Fees and Premia
Ex-Im Bank charges a risk-related exposure fee under both the loan and guarantee programs that is collected on each loan disbursement or shipment of goods under the guarantee policy. This fee is amortized over the life of the credit.

On working capital guarantees, Ex-Im Bank charges an up-front facility fee, which, due to the short-term nature of the contracts, is credited to income as collected. Premia charged under insurance policies are recognized as income using a method that generally reflects the exposure over the term of the policy.

Appropriated Capital
Appropriations received by Ex-Im Bank pursuant to the FCRA are recorded as paid-in-capital. Beginning in FY 2008, fees collected in excess of expected credit losses are used to reimburse the U.S. Treasury for appropriations provided for program and administrative costs, resulting in a net appropriation of zero. Appropriations received prior to FY 2008 and not required to finance credit activities are returned to the U.S. Treasury when the period of availability ends.

Congress has appropriated certain sums specifically for Ex-Im Bank's tied-aid activities. Tied-aid is government-to-government concessional financing of public-sector capital projects in developing countries. Tied-aid terms usually involve total maturities longer than 20 years, lower than market interest rates and/or direct grants.

Imputed Financing
A financing source is imputed by Ex-Im Bank to provide for pension and other retirement benefit expenses recognized by Ex-Im Bank but financed by the Office of Personnel Management (OPM).

Liquidating Account Distribution of Income
Ex-Im Bank maintains a liquidating account which accumulates the repayment on loans and claims issued prior to the FCRA. At the end of each fiscal year, Ex-Im Bank transfers the cash balance in this account to the U.S. Treasury. The amount transferred is detailed on the accompanying Statements of Net Costs.

2. FUND BALANCE WITH THE U.S. TREASURY

Fund balances as of September 30, 2013, and September 30, 2012, were as follows:

(in millions)	FY 2013	FY 2012
Revolving Funds	$2,652.1	$1,448.5
General Funds - Unexpended Appropriations	461.2	465.5
General Funds - Offsetting Collections	200.9	514.3
Other Funds - Unallocated Cash	72.8	49.0
Total	**$3,387.0**	**$2,477.3**
Status of Fund Balance With the U.S. Treasury		
Unobligated Balance		
Available	$2,347.3	$2,017.1
Expired	259.0	250.0
Canceled and Unavailable	2.5	2.9
Obligated Balance Not Yet Disbursed	705.4	158.3
Funds Pending Application	72.8	49.0
Total	**$3,387.0**	**$2,477.3**

Revolving funds are credit-reform financing accounts. Included in the credit-reform financing accounts are disbursed appropriations, exposure fees collected, and interest paid by the U.S. Treasury to Ex-Im Bank on the balances in the account. These funds are available to cover losses in Ex-Im Bank's credit programs. Unexpended appropriated funds and unexpended offsetting collections are deposited in a noninterest-bearing account at the U.S. Treasury. These funds are available to Ex-Im Bank when the credit activity to which they relate takes place or to finance administrative expenses. Upon disbursement of the related loans or shipment of goods under guarantee or insurance policies, the funds become available to either subsidize the related loan disbursement or to be invested in the credit-reform financing accounts to fund the credit costs of the guarantee and insurance policies. Unallocated cash represents collections pending final application to the applicable loan or guarantee.

Unobligated available funds represent unexpired appropriations and offsetting collections and funds held in credit-reform financing accounts for payment of future guaranteed loan defaults. Unobligated expired funds represent appropriations and offsetting collections that are no longer available for new obligations.

Unobligated canceled funds represent appropriations that are no longer available and are returned to the U.S. Treasury in subsequent years. Obligated balance not yet disbursed represents appropriations, offsetting collections and funds held in the loan-financing account awaiting disbursement.

As of September 30, 2013, and September 30, 2012, there were no unreconciled differences between U.S. Treasury records and balances reported on Ex-Im Bank's general ledger.

3. CASH

As of September 30, 2013, and September 30, 2012, there was $0.1 million in cash balances held outside the U.S. Treasury. The amount represents receipts for collection of insurance premia that are transferred to one of Ex-Im Bank's U.S. Treasury accounts upon application to the appropriate credit.

4. DIRECT LOAN, LOAN GUARANTEES AND EXPORT-CREDIT INSURANCE PROGRAMS, NONFEDERAL BORROWERS

Ex-Im Bank offers fixed-rate loans directly to foreign buyers of U.S. goods and services. Ex-Im Bank extends to a company's foreign customer a fixed-rate loan covering up to 85 percent of the U.S. contract value. The buyer must make a cash payment to the U.S. exporter of at least 15 percent of the U.S. contract value. Ex-Im Bank's direct loans generally carry the fixed-interest rate permitted for the importing country and term under the "Arrangement on Guidelines for Officially Supported Export Credits" negotiated among members of the OECD.

Ex-Im Bank loan guarantees cover the repayment risks on the foreign buyer's debt obligations incurred to purchase U.S. exports. Ex-Im Bank guarantees to a lender that, in the event of a payment default by the borrower, it will pay to the lender the outstanding principal and interest on the loan. Ex-Im Bank's comprehensive guarantee covers all of the commercial and political risks for 85 percent of the U.S. contract value.

Ex-Im Bank's export-credit insurance helps U.S. exporters sell their goods overseas by protecting them against the risk of foreign-buyer or other foreign-debtor default for political or commercial reasons, allowing them to extend credit to their international customers. Insurance policies may apply to shipments to one buyer or many buyers, insure comprehensive (commercial and political) credit risks or only political risks, and cover short-term or medium-term sales.

Credit Reform

The primary purpose of the FCRA is to measure more accurately the cost of federal credit programs and to place the cost of such credit programs on a basis equivalent with other federal spending.

OMB established The Interagency Country Risk Assessment System (ICRAS) to provide a framework for uniformly measuring country risk for the U.S. government's international credit programs across the various agencies that administer them. The ICRAS methodology determines the risk levels for lending to both sovereign governments and nonsovereign borrowers.

ICRAS rates every country to which U.S. government agencies have outstanding loans or loan guarantees or are anticipating making new credits available. ICRAS rates countries on the basis of economic and political/social variables. There are 11 sovereign and nine nonsovereign risk categories and each country receives two ratings: a sovereign-risk rating and a private-risk rating. ICRAS currently has risk ratings for 199 sovereign and 201 nonsovereign markets.

FY 2013 and FY 2012 Activity

Ex-Im Bank received a $4.0 million appropriation in FY 2013 and $4.0 million in FY 2012 for the Inspector General administrative costs.

Beginning in FY 2008, fees collected in excess of expected credit losses (offsetting collections) are used to cover the Bank's credit program needs for providing new direct loans, guarantees and insurance, and for administrative costs.

The following table summarizes offsetting collections and appropriations received and used in FY 2013 and in FY 2012:

(in millions)	FY 2013	FY 2012
RECEIVED AND AVAILABLE		
Appropriation for Inspector General Administrative Costs	$4.0	$4.0
Offsetting Collections	242.7	197.9
Total Received	**246.7**	**201.9**
Unobligated Balance Carried Over From Prior Year	595.9	950.2
Recission of Unobligated Balances	(400.0)	(400.0)
Cancellations of Prior-Year Obligations	4.2	9.7
Total Available	**446.8**	**761.8**
OBLIGATED		
For Credit Program Costs Excluding Tied Aid	34.1	72.1
For Credit-Related Administrative Costs	102.2	90.3
Total Obligated	**136.3**	**162.4**
UNOBLIGATED BALANCE		
Unobligated Balance	310.5	599.4
Unobligated Balance Lapsed	(8.3)	(3.5)
Remaining Balance	**$302.2**	**$595.9**

Of the remaining balance of $302.2 million at September 30, 2013, $2.6 million is available until September 30, 2014; $1.9 million is available until September 30, 2015; $83.2 million is available until September 30, 2016, and $214.5 million is available until expended and may be used for tied-aid programs or congressionally mandated administrative costs.

New loans, guarantees and insurance result in a program cost (or subsidy cost) when the net present value of expected cash disbursements exceeds expected cash receipts. Cash receipts typically include fees or premia, loan principal and interest, and cash disbursements typically include claim payments and loan disbursements. For new authorizations, Ex-Im Bank uses both its own historical default and recovery rates in its cash flow models to calculate program cost.

When the present value of expected cash receipts exceeds the present value of expected cash disbursements, a "negative" credit subsidy (or program revenue) arises.

Starting in FY 2008, Ex-Im Bank has operated on a self-sustaining basis using program revenue to fund current-year administrative expenses and program costs. During FY 2013, Ex-Im Bank collected $1,254.8 million of receipts in excess of estimated credit losses. Of these offsetting collections, $89.9 million was used to fund administrative expenses, $1,056.9 million was returned to the U.S Treasury and $108.0 million was retained and is available for obligation until September 30, 2016. During FY 2012, Ex-Im Bank collected $1,001.6 million of receipts in excess of estimated credit losses. Of these offsetting collections, $89.9 million was used to fund administrative expenses, $803.7 million was sent to the U.S. Treasury, and $108.0 million was retained and is available for obligation until September 30, 2015.

Administrative costs are the costs to administer and service Ex-Im Bank's entire credit portfolio. The program costs are obligated to cover the estimated subsidy costs at the time loans, guarantees and insurance are committed. As the loans are disbursed, or when the insured or guaranteed event has taken place (generally when the related goods are shipped), the obligated amounts are used to cover the estimated subsidy costs related to the disbursements and shipments. The portion of the obligated amounts related to Ex-Im Bank's lending programs is used to partially fund the loan disbursements, while the portions related to Ex-Im Bank's guarantee and insurance programs are invested in an interest-bearing account with the U.S. Treasury. Prior to loan disbursement or the insured or guaranteed event, all of the appropriated funds and offsetting collections are held in a noninterest-bearing U.S. Treasury account.

Allowance for Loss

The process by which Ex-Im Bank determines its allowance for loss for each fiscal year involves assessing the repayment risk of the credit, which includes both commercial and political risk factors, then calculating the loss reserve based on the percentage of loss associated with the risk level assigned to the credit.

Sovereign risk is associated with an obligor that conveys the full faith and credit of its country. To rate sovereign obligors, Ex-Im Bank relies on the risk levels assigned to sovereign countries by ICRAS.

Nonsovereign obligors are divided into four categories for risk assessment purposes: (1) obligors in workout status; (2) obligors rated by third-party rating agencies, such as Standard & Poor's and Moody's; (3) obligors not rated but publicly traded on local exchanges; and (4) obligors neither rated nor publicly traded on local exchanges.

After the political and commercial risks of the transaction are assessed, the transaction is assigned a risk rating based on the standard ICRAS classification. A major determinant of the risk rating is the sovereign-risk rating of the country in which the obligor is located. Credit enhancements such as the availability of liens and off-shore escrow accounts are taken into account.

For pre-credit-reform and nonimpaired loans receivable, Ex-Im Bank determines the allowance using historical default and recovery rates. The allowance for losses on this exposure is calculated using the credit-loss estimate method. Consistent with industry practice in the private sector, this is an estimate of the loss expected due to credit risk and does not include noncredit factors that are included in the fair-market value method.

Loss reserves on pre-credit-reform impaired credits are determined using the fair-value method. Impaired credits are defined as those transactions risk rated from 9 to 11 or on the verge of impairment due to political, commercial, operational and/or technical events or situations and/or "Acts of God" that have affected the borrower's ability to service repayment of Ex-Im Bank credits.

The allowance for losses for credit-reform loans, guarantees and insurance are determined by the credit loss calculated at authorization and subsequent adjustments made to the allowance as a result of the annual re-estimate.

Credit-Loss Re-Estimate

The estimated credit loss of the outstanding balance of loans, guarantees and insurance is re-estimated annually in accordance with OMB guidelines and SFFAS 18. This re-estimate indicates the appropriate balance necessary in the financing accounts to ensure sufficient funds to pay future estimated claims.

Ex-Im Bank uses its actual historical default and recovery rates to calculate the re-estimated future credit losses. In the event that the balance in the financing accounts exceeds the re-estimate level, the difference will not be needed to cover future estimated claims and will be returned to the U.S. Treasury. In the event that the balance in the financing accounts is less than the re-estimate level, the FCRA provides that the difference will be transferred to Ex-Im Bank from a general appropriation account authorized for this purpose.

Every year, Ex-Im Bank re-evaluates the methods used for calculating the reserves needed to cover expected losses. The Bank uses historical experience to estimate the probability of default as well as the loss given default. The probability of default (PD) is the likelihood that a transaction would go into default where the loss given default (LGD) gives the estimated loss, net of recoveries and expenses, if a default occurred. Multiplying PD times LGD provides expected loss factors across programs and budget cost level (BCL) categories. Ex-Im Bank uses recent historical loss experience and other factors in developing the predictor interval for the probability of default.

Prior to FY 2012, Ex-Im Bank relied primarily on quantitative factors to calculate loss reserves. Because the portfolio grew significantly over the past few years and the composition of the portfolio became more complex, the Bank analyzed and developed for FY 2012 credit-loss factors that incorporated both a quantitative and an enhanced qualitative framework. The additional qualitative factors are based on the risk profile of the Bank's portfolio and were added to the quantitative factors to better and more accurately measure risk through the reserve process. The Bank continues to enhance both its quantitative and qualitative framework. In FY 2013, the Bank incorporated 10 qualitative adjustments into its loss model, of which seven were built into the quantitative framework. Those built into the quantitative framework include factors such as loss curves for sovereign-guaranteed transactions and asset-backed aircraft. Those not built into the quantitative framework look at minimum levels of expected losses, the global macroeconomic environment and the recent growth in the Bank's portfolio.

As of September 30, 2013, the re-estimate of the credit loss of the outstanding balances of FY 1992 through FY 2013 commitments indicated that a net of $492.5 million of additional funds were needed in the financing accounts, mostly to cover funding costs on direct loans, which had exceeded original budgeted estimates. This upward re-estimate will be received from the U.S. Treasury in FY 2014.

As of September 30, 2012, the re-estimate of the credit loss of the outstanding balances of FY 1992 through FY 2012 commitments indicated that a net of $577.3 million of additional funds were needed in the financing accounts, mostly to cover funding costs on direct loans, which had exceeded original budgeted estimates.

A. Direct Loans

Ex-Im Bank's loans receivable, as shown on the Balance Sheets, are net of an allowance for loan losses.

To calculate the allowance for loan losses for direct loans obligated prior to FY1992, each of the 11 risk levels is identified with a loss percentage to determine the overall allowance for credit losses as described above. In addition, certain credits and capitalized interest included in gross loans receivable are reserved at 100 percent. At September 30, 2013, and September 30, 2012, capitalized interest on credits obligated prior to FY 1992 was $87.6 million and $137.2 million, respectively. The total allowance for direct loans obligated prior to FY 1992, including capitalized interest, equaled 68.7 percent and 82.6 percent, respectively, of gross loans and interest receivable.

The allowance for loss calculated for direct loans obligated since the commencement of FY 1992 equals the amount of credit loss incurred to support the loan obligation. The credit loss is the amount of loss estimated to be incurred on the transaction, as previously described. At September 30, 2013, and September 30, 2012, the allowance for loan losses on credit-reform credits equaled 9.8 percent and 10.1 percent, respectively, of the outstanding loans and interest receivable balance.

At September 30, 2013, and September 30, 2012, the allowance for both pre-credit-reform and credit-reform loans equaled 11.0 percent and 12.7 percent, respectively, of the total loans and interest receivable.

The outstanding balances related to rescheduled installments included in loans receivable at September 30, 2013, and September 30, 2012, were $503.9 million and $704.7 million, respectively. No loan principal installments were rescheduled in FY 2013 and FY 2012. Loan installments of interest rescheduled in FY 2013 and FY 2012 were $29.6 million and $69.0 million, respectively. The interest rate on rescheduled loans is generally a floating rate of interest, which is 50.0 basis points over the six-month U.S. Treasury rate.

The net balance of loans receivable at September 30, 2013, and September 30, 2012, consists of the following:

FY 2013 (in millions)	Loans Receivable Gross	Interest Receivable	Allowance for Loan Losses	Value of Assets Related to Direct Loans, Net
Loans Obligated Prior to FY 1992	$376.3	$0.4	($258.6)	$118.1
Loans Obligated After FY 1991	17,871.8	126.2	(1,668.6)	16,329.4
Total	**$18,248.1**	**$126.6**	**($1,927.2)**	**$16,447.5**

FY 2012 (in millions)	Loans Receivable Gross	Interest Receivable	Allowance for Loan Losses	Value of Assets Related to Direct Loans, Net
Loans Obligated Prior to FY 1992	$459.3	$0.4	($379.8)	$79.9
Loans Obligated After FY 1991	11,894.8	96.5	(1,205.8)	10,785.5
Total	**$12,354.1**	**$96.9**	**($1,585.6)**	**$10,865.4**

(in millions)	FY 2013	FY 2012
Direct Loans Disbursed During Year (Post-1991)	$6,663.8	$4,873.4

B. Program Cost and Re-Estimate Expense for Direct Loans by Component

The table below discloses the interest, defaults, fees and re-estimate amounts associated with program cost disbursed in the current fiscal year on loan authorizations made in the current and prior fiscal years and the current-year loss re-estimate.

(in millions)	FY 2013	FY 2012
Interest	($668.1)	($255.9)
Defaults	176.0	54.1
Fees and Other Collections	(385.7)	(391.2)
Total	**(877.8)**	**(593.0)**
Net Re-estimate – Principal	1,037.1	353.7
Net Re-estimate – Interest	56.3	(10.2)
Total Net Re-estimate	**1,093.4**	**343.5**
Total Direct Loan Program Cost and Re-Estimate Expense	**$215.6**	**($249.5)**

C. Program Cost Rates for Direct Loans by Program and Component

The program cost rates disclosed below relate to the percentage of program costs on loan authorizations made in the reporting fiscal year. Because these rates only pertain to authorizations from the reporting fiscal year, these rates cannot be applied to loan disbursements in the reporting fiscal year to yield the program cost, which could result from disbursements of loans from both current and prior years.

	FY 2013	FY 2012
Interest	(8.1)%	(13.7)%
Defaults	3.8 %	1.7 %
Fees and Other Collections	(4.3)%	(4.9)%
Total	**(8.7)%**	**(16.9)%**

D. Schedule for Reconciling Direct Loan Allowance Balances

The table below discloses the components of the direct-loan allowance.

(in millions)	FY 2013	FY 2012
Post-1991 Direct Loans		
Beginning Balance of the Allowance Account	$1,205.8	$1,149.4
Current-Year Program Cost	(877.8)	(593.0)
Subtotal Program Cost (see Note 4B for Component Breakdown)	**(877.8)**	**(593.0)**
Fees Received	393.3	395.3
Loans Written Off	(27.9)	(0.9)
Program-Cost Allowance Amortization	267.0	233.3
Miscellaneous Recoveries and Costs	(385.2)	(321.8)
Ending Balance Before Re-estimate	**575.2**	**862.3**
Re-estimate	1,093.4	343.5
Ending Balance of the Allowance Account	**$ 1,668.6**	**$1,205.8**

Program-cost allowance amortization is calculated, as required by SFFAS 18, "Amendments to Accounting Standards for Direct Loans and Loan Guarantees," as the difference between interest revenue and interest expense.

E. Defaulted Guaranteed Loans

The allowance for defaulted guaranteed loans is calculated using the fair-market value method as described above. Capitalized interest included in gross defaulted guaranteed loans receivable is reserved at 100 percent. At September 30, 2013, and September 30, 2012, capitalized interest on pre-credit reform defaulted guaranteed loans was $26.4 million and $33.5 million, respectively. At September 30, 2013, and September 30, 2012, capitalized interest on credit reform defaulted guaranteed loans was $111.4 million and $119.2 million, respectively. The total allowance equaled 81.4 percent and 79.8 percent of gross defaulted guaranteed loans and interest receivable at September 30, 2013, and September 30, 2012, respectively.

FY 2013 (in millions)	Defaulted Guaranteed Loans Receivable, Gross	Interest Receivable	Allowance for Loan Losses	Value of Assets Related to Defaulted Loans, Net
Defaulted Guaranteed Loans Obligated Prior to FY 1992	$62.6	$-	($47.0)	$15.6
Obligated After FY 1991	1,266.3	1.5	(1,036.4)	231.4
Total	**$1,328.9**	**$1.5**	**($1,083.4)**	**$247.0**

FY 2012 (in millions)	Defaulted Guaranteed Loans Receivable, Gross	Interest Receivable	Allowance for Loan Losses	Value of Assets Related to Defaulted Loans, Net
Defaulted Guaranteed Loans Obligated Prior to FY 1992	$73.8	$-	($60.8)	$13.0
Obligated After FY 1991	1,425.4	1.4	(1,136.1)	290.7
Total	**$1,499.2**	**$1.4**	**($1,196.9)**	**$303.7**

F. Guaranteed Loans and Insurance

Ex-Im Bank is exposed to credit loss with respect to the amount of outstanding guaranteed loans and insurance policies in the event of nonpayment by obligors under the agreements. The commitments shown below are agreements to lend monies and issue guarantees and insurance as long as there is no violation of the conditions established in the credit agreement.

(in millions)	FY 2013	FY 2012
Gross Outstanding Principal of Guaranteed Loans and Insurance, Face Value	$62,062.7	$56,822.9
Undisbursed Principal of Guaranteed Loans and Insurance, Face Value	17,429.7	19,566.0
Total Principal of Guaranteed Loans and Insurance, Face Value	**$79,492.4**	**$76,388.9**
Amount of Principal That is Guaranteed and Insured by Ex-Im Bank	$79,492.4	$76,388.9
Gross Amount of Guaranteed Loans and Insurance Disbursed During Year, Face Value	$20,848.4	$21,879.7
Amount of Guaranteed Loans and Insurance Disbursed During Year That is Guaranteed and Insured by Ex-Im Bank	$20,848.4	$21,879.7

G. Liability for Loan Guarantees and Insurance

The liability for loan guarantees and insurance balances of $1,620.8 million at September 30, 2013, and $1,814.0 million at September 30, 2012, represent post-FY 1991 guarantees and insurance credits. Since FY 2011, Ex-Im Bank no longer has pre-FY 1992 liabilities for loan guarantees and insurance outstanding.

H. Program Cost and Re-Estimate Expense for Loan Guarantees and Insurance by Component

The table below discloses defaults, fees and re-estimate amounts associated with the program cost disbursed in the current year on loan guarantee and insurance authorizations made in the current and prior fiscal years and the current year loss re-estimate. The total program cost also includes modifications made on these authorizations.

(in millions)	FY 2013	FY 2012
Defaults	$669.3	$829.0
Fees and Other Collections	(1,003.8)	(1,195.5)
Total	**(334.5)**	**(366.5)**
Net Re-estimate - Principal	(404.4)	290.8
Net Re-estimate - Interest	(196.6)	(57.0)
Total Net Re-estimate	**(601.0)**	**233.8**
Total Loan Guarantee and Insurance Program Cost and Re-Estimate Expense	**($935.5)**	**($132.7)**

I. Program Cost Rates for Loan Guarantees and Insurance by Component

The program cost rates disclosed below relate to the percent of program costs on loan guarantee and insurance authorizations made in the reporting fiscal year. Because these rates only pertain to authorizations from the reporting fiscal year, these rates cannot be applied to the guarantees of loans disbursed during the reporting fiscal year to yield the program cost, which could result from disbursements of loans from both current and prior years.

	FY 2013	FY 2012
Defaults	4.7%	2.2%
Fees and Other Collections	(6.2)%	(4.8)%
Total	**(1.5)%**	**(2.6)%**

J. Schedule for Reconciling the Allowance for Loan Guarantee Balances

The table below discloses the components of the allowance for loan guarantees.

(in millions)	FY 2013	FY 2012
Post-1991 Loan Guarantees		
Beginning Balance of the Allowance Account	$1,814.0	$1,219.5
Current-Year Program Cost	(335.0)	(367.7)
Modifications	0.5	1.2
Subtotal Program Cost (See Note 4H for Component Breakdown)	**(334.5)**	**(366.5)**
Fees Received	688.2	666.0
Claim Expenses and Write-Offs	(6.1)	21.7
Interest Accumulation	65.7	45.6
Other	(5.5)	(6.1)
Ending Balance Before Re-estimate	**2,221.8**	**1,580.2**
Re-estimate	(601.0)	233.8
Ending Balance of the Allowance Account	**$1,620.8**	**$1,814.0**

K. Administrative Costs

All of the Bank's administrative expenses are attributed to the support of the Bank's loan, guarantee and insurance programs. Administrative expenses are not allocated to individual programs.

(in millions)	FY 2013	FY 2012
Total Administrative Expense	$115.5	$98.7

L. Outstanding Exposure and Allowance by Program

(in millions)	FY 2013	FY 2012
Outstanding Loans	$18,248.1	$12,354.1
Allowance for Loan Losses	1,927.2	1,585.6
Percent Allowance of Outstanding Balance	**10.6%**	**12.8%**
Outstanding Defaulted Loans	1,328.9	1,499.2
Allowance for Loan Losses	1,083.4	1,196.9
Percent Allowance of Outstanding Balance	**81.5%**	**79.8%**
Outstanding Guarantees and Insurance	62,062.7	56,822.9
Liability for Guarantees and Insurance	1,620.8	1,814.0
Percent Allowance of Outstanding Balance	**2.6%**	**3.2%**

The allowance for losses for Ex-Im Bank credits authorized after the Federal Credit Reform Act of 1990 (FCRA) equates to the amount of estimated credit loss associated with the applicable loans, claims, guarantees and insurance. According to SFFAS 2, Accounting for Direct Loans and Guarantees, direct loans disbursed and outstanding are recognized as assets at the present value of their estimated net cash flows. The difference between the outstanding principal of the loans and the present value of their net cash inflows is recognized as the allowance for credit losses. For guaranteed loans outstanding, the present value of estimate net cash flows of the loan guarantee is recognized as a guaranteed loan liability.

Ex-Im Bank's credit programs generally have fees and interest rates higher than the expected default and funding costs, resulting in the net present value of cash inflows to be greater than the outstanding principal of the credit. This has caused a slight decrease in the allowance for credit losses as a percent of total credits outstanding.

M. Allowance and Exposure Summary

(in millions)	FY 2013	FY 2012
PRE-CREDIT-REFORM ALLOWANCE		
Allowance for Loan Losses	$258.6	$379.8
Allowance for Defaulted Guarantees	47.0	60.8
Total Pre-Credit-Reform Allowance	**305.6**	**440.6**
CREDIT-REFORM ALLOWANCE		
Allowance for Loan Losses	1,668.6	1,205.8
Allowance for Defaulted Guarantees and Insurance	1,036.4	1,136.1
Liability for Loan Guarantees and Insurance	1,620.8	1,814.0
Total Credit-Reform Allowance	**4,325.8**	**4,155.9**
Total Allowance for Loan Losses	1,927.2	1,585.6
Total Allowance for Guarantees and Insurance	2,704.2	3,010.9
Total Allowance	**$4,631.4**	**$4,596.5**
Total Outstanding Balance of Loans, Guarantees and Insurance	$81,639.7	$70,676.2
Percent Allowance to Outstanding Balance	5.7%	6.5%
Total Exposure	$113,825.3	$106,646.4
Percent Allowance to Exposure	4.1%	4.3%

5. ACCRUAL OF INTEREST

The weighted-average interest rate on Ex-Im Bank's loan and rescheduled claim portfolio at September 30, 2013, was 2.78 percent (2.85 percent on performing loans and rescheduled claims). The weighted-average interest rate on Ex-Im Bank's loan and rescheduled claim portfolio at September 30, 2012, was 3.00 percent (3.13 percent on performing loans and rescheduled claims). Interest income is recognized when collected on nonrescheduled claims.

Generally, the accrual of interest on loans and rescheduled claims is discontinued when the credit is delinquent for more than 90 days. Ex-Im Bank had a total of $382.4 million and $47.9 million of loans and rescheduled claims, respectively, in nonaccrual status at September 30, 2013. Ex-Im Bank had $481.7 million and $60.2 million of loans and rescheduled claims, respectively, in nonaccrual status at September 30, 2012. Had these credits been in accrual status, interest income would have been $21.7 million higher as of September 30, 2013 (amount is net of interest received of $1.3 million), and $25.1 million higher in FY 2012 (amount is net of interest received of $2.6 million).

6. STATUTORY LIMITATIONS ON LENDING AUTHORITY

Under provisions of the Export-Import Bank Act, as amended in FY 2012, Ex-Im Bank's statutory authority was $130.0 billion in FY 2013 and $120.0 billion in FY 2012, of loans, guarantees and insurance exposure at any one time. At September 30, 2013, and September 30, 2012, Ex-Im Bank's statutory authority used was as follows:

(in millions)	FY 2013	FY 2012
Outstanding Guarantees	$59,195.7	$54,133.5
Outstanding Loans	18,248.1	12,354.1
Outstanding Insurance	2,867.0	2,689.4
Outstanding Claims	1,328.9	1,499.2
Total Outstanding	**81,639.7**	**70,676.2**
Undisbursed Loans	14,755.9	16,404.2
Undisbursed Guarantees	11,148.6	12,726.7
Undisbursed Insurance	6,281.1	6,839.3
Total Undisbursed	**32,185.6**	**35,970.2**
Total Exposure	**$113,825.3**	**$106,646.4**

Transactions can be committed only to the extent that budget authority is available to cover program costs. For FY 2013 and FY 2012, Congress placed no limit on the total amount of loans, guarantees and insurance that could be committed in those years, provided that the statutory authority established by the Export-Import Bank Act was not exceeded.

During FY 2013, Ex-Im Bank committed $6,893.8 million for direct loans and $20,453.8 million for guarantees and insurance, using $34.1 million of budget authority and no tied-aid funds. During FY 2012, Ex-Im Bank committed $11,764.5 million for direct loans and $24,019.8 million for guarantees and insurance, using $72.1 million of budget authority and no tied-aid funds.

Ex-Im Bank has authorized guarantee transactions denominated in a foreign currency during FY 2013 totaling $1,040.1 million and authorized $1,721.2 million during FY 2012, as calculated at the exchange rate at the time of authorization. Ex-Im Bank adjusts the allowance for all transactions denominated in a foreign currency using the various foreign-currency exchange rates at the end of the fiscal year.

For financial statement purposes, Ex-Im Bank defines exposure as the authorized outstanding and undisbursed principal balance of loans, guarantees, and insurance. It also includes the unrecovered balance of payments made on claims that were submitted to Ex-Im Bank in its capacity as guarantor or insurer under the export guarantee and insurance programs. Exposure does not include accrued interest or transactions pending final approval. This corresponds to the way activity is charged against the Bank's overall $130 billion lending limit imposed by Section 6(a)(2) of Ex-Im Bank's charter.

Working capital guarantees may be approved for a single loan or a revolving line of credit, with an availability generally of one year. Guaranteed lenders do not report activity to Ex-Im Bank, the entire credit is assumed to be "disbursed" when the fee is paid to the Bank. The credit is recorded as repaid in one installment six months after the expiry date of the credit unless the Controller's office is notified before that time that a claim has been paid. Under the assumption that the exporter is using the credit up to the end of the expiry period, six months provides sufficient time for the guaranteed lender to report defaults to Ex-Im Bank in the event that the exporter does not repay the credit. If a claim is paid, the remaining outstanding balance of the credit associated with the claim is reduced to zero. Exposure is then reflected as an unrecovered claim.

Since there is typically a delay in reporting shipments under the insurance program, undisbursed balances remain on the books for 120 days after the expiry date to allow for the posting of shipments that took place within the period covered by the policy but were reported after the expiry date. These unreported shipments pose some liability in the form of claims that have been incurred but not yet reported (IBNR).

Leaving the policy open past the expiry date provides a reserve for IBNR.

7. CONCENTRATION OF RISK

Ex-Im Bank support is available to U.S. businesses exporting to countries around the world. The Bank's portfolio is concentrated more heavily in some regions, industries and obligors than others. In reviewing each transaction, Ex-Im Bank considers the option of using various credit enhancements to support its standard for a reasonable assurance of repayment. Various types of collateral, including liens on commercial aircraft, may or may not be appropriate or available in support of a credit.

The volatility in commodity prices, the fluctuation in currency exchange rates, and the tightening of credit markets may have an impact on a borrower's ability to service their obligations. Ex-Im Bank closely monitors the portfolio and makes appropriate rating adjustments and loss reserve adjustments as necessary.

The following tables summarize total exposure by geographic region as of September 30, 2013, and September 30, 2012:

2013 (in millions)

REGION	Amount	Percentage
Asia	$46,463.2	40.8%
Latin America and Caribbean	21,454.2	18.8%
Europe	15,711.8	13.8%
North America	10,496.9	9.2%
Oceania	8,255.5	7.3%
Africa	5,548.3	4.9%
All Other	5,895.4	5.2%
Total	**$113,825.3**	**100.0%**

2012 (in millions)

REGION	Amount	Percentage
Asia	$42,345.3	39.7%
Latin America and Caribbean	22,104.6	20.7%
Europe	11,303.8	10.6%
North America	10,579.3	9.9%
Oceania	8,305.0	7.8%
Africa	5,770.8	5.4%
All Other	6,237.6	5.9%
Total	**$106,646.4**	**100.0%**

The following tables summarize total exposure by industry as of September 30, 2013, and September 30, 2012:

2013 (in millions)

INDUSTRY	Amount	Percentage
Air Transportation	$51,337.8	45.1%
Manufacturing	20,632.3	18.1%
Oil and Gas	16,718.9	14.7%
Power Projects	7,370.1	6.5%
All Other	17,766.2	15.6%
Total	**$113,825.3**	**100.0%**

2012 (in millions)

INDUSTRY	Amount	Percentage
Air Transportation	$49,419.6	46.3%
Manufacturing	18,091.0	17.0%
Oil and Gas	13,938.7	13.1%
Power Projects	8,649.2	8.1%
All Other	16,547.9	15.5%
Total	**$106,646.4**	**100.0%**

The following tables summarize the five largest public and private obligors at September 30, 2013, and September 30, 2012:

2013 (in millions)

OBLIGOR	Amount	Percentage
Pemex	$6,215.9	5.5%
Sadara Chemical Co.	4,730.0	4.2%
Ryanair Ltd.	3,368.4	3.0%
Papua New Guinea LNG Global Comp.	3,000.0	2.6%
Australia Pacific LNG Processing Pty Ltd.	2,865.5	2.5%
All Other	93,645.5	82.2%
Total	**$113,825.3**	**100.0%**

2012 (in millions)

OBLIGOR	Amount	Percentage
Pemex	$5,746.0	5.4%
Sadara Chemical Co.	4,975.4	4.7%
Ryanair Ltd.	3,666.1	3.4%
Various Government Entities of India	3,476.3	3.3%
Papua New Guinea LNG Global Comp.	3,000.0	2.8%
All Other	85,782.6	80.4%
Total	**$106,646.4**	**100.0%**

The following tables summarize total exposure by country as of September 30, 2013, and September 30, 2012:

2013 (in millions)

COUNTRY	Amount	Percentage
Mexico	$9,425.1	8.3%
India	8,142.8	7.2%
Saudi Arabia	6,954.1	6.1%
United Arab Emirates	6,209.0	5.5%
Ireland	4,879.9	4.3%
All Other	78,214.4	68.6%
Total	**$113,825.3**	**100.0%**

2012 (in millions)

COUNTRY	Amount	Percentage
Mexico	$9,510.9	8.9%
Saudi Arabia	7,339.4	6.9%
United Arab Emirates	6,699.8	6.3%
India	6,520.6	6.1%
Ireland	4,948.1	4.6%
All Other	71,627.6	67.2%
Total	**$106,646.4**	**100.0%**

The following tables summarize the largest exposures by program by country as of September 30, 2013, and September 30, 2012:

LOANS OUTSTANDING AND UNDISBURSED:

2013 (in millions)

COUNTRY	Amount	Percentage
Saudi Arabia	$6,328.8	19.3%
Australia	3,443.2	10.4%
United Kingdom	2,751.4	8.3%
Colombia	2,650.0	8.0%
All Other	17,830.6	54.0%
Total	**$33,004.0**	**100.0%**

2012 (in millions)

COUNTRY	Amount	Percentage
Saudi Arabia	$6,659.0	23.2%
Australia	3,461.6	12.0%
Colombia	2,650.0	9.2%
United Arab Emirates	2,459.3	8.6%
All Other	13,528.4	47.0%
Total	**$28,758.3**	**100.0%**

SUBROGATED CLAIMS:

2013 (in millions)

COUNTRY	Amount	Percentage
Mexico	$302.2	22.7%
Kazakhstan	106.7	8.0%
Philippines	57.5	4.3%
Brazil	56.1	4.2%
All Other	806.4	60.8%
Total	**$1,328.9**	**100.0%**

2012 (in millions)

COUNTRY	Amount	Percentage
Mexico	$319.7	21.3%
Indonesia	257.2	17.2%
Kazakhstan	140.3	9.4%
Serbia	111.5	7.4%
All Other	670.5	44.7%
Total	**$1,499.2**	**100.0%**

GUARANTEES AND INSURANCE:

2013 (in millions)

COUNTRY	Amount	Percentage
Mexico	$7,652.0	9.6%
India	5,503.5	6.9%
Ireland	4,704.4	5.9%
United Arab Emirates	4,593.1	5.8%
All Other	57,039.4	71.8%
Total	**$79,492.4**	**100.0%**

2012 (in millions)

COUNTRY	Amount	Percentage
Mexico	$7,076.8	9.3%
India	4,968.8	6.5%
Ireland	4,756.3	6.2%
United Arab Emirates	4,240.5	5.6%
All Other	55,346.5	72.4%
Total	**$76,388.9**	**100.0%**

8. OTHER ASSETS

Commitment fees are charged on the undisbursed, unexpired balance of loans and certain guarantees. The Other category includes miscellaneous receivables, including assets acquired through claims recovery.

(in millions)	FY 2013	FY 2012
Commitment Fee Receivables	$32.7	$20.8
Other	1.0	2.0
Total Other Assets	**$33.7**	**$22.8**

9. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities not covered by budgetary resources are included in Other Liabilities on the Balance Sheets as follows:

Ex-Im Bank's liability to employees for accrued unfunded annual leave, included in Other Liabilities on the Balance Sheets, was $4.4 million as of September 30, 2013, and $4.1 million as of September 30, 2012. The liability will be paid from future administrative-expense budget authority.

10. DEBT

Ex-Im Bank's outstanding borrowings come from two sources: direct borrowing from the U.S. Treasury and the assumption of repayment obligations of defaulted guarantees under Ex-Im Bank's guarantee program via payment certificates.

Ex-Im Bank's total debt at September 30, 2013, and September 30, 2012, is as follows:

(in millions)	FY 2013	FY 2012
U.S. Treasury Debt		
Beginning Balance	$11,301.3	$8,279.3
New Borrowings	7,759.5	4,941.3
Repayments	(959.0)	(1,919.3)
Ending Balance	**$18,101.8**	**$11,301.3**
Debt Held by the Public		
Beginning Balance	$47.5	$64.3
New Borrowings	0.5	0.2
Repayments	(14.9)	(17.0)
Ending Balance	**$33.1**	**$47.5**
Total Debt	**$18,134.9**	**$11,348.8**

Ex-Im Bank had $18,101.8 million of borrowings outstanding with the U.S. Treasury at September 30, 2013, and $11,301.3 million at September 30, 2012, with a weighted-average interest rate of 3.44 percent at September 30, 2013, and 3.99 percent at September 30, 2012.

U.S. Treasury borrowings are repaid primarily with the repayments of medium-term and long-term loans. To the extent repayments on the underlying loans, combined with commitment and exposure fees and interest earnings received on the loans, are not sufficient to repay the borrowings, appropriated funds are available to Ex-Im Bank through the re-estimation process for this purpose. Accordingly, U.S. Treasury borrowings do not have a set repayment schedule; however, the full amount of the borrowings is expected to be repaid by FY 2042.

Payment certificates are issued by Ex-Im Bank in exchange for the foreign obligor's original note that was guaranteed by Ex-Im Bank on which Ex-Im Bank has paid a claim and carries the same repayment term and interest rate as the foreign obligor's note. Payment certificates are backed by the full faith and credit of the U.S. government and are freely transferable.

Outstanding payment certificates at September 30, 2013, and September 30, 2012, were $33.1 million, and $47.5 million, respectively. Maturities of payment certificates at September 30, 2013, are as follows:

(in millions)

FISCAL YEAR	Amount
2014	$1.8
2015	0.6
2016	19.1
2017	11.6
Total	**$33.1**

The weighted-average interest rate on Ex-Im Bank's outstanding payment certificates at September 30, 2013, and September 30, 2012, was 3.61 percent and 3.79 percent, respectively.

11. OTHER LIABILITIES

(in millions)	FY 2013	FY 2012
Current		
Funds Held Pending Application	$91.5	$47.0
Administrative Expenses Payable	11.5	10.4
Miscellaneous Accrued Payables	1.9	1.5
Non-Current		
Deferred Revenue	158.7	504.1
Total Other Liabilities	**$263.6**	**$563.0**

As of September 30, 2013, and September 30, 2012, $158.7 million and $504.1 million respectively represent deferred revenue in the form of offsetting collections which are available to cover administrative expenses and program costs.

12. LEASES

Ex-Im Bank's headquarters office space is leased from the General Services Administration through the Public Buildings Fund. Lease expenses, included in Administrative Costs on the Statements of Net Costs were $6.3 million in FY 2013 and $5.7 million in FY 2012. FY 2015 lease expense does not reflect full-year expense because the lease expires on December 31, 2014. At that time the lease will be renegotiated. Future payments under the lease are as follows:

(in millions)

FISCAL YEAR	Amount
2014	$6.2
2015	1.6
Total	**$7.8**

13. COMMITMENTS AND CONTINGENCIES

Pending Litigation

As of September 30, 2013, Ex-Im Bank was named in several legal actions, virtually all of which involved claims under the guarantee and insurance programs. It is not possible to predict the eventual outcome of the various actions; however, it is management's opinion that these claims will not result in liabilities to such an extent that they would materially affect the financial position or results of operations of Ex-Im Bank.

Project Finance

In project-finance transactions, Ex-Im Bank's support during the construction period is generally in the form of a direct credit or comprehensive guarantee to the commercial lender. At the end of the construction period, the borrower in some cases has the opportunity to convert the commercial guaranteed financing to an Ex-Im Bank direct loan. As of September 30, 2013, and September 30, 2012, Ex-Im Bank had $234.8 million and $316.0 million, respectively, of such contingent loan commitments outstanding.

Take-Out Option

In prior years, Ex-Im Bank offered a "take-out" option available on all U.S. dollar, floating rate medium-term and long-term guarantees. The option allowed banks to transfer the loan to Ex-Im Bank following origination for a set of predetermined fees. Although this program has been discontinued, as of September 30, 2013, and September 30, 2012, Ex-Im Bank still had $377.1 million and $402.2 million, respectively, of such contingent loan commitments outstanding.

14. DISCLOSURES RELATED TO THE STATEMENTS OF NET COSTS

Ex-Im Bank's Statements of Net Costs lists the costs and revenues associated with each of the Bank's lines of business, namely the loan, guarantee and insurance programs. The intragovernmental and public costs and revenues associated with each program, and administrative expenses, are disclosed below. Ex-Im Bank does not allocate administrative expenses by program.

Intragovernmental costs include interest expense paid to the U.S. Treasury related to borrowings associated with the funding of credit-reform direct loans and administrative costs paid to other government agencies. Intragovernmental revenues represent interest from the U.S. Treasury on cash balances in the credit-reform financing accounts.

Public costs represent costs which the Bank incurs to support the business programs. These costs are comprised primarily of the provision for loss on the loan and guarantee portfolio, and administrative costs paid to the public. Public revenue represents income items which are generated as a result of operating the loan, guarantee and insurance programs. This revenue primarily relates to the fee and interest income on the outstanding credits.

15. DISCLOSURES RELATED TO THE COMBINED STATEMENTS OF BUDGETARY RESOURCES

Combined Statements of Budgetary Resources disclose total budgetary resources available to the Bank and the status of such resources at September 30, 2013, and September 30, 2012. Activity impacting budget totals of the overall U.S. government budget is recorded in Ex-Im Bank's Combined Statements of Budgetary Resources budgetary accounts. Activity which does not impact budget totals is recorded in Ex-Im Bank's Combined Statements of Budgetary Resources nonbudgetary accounts. As of September 30, 2013, and September 30, 2012, the Bank's resources in budgetary accounts totaled $1,739.3 million and $1,844.3 million respectively. As of September 30, 2013, and September 30, 2012, the Bank's resources in nonbudgetary accounts totaled $11,111.8 million and $16,458.6 million, respectively.

Adjustments to Beginning Balance of Budgetary Resources
Ex-Im Bank made no adjustments to the Beginning Balance of Budgetary Resources during the years ended September 30, 2013, and September 30, 2012.

Apportionment Categories of Obligations Incurred
Ex-Im Bank funds are apportioned in Category B, which restricts the use of funds by program. The amount of Category B apportionments that were obligated in FY 2013 and FY 2012 totaled $10,244.8 million and $16,035.9 million, respectively.

PUBLIC COSTS AND PUBLIC REVENUE

(in millions)	Loans	Guarantees	Insurance	Administrative Expenses	Total
For the Year Ended September 30, 2013					
Intragovernmental Costs	$666.9	$ -	$ -	$6.7	$673.6
Public Costs	1,037.4	(72.8)	45.9	108.8	1,119.3
Total Costs	**1,704.3**	**(72.8)**	**45.9**	**115.5**	**1,792.9**
Intragovernmental Revenue	(159.3)	(62.9)	(2.2)	-	(224.4)
Public Revenue	(541.9)	(440.9)	(45.8)	-	(1,028.6)
Total Revenue	**(701.2)**	**(503.8)**	**(48.0)**	**-**	**(1,253.0)**
Liquidating Account Distribution of Income					-
Net Excess of Program Costs Over (Revenue)					**$539.9**
For the Year Ended September 30, 2012					
Intragovernmental Costs	$523.9	$ -	$ -	$6.2	$530.1
Public Costs	341.4	651.8	47.2	92.5	1,132.9
Total Costs	**865.3**	**651.8**	**47.2**	**98.7**	**1,663.0**
Intragovernmental Revenue	(133.1)	(43.8)	(1.8)	-	(178.7)
Public Revenue	(365.7)	(349.9)	(40.6)	-	(756.2)
Total Revenue	**(498.8)**	**(393.7)**	**(42.4)**	**-**	**(934.9)**
Liquidating Account Distribution of Income					23.4
Net Excess of Program Costs Over (Revenue)					**$751.5**

Permanent Indefinite Appropriations

The FCRA requires an annual re-estimate of the credit loss allowance. In the event that there is an increase in estimated defaults, there is permanent and indefinite budget authority available for this purpose. In FY 2013, the Bank received $577.3 million of permanent indefinite appropriations, net of downward re-estimate, as a result of the FY 2012 re-estimate. In FY 2012, the Bank received $102.2 million of permanent indefinite appropriations, net of downward re-estimate, as a result of the FY 2011 re-estimate.

Available Borrowing Authority and Terms of Borrowing

Ex-Im Bank in part relies on borrowings from the U.S. Treasury to help fund the Bank's loan program. U.S. Treasury borrowings are repaid primarily with the repayments of medium-term and long-term loans. To the extent repayments on the underlying loans, combined with commitment and exposure fees and interest earnings received on the loans, are not sufficient to repay the borrowings, permanent and indefinite appropriated funds are available to Ex-Im Bank through the re-estimation process for this purpose. Accordingly, U.S. Treasury borrowings do not have a set repayment schedule; however, the full amount of the borrowings is expected to be repaid by FY 2042.

For FY 2013 and FY 2012, Ex-Im Bank had $5,746.9 million and $13,640.5 million, respectively, in new borrowing authority with the U.S. Treasury, respectively.

Unobligated Balances

Unobligated balances at September 30, 2013, totaled $2,606.3 million. Of the $2,606.3 million, $283.8 million is available to cover program costs for new credits, $2,063.5 million represents the amount in the guarantee and insurance financing account that is available to cover future defaults, and $259.0 million is unavailable for new obligations.

Unobligated balances at September 30, 2012, totaled $2,267.0 million. Of the $2,267.0 million, $607.7 million was available to cover program costs for new credits, $1,409.3 million represents the amount in the guarantee and insurance financing account that was available to cover future defaults and $250.0 million was unavailable for new obligations.

Differences between Combined Statements of Budgetary Resources and Budget of U.S. Government

There are no differences between the budgetary resources shown on the Combined Statements of Budgetary Resources and the Budget of the United States Government.

16. RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

The following schedule reconciles the Net Cost of Operations to the Bank's budgetary and financial accounting. The reconciliation illustrates the relationship between net obligations derived from Ex-Im Bank's budgetary accounts and the net cost of operations derived from Ex-Im Bank's proprietary accounts by identifying and explaining key differences between the two numbers.

17. RELATED-PARTY TRANSACTIONS

The financial statements reflect the results of contractual agreements with the Private Export Funding Corporation (PEFCO). PEFCO, which is owned by a consortium of private-sector banks, industrial companies and financial services institutions, makes medium-term and long-term fixed-rate and variable-rate loans to foreign borrowers to purchase U.S.-made equipment when such loans are not available from traditional private-sector lenders on competitive terms. Ex-Im Bank's credit and guarantee agreement with PEFCO extends through December 31, 2020. Through its contractual agreements with PEFCO, Ex-Im Bank exercises a broad measure of supervision over PEFCO's major financial management decisions, including approval of both the terms of individual loan commitments and the terms of PEFCO's long-term debt issues, and is entitled to representation at all meetings of PEFCO's board of directors, advisory board and exporters' council.

PEFCO has agreements with Ex-Im Bank which provide that Ex-Im Bank will (1) guarantee the due and punctual payment of principal and interest on export loans made by PEFCO and (2) guarantee the due and punctual payment of interest on PEFCO's long-term secured debt obligations when requested by PEFCO. Such guarantees, aggregating $7,516.4 million at September 30, 2013 ($6,564.0 million related to export loans and $952.4 million related to secured debt obligations) and $6,095.6 million at September 30, 2012 ($5,207.5 million related to export loans and $888.1 million related to secured debt obligations), are included by Ex-Im Bank in the total for guarantee, insurance and undisbursed loans and the allowance related to these transactions is included in the Guaranteed Loan Liability on the Balance Sheets. Ex-Im Bank received fees totaling $43.2 million in FY 2013 ($43.1 million related to export loans and $0.1million related to secured debt obligations) and $32.5 million in FY 2012 ($32.2 million related to export loans and $0.3 million related to secured debt obligations) for the agreements, which are included in Fee and Other Revenue on the Statements of Net Costs.

Ex-Im Bank has significant transactions with the U.S. Treasury. The U.S. Treasury, although not exercising control over Ex-Im Bank, holds the capital stock of Ex-Im Bank creating a related-party relationship between Ex-Im Bank and the U.S. Treasury.

18. CONTRIBUTIONS TO EMPLOYEE RETIREMENT SYSTEMS

All of Ex-Im Bank's employees whose appointments have federal status are covered by either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS).

In FY 2013 and FY 2012, Ex-Im Bank withheld 7.0 percent of CSRS employees' gross earnings. Ex-Im Bank's contribution was 7.0 percent of employees' gross earnings. This sum was transferred to the CSRS fund from which this employee group will receive retirement benefits.

For FERS, Ex-Im Bank withheld 0.8 percent of employees' gross earnings. Ex-Im Bank's contribution was 11.2 percent of employees' gross earnings in FY 2013 and FY 2012. This sum was transferred to the FERS fund from which the employee group will receive retirement benefits. An additional 6.2 percent of gross earnings, after pre-tax deductions are withheld up to the 2013 and 2012 limit of $113,700 and $110,100, respectively; that sum plus matching contributions by Ex-Im Bank are sent to the Social Security System from which the FERS employee group will receive Social Security benefits.

FERS and CSRS employees may elect to participate in the Thrift Savings Plan (TSP). CSRS and FERS employees may contribute up to $17,500 of gross earnings. In addition, FERS employees receive an automatic 1 percent contribution from Ex-Im Bank. Amounts withheld for FERS employees are matched by Ex-Im Bank up to 4 percent for a maximum Ex-Im Bank contribution to the TSP of 5 percent.

Total Ex-Im Bank (employer) matching contributions to the TSP, CSRS and FERS for all employees, included in Administrative Costs in the Statements of Net Costs, were approximately $6.7 million in FY 2013 and $6.4 million in FY 2012. Although Ex-Im Bank funds a portion of pension benefits under the CSRS and FERS relating to its employees and makes the necessary payroll withholdings for them, it has no liability for future payments to employees under these programs and does not account for the assets of the CSRS and FERS, nor does it have actuarial data with respect to accumulated plan benefits or the unfunded pension liability relative to its employees. These amounts are reported by the OPM for the Retirement Systems and are not allocated to the individual employers. The excess of total pension expense over the amount contributed by Ex-Im Bank and its employees represents the amount of pension expense that must be financed directly by OPM. Ex-Im Bank recognizes an imputed cost and an imputed financing source, calculated using cost factors supplied by OPM, equal to the excess amount.

OPM also accounts for the health and life insurance programs for current and retired civilian federal employees. Similar to the accounting treatment afforded the retirement programs, the actuarial data related to the health and life insurance programs is maintained by OPM and is not available on an individual-employer basis. Ex-Im Bank recognizes an imputed cost and an imputed financing source for the future cost of these other retirement benefits (ORB) at the time the employee's services are rendered. This ORB expense is calculated using cost factors supplied by OPM and must be financed by OPM.

(in millions)	For the Year Ended September 30, 2013	For the Year Ended September 30, 2012
<u>**Resources Used To Finance Activities**</u>		
Budgetary Resources Obligated		
Obligations Incurred	$10,244.8	$16,035.9
Less: Spending Authority From Offsetting Collections and Recoveries	5,170.4	3,704.9
Net Obligations	**5,074.4**	**12,331.0**
Other Resources		
Imputed Financing From Costs Absorbed by Others	3.5	3.1
Total Resources Used To Finance Activities	**5,077.9**	**12,334.1**
<u>**Resources Used To Finance Items Not Part of Net Cost of Operations**</u>		
Change in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	$1,480.6	($7,677.3)
Resources That Fund Expenses in Prior Periods	(1,024.4)	(789.3)
Budgetary Offsetting Collections and Receipts That Do Not Affect Net Cost of Operations		
— Credit-Program Collections	2,638.6	2,432.8
Resources That Finance the Acquisition of Assets	(8,452.6)	(6,644.4)
Distribution of Income	-	23.4
Total Resources That Do Not Finance Net Cost of Operations	**(5,357.8)**	**(12,654.8)**
Total Resources Used To Finance the Net Cost of Operations	**(279.9)**	**(320.7)**
<u>**Components of the Net Cost of Operations That Will Not Require or Generate Resources in the Current Period**</u>		
Components Requiring or Generating Resources in Future Periods		
Allowance Amortization	$548.2	$461.2
Provision for Loss — Pre-Credit-Reform Credits	(47.0)	(25.1)
Downward Re-estimate of Credit-Losses	(970.9)	(486.3)
Upward Re-estimate of Credit-Losses	1,434.5	1,023.0
Change in Receivables	(264.1)	(158.2)
Change in Payables	9.3	0.2
Total Components Requiring or Generating Resources in Future Periods	**710.0**	**814.8**
Components Not Requiring or Generating Resources		
Deferral Adjustments	109.8	257.4
Total Components Not Requiring or Generating Resources	**109.8**	**257.4**
Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	**$819.8**	**$1,072.2**
Net Excess Program Costs Over (Revenue)	**$539.9**	**$751.5**

Independent Auditors' Report

TO THE AUDIT COMMITTEE, THE BOARD OF DIRECTORS, AND THE INSPECTOR GENERAL OF THE EXPORT-IMPORT BANK OF THE UNITED STATES

We have audited the accompanying financial statements of the Export-Import Bank of the United States ("Ex-Im Bank" or the "Bank"), which are comprised of the balance sheets as of September 30, 2013 and 2012, and the related statements of net costs, changes in net position, and the combined statements of budgetary resources for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No.14-02, *Audit Requirements for Federal Financial Statement*s, as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ex-Im Bank as of September 30, 2013 and 2012, and its net costs of operations and changes in net position, and combined budgetary resources for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter
As discussed in Note 1 to the financial statements, according to the guidance in the revised OMB Circular A-136, *Financial Reporting Requirements*, the presentation of the Combined Statements of Budgetary Resources (SBR) for the years ended September 30, 2013 and 2012, was reformatted to better align with information presented in the Budget of the United States Government.

Other-Matter
The accompanying required supplementary information included in the sections entitled "Management's Discussion and Analysis" and "Required Supplementary Information" are not required parts of the basic financial statements but are supplementary information required by OMB Circular A-136, as amended, and the Federal Accounting Standards Advisory Board. This supplementary information is the responsibility of Ex-Im Bank's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of required supplementary information. However, we did not audit such supplementary information and we do not express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013, on our consideration of Ex-Im Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

Deloitte & Touche LLP

McLean, Virginia
December 12, 2013

Independent Auditors' Report

On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

TO THE AUDIT COMMITTEE, THE BOARD OF DIRECTORS, AND THE INSPECTOR GENERAL OF THE EXPORT-IMPORT BANK OF THE UNITED STATES

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the Office of Management and Budget (OMB) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*, as amended, the financial statements of the Export-Import Bank of the United States ("Ex-Im" or the "Bank") as of and for the year ended September 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated December 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we consider Ex-Im's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ex-Im's internal control. Accordingly, we do not express an opinion on the effectiveness of Ex-Im's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted other matters involving the internal control over financial reporting that will be reported to Ex-Im Bank in a separate letter.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ex-Im Bank's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 14-02, as amended.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ex-Im's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 14-02, as amended, in considering Ex-Im's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte + Touche LLP

McLean, Virginia
December 12, 2013

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as of December 12, 2013

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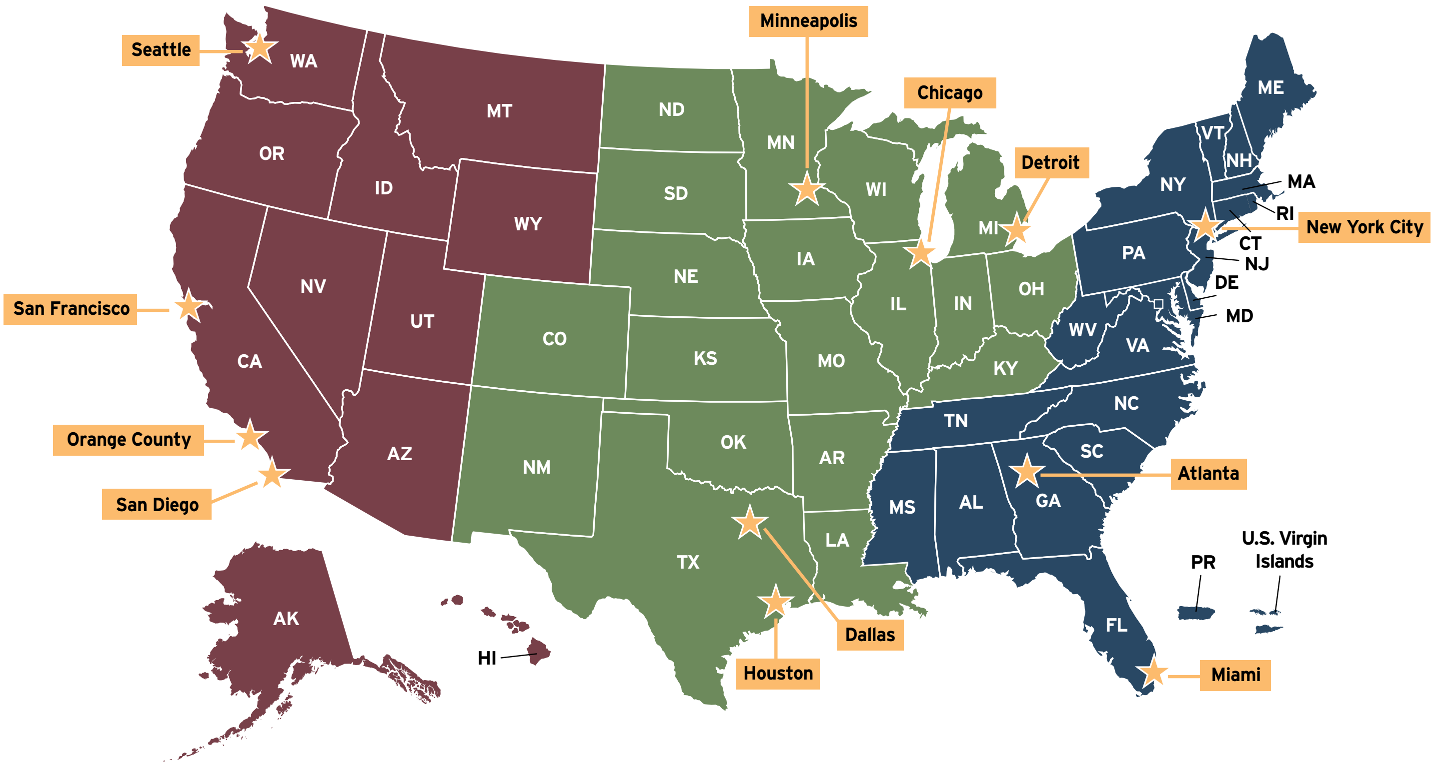

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