EXPORT-IMPORT BANK *of the* UNITED STATES

ANNUAL REPORT 2014

What is Ex-Im Bank?

independent agency

Ex-Im Bank is an independent, self-sustaining federal agency which operates **at no cost to U.S. taxpayers.**

earning for taxpayers

In FY 2014 Ex-Im Bank generated **a surplus of $674.7 million for U.S. taxpayers.**

benefiting small businesses

Nearly 90 percent of the number of Ex-Im Bank's authorizations directly benefit small businesses, which does not include small businesses benefiting indirectly as suppliers to Ex-Im's larger customers.

promoting job creation

Over the past five years, Ex-Im Bank authorizations **supported more than 1.3 million American jobs.**

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 federal agency that exists to support American jobs by facilitating the export of U.S. goods and services.

When businesses in the United States or their customers are unable to access private export financing, Ex-Im Bank fills in the gaps for American businesses by equipping them with the tools necessary to compete for global sales. In doing so, the Bank levels the playing field for U.S. exporters facing foreign competition in overseas markets.

Because it is backed by the full faith and credit of the United States, Ex-Im Bank assumes credit and country risks that the private sector is unable or unwilling to accept. The Bank's charter requires that all transactions it authorizes demonstrate a reasonable assurance of repayment. The Bank consistently maintains a low default rate, and closely monitors credit and other risks in its portfolio.

2014 Ex-Im Bank Leadership Team

Left to right: Chairman and President Fred P. Hochberg, Vice Chair and First Vice President Wanda Felton, Board Director Patricia Loui, and Board Director Sean Mulvaney.

Table of Contents

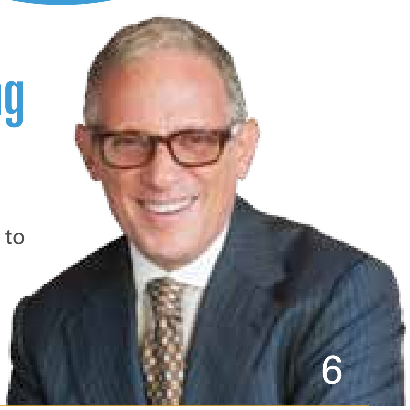
$2.3t

Overall exports of American goods and services reached a record $2.3 trillion this year, up from $1.4 trillion only five years ago.

We're getting results.

Ex-Im Bank is working with the private sector to support U.S. jobs.

Fred P. Hochberg
Chairman and President



Ex-Im Bank insurance powers exports from an innovative American start-up.

Vikram Pandit
Research and Development Technician, SynTouch

A small business is still a leader in refrigeration 100 years later.

Mary Howe
President, Howe Corp.

FY 2014 FINANCIAL REPORT

Ex-Im Bank finances the export of American-made fire trucks to Nigeria.

Peter Darley
Part-Owner, Chief Operating Officer and Executive Vice President,
W.S. Darley & Co.

"We may be small, but we think big. In an age where everything seems to be made someplace else, we're thriving here in Texas. Our success is due to hard work, attention to customers' needs and belief in the future. Yet there's no doubt this success is also in no small part due to the services provided by Ex-Im Bank."

Gabriel Ojeda, President, Fritz–Pak

Fritz-Pak success story on page 11

Ex-Im Featured 2014 Success Stories

MADE IN THE USA, SOLD WORLDWIDE

ACE PUMP CORP. | Memphis, TN
EXPORT: Industrial Pumps
MARKETS: **Paraguay,** Chili, France, Belgium and Mexico
Ex-Im Bank Product: Small Business Export Credit Insurance
See page 23

FRITZ-PAK | Mesquite, TX
EXPORT: Concrete Additives and Plasters
MARKETS: Worldwide, including Mexico, **Brazil,** India, and Taiwan
Ex-Im Bank Product: Small Business Export Credit Insurance
See page 11

DECAS CRANBERRY PRODUCTS | Carver, MA
EXPORT: Cranberries
MARKETS: Worldwide, including **South Africa,** Thailand, Bosnia and Herzegovina
Ex-Im Bank Product: Multibuyer Export Credit Insurance
See page 27

HOWE CORP. | Chicago, IL
EXPORT: Ice-Making Equipment
MARKETS: Worldwide, primarily **Latin America**
Ex-Im Bank Product: Multibuyer Export Credit Insurance
See page 24

68%

of our authorizations this year supported U.S. exports to emerging markets, where commercial banks are often more reluctant to lend.

SYNTOUCH | LOS ANGELES, CA
EXPORT: Tactile-Sensing Technologies
MARKETS: Worldwide, including **China,** Netherlands, Germany, and Australia
Ex-Im Bank Product: Export Credit Insurance
See page 19

ENVIRONMENTAL DYNAMICS INTERNATIONAL INC. (EDI) | Columbia, MO
EXPORT: Water and Wastewater Treatment
MARKETS: **India,** China and Turkey
Ex-Im Bank Product: Working Capital Loan Guarantee
See page 35

W.S. DARLEY & CO. | ITASCA, IL
EXPORT: Firefighting Trucks
MARKETS: **Nigeria**
Ex-Im Bank Product: Direct Loan
See page 32

SPACEX | HAWTHORNE, CA
EXPORT: Spacecraft Launches
MARKETS: **Israel,** Hong Kong and Bulgaria
Ex-Im Bank Product: Direct Loan
See page 14

For more small business success stories, visit:
www.exim.gov/about/whatwedo/successstories

Chairman's Message

$27.5b

In FY 2014, Ex-Im Bank supported $27.5 billion worth of U.S. exports and 164,000 export-related American jobs. Over the past six years, the Bank has supported over 1.3 million jobs in communities across the country.

With the U.S. economy on the move—and with worldwide demand for quality, innovative goods on the rise—there have never been greater opportunities for American small businesses to prosper on the global stage.

Of course, there are obstacles, too—that's something I can tell you from 20 years of firsthand experience running a small business. Withstanding swings in the general economy, obtaining lines of credit, and reaching customers in new markets can pose a challenge to even the savviest and most innovative entrepreneurs.

Ex-Im Bank exists to equip American businesses with the tools they need to become more successful exporters. We know that when entrepreneurs are empowered to win export sales against their foreign competitors, businesses grow, our economy improves, and layoffs are replaced with 'Now Hiring' signs in communities across our country.

In the following pages, you can see for yourself how Ex-Im Bank has made a positive impact for just a few of the thousands of American businesses that come to us for export credit tools. If you're a business owner, these are the results we stand ready to deliver for you, too.

THEY'RE 'PLAN A'

Let's be clear: America's private sector capital markets are the highest-functioning, most efficient in the world, and do a great job of financing U.S. exports.

But commercial banks don't always have the capacity or willingness to equip American businesses that want to sell their goods and services overseas. Even in strong economic periods, small businesses generally have trouble securing working capital loans or insurance packages to back their exports—and when the economy dips, banks can become even more reluctant to finance export orders of any size.

WE'RE 'PLAN B'

Ex-Im Bank's role is to fill in those gaps. We don't compete with the private sector (in fact, about 98 percent of our transactions include a partnering private financial entity). Instead we provide a backstop to ensure that the American export economy remains vibrant in a world of fluctuating markets and global ebbs and flows. U.S. businesses know that Ex-Im Bank will be there to support their growth during all kinds of economic weather, girding small businesses and picking up the slack when uncertain times force commercial financiers to scale down—a bank for all seasons.

So we expect occasional drop-offs in our total authorizations—that's often another signal of an economy in recovery and an increasingly fertile private lending environment. While Ex-Im Bank's total financing decreased in FY 2014, overall exports of U.S. goods and services are poised for a fifth consecutive record-breaking year. We're proud to be a part of that growth, particularly when it means opening doors to the world's most promising markets for American small businesses—and, on a number of fronts, we had a strong 2014.

SUPPORTING JOBS, SERVING TAXPAYERS

- This year, we authorized $20.5 billion of financing in support of $27.5 billion worth of U.S. exports and more than 164,000 American jobs.
- Out of over 3,700 authorizations in 2014, more than 3,300—or nearly 90 percent—directly served U.S. small businesses, which accounted for one quarter of authorizations by dollar volume.
- Our support for U.S. manufactured exports reached nearly $16.6 billion.
- About one out of every five authorizations we completed this year directly served minority- or women-owned businesses.
- In sub-Saharan Africa, we authorized a record of more than $2 billion for U.S. exports—the strongest year we've ever had.
- Nearly $14 billion—more than 68 percent—of our authorizations this year supported U.S. exports to emerging markets, where commercial banks are often more reluctant to lend.
- From a risk management perspective, we had an historically low default rate of 0.175 percent as of September 30, 2014.
- Once again this year, we generated a surplus for American taxpayers above and beyond the cost of our operating expenses and prudent reserve requirements. In October, we wired $674.7 million to the U.S. Treasury to support deficit reduction, while over the last two decades we have generated a surplus of 6.9 billion for American taxpayers.

Nearly

90%

of the number of authorizations in 2014 directly served U.S. small businesses.

1 out of every 5

authorizations we completed this year directly served minority- or women-owned businesses.

Nearly

$16.6b

in support of U.S. manufactured exports

We're always striving to better manage our business and improve our operations. As a result, this year we recalibrated our business development efforts to more expertly serve our customers based on industry sectors rather than geography. We also opened a new customer contact center and rolled out new online tools to make it easier than ever to do business with Ex-Im Bank. On the risk management side, we established an Enterprise Risk Committee charged with the comprehensive and systematic oversight of the full range of risks faced by the Bank. We've also cut our internal budget expenses to levels 19 percent lower than they were five years ago. And we achieved all of these results with an efficient, dedicated staff of approximately 450 employees—I couldn't be more proud of our team of public servants.

WHAT'S AHEAD

When FY 2014 began, my hope was that I would be able to announce in our annual report that Congress had put into place a long-term reauthorization of Ex-Im Bank—one that would deliver five years of certainty and confidence to U.S. exporters and their employees. Regrettably, I can't do that.

I can say that we've made some progress: Congress has extended our charter until June of 2015, and I'm optimistic that we'll be able to work out a long-term, bipartisan solution. As a former businessman, I know that exporters large and small need more than month-to-month solutions in order to win deals, invest in innovation, and add new jobs locally. There's more than enough uncertainty out there when you're running a business without having to worry about the availability of financing.

The conversation surrounding Ex-Im Bank's reauthorization has meant that we've had more public attention this year than ever before—and a positive side effect has been that more American small businesses have had the opportunity to learn about how Ex-Im Bank tools can empower them to reach global markets and add local jobs.

So we look forward to serving many more new customers in the year ahead—and that's critical given the vast opportunities for American businesses that lie beyond our borders. Two hundred million people are forecasted to join the global middle class each year for the next five years, and they'll be eager to buy quality, innovative products stamped "made in USA".

The opportunities ahead in emerging markets are without precedent, but every country will be racing to seize them in order to add jobs and grow their economies. Of course, we face enormous challenges to win that race. We've seen a dramatic rise in the proportion of global export financing that fails to play by international lending and transparency rules in China, Russia, and other countries. We've also seen an increased emphasis on exports as an economic silver bullet in countries around the world. And we're facing the specter of new multilateral export financiers in the form of the Asian Infrastructure Investment Bank and the New Development Bank.

These challenges are stark, but they do nothing to shake my optimism about America's future. We can win the global export race—after all, American workers still produce the highest quality, most innovative goods and services in the world. But U.S. businesses and their buyers abroad need certainty and confidence if we're going to lead the world in export-fueled growth.

For 80 years, Ex-Im has been a vital tool for expanding opportunity, promoting American leadership on the global stage, and adding middle class jobs here at home—and we want to continue to be there to support U.S. businesses in strengthening their communities through jobs. So we're going to keep focusing on our customers, keep making it simpler for small businesses to access our products, and keep getting the word out about a fact that thousands of entrepreneurs from Maine to Hawaii already know to be true—exports create jobs.

Fred P. Hochberg
Chairman and President

FY 2014

Highlights

MAJOR HIGHLIGHTS:

164,000

American jobs supported

$27.5b

of U.S. exports supported at no cost to American taxpayers

$5b+

in direct support for small business exporters

OTHER KEY FY 2014 HIGHLIGHTS:

Total Ex-Im Bank Financing

- Authorized $20.5 billion in financing to support $27.5 billion of U.S. exports worldwide

Supporting U.S. Jobs

- Ex-Im Bank's authorizations supported approximately 164,000 American jobs.

Small Business Support

- Authorized more than $5 billion in financing and insurance for American small business exporters
- Nearly 90 percent of the number of Ex-Im Bank's authorizations were for small businesses.

Minority- and Woman-Owned Support

- Almost one in five Ex-Im Bank authorizations were for minority- and/or woman-owned businesses.

Prudent Financial Management

- In FY 2014, Ex-Im Bank sent $674.7 million to the U.S. Treasury for deficit reduction.

Supporting America's Manufacturers

- The Bank authorized nearly $16.6 billion to support exports from America's manufacturing industries.

Building Trade with Sub-Saharan Africa

- Authorizations supporting U.S. exports to sub-Saharan Africa topped a record-breaking more than $2 billion.

SUPPORTING

American Jobs

Ex-Im Bank plays a key role in supporting good-paying, export-backed American jobs all across the country, contributing to a fifth consecutive year of record-breaking exports for the United States.

In FY 2014, the United States exported a total of $2.3 trillion in goods and services—47.5 percent above 2009 levels, and the best year ever for American exports. More and more, exports are fueling America's economic resurgence—and Ex-Im Bank's support is playing a pivotal role in that trend, particularly when it comes to empowering U.S. small businesses to reach global markets.

Through our financing, Ex-Im Bank fulfills its mission to support American job growth. Over the past six years, Ex-Im Bank has financed the sale of just under $217 billion in U.S. exports, supporting over 1.3 million American jobs.

In FY 2014, Ex-Im Bank approved over 3,700 authorizations with a total estimated export value of nearly $27.5 billion. This support equipped U.S. businesses to create or sustain approximately 164,000 export-related U.S. jobs.

1.3m

AMERICAN JOBS

Over the past six years, Ex-Im Bank has supported more than 1.3 million American jobs across the country.

JOBS CALCULATION METHODOLOGY

Ex-Im Bank began calculating the jobs associated with its financing in FY 2010. Ex-Im Bank's jobs estimate methodology follows the standard government-wide 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.

Ex-Im 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 Bank 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."

For jobs estimates based on FY 2014 authorizations, Ex-Im Bank supports a baseline average of 6,190 jobs per $1 billion of U.S. exports. This average is weighted, however, based on each industry's relative jobs per $1 billion average at time of calculation.

Ex-Im Bank Insurance Empowers Texas Family Business to Go Global and Rehire Workers

Fritz-Pak is a family-owned business that manufactures 40 different made-in-America specialty products for the global construction industry, including concrete additives and plasters for swimming pools. Today, Gabriel Ojeda's company is a growing small business, eyeing an expansion. But times weren't always so great. After tripling sales throughout the 2000s, the global recession hit Fritz-Pak hard, and they were forced to lay off employees.

Gabriel began looking abroad for overseas sales opportunities that could replace lost domestic sales. Equipping themselves with Ex-Im Bank's export credit insurance, the Ojedas were able to offer their new foreign buyers credit terms while protecting against the risk of not being paid.

Today, exports account for 35 percent of Fritz-Pak's total sales—and they have been able to hire their laid off employees back.

EXPORTER:
Fritz-Pak, Mesquite, Texas

Markets:
Worldwide, including Mexico, Brazil, India, and Taiwan

Ex-Im Bank Product:
Export Credit Insurance

Pictured: Delvin Dorrough, Fritz-Pak

"We may be small, but we think big. In an age where everything seems to be made someplace else, we're thriving here in Texas. Our success is due to hard work, attention to customers' needs and belief in the future. Yet there's no doubt this success is also in no small part due to the services provided by Ex-Im Bank."

Gabriel Ojeda, President, Fritz-Pak

KEEPING AMERICA

Competitive

For more than 80 years, Ex-Im Bank has leveled the playing field for U.S. exporters facing off against financing offered by foreign governments. As other countries double down on exports—and, in particular, as they operate outside of established financing rules—the need for Ex-Im Bank is greater than ever.

America enjoys the single greatest competitive advantage there is: Products stamped "made in the U.S.A." are still known the world over for their reliability, quality, and innovation. That's a hard-earned distinction—and a testament to the ingenuity of U.S. entrepreneurs and workers.

If purely free market elements such as quality and price were the only factors at play for international buyers deciding how to source their projects, most American exporters would have little to worry about. But too often, government-backed financing can become an overriding factor that tilts the playing field away from U.S. businesses in favor of foreign companies backed by their respective governments.

Ex-Im Bank is one of about 60 export credit agencies (ECAs) operating around the world today. While every ECA supports its domestic businesses through financing, not everyone plays by the same rules when it comes to lending or transparency.

As recently as 1999, nearly 100 percent of official export credit support worldwide adhered to the internationally agreed-upon lending and transparency standards outlined by the Organisation for Economic Cooperation and Development (OECD). Under the terms of the OECD's Arrangement on Officially Supported Export Credits, countries abided by agreed-upon financing rules establishing loan term limits, minimum fees and a number of other best practices.

But as countries that were not party to the OECD Arrangement began to escalate their official export support, the global landscape shifted. By 2004, only about two-thirds of official support for exports around the world was governed by OECD standards; by 2013—as described in Ex-Im Bank's most recent Competitiveness Report to Congress—that number had dropped to one-third.

Today, U.S. exporters are facing a competitive landscape in which the vast majority of official export financing is routinely opaque and unchecked by basic, prudent standards. Instead of putting their quality products up against other countries' quality products, more and more, American businesses are being forced to pit their goods and services against unconstrained guarantees, aggressive financing, and flexible payment schedules promised by foreign governments.

This trend disadvantages American businesses, threatens U.S. job growth, and distorts global markets. Ex-Im Bank exists to support U.S. companies by leveling the playing field—by equipping American exporters with financing that is both competitive and reflective of global best practices, Ex-Im Bank helps level the global export playing field and return it as much possible to one driven by free market principles such as quality and price. The competitive edge that Ex-Im Bank provides to U.S. businesses empowers them to more readily compete on the merits of their goods and services.

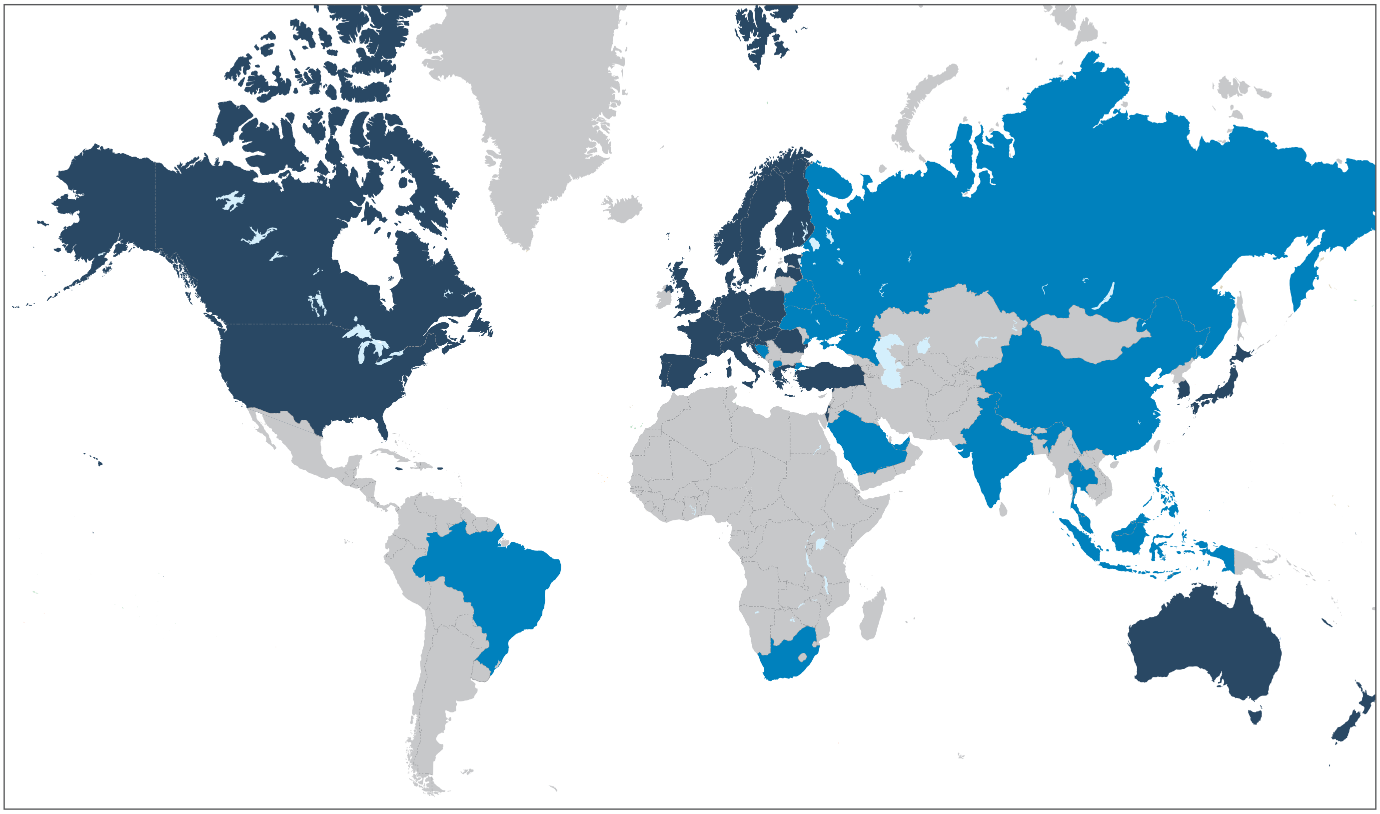
Globally, countries are turning to exports as a means to grow their economies and spur job creation—their elevated ECA activity is a reflection of that commitment. At the same time, even as the economy has recovered, commercial banks are still somewhat reluctant to wholly finance certain areas of the export finance arena, especially in emerging markets.

These gaps in the private sector, combined with rising global competition, have made ECAs such as Ex-Im Bank more vital than ever. As competition continues to heat up in markets around the world, Ex-Im Bank will continue to stand behind

American exporters, so that global sales and U.S. jobs aren't lost over access to competitive financing.

For more information on competitiveness in export finance, please find Ex-Im Bank's 2013 Report to the U.S. Congress at www.exim.gov.

THE WORLD OF OFFICIAL MEDIUM- AND LONG-TERM EXPORT CREDIT



OECD Countries:		
Australia	Germany	Portugal
Austria	Greece*	Romania*
Belgium	Hungary	Slovenia
Canada	Israel**	Slovak Republic
Croatia*	Italy	South Korea
Czech Republic	Latvia*	Spain
Denmark	Luxembourg*	Sweden
Estonia*	Netherlands	Switzerland
Finland	New Zealand*	Turkey**
France	Norway	United Kingdom
Japan	Poland	United States

Non-OECD Countries:		
Belarus	Jamaica	Thailand
Bosnia	Macedonia	Ukraine
Brazil*** (non-aircraft)	Malaysia	United Arab Emirates
China	Philippines	
India	Russia	
Indonesia	Saudi Arabia	
	South Africa	

** Very little or no medium- or long-term financing activity reported*

*** OECD countries not participating in the OECD General Arrangement: Israel and Turkey*

**** Non-OECD countries participating in the Aircraft Sector Understanding (ASU) but not the OECD General Arrangement: Brazil*

Ex-Im Bank Boosts Spacecraft Launching Company in Global Markets

Founded in a garage in 2002, SpaceX was created to design, manufacture and launch advanced spacecraft. With export financing options limited, the company faces intense competition from French, Russian and Chinese companies in sales of overseas satellite launches. To overcome these obstacles, SpaceX is relying on Ex-Im Bank to support them.

SpaceX is turning international opportunities into realities in markets in Asia, South Asia, and Europe. The company has grown from about 150 employees a decade ago to nearly 4,000 today. Their manufacturing facilities and supply chains are here in America—and that means U.S. jobs.

Most recently, Ex-Im Bank authorized a $105.4 million loan to Space Communication Ltd. of Ramat Gan, Israel, to finance the 2015 SpaceX launch of the Amos-6 communications satellite. The transaction is Ex-Im Bank's third in support of a SpaceX launch, and it will support approximately 600 quality U.S. jobs in California and elsewhere.

EXPORTER:

SpaceX, Hawthorne, California

Markets:

Israel, Hong Kong, and Bulgaria

Ex-Im Bank Product:

Direct Loan

EMPLOYEE GROWTH

4,000

EMPLOYEES MAKE UP THE SPACEX WORKFORCE...UP FROM 150 EMPLOYEES A DECADE AGO

AUTHORIZING

$105m+

LOAN TO HELP FINANCE THE 2015 SPACEX LAUNCH OF THE AMOS-6 COMMUNCATIONS SATELLITE

We appreciate Ex-Im Bank's support of both SpaceX and the U.S. space industry. Ex-Im Bank helps SpaceX compete successfully with international launch service providers, bringing overseas satellite launch business and high-tech jobs back to American soil.

Gwynne Shotwell, President and COO, SpaceX

RESPONSIBLE

Risk Management

As we support U.S. jobs wherever and whenever we can, safeguarding taxpayer dollars remains a quintessential part of our DNA. As a result, we have a robust risk management system based on vigilance, transparency, and accountability, which has resulted in our extremely low default rate.

Ex-Im Bank's framework is built on a foundation of effective underwriting in order to satisfy our congressional mandate that every authorization we approve comes with "a reasonable assurance of repayment." To that end, almost 80 percent of our exposure in FY 2014 was backed by collateral or a sovereign guarantee.

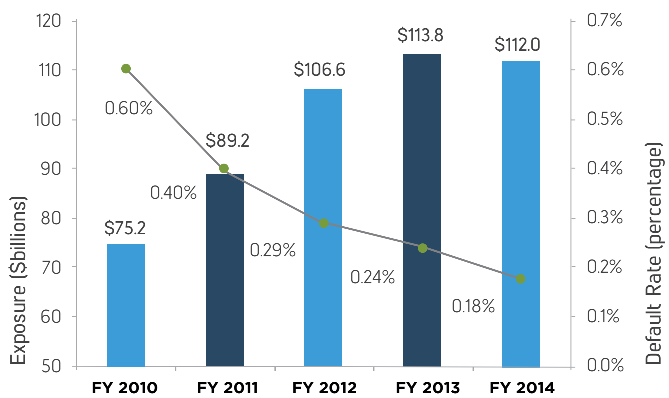
Ex-Im Bank delivers to Congress quarterly reports on our portfolio default rate—an important measure of the Bank's

"At Ex-Im Bank, we are protecting U.S. taxpayers by taking a comprehensive and systematic approach to risk management. While our rigorous underwriting and portfolio management procedures have resulted in very low default rates, we continue to focus on reducing operational risks as well, in areas such as information systems and staffing."

C.J. Hall, Executive Vice President and Chief Risk Officer

C.J. Hall, Executive Vice President and Chief Risk Officer

FY 2010-FY 2014 Exposure and Default Rate



success on the risk management front. The active default rate reflects the total amount of overdue required payments (claims paid on guarantees and insurance transactions plus loans that are past due) divided by the total amount of disbursed financing involved. Our active default rate as of September 30, 2014, was 0.175 percent.

The historically low default rates Ex-Im Bank has accrued of late are due to a comprehensive risk management framework with a strong emphasis on continuous improvement. This has led to a relatively low number of defaults, coupled with high recovery rates on those credits that have entered default. Since the Federal Credit Reform Act went into effect in 1992, the Bank has succeeded in recovering approximately 50 cents for every dollar defaulted in the portfolio.

To further strengthen our risk management program, in FY 2014 Ex-Im Bank established an Enterprise Risk Committee comprised of senior vice presidents of the Bank and chaired by the Bank's executive vice president and chief risk officer. The mandate of the Enterprise Risk Committee is to maintain oversight of the comprehensive and systematic risk management regime within the Bank. This regime extends beyond repayment risk in the portfolio to include operational risk—such as systems and staffing risk—as well as the full range of legal, market, and strategic risks faced by the Bank. The Enterprise Risk Committee meets at least once per month, and incorporates oversight of several subordinate committees focused on specific areas of risk.

Although Ex-Im Bank always strives to support U.S. exporters in winning deals and adding jobs, we also go to great lengths to ensure that we're not taking undue risks—and that the credits we extend routinely result in solid performance for exporters and taxpayers alike.

0.175%

DEFAULT RATE

as of September 30, 2014

A FOCUS ON

Our Customers

We can't fulfill our mission of supporting U.S. job growth if we're not providing customers with a seamless, efficient experience from start to finish. We work every day to ensure that doing business with Ex-Im Bank is as simple and productive as possible.

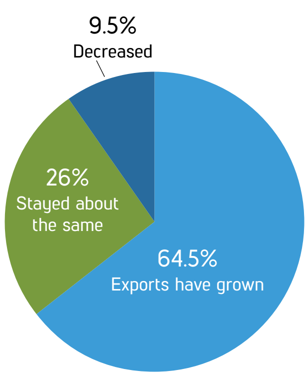
In the past year, Ex-Im Bank has seen major progress when it comes to better serving our customers: the businesses that equip themselves with Ex-Im Bank financing in order to pursue sales abroad and add jobs here at home. Whether it's cutting red tape, rolling out new tools, or finding smarter ways to connect businesses with the products we offer, we're constantly listening to our customers and seeking out ways to improve.

As a customer-oriented organization, we survey our customers in order to serve them better. The 2014 survey of our small business customers revealed strong results: 86 percent reported that they were "satisfied" or "extremely satisfied" with Ex-Im Bank, while 95 percent indicated that they would recommend Ex-Im Bank to other exporters.

EX-IM BANK CUSTOMER SURVEY RESULTS

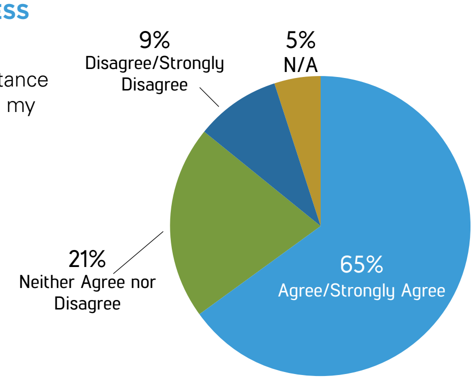
SMALL BUSINESS GROWTH

Question:
During the past five years, have your U.S. exports grown, stayed about the same size or decreased?



HOW EX-IM IMPACTS SMALL BUSINESS

Statement:
Ex-Im Bank assistance helped to expand my export business.



The survey also found that exports have increased during the past five years for the majority of respondents, with 65 percent reporting growth in their export business. Those responses aligned with our renewal levels for our most popular small business products—one potential measure of customer satisfaction. Small businesses renewed a total of 722 Express Insurance policies in FY 2014, as compared with 421 the prior year, and Working Capital Delegated Authority renewals (used by our private financial institution partners to provide customers with rapid response under strict guidelines and audits) jumped to 195 from 113 over that time span as well.

A major objective this year was to speed up claims processing cycle times, which had been flagged by our customers in years past as the operational area most in need of improvement. Thanks to the hard work of our team, average claims processing times have been cut by 40 percent in just two years, dropping from 73 days in 2012 to 44 days in 2014—without compromising due diligence.

Another major development has been the creation of a customer contact center. The contact center serves as a single point of entry for export ready customers seeking information and guidance via telephone, e-mail, and—starting in 2015—live online chat. The goal of the contact center is to improve communications with customers by answering questions in real time.

Additionally, we now hold quarterly webinars with the Bankers' Association for Finance and Trade (BAFT), a forum that has proven to be helpful for bringing Ex-Im Bank together with the voices of our customers and partners. The number of participants has tripled over the course of the year.

In the year ahead, we'll continue listening to our customers, implementing new reforms and doing everything we can to improve the ease of doing business with Ex-Im Bank.

Ex-Im Bank Insurance Powers Exports from an Innovative American Startup

When innovative American manufacturers are looking to go global, Ex-Im Bank is there. That's the case with SynTouch, a pioneering technology firm in southern California. Founded in 2008, SynTouch develops and makes the only technology in the world that replicates—and sometimes exceeds—the human sense of touch. The company provides tactile sensing solutions for industrial and medical applications.

Because the costs of manufacturing each advanced fingertip-sized sensor can run into the thousands, SynTouch cannot afford buyer nonpayment—particularly when buyers are located thousands of miles away in global markets. That's why the company purchased Ex-Im Bank's Express Insurance, which protects against losses due to commercial and political risks, covering 95 percent of invoice sales to customers overseas.

Instead of losing sleep over whether they'll get paid, the engineers at SynTouch can focus on researching manufacturing improvements, developing new uses for their groundbreaking technology and growing sales. Today, SynTouch has 25 international customers in 14 countries.

EXPORTER:
SynTouch, Los Angeles, California

Markets:
Worldwide, including China, Netherlands, Germany, and Australia

Ex-Im Bank Product:
Express Insurance

"The services Ex-Im Bank provides are critical for small business to expand exports into international markets. Payment terms are an important part of the equation in working with distributors, and Ex-Im Bank's insurance policy allows us to remain competitive."

David Groves, Chief Operating Officer, SynTouch

EMPOWERING AMERICAN Small Businesses

Small businesses are the engine of the American economy, responsible for creating two out of every three new jobs. At Ex-Im Bank, we're committed to supporting that job growth by equipping small businesses with the financing they need to reach new customers and win sales overseas.

Ex-Im Bank helps U.S. small businesses to achieve the kind of growth that can only come from reaching beyond our nation's borders to customers abroad, particularly in emerging markets where demand for reliable "made in the USA" goods and services is strong.

We are expanding our small business portfolio and reaching new customers through the coordinated efforts of the Bank's Small Business Group, state and local trade organizations, lenders, and brokers.

In FY 2014, 545 U.S. small businesses were first-time users of Ex-Im Bank products. Nearly half of our small business authorizations—over 1,600 out of more than 3,300—involved authorized amounts under $500,000.

Increased Support for Minority- and Women-Owned Businesses

Since FY 2009, Ex-Im Bank has significantly increased its financing to support the growth of minority-owned and women-owned businesses, approving more financing over the past six years than in the previous 16 years combined.

Ex-Im Bank Small Business Group

Pictured left to right: Tamara Maxwell, Business Development, Minority- and Women-Owned Businesses; James Burrows, Senior Vice President; and Sean Luke, Business Development Specialist

EX-IM BANK'S FINANCING BENEFITING SMALL BUSINESS

$5b+

DIRECT SUPPORT

Measured by total dollar volume, Ex-Im Bank's small business authorizations in FY 2014 were more than $5 billion, nearly 25 percent of the total dollar volume of overall authorizations.

Ex-Im Bank's direct small business support accounts for the overwhelming majority of the Bank's authorizations. In FY 2014, the Bank approved more than 3,300 small business authorizations—nearly 90 percent of the total number of Ex-Im Bank authorizations.

SMALL BUSINESS OUTREACH

Throughout FY 2014, Ex-Im Bank leadership and staff engaged small businesses across the country in town hall style discussions known as Global Access Forums—a chance for small companies to gain insight into how they can expand sales by reaching foreign buyers. Since Ex-Im Bank joined with the U.S. Chamber of Commerce and the National Association of Manufacturers to launch the Global Access for Small Business initiative in January 2011, the Bank has sponsored more than 75 Global Access Forums nationwide.

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

Ex-Im Bank's 12 regional export finance centers focus exclusively on small business. Our three regional headquarters are located in Miami, Chicago, and Irvine, California.

PRIVATE SECTOR 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 2014, 123 lenders were enrolled in Ex-Im Bank's Working Capital Guarantee Program, 97 of which have delegated authority, under rigorous audit and lending guidelines, to provide Ex-Im Bank's guarantee of working capital loans without prior Bank approval. A total of 13 new lenders were added in FY 2014.

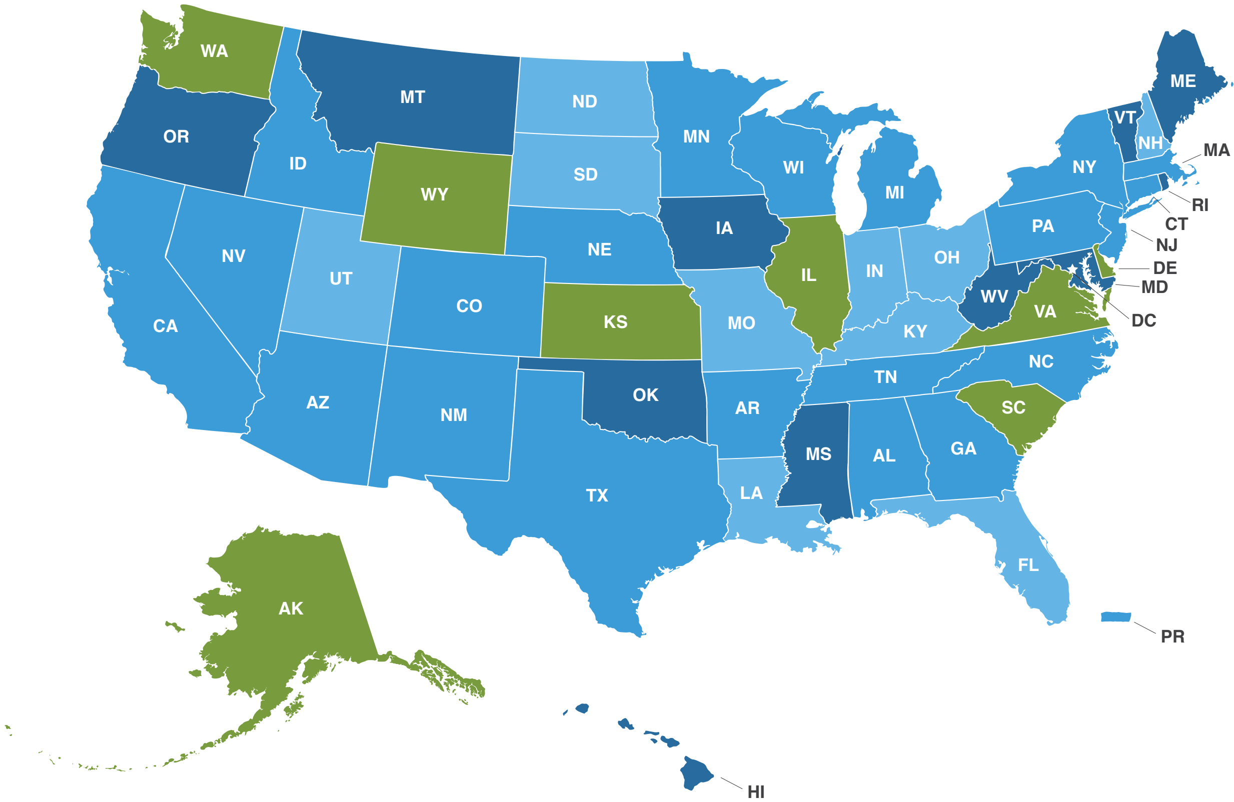
An additional five brokers were added to the Bank's roster of 80 active brokers providing Ex-Im Bank's insurance to small businesses.

KNOWN INDIRECT SMALL BUSINESS SUPPORT IN LONG-TERM TRANSACTIONS

When Ex-Im Bank authorizes a long-term loan or loan guarantee to support U.S. exports from a large U.S. exporter, Ex-Im Bank is also unleashing opportunity for American small business suppliers to grow their sales.

While Ex-Im Bank is limited in in its ability to gather supply chain data from large U.S. exporters due to trade secrets and other business concerns, Ex-Im Bank can estimate that, at a minimum, the $12.7 billion authorized for long-term transactions in FY 2014 supported American small business exports worth at least $650 million. These small businesses were identified to Ex-Im Bank as suppliers of the principal exporters in these long-term authorizations. This figure is in addition to the direct support for small businesses included in long-term authorizations, which spurred small business exports valued at an estimated $330 million.

SMALL BUSINESS SUPPORT BY STATE IN FY 2014



SMALL BUSINESS EXPORTS MAKE UP 20 PERCENT OR MORE OF EX-IM SUPPORTED EXPORTS IN 42 STATES.

75% TO 100% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
HI	$1.6 MILLION	100%
IA	$14.6 MILLION	93%
ME	$5.3 MILLION	100%
MD	$110.6 MILLION	86%
MS	$20.5 MILLION	75%
MT	$478,000	100%
OK	$140.9 MILLION	92%
OR	$132.3 MILLION	86%
RI	$5.7 MILLION	80%
VT	$11.1 MILLION	93%
WV	$802,000	99%

50% TO 74% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
FL	$785.7 MILLION	70%
IN	$118.4 MILLION	72%
KY	$41.3 MILLION	72%
LA	$114 MILLION	60%
MO	$83.9 MILLION	67%
NH	$29.2 MILLION	60%
ND	$1.8 MILLION	67%
OH	$277.7 MILLION	60%
SD	$5.1 MILLION	66%
UT	$12.7 MILLION	73%

20% TO 49% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
AL	$46.7 MILLION	48%
AZ	$203.4 MILLION	42%
AR	$69.3 MILLION	26%
CA	$1.6 BILLION	32%
CO	$30 MILLION	49%
CT	$145.7 MILLION	24%
GA	$469.7 MILLION	42%
ID	$26.5 MILLION	26%
MA	$191.9 MILLION	30%
MI	$266.8 MILLION	47%
MN	$252.9 MILLION	39%
NE	$106.8 MILLION	49%
NV	$11.3 MILLION	36%
NJ	$292.5 MILLION	34%
NM	$14.8 MILLION	39%
NY	$574.4 MILLION	45%
NC	$256.2 MILLION	26%
PA	$568.7 MILLION	42%
PR	$41.4 MILLION	31%
TN	$159.3 MILLION	36%
TX	$1.2 BILLION	43%
WI	$210.2 MILLION	46%

0% TO 19% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
AK	$9.6 MILLION	0%
DE	$5.6 MILLION	13%
DC	$46.8 MILLION	4%
IL	$962.5 MILLION	13%
KS	$119 MILLION	14%
SC	$983.9 MILLION	3%
VA	$306.2 MILLION	17%
WA	$7.2 BILLION	1%
WY	$19.9 MILLION	15%

NOTE: Map data shows estimated Ex-Im-assisted exports per state with percentages of these sales by small businesses. Estimates are based on disbursements of Ex-Im financing in FY 2014.

A Small Business Pumps Up Sales with Ex-Im Bank's Financing

Roy Bell III runs Ace Pump Corp., the small industrial pump company his grandfather started at the end of World War II. You can find their pumps on everything from tractors and concrete trucks to highway anti-icing vehicles and asphalt milling machines.

Since 2009, Ace Pump has used Ex-Im Bank's export credit insurance to protect against the risk of buyer nonpayment in faraway markets and to extend open credit terms to foreign customers that lack access to affordable working capital financing. Today, export sales represent one-fifth of total business, and Ace has expanded its workforce in Tennessee by 10 percent.

But insurance isn't the only way Ex-Im Bank supports Ace Pump. Roy's small business is also a supplier to CNH Industrial, a larger American company that uses Ex-Im Bank financing to win sales in global markets. Each time CNH Industrial makes use of Ex-Im financing to a win a deal overseas, Ace Pump is one of the hundreds of small business suppliers that see an uptick in their business as well. It's an example of how Ex-Im Bank is supporting U.S. small businesses indirectly through direct export financing, as part of larger businesses' supply chains.

EXPORTER:

Ace Pump Corp.
Memphis, Tennessee

Markets:

Paraguay, Chile, France, Belgium, and Mexico

Ex-Im Bank Product:

Multibuyer Export Credit Insurance

Pictured: Christine Howry, Ace Pump Corp.

"There's no doubt that Ex-Im Bank products have empowered us twice over—allowing us to grow our own international sales, while also supporting our U.S. customers who incorporate our products into their larger equipment that is exported worldwide. Exports are now a foundational part of our business, and Ex-Im Bank is an indispensable tool in winning deals that add jobs here in Tennessee."

Roy Bell III, owner, Ace Pump Corp.

SALES NUMBERS

$5.9 MILLION

IN EXPORT SALES

EMPLOYEE GROWTH

30+

MORE THAN 30 EMPLOYEES

A Woman-Led Small Business is Still a Leader in Refrigeration 100 Years Later

In 1912, William Henry Howe and his sons began designing, producing, and servicing state-of-the-art refrigeration and ice-making equipment. Today, William Henry Howe's great-granddaughter Mary runs Howe Corp., overseeing a team of about 30 employees to manufacture commercial and industrial refrigeration equipment in the heart of Chicago.

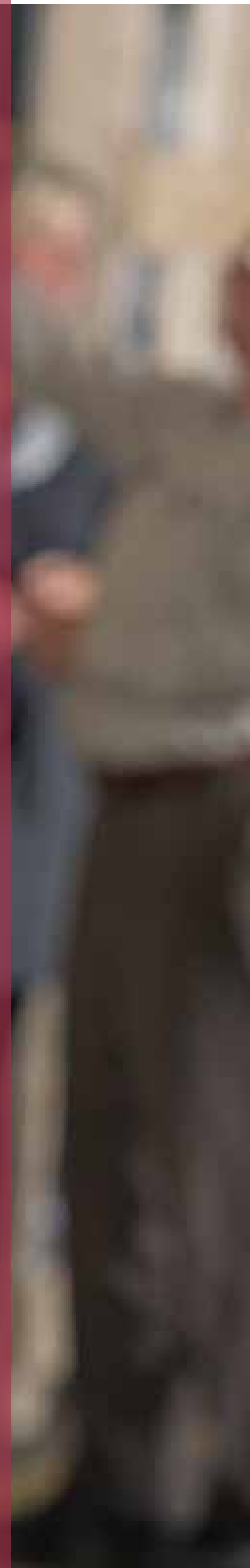
In 2007, Mary Howe's international customers began asking if they could have more time to pay—but as a small manufacturer, Howe Corp. didn't have the cash on-hand to afford longer terms for payment. Mary began covering her export sales with Ex-Im Bank insurance starting in late 2008. This insurance enabled the company to fulfill sales orders and keep the factory running.

As a result, the company has obtained new customers in Latin America. Howe's policy has been renewed six times, and the company has recently added two additional employees due to the Bank's support of $5.9 million in export sales.

EXPORTER:
Howe Corp., Chicago, Illinois

Markets:
Worldwide, primarily Latin America

Ex-Im Bank Product:
Multibuyer Export Credit Insurance



"The interesting thing is when domestic sales drop off, often the export sales pick up, and it fills the gap. With the economy the way it is, Ex-Im Bank's support helps our sales remain steady."

Mary Howe, President, Howe Corp.

SUPPORTING AMERICA'S MOST Critical Industries

The United States has always produced goods, technologies and services that are able to compete and win in global markets based on their quality, innovation, and price—and Ex-Im Bank is there to ensure that they can compete on financing as well.

As part of our mission to promote U.S. jobs, Ex-Im Bank has identified key industrial sectors with high potential for U.S. export growth. These sectors include agribusiness, aircraft and avionics, satellites, mining, oil-and-gas development, and power generation, including renewable energy.

Competitive financing is a necessary component for U.S. exporters to succeed in these sectors abroad, particularly when foreign competitors are backed by financing and other aid from their respective governments. By equipping U.S. businesses with financing tools, Ex-Im Bank is leveling the playing field for large and small exporters alike.

FY 2014 AUTHORIZATIONS* HIGHLIGHTS:

Manufacturing (non-aircraft) – $8.1 billion authorized in support of U.S. manufacturing other than aircraft, including other transportation vehicles, large agricultural equipment, product-manufacturing machinery, consumer products, and much more

Forty-three percent of the dollar value of non-aircraft manufacturing-related authorizations directly supported small business exports.

- $149 million authorized to provide liquidity and risk protection to U.S. textile mills
- $93 million authorized to support U.S. exports of medical equipment and products

Services – $1.1 billion authorized 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 amount includes authorizations that are also reported under other sectors.)

*Authorizations amounts reported are not necessarily mutually exclusive by category but indicate overall breakout of financing by industry.

Satellites – $941 million authorized to support exports of U.S.-manufactured satellites and launch services

Agribusiness – $501 million authorized to support more than $1.2 billion of U.S. exports of agricultural goods and services, including commodities, livestock, foodstuffs, farm equipment, chemicals, supplies, and services

Eighty-three percent of the dollar value of the Bank's agribusiness authorizations directly supported small business exports.

Aircraft and Avionics – $8.4 billion authorized to support exports of U.S.-manufactured large commercial aircraft, business aircraft and helicopters, aircraft engines, avionics, and related services provided by American workers

- $7.2 billion in financing to support the export of 61 new U.S.-manufactured commercial aircraft
- $915.5 million in support of U.S.-manufactured business aircraft and helicopters
- $243.1 million to support the export of aircraft spare engines and engine maintenance, repair, and overhaul (MRO) services

Oil and Gas – $1.3 billion authorized to support U.S. goods and services exports related to the development of onshore and offshore oil- and gas-field projects

Power Generation – $462 million authorized to support U.S. exports related to power-generation projects

- $198 million to support U.S. exports related to renewable energy sources such as wind and solar

Mining – $746 million authorized for U.S. exports of mining-related equipment and services

A Family-Owned Business Refuses to Let their Sales Get Bogged Down

In 1934, a trio of Greek brothers immigrated to Massachusetts and began producing one of the world's most iconic American products: cranberries. Now into its eighth decade, Decas Cranberry Products is still a family-owned business with 450 acres of cranberry bogs and seven warehouse locations throughout the United States. Decas contracts with over 120 independent growers nationwide, and produces more than 30 million pounds of cranberry products annually.

Decas Cranberry came to Ex-Im Bank because they knew that achieving the next 80 years of success would require reaching more customers in global markets. Using Ex-Im Bank's insurance to protect against the risk of buyer nonpayment, Decas now confidently sells to customers in over 35 countries.

As an exporter in the produce sector, Decas is not alone as an Ex-Im Bank customer. Demand for grown- and made-in-America agricultural and foodstuffs products is expanding, and Ex-Im Bank is there to make sure companies like Decas Cranberry can stock global grocery store shelves around the world.

EXPORTER:

Decas Cranberry Products,
Carver, Massachusetts

Markets:

Worldwide, including South Africa, Thailand, Bosnia and Herzegovina

Ex-Im Bank Product:

Multibuyer Export Credit Insurance

"Decas has benefitted greatly because Ex-Im Bank was there to provide us security with all our foreign sales."

Norman Beauregard, Chief Financial Officer, Decas Cranberry Products

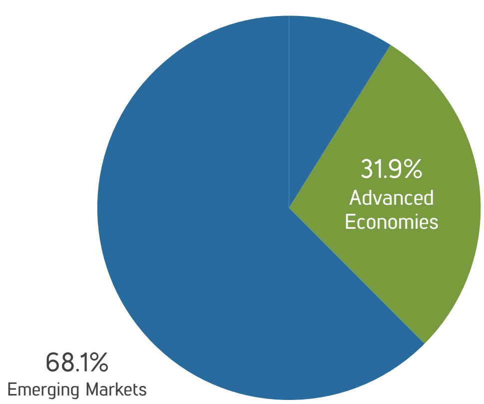
BUILDING INFRASTRUCTURE IN Emerging Markets

Worldwide demand is rising in emerging markets for all kinds of infrastructure development, including civil aviation, roads and bridges, power plants, telecommunications, and other vital capital goods and services. Ex-Im Bank empowers America to seize these tremendous opportunities, meeting global demand, and adding quality jobs here at home.

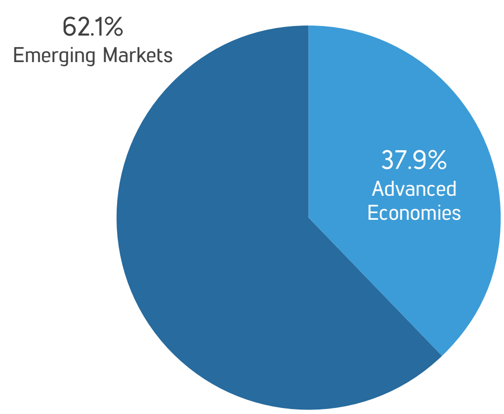
Working on behalf of U.S. exporters, Ex-Im Bank has financed more global infrastructure projects in the past four years than in the previous 17 years combined, helping to keep the United States competitive against foreign rivals in some of the world's fastest-growing markets.

In FY 2014, $13.9 billion (more than 68 percent) of Ex-Im Bank's authorizations supported U.S. exports to emerging markets, in comparison with more than $6.5 billion (nearly 32 percent) authorized for exports to advanced economies.

PERCENTAGE OF TOTAL AUTHORIZATIONS



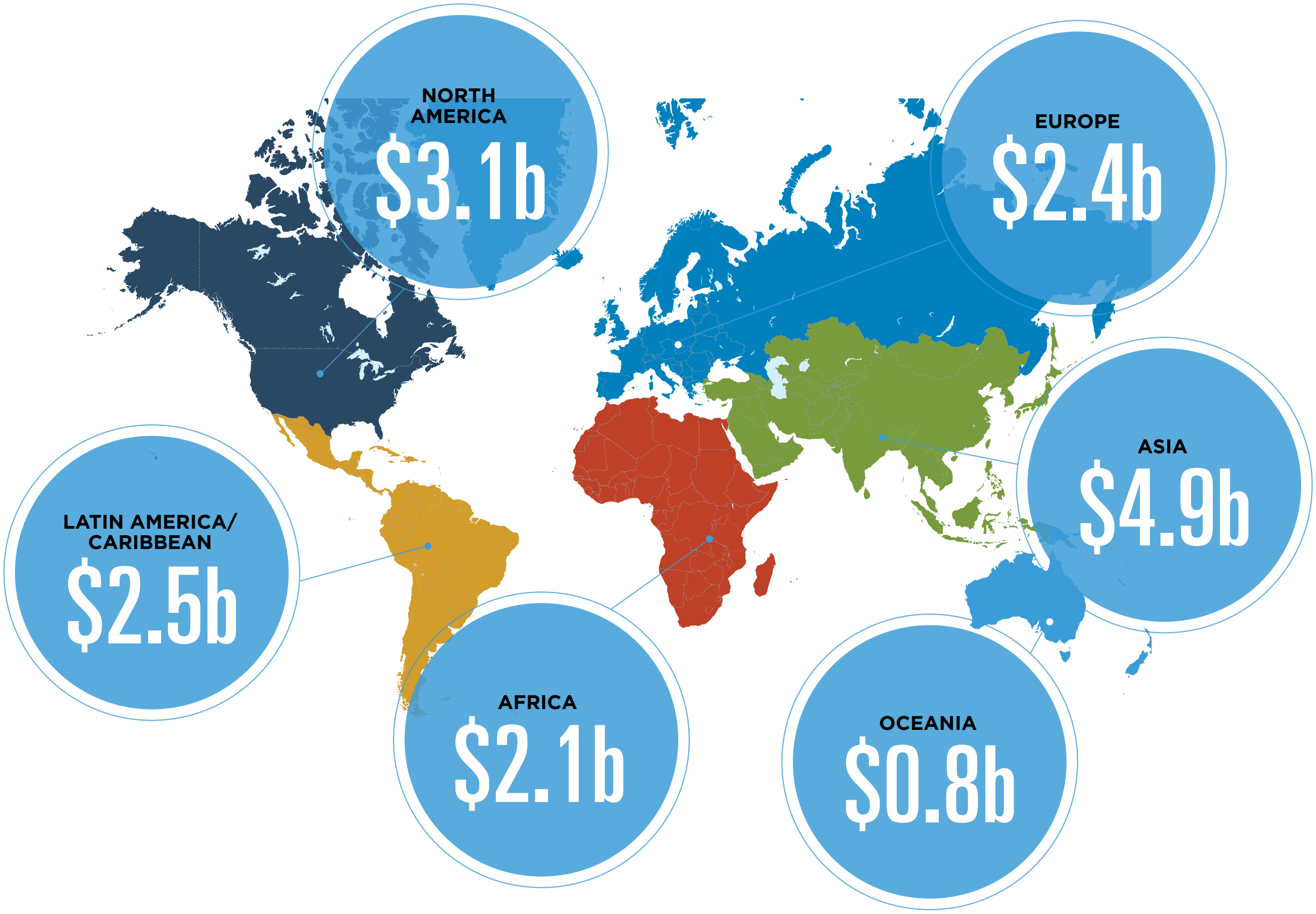
PERCENTAGE OF TOTAL SMALL BUSINESS AUTHORIZATIONS



EX-IM BANK FY 2014 AUTHORIZATIONS: EXPORT DESTINATION BREAKOUT

(in millions)	Total Authorizations	Percent of Total Authorizations	Small Business Authorizations	Percentage of Total Small Business Authorizations
Advanced Economies	6,528.5	31.9%	1,915.8	37.9%
Emerging Markets	13,939.4	68.1%	3,134.4	62.1%
Grand Total	**20,467.9**	**100%**	**5,050.2**	**100%**

FY 2014 AUTHORIZATIONS BY REGION



● NORTH AMERICA: $3.1 BILLION ● LATIN AMERICA/CARIBBEAN: $2.5 BILLION ● AFRICA: $2.1 BILLION
● EUROPE: $2.4 BILLION ● ASIA: $4.9 BILLION ● OCEANIA: $0.8 BILLION —ALL OTHER: $4.7 BILLION

KEY FY 2014 AUTHORIZATIONS:

- $ 11.6 billion to support U.S. exports in infrastructure projects, including large transportation equipment. This financing represents nearly 56.6 percent of total authorizations for FY 2014.
- $3.4 billion for long-term structured and project-finance authorizations, including financing for a range of infrastructure projects, such as oil and gas development, power generation, mining projects, liquefied natural gas production and telecommunications.

  Approximately 58.5 percent of these authorizations are related to emerging markets.
- $8.1 billion to support U.S. exports of aircraft and aviation-related exports. Approximately 75.9 percent of these authorizations are for exports to emerging markets.

DEFINING INFRASTRUCTURE:

Consistent with the World Bank and the Organisation for Economic Cooperation and Development, 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.

REALIZING OPPORTUNITIES IN

Sub-Saharan Africa

Ex-Im Bank plays a critical role in enabling American exporters to tap the tremendous sales opportunities in sub-Saharan Africa—home to seven out of 10 of the fastest-growing economies in the world.

Rick Angiuoni
Director, Africa
Global Business Development Division

Ben Todd
Senior Business Development Officer, Africa
Global Business Development Division

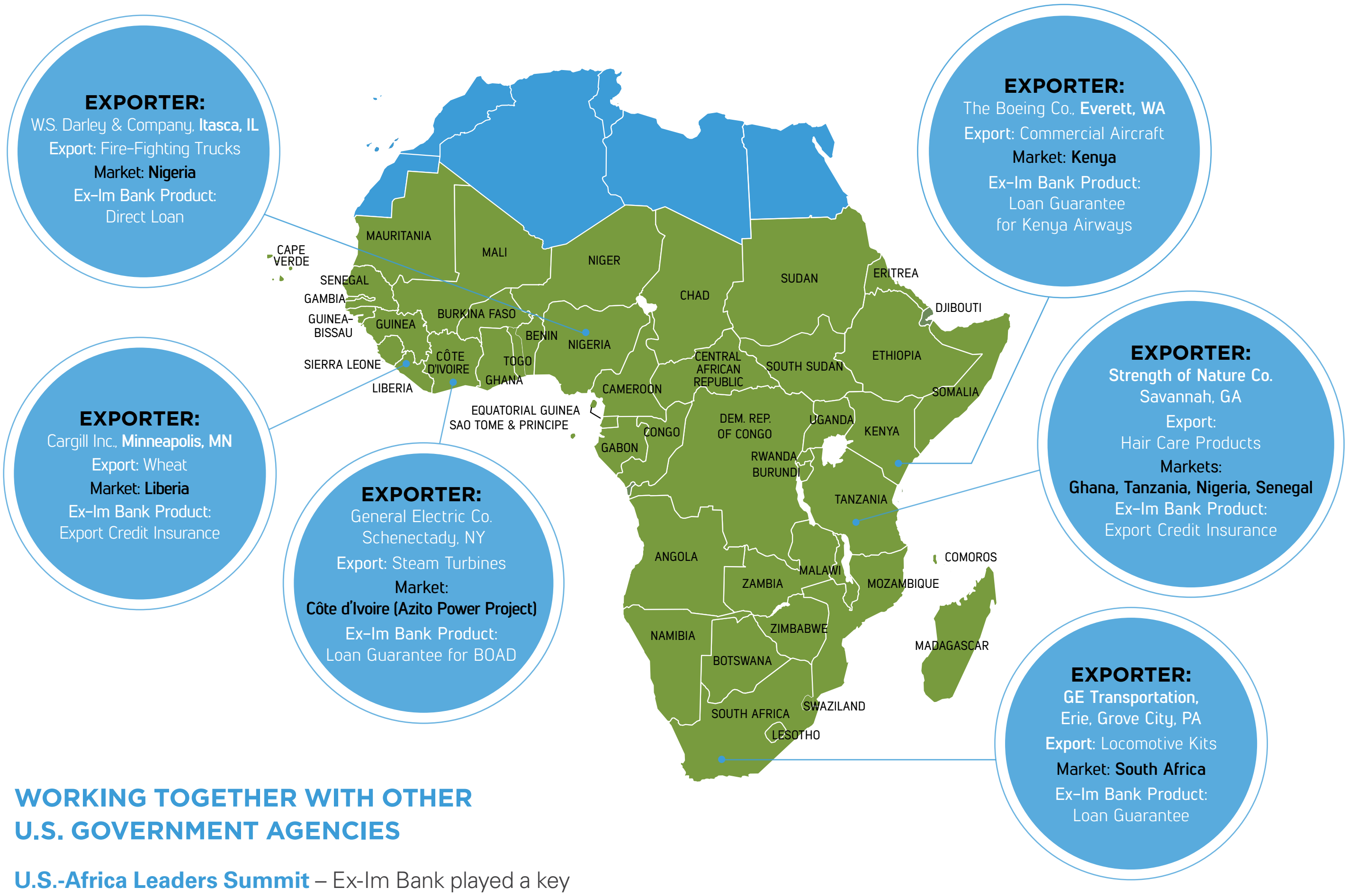
In the past five years, Ex-Im Bank has approved more than $6.3 billion in financing for U.S. exports to sub-Saharan Africa, including a record-topping $2.1 billion in authorizations in FY 2014.

Ex-Im Bank-supported U.S. exports to sub-Saharan Africa accounted for approximately 8 percent of an estimated more than $25 billion of total U.S. manufacturing exports to the region in FY 2014.

Relative to American exports writ large, Ex-Im Bank finances a higher proportion of U.S. goods and services in sub-Saharan Africa than in any other region. In FY 2014, 10 percent of Ex-Im Bank's authorizations by dollar volume supported U.S. exports to sub-Saharan Africa.

NOTEWORTHY FY 2014 AUTHORIZATIONS:

- $563 million loan guarantee to finance the sale of nearly 300 electric-diesel locomotives from GE Transportation in Erie and Grove City, Pa., to Transnet SOC Ltd., South Africa's leading rail, port, and freight company—supporting approximately 2,500 U.S. jobs in Pennsylvania and other states
- $842 million loan guarantee to finance Boeing aircraft to Kenya Airways—supporting an estimated 5,400 jobs throughout Boeing's supply chain in states across America
- $17 million loan guarantee for the West African Development Bank (BOAD) to finance U.S. exports of power-generation equipment to the Azito power project in Côte d'Ivoire—supporting 100 jobs in Schenectady, N.Y., and Bangor, Maine.



WORKING TOGETHER WITH OTHER U.S. GOVERNMENT AGENCIES

U.S.-Africa Leaders Summit – Ex-Im Bank played a key role in this first-of-its kind event, held in August 2014 in Washington, D.C., where President Obama welcomed leaders from across the African continent to strengthen ties with the United States and promote U.S.-African trade and investment. Ex-Im Bank hosted events for young African leaders and African heads of state and CEOs to discuss trade opportunities.

Power Africa – President Obama launched this innovative public-private initiative in 2013 to expand electric power generation in sub-Saharan Africa, where more than 600 million people lack regular access to electricity. Through Power Africa, the president has set a goal of adding more than 30,000 megawatts (MW) of new, cleaner electricity-generating capacity, and increasing access to electricity for at least 60 million households and businesses.

Ex-Im Bank has pledged up to $5 billion in support of this initiative and has approved financing for projects that will contribute to Power Africa's goals.

Doing Business in Africa – Ex-Im Bank participates in this campaign with other U.S. agencies to raise awareness among American businesses—including members of African Diaspora communities—about the continent's potential for expanding U.S. exports. For this initiative, Ex-Im Bank has pledged to support $3 billion in financing for sub-Saharan Africa over the next two years and participate in 50 related events.

The Bank has partnered on export-focused events with the U.S. Foreign Service, Foreign Commercial Service, U.S. Trade and Development Agency, U.S. Agency for International Development, the Millennium Challenge Corp., and other U.S. government entities to encourage economic engagement pursuant to the Africa Growth and Opportunity Act.

BUILDING RELATIONSHIPS WITH AFRICAN INSTITUTIONS

Ex-Im Bank maintains strong ties with a number of banks in the sub-Saharan region. This year, we worked with BOAD on the Azito power project and with the African Export-Import Bank (Afreximbank) on support for the export of U.S.-manufactured aircraft to Kenya Airways. The Bank also signed a memorandum of understanding (MOU) with PTA Bank.

During the U.S.-African Leaders Summit, Ex-Im Bank signed a $1 billion MOU for the financing of U.S. exports to Angola.

In Partnership with:

A DIRECT LOAN OF

$15m+

TO THE GOVERNMENT OF LAGOS TO UNDERWRITE THE PURCHASE OF 32 DARLEY FIREFIGHTING VEHICLES

EMPLOYEE GROWTH

100

MANUFACTURING JOBS SUPPORTED

Ex-Im Bank Finances Export of American-Made Fire Trucks to Nigeria

In 1926, a conversation with Henry Ford helped prompt Chicago businessman William Stuart Darley to transform his business from an equipment manufacturer to a producer of fire trucks. Today, W.S. Darley & Co. still manufactures and distributes fire trucks and pumps to a range of customers, including overseas buyers.

One of those overseas buyers is the state of Lagos, Nigeria. The governor of Lagos declared the state of the region's firefighting capacity an urgent matter of state security. That's when the city of Lagos turned to W.S. Darley to upgrade its fleet of fire trucks.

When private financing proved to be unavailable, Darley sought support from Ex-Im Bank, which authorized a $15.7 million direct loan to the government of Lagos in order to underwrite the purchase of 32 state-of-the-art Darley firefighting vehicles. The fire trucks—built at Darley's manufacturing center in Chippewa Falls, Wis.—will support approximately 100 U.S. manufacturing jobs.

EXPORTER:
W.S. Darley & Co., Itasca, Illinois

Markets:
Nigeria

Ex-Im Bank Product:
Direct Loan

"Ex-Im Bank has helped us compete globally. The ability of a buyer to obtain a loan due to Ex-Im Bank's support is critical to beating competition. Our ability to sell internationally is enhanced with the U.S. government by our side."

Peter Darley, Part-owner, Chief Operating Officer and Executive Vice President W.S. Darley & Co.

FINANCING ENVIRONMENTALLY Beneficial Exports

At Ex-Im Bank, we're not only committed to fiscal responsibility, we're committed to the environment as well. We've long been recognized as a global leader among financial institutions when it comes to supporting environmentally beneficial exports.

Since 1992, Ex-Im Bank has fulfilled a congressional mandate to promote the use of its financing products for U.S. exports that are environmentally beneficial, including those related to the production of renewable sources of energy.

Renewable energy means jobs – more than a million clean energy jobs and counting in the United States alone, generated by 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 export financing that empowers exporters to seize sales opportunities in global markets, many of which are investing substantially in clean energy development.

RENEWABLE ENERGY FINANCING

Ex-Im Bank has significantly increased its support of American exports related to renewable energy production of late, authorizing an aggregated total of nearly $2 billion in financing for these exports since 2009. This total dwarfs the $210.9 million in renewable energy authorizations the Bank financed between 2002 and 2008.

Because we can offer payment terms up to 18 years in the renewable sector, Ex-Im Bank has a unique role to play in supporting clean energy exporters to win deals in rising renewable markets such as India and Central America. This makes a world of difference on renewable energy projects, which tend to be more front-loaded when it comes to capital requirements.

FY 2014 AUTHORIZATIONS:

- $336 million in financing to support nearly $550 million of U.S. exports of environmentally beneficial goods and services. Nearly 60 percent of these authorizations supported renewable energy exports.
- $198 million for renewable energy exports in wind, solar, and other industries, primarily to Central and Latin America
- $25 million supporting exports for solar energy production and expansion of production capacity for related materials and equipment
- $151 million for exports for wind energy production, including a 50-megawatt wind farm in Uruguay and two wind farms in Peru
- $22 million for exports related to energy generation by other renewable technologies including hydroelectric, geothermal, and biomass

Nearly

$550m

Ex-Im Bank authorized $336 million to support nearly $550 million in environmentally beneficial U.S. exports in FY 2014 – almost 60 percent of which supported exports related to renewable energy production.

A Small Business in Missouri Brings Clean Water to the World

The United Nations has estimated that more than three-quarters of a billion people lack access to safe drinking water worldwide, and there is a global demand for clean water resources. For Environmental Dynamics International Inc. (EDI), based in Columbia, Mo., Ex-Im Bank's financing products have made it possible to help meet that demand by reaching customers in developing markets with its water and wastewater treatment technologies.

EDI began using Ex-Im Bank's insurance policy in 1997 to expand into new markets in Latin America and Asia. Now they use the Bank's working capital loan guarantee through Regions Bank. These funds give EDI the flexibility to purchase materials in advance and also cover the long lead time for payments.

With Ex-Im Bank's support, EDI's export orders surpassed its U.S. domestic volume in 2008, and now account for about 55 percent of the small business's total volume—about $15 million annually. EDI sells their products in over 100 countries on all seven continents.

EXPORTER:

Environmental Dynamics International Inc. (EDI), Columbia, Missouri

Markets:

India, China, Turkey, and many more

Ex-Im Bank Product:

Working Capital Loan Guarantee and Export Credit Insurance

Pictured: Albert Jesse, Environmental Dynamics International Inc.

"Ex-Im Bank's export credit insurance has enabled Environmental Dynamics International to offer competitive credit terms to a larger foreign customer base while minimizing the risk."

Charles E. Tharp, President, Environmental Dynamics International, Inc.

A COMMITMENT TO The Environment

A global leader in environmental stewardship, Ex-Im Bank is committed to promoting U.S. exports and jobs with an eye towards environmental responsibility. When it comes to assessing, monitoring, and reporting on environmental impacts, Ex-Im Bank is the most transparent export credit agency in the world.

In response to 1992 legislation reauthorizing the Bank, in 1994 Ex-Im Bank became the first export credit agency (ECA) to adopt a set of environmental guidelines applicable to the projects that it finances. The Bank subsequently entered into negotiations with the other ECAs under the Organisation for Economic Cooperation and Development (OECD) to develop a set of common environmental guidelines, referred to as the "Common Approaches," that have been adopted by all of the official export credit agencies of the OECD.

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

FY 2014 CO_2 EMISSIONS REPORTING:

- Approved a total of 62 loans, guarantees, and working capital guarantees, as well as approximately 84 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 $3.4 billion, supporting more than 20,300 U.S. jobs.
- Authorized $278 million for U.S. exports for two new fossil fuel power plants. The Bank estimates that the aggregate amount of CO_2 emissions produced directly by these projects will total approximately 2.35 million metric tons per year, an amount that reflects the relatively modest level of greenhouse gas emissions produced by natural gas fueled plants. Of this amount, 1.96 million metric tons are associated with a cogeneration plant in Saudi Arabia and 0.39 million metric tons are associated with a combined-cycle natural gas-fired power plant in Turkey.
- Authorized $1.3 billion for three transactions supporting the development of onshore and offshore oil-and-gas field developments. The Bank estimates that the aggregate amount of CO_2 emissions produced directly by these projects will total approximately 3.42 million metric tons per year. Of this amount, 2.7 million metric tons are associated with a transaction supporting numerous onshore and offshore developments in Mexico, 0.04 million metric tons are associated with the export of one offshore drilling rig to Mexico, and 0.68 million metric tons are associated with the export of five onshore drilling rigs to Argentina.
- Authorized $703 million for the support of U.S. exports to be used in the development of other projects that produce CO_2 emissions. The Bank estimates that the aggregate amount of CO_2 emissions produced directly by these projects will total approximately 0.53 million metric tons per year. Of this amount, 0.42 million metric tons are associated with an iron ore mine in Australia and 0.11 million metric tons are associated with a semiconductor manufacturing project in China.

GENERATING REVENUES FOR THE

American Taxpayer

As an independent federal agency, we pride ourselves on delivering for U.S. taxpayers—and we've been self-sustaining since 2008.

For Ex-Im Bank, prudent lending and rigorous risk management have consistently led to positive deficit reducing funds for American taxpayers. In October 2014, Ex-Im Bank wired $675 million to the U.S. Treasury to be used for deficit reduction—the latest in a long line of surplus revenues. Over the last two decades, Ex-Im Bank has generated $6.9 billion in revenues for U.S. taxpayers above what the Bank has received after all expenses, loan loss reserves and administrative costs.

Since 1992, the Bank has sent to the U.S. Treasury nearly

$7b

more than it received in appropriations for program and administrative costs.

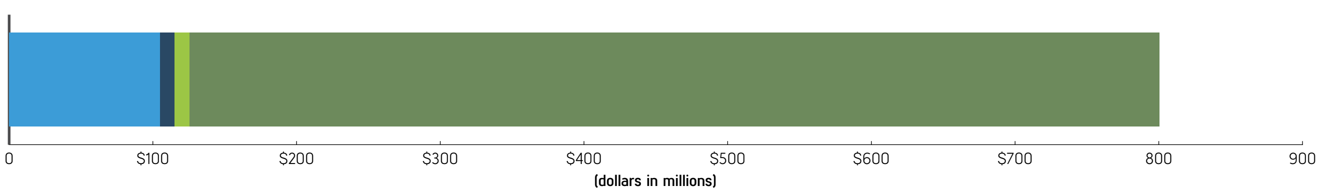
Not only does Ex-Im Bank cost U.S. taxpayers nothing—we've also reduced our internal expenses as well. Overall budget expenses have been trimmed by more than 19 percent from five years ago.

Ex-Im Bank has been officially self-sustaining since 2008. Maintaining a self-sustaining status means that funding for all of the Bank's operations comes entirely from receipts collected from customers who borrow from the Bank as a natural part of our financing function.

Ex-Im Bank has been able to accomplish this because, like any bank, we charge fees and interest on our loan guarantee, insurance, and direct loan programs; the result being that Ex-Im Bank does not rely on taxpayer resources to sustain operations. The self-sustaining initiative is based on the Bank's performance since the implementation of the Federal Credit Reform Act in 1992.

Congress continues its oversight of the Bank's budget, setting annual limits on the use of funds for program budget and administrative expense obligations.

OFFSETTING COLLECTIONS FY 2014



Administrative Expenses	$105.0
Carry Over	$10.0
Office Renovation Expenses	$10.5
Return to Taxpayers	$674.7
TOTAL	$800.2

FY 2014 Financial Report

TABLE OF CONTENTS

$20b+

In FY 2014 the Bank authorized $20,467.9 million in new direct loans, loan guarantees, and insurance.

Ex-Im Bank Portfolio

FY 2014 AUTHORIZATIONS

- FY 2014 Authorizations: $20.5 billion
- Number of Authorizations: 3,746
- New Authorizations in over 70 Countries
- Small Business Supported: $5.1 billion (25 percent of Authorizations), 3,347 Authorizations (89 percent of Authorizations)
- Emerging Markets: 68 percent of Total Authorizations (up from 62 percent in FY 2013)
- Jobs Supported: 164,000

In FY 2014, the Bank approved 3,746 short-, medium- and long-term authorizations or $20,468 million in authorizations, which consist of $18,520 million in guarantees, insurance, and working capital, and $1,948 million in direct loans. These authorizations created or sustained 164,000 jobs across the United States. Of the $20,468 million authorized in FY 2014, $5,050 million benefitted small business across 3,347 transactions. Demand for Ex-Im Bank financing in emerging markets has increased in recent years accounting for 68 percent of all authorizations in FY2014 compared to 62 percent in FY 2013.

SEPTEMBER 2014 EXPOSURE

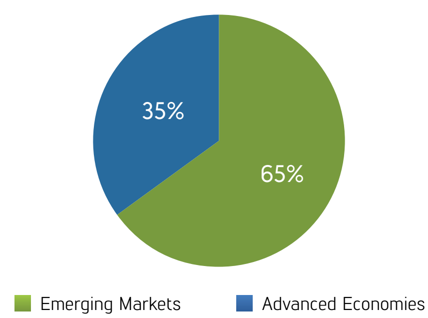
- Total Exposure: $112.0 billion
- Collateral/Sovereign Backed: Approximately 80 percent
- Emerging Markets: 65 percent of Total Exposure
- Default rate: 0.175 percent
- Fastest Growing Region: Africa—24 percent increase

Ex-Im Bank has a total exposure of $112,008 million across 178 countries. Ex-Im's portfolio is comprised of 71 percent guarantees, insurance, and working capital transactions, with direct loans capturing the remaining 29 percent as of September 30, 2014.

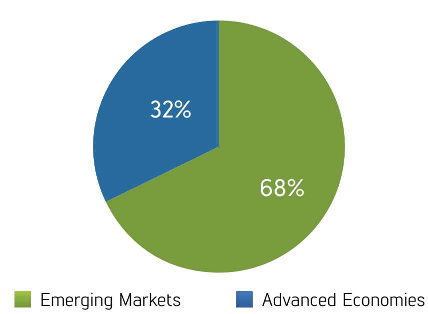
To ensure that Ex-Im Bank furthers its long track record of responsible stewardship of taxpayer dollars, the Bank maintains a comprehensive risk management framework—one built on a foundation of effective underwriting in order to satisfy the Bank's congressional mandate that every authorization comes with "a reasonable assurance of repayment." To that end, about 80 percent of the Bank's exposure at the end of FY 2014 is backed by collateral or a sovereign guarantee. Furthermore, this can be seen in the Bank's default rate, which at the end of FY 2014 was 0.175 percent.

In recent years, Ex-Im Bank has seen a shift in its portfolio. The percentage of Ex-Im Bank's portfolio represented by private obligors versus public or sovereign obligors has increased from 43 percent in FY 2002 to 69 percent in FY 2014 as the need for private sector financing has increased.

EXPOSURE
FY 2014



AUTHORIZATIONS
FY 2014



FY 2014 Authorizations

FISCAL YEAR 2014 AUTHORIZATIONS SUMMARY

($ millions)

Program	Number of Authorizations 2014	Number of Authorizations 2013	Amount Authorized 2014	Amount Authorized 2013	Estimated Export Value 2014	Estimated Export Value 2013	Program Budget Used 2014	Program Budget Used 2013
LOANS								
Long-Term Loans	14	29	$1,927.6	$6,878.4	$1,912.7	$7,913.2	–	$0.2
Working Capital Loans	55	42	20.2	15.4	149.8	146.7	–	–
Total Loans	**69**	**71**	**1,947.8**	**6,893.8**	**2,062.5**	**8,059.9**	**–**	**0.2**
GUARANTEES								
Long-Term Guarantees	51	73	10,786.7	12,179.7	10,703.4	10,746.4	0.2	1.8
Medium-Term Guarantees	58	68	137.5	137.5	154.3	134.0	1.9	9.5
Working Capital Guarantees	431	533	2,389.8	2,599.6	9,351.0	12,925.8	–	–
Total Guarantees	**540**	**674**	**13,314.0**	**14,911.8**	**20,208.8**	**23,806.2**	**2.1**	**11.3**
EXPORT-CREDIT INSURANCE								
Short-Term	3,078	3,027	5,107.3	5,440.3	5,107.3	5,440.3	4.6	19.8
Medium-Term	59	70	98.8	101.7	111.7	105.6	0.9	5.0
Total Insurance	**3,137**	**3,097**	**5,206.1**	**5,542.0**	**5,219.0**	**5,545.9**	**5.5**	**24.8**
Modifications							1.1	
GRAND TOTAL	**3,746**	**3,842**	**$20,467.9**	**$27,347.6**	**$27,490.2**	**$37,412.0**	**$8.7**	**$36.3**

FY 2014 SMALL BUSINESS AUTHORIZATIONS

($ millions)

	Number 2014	Number 2013	Amount 2014	Amount 2013
Export-Credit Insurance	2,878	2,847	$2,912.0	$2,812.5
Working Capital Loans and Guarantees	427	507	1,791.7	1,813.8
Guarantees and Direct Loans	42	59	346.5	596.7
GRAND TOTAL	**3,347**	**3,413**	**$5,050.2**	**$5,223.0**

FY 2014 AUTHORIZATIONS BY MARKET

(in dollars)

	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
ALBANIA					$18,600,030
ALGERIA					71,673,165
ANGOLA		$181,652,744		$181,652,744	512,658,796
ANGUILLA					421,872
ANTIGUA AND BARBUDA					18,736,266
ARGENTINA		98,451,807	$3,015,000	101,466,807	391,467,081
ARMENIA					93,929
ARUBA			675,000	675,000	1,930,198
AUSTRALIA	$644,868,999	139,632,049	765,000	785,266,048	4,770,415,373
AUSTRIA			225,000	225,000	48,006,192
AZERBAIJAN		419,487,834	1,194,271	420,682,105	521,959,227
BAHAMAS					6,709,283
BAHRAIN			90,000	90,000	229,998,636
BANGLADESH		277,445,067	1,220,171	278,665,237	483,074,552
BARBADOS			225,000	225,000	5,655,886
BELARUS					128,552
BELGIUM			855,000	855,000	17,256,340
BELIZE					2,885,314
BERMUDA					1,525,942
BOLIVIA					3,408,862
BOSNIA AND HERZEGOVINA					18,894,869
BRAZIL		99,028,858	60,153,272	159,182,130	2,015,274,665
BRUNEI					234,178
BULGARIA	150,542,286	7,174,527	22,500	157,739,313	159,615,163
BURKINA FASO					702,573
CAMBODIA					25
CAMEROON			45,000	45,000	34,952,868
CANADA		453,818,892	8,525,969	462,344,861	1,752,861,333
CAYMAN ISLANDS					62,936,564
CENTRAL AFRICAN REPUBLIC					91,944
CHILE		246,301,780	14,826,113	261,127,893	2,274,493,105
CHINA		2,250,503,959	9,021,018	2,259,524,976	4,513,316,923
COLOMBIA		185,631,418	4,884,321	190,515,739	3,577,596,631
CONGO					15,137
CONGO, DEMOCRATIC REPUBLIC OF			855,000	855,000	1,640,036
COSTA RICA	2,336,248	7,077,911	7,098,000	16,512,159	112,637,029
CÔTE D'IVOIRE					1,962,581
CROATIA					583,252
CUBA					36,266,581
CYPRUS					511,889
CZECH REPUBLIC					26,575,148
DENMARK			180,000	180,000	5,212,815
DOMINICA					814,242
DOMINICAN REPUBLIC		347,529	12,075,980	12,423,509	499,932,433
ECUADOR					57,238,648
EGYPT			1,121,400	1,121,400	293,778,772
EL SALVADOR			3,272,500	3,272,500	31,494,828
EQUATORIAL GUINEA			7,200,000	7,200,000	7,200,000
ESTONIA			108,000	108,000	3,826,373

(CONTINUED)

FY 2014 AUTHORIZATIONS BY MARKET *(CONTINUED)*

(in dollars)

	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
ETHIOPIA		296,235,327	270,000	296,505,327	1,962,833,414
FIJI					92,008
FINLAND					3,316,769
FRANCE			58,500	58,500	79,905,050
FRENCH GUIANA					20,000
FRENCH POLYNESIA					254,989
GABON					9,107,132
GAMBIA					111,324
GEORGIA					13,300
GERMANY			1,350,000	1,350,000	1,070,241,096
GHANA			935,620	935,620	601,726,280
GIBRALTAR					122,138
GREECE			2,978,470	2,978,470	7,430,200
GREENLAND					28,000
GRENADA					4,026,455
GUATEMALA			4,137,500	4,137,500	40,271,457
GUYANA					1,866,570
HONDURAS	1,368,263		6,409,000	7,777,263	211,402,709
HONG KONG	2,231,470	145,532,000		147,763,470	3,234,579,212
HUNGARY					52,815,530
ICELAND			135,000	135,000	1,977,046
INDIA			540,000	540,000	7,286,060,975
INDONESIA			540,000	540,000	2,410,563,586
IRAQ					10,998,617
IRELAND		423,620,852	630,000	424,250,852	4,540,967,249
ISRAEL	618,751	6,373,518	1,119,600	8,111,869	627,067,063
ITALY		11,100,000	567,000	11,667,000	52,315,940
JAMAICA		1,418,014	2,700,000	4,118,014	23,179,310
JAPAN			1,156,500	1,156,500	106,124,789
JORDAN			295,875	295,875	4,754,545
KAZAKHSTAN					672,300,390
KENYA		843,699,694	180,000	843,879,694	1,028,499,589
KOREA, REPUBLIC OF		495,773,703	288,000	496,061,703	3,601,960,368
KOSOVO					16,887
KUWAIT		3,680,800		3,680,800	523,430,575
KYRGYZSTAN					493,484
LATVIA					219,981
LEBANON			595,000	595,000	3,567,822
LIBERIA			225,000	225,000	2,041,521
LIBYA					249,229
LIECHTENSTEIN					77,880
LITHUANIA					1,303,546
LUXEMBOURG		162,318,000		162,318,000	1,545,480,256
MACAU					50,605
MACEDONIA					3,090
MADAGASCAR					159,359
MALAWI					181,490
MALAYSIA					13,553,884
MALDIVES					469,468

FY 2014 AUTHORIZATIONS BY MARKET

(in dollars)

	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
MALI					5,303,377
MALTA					358,709
MAURITANIA					605,704
MAURITIUS					1,594,101
MEXICO	79,583,800	1,240,657,607	272,151,598	1,592,393,005	9,253,629,237
MONACO					55,056
MONGOLIA					411,403,519
MONTENEGRO					15,130,684
MONTSERRAT					48,957
MOROCCO		92,178,000		92,178,000	494,649,064
MOZAMBIQUE					1,618,123
NAMIBIA					2,112
NETHERLANDS		16,743,302	1,606,759	18,350,061	1,073,803,031
NEW CALEDONIA					198,272
NEW ZEALAND			261,000	261,000	487,133,446
NICARAGUA			2,386,500	2,386,500	34,001,002
NIGER					1,922
NIGERIA		47,590,225	5,113,922	52,704,147	147,107,280
NORWAY		193,513,067		193,513,067	1,015,752,117
OMAN					37,911,661
PAKISTAN		76,736,874	1,575,000	78,311,874	648,732,897
PANAMA			8,293,207	8,293,207	684,708,007
PAPUA NEW GUINEA					3,000,361,317
PARAGUAY			5,358,301	5,358,301	17,119,412
PERU	64,772,683	1,276,762	10,170,000	76,219,445	442,837,731
PHILIPPINES			90,000	90,000	557,970,255
POLAND			591,266	591,266	430,069,738
PORTUGAL					3,172,671
QATAR					691,597,901
ROMANIA		1,149,182		1,149,182	36,175,853
RUSSIA		721,778,892	1,646,500	723,425,392	1,488,912,129
RWANDA					100,000
SAMOA					48,924
SAN MARINO					44,373
SAUDI ARABIA	205,969,443		12,059,156	218,028,598	6,876,604,380
SENEGAL					8,370,517
SERBIA			332,500	332,500	134,746,567
SIERRA LEONE					173,626
SINGAPORE			1,132,200	1,132,200	1,739,576,260
SLOVAK REPUBLIC					50,265,103
SLOVENIA					8,610,710
SOLOMON ISLANDS					31,432
SOUTH AFRICA		563,455,620	433,312	563,888,932	1,637,265,858
SPAIN			450,000	450,000	458,821,564
SRI LANKA			270,000	270,000	79,458,783
ST. KITTS AND NEVIS					210,725
ST. LUCIA					477,777
ST. VINCENT AND GRENADINES		3,334,391		3,334,391	3,431,445
SUDAN					28,246,331
SURINAME					2,070,377

(CONTINUED)

FY 2014 AUTHORIZATIONS BY MARKET *(CONTINUED)*

(in dollars)

	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
SWAZILAND					13,811
SWEDEN					5,296,595
SWITZERLAND			517,500	517,500	67,215,014
TAIWAN			810,000	810,000	192,322,976
TAJIKISTAN					57,000,000
TANZANIA		1,734,232		1,734,232	4,695,725
THAILAND		497,110,947		497,110,947	714,512,184
TOGO		16,612,844		16,612,844	16,612,844
TRINIDAD AND TOBAGO			3,718,688	3,718,688	103,956,333
TUNISIA					413,397
TURKEY		171,701,369	3,960,000	175,661,369	3,684,000,337
TURKS AND CAICOS					1,718,543
UGANDA					1,041,976
UKRAINE			1,800,000	1,800,000	214,526,780
UNITED ARAB EMIRATES		284,125,185	2,979,750	287,104,935	5,958,264,779
UNITED KINGDOM	710,836,407		1,811,547	712,647,954	3,266,324,921
UNITED STATES	20,190,000	2,625,832,950		2,646,022,950	6,885,285,849
URUGUAY	64,463,859		5,714,023	70,177,882	150,966,100
UZBEKISTAN					23,191,859
VANUATU					10,683
VARIOUS COUNTRIES UNALLOCABLE					41,984,754
VENEZUELA					25,093,100
VIETNAM			450,000	450,000	89,484,786
VIRGIN ISLANDS (BRITISH)					2,539,761
WEST INDIES (BRITISH)					293,008
WEST INDIES (FRENCH)					421,533
ZAMBIA		2,218,408		2,218,408	7,637,503
ZIMBABWE					69,603
SUBTOTAL	**1,947,782,209**	**13,314,056,139**	**508,447,307**	**15,770,285,655**	**105,860,913,064**
MULTIBUYER INSURANCE—SHORT-TERM			**4,697,612,109**	**4,697,612,109**	**6,146,921,535**
GRAND TOTAL	**$1,947,782,209**	**$13,314,056,139**	**$5,206,059,416**	**$20,467,897,764**	**$112,007,834,599**

FY 2014 LONG-TERM GUARANTEES AND LOANS AUTHORIZATIONS

Country/ Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
ANGOLA						
4/17/2014	TAAG—Linhas Aereas de Angola The Boeing Co.	088406	1	Commercial Aircraft		$181,652,744
Angola Total						**$181,652,744**
ARGENTINA						
5/15/2014	Pan American Energy (Sucursal Argentina) National Oilwell Varco Inc. Pan American Energy LLC	088250	1	Drilling Rigs		$98,451,807
Argentina Total						**$98,451,807**
AUSTRALIA						
12/19/2013	Roy Hill Holdings Pty Ltd. Caterpillar Engine Systems Inc.	086750	3	Mining Machinery and Equipment	$635,000,000	
2/10/2014	Jabiru Satellite Ltd. Lockheed Martin Corp. Newsat Ltd.	086539	3	Communications Satellite	$9,869,000	
8/21/2014	Virgin Australia Airlines The Boeing Co.	088835	2	Commercial Aircraft		$139,632,049
Australia Total					**$644,868,999**	**$139,632,049**
AZERBAIJAN						
7/17/2014	Silk Way Airlines The Boeing Co. Gulfstream Aerospace Corp.	088641	1	Commercial and Business Aircraft		$419,487,834
Azerbaijan Total						**$419,487,834**
BANGLADESH						
10/31/2013	Biman Bangladesh Airlines The Boeing Co	086031	1	Commercial Aircraft		$277,445,067
Bangladesh Total						**$277,445,067**
BRAZIL						
12/19/2013	Lider Táxi Aéreo S.A. Sikorsky Aircraft Corp.	088402	1	Helicopters		$45,789,516
9/18/2014	VRG Linhas Aéreas S.A. Delta TechOps	088878	2	Aircraft-Engine Maintenance, Repair and Overhaul (MRO) Services		$51,604,696
Brazil Total						**$97,394,212**
BULGARIA						
12/12/2013	Bulgaria Sat AD Space Systems/Loral LLC (SSL) Space Exploration Technologies Corp. (SpaceX) Bulsatcom AD	086418	2	Communications Satellite and Launch Services	$150,542,286	
Bulgaria Total					**$150,542,286**	

(CONTINUED)

* Not all guarantors are reported.
** The following were identified as the primary purpose for seeking Bank support:
1. To assume commercial or political risk that exporter 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.
4. Not identified: Insufficient information.

Beginning in FY2013, in accordance with 12 U.S.C. Section 635g(h) as amended May 2012, the Bank will separately report reasons 1 and 2.

FY 2014 LONG-TERM GUARANTEES AND LOANS AUTHORIZATIONS *(CONTINUED)*

Country/ Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
CANADA						
3/6/2014	Air Canada The Boeing Co.	088513	3	Commercial Aircraft		$453,818,892
Canada Total						**$453,818,892**
CHILE						
6/12/2014	Latam Airlines Group S.A. The Boeing Co.	088724	3	Commercial Aircraft		$246,301,780
Chile Total						**$246,301,780**
CHINA						
12/12/2013	China Southern Airlines The Boeing Co	088162	3	Commercial Aircraft		$291,778,000
12/19/2013	Minsheng Financial Leasing Co. Ltd. Gulfstream Aerospace Corp.	088217	3	Business Aircraft		$298,834,009
4/10/2014	Export-Import Bank of China W. S. Darley & Co. Ministry of Finance	087602	1	Fire-Fighting Vehicles		$18,436,500
4/22/2014	Semiconductor Manufacturing International Shanghai Varian Semiconductor Equipment Associates Inc. Semiconductor Manufacturing International Corp.	088009	3	Semiconductor-Manufacturing Machinery		$68,486,296
5/15/2014	ICBC Financial Leasing Co. Ltd. The Boeing Co.	088580	1	Commercial Aircraft		$300,435,520
6/5/2014	Air China Cargo The Boeing Co.	088650	3	Commercial Aircraft		$733,869,376
6/5/2014	ABC Financial Leasing Co. Ltd. Gulfstream Aerospace Corp.	088577	2	Business Aircraft		$60,925,586
9/4/2014	Air China The Boeing Co.	088793	3	Commercial Aircraft		$424,148,015
China Total						**$2,196,913,302**
COLOMBIA						
9/29/2014	Avianca Holdings S.A. The Boeing Co.	088876	2	Commercial Aircraft		$184,448,974
Colombia Total						**$184,448,974**
COSTA RICA						
11/18/2013	Inversiones Eólicas de Orosi Dos S.A. Gamesa Technology Corp.	085968	1	Wind-Power Turbines (Credit Amendment)	$2,336,248	
Costa Rica Total					**$2,336,248**	
ETHIOPIA						
9/29/2014	Ethiopian Airlines SC The Boeing Co.	088866	3	Commercial Aircraft		$296,235,327
Ethiopia Total						**$296,235,327**
HONDURAS						
11/15/2013	Energia Eólica de Honduras S.A. Gamesa Technology Corp.	087547	2	Wind-Power Turbines (Credit Amendment)	$1,368,263	
Honduras Total					**$1,368,263**	

* Not all guarantors are reported.

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1. To assume commercial or political risk that exporter 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.
4. Not identified: Insufficient information.

Beginning in FY2013, in accordance with 12 U.S.C. Section 635g(h) as amended May 2012, the Bank will separately report reasons 1 and 2.

FY 2014 LONG-TERM GUARANTEES AND LOANS AUTHORIZATIONS

Country/ Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
HONG KONG						
11/14/2013	Cathay Pacific Airways Ltd. The Boeing Co.	088147	3	Commercial Aircraft		$145,532,000
11/26/2013	Asia Satellite Telecommunications Co. Ltd. Space Systems/Loral LLC (SSL)	086677	2	Communications Satellite and Launch (Credit Amendment)	$2,231,470	
Hong Kong Total					**$2,231,470**	**$145,532,000**
IRELAND						
1/23/2014	Milestone Aviation Group Ltd. Sikorsky Aircraft	088132	2	Helicopters		$331,120,852
3/6/2014	Intrepid Aviation The Boeing Co.	088552	2	Commercial Aircraft		$92,500,000
Ireland Total						**$423,620,852**
ISRAEL						
11/1/2013	Space Communication Ltd. Space Exploration Technologies Corp. (SpaceX)	087586	3	Geosynchronous Satellite Launch Services	$618,751	
Israel Total					**$618,751**	
KENYA						
3/13/2014	Kenya Airways Ltd. The Boeing Co.	088412	3	Commercial Aircraft		$841,645,781
Kenya Total						**$841,645,781**
KOREA, REPUBLIC OF						
12/12/2013	Korean Air Lines The Boeing Co.	088292	2	Commercial Aircraft		$495,773,703
Korea, Republic of Total						**$495,773,703**
LUXEMBOURG						
6/19/2014	Cargolux Airlines International S.A. The Boeing Co.	088735	2	Commercial Aircraft		$162,318,000
Luxembourg Total						**$162,318,000**
MEXICO						
2/20/2014	Innova S.A. de R.L. de C.V. Orbital Sciences Corp.	088429	2	Communication Satellite	$79,583,800	
4/10/2014	Central Panuco S.A de C.V. Keppel Amfels LLC Perforadora Central S.A. de C.V.	088368	3	Shipbuilding and Repairing Services		$172,252,610
8/21/2014	Navistar Financial S.A. de C.V., Sofom Various U.S. Suppliers	088218	2	Transmissions, Valves and Oil Coolers		$41,320,000
9/29/2014	Petróleos Mexicanos (Pemex) S.A. de C.V. Various U.S. Suppliers Pemex Exploración y Producción	088773	3	Oilfield and Gasfield Equipment and Services		$800,000,000
9/29/2014	Petróleos Mexicanos (Pemex) S.A. de C.V. Various U.S. Small Businesses Pemex Exploración y Producción	088774	3	Oilfield and Gasfield Equipment and Services		$200,000,000
Mexico Total					**$79,583,800**	**$1,213,572,610**

(CONTINUED)

* Not all guarantors are reported.

** The following were identified as the primary purpose for seeking Bank support:

1. To assume commercial or political risk that exporter 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.
4. Not identified: Insufficient information.

Beginning in FY2013, in accordance with 12 U.S.C. Section 635g(h) as amended May 2012, the Bank will separately report reasons 1 and 2.

FY 2014 LONG-TERM GUARANTEES AND LOANS AUTHORIZATIONS *(CONTINUED)*

Country/ Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
MOROCCO						
9/4/2014	OCP Group S.A. / Holtec International	088270	2	Equipment and Services for Phosphate Production		$92,178,000
Morocco Total						**$92,178,000**
NETHERLANDS						
6/12/2014	Energyst Group Services B.V. / Caterpillar Inc. / Energyst B.V.	088272	1	Equipment for Electric-Power Generation		$16,743,302
Netherlands Total						**$16,743,302**
NIGERIA						
7/31/2014	Michharry & Company Nigeria Ltd. / CS Liftboats Inc. / Diamond Bank Ltd.	088502	1	Liftboat and Engineering Services		$43,490,923
Nigeria Total						**$43,490,923**
NORWAY						
10/24/2013	Norwegian Air Shuttle ASA / The Boeing Co.	088035	1	Commercial Aircraft		$193,513,067
Norway Total						**$193,513,067**
PAKISTAN						
8/7/2014	Pakistan International Airlines Corp. / General Electric Aviation	088595	1	Components for Aircraft Engine Overhauls		$76,736,874
Pakistan Total						**$76,736,874**
PERU						
8/7/2014	Parque Eólico Marcona, S.R.L. / Siemens Energy Inc.	088334	3	Wind-Power Turbines	$12,428,611	
8/7/2014	Parque Eólico Tres Hermanas S.A.C. / Siemens Energy Inc.	087793	3	Wind-Power Turbines	$52,344,072	
Peru Total					**$64,772,683**	
RUSSIA						
1/23/2014	Vnesheconombank Leasing JSC / The Boeing Co.	088285	3	Commercial Aircraft		$703,062,085
2/14/2014	Sberbank*** / P&H Mining Equipment Inc.	088305***	1	Electric Mining Shovel		$18,716,807
Russia Total						**$721,778,892**
SAUDI ARABIA						
12/12/2013	Power Cogeneration Plant Co. / General Electric Co.	087461	3	Turbine and Turbine-Generator Set Units	$205,969,443	
Saudi Arabia Total					**$205,969,443**	
SOUTH AFRICA						
7/31/2014	Transnet Ltd. / General Electric Transportation	088827	3	Diesel Locomotive Kits		$563,455,620
South Africa Total						**$563,455,620**

* Not all guarantors are reported.

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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.
4. Not identified: Insufficient information.

Beginning in FY2013, in accordance with 12 U.S.C. Section 635g(h) as amended May 2012, the Bank will separately report reasons 1 and 2.

*** This transaction has been canceled.

FY 2014 LONG-TERM GUARANTEES AND LOANS AUTHORIZATIONS

Country/ Authorization Date	Obligor / Principal Supplier / Guarantor*	Credit	Additionality Code**	Product	Loans	Guarantees
THAILAND						
6/26/2014	Thai Airways International Ltd. The Boeing Co.	088703	3	Commercial Aircraft		$497,110,947
Thailand Total						**$497,110,947**
TOGO						
7/31/2014	Banque Ouest Africaine de Developpement General Electric Co.	088709	1	Turbine and Turbine-Generator Set Units		$16,612,844
Togo Total						**$16,612,844**
TURKEY						
3/27/2014	Korfez Havacilik Turizm Ve Ticaret A.S. Gulfstream Aerospace Corp.	088563	1	Business Aircraft		$59,937,632
5/1/2014	Turkish Airlines Inc. General Electric Aviation	088665	3	Spare Aircraft Engines		$39,091,873
7/31/2014	Delta Enerji Uretim Ve Ticaret A.S. General Electric Co. Palmet Enerji A.S.	088461	3	Gas-Turbine Generator		$71,668,348
Turkey Total						**$170,697,853**
UNITED ARAB EMIRATES						
10/22/2013	Dubai Aerospace Enterprise (DAE) Ltd. The Boeing Co.	087679	3	Commercial Aircraft		$5,421
1/23/2014	Emirates Airline The Boeing Co.	088400	3	Commercial Aircraft		$284,119,764
United Arab Emirates Total						**$284,125,185**
UNITED KINGDOM						
7/14/2014	Inmarsat Investments Ltd. Boeing Satellite Systems Inc. Inmarsat S.A. (Switzerland)	088567	3	Communications Satellite	$185,907,209	
9/29/2014	Viasat Technologies Ltd. Boeing Satellite Systems Inc. Viasat Inc.	088346	3	Communications Satellite	$524,929,198	
United Kingdom Total					**$710,836,407**	
URUGUAY						
5/15/2014	Astidey S.A. Gamesa Technology Corp.	087794	2	Wind-Power Turbines	$64,463,859	
Uruguay Total					**$64,463,859**	
MISCELLANEOUS						
	Private Export Funding Corporation (PEFCO)	003048	4	Interest on PEFCO'S Own Debt		$235,989,444
Miscellaneous Total						**$235,989,444**
GRAND TOTAL					$1,927,592,209	$10,786,677,884

* Not all guarantors are reported.

** The following were identified as the primary purpose for seeking Bank support:

1. To assume commercial or political risk that exporter 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.
4. Not identified: Insufficient information.

Beginning in FY2013, in accordance with 12 U.S.C. Section 635g(h) as amended May 2012, the Bank will separately report reasons 1 and 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF Results of Operations and Financial Condition

For the Years Ended September 30, 2014 and September 30, 2013

$10.7b

In FY 2014, the exports in support of small business were $10.7 billion or 39.0 percent of the export value.

$20b+

In fiscal year 2014, ending September 30, 2014, Ex-Im Bank authorized $20,467.9 million direct loans, loan guarantees and insurance.

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. Ex-Im Bank underwrites credit and country risks that the private sector is unable or unwilling to accept. The Bank 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 reasonable assurance of repayment for the transactions it authorizes and the Bank closely monitors credit and other risks in its portfolio.

Ex-Im Bank's main goal is to equip businesses of all sizes with the competitive financing necessary to win deals in global markets and add jobs here at home—but Ex-Im Bank only does so when private financing is unavailable. As a resurgent economy and increasingly fertile lending environment draws more private lenders back into the export finance arena, Ex-Im Bank has seen its authorizations ebb from recent highs brought about in the wake of the 2008 financial crisis. Ex-Im's role is to fill in the gaps when private lenders are unable or unwilling to provide support for American-made goods and services.

In the fiscal year ended September 30, 2014 (FY 2014), Ex-Im Bank authorized $20,467.9 million of loan guarantees, insurance and direct loans in support of an estimated $27,490.2 million of U.S. export sales and of an estimated 164,000 U.S. jobs. This is a 25.2 percent decrease in authorizations from FY 2013 of $27,347.6 million. Over the past five fiscal years, annual authorizations have ranged from $20,467.9 million to $35,784.3 million in support of estimated U.S. export sales ranging from $26,438.6 million to $49,988.9 million.

Small business authorizations in FY 2014 totaled $5,050.2 million, representing 24.7 percent of total authorizations and 39.0 percent of the direct exports Ex-Im Bank supports. These totals compare to new small business authorizations in FY 2013 that equaled $5,223.0 million representing 19.1 percent of total authorizations. In FY 2014, the number of transactions that were made available for the direct benefit of small-business exporters was 3,347 transactions (89.3 percent of total transactions), compared to 3,413 small business transactions (88.8 percent of total transactions) in FY 2013.

In FY 2014, the exports supported for small businesses were $10.7 billion or 39.0 percent of the export value. This compares to $11.7 billion or 31.3 percent for FY 2013. For FY 2014, Ex-Im Bank estimates that the authorizations with indirect small business support were $0.7 billion compared to $0.8 billion in FY 2013. The total small business support in FY 2014 was $5.9 billion compared to $6.0 billion in FY 2013. Ex-Im supports the highest proportion of exports supported that benefits the small business sector.

Ex-Im Bank currently has exposure in 178 countries throughout the world. Total exposure decreased by 1.6 percent to $112,007.8 million at September 30, 2014, compared to $113,825.3 million at September 30, 2013. The decrease in exposure resulted from repayments and cancellations greater than new authorizations. The higher level of repayments resulted from higher than usual authorizations in recent years. Of this total, the Bank's largest exposure is in the aircraft-transportation sector, accounting for 45.2 percent of total exposure in FY 2014 and 45.1 percent in FY 2013. The highest geographic concentration of exposure is in Asia, with 41.1 percent of total exposure at September 30, 2014, and 40.8 percent at September 30, 2013. 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 2014, Ex-Im Bank approved $1,333.6 million in foreign-currency-denominated transactions. Total outstanding foreign-currency exposure at September 30, 2014, was $7,329.6 million, which was 6.5 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.

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 pro-active monitoring efforts to minimize defaults. In FY 2014, Ex-Im Bank paid $83.9 million in gross claims compared to a five-year average of $103.7 million. Finally, Ex-Im Bank works actively and effectively to recover overdue or defaulted accounts. During FY14, the Bank recovered $38.5 million on previously defaulted credits.

The overall weighted-average risk rating for new FY 2014 authorizations for short-term rated, medium-term, and long-term export credit authorizations was 4.09 compared to a weighted-average risk rating of 3.88 for new authorizations in FY 2013. In FY 2014, 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- equivalent) while 25.8 percent were rated level 5 to 8 (BB+ to B- equivalent). Ex-Im averages a 50% recovery rate on all defaulted credits.

The overall weighted-average risk rating for the outstanding portfolio remains relatively unchanged at 3.75 (BBB- equivalent) in FY 2014 compared to 3.70 (BBB- equivalent) in FY 2013.

Starting in 2003 Ex-Im Bank's portfolio began to shift from primarily sovereign and other public sector borrowers to primarily private sector borrowers. Between FY 2010 and FY 2014, exposure to public sector obligors has decreased from 32.8 percent to 30.7 percent, while exposure to private sector obligors has increased from 67.2 percent to 69.3 percent.

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 2014 was $526.1 million and net excess costs over revenue for FY 2013 was $539.9 million. The Statement of Net Cost does not provide an assessment of Ex-Im Bank's operational performance. As mentioned, this statement is set up to present expenditures of funds for programs, assuming federal agencies do not earn excess fees or profit. Refer to explanation of Statement of Net Cost in section VIII. Results of Operations, Statement of Net Cost.

24.7%

Small business authorizations in FY 2014 totaled more than $5,050.2 million, representing 24.7 percent of total authorizations.

The Bank's offsetting collections and new obligations presents the Bank's operational performance. Refer to Exhibit 3: Ex-Im Bank had $800.2 million in offsetting collections, after setting funds aside for credit loss reserves, in FY 2014 and $1,254.8 million in FY 2013. Of these amounts, $674.7 million and $1,056.9 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 2014 and FY 2013, $23.0 million and $400.0 million, respectively, of previously collected unobligated funds Ex-Im Bank sent to the U.S. Treasury due to rescissions. Since 1992, Ex-Im Bank has sent a net $6.9 billion to the U.S. Treasury which includes excess offsetting collections, re-estimates, appropriations, and rescissions.

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 2010 to 2014 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.

In FY 2013 and 2014 Ex-Im Bank was recognized as:

- The world's "Best Export Credit Agency" by *Trade and Forfaiting Review* (TFR) as part of their 2013 Excellence Awards
- 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 by *Trade 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. The Administration has requested a five-year extension of the Bank's charter through FY 2019. Congressional authorization has been temporarily extended through June 30, 2015. Management believes that Ex-Im Bank's authorization will be further extended until a final authorization is passed by Congress. If the charter is temporarily not extended, the Bank will not be able to authorize new credits; however, under the terms of its charter the Bank will continue to service existing loans, guarantees, and insurance policies. Ex-Im is currently appropriated through a continuing resolution through December 11, 2014 and management expects Ex-Im Bank will receive an appropriation when Congress approves an Omnibus Appropriations Bill funding the entire U.S. Government.

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: loan guarantees, working capital guarantees, direct loans 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 (62.0 percent and 61.8 percent) of Ex-Im Bank's exposure at September 30, 2014, and September 30, 2013, respectively.

(in millions)	FY 2014		FY 2013	
Outstanding Guarantees	$60,905.9	54.4%	$59,195.7	52.0%
Outstanding Loans	21,560.4	19.2%	18,248.1	16.0%
Outstanding Insurance	2,253.9	2.0%	2,867.0	2.5%
Outstanding Claims	1,219.9	1.1%	1,328.9	1.2%
Total Outstanding	**85,940.1**	**76.7%**	**81,639.7**	**71.7%**

(in millions)	FY 2014		FY 2013	
Undisbursed Loans	11,094.3	9.9%	14,755.9	13.0%
Undisbursed Guarantees	8,457.3	7.6%	11,148.6	9.8%
Undisbursed Insurance	6,516.1	5.8%	6,281.1	5.5%
Total Undisbursed	**26,067.7**	**23.3%**	**32,185.6**	**28.3%**
Total Exposure	**$112,007.8**	**100.0%**	**$113,825.3**	**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.

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.

To ensure that Ex-Im Bank furthers its long track record of responsible stewardship of taxpayer dollars, Ex-Im Bank maintains a comprehensive risk management framework—one built on a foundation of effective underwriting in order to satisfy our congressional mandate that every authorization Ex-Im Bank completes comes with "a reasonable assurance of repayment." To that end, approximately 80 percent of our authorizations in FY 2014 were backed by a sovereign guarantee or collateral. In the aircraft sector of the portfolio, Ex-Im Bank is over collateralized with a value to loan ratio of 1.4 to 1 of the portfolio outstanding balance.

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).

Ex-Im Bank's Export Credit Insurance Program supports 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 are primarily U.S. dollar transactions, so there is no foreign currency risk.

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 loan disbursements and the payment of claims. Ex-Im Bank collects fees that cover program obligations and administrative costs.

When expected cash disbursements exceed expected cash receipts, there is an expected 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 estimate this cost annually and to seek budget authority from Congress to cover that cost. New loans and guarantees with a program cost cannot be committed unless sufficient program budget authority is available to cover the calculated credit cost. Ex-Im Bank is devoting extensive time and resources in exploring ways to reduce credit subsidy expenses, which are on track to reach zero subsidies in FY 2015.

When expected cash receipts exceed expected cash disbursements, there is an expected 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.

Since 1992, the Bank has sent to the U.S. Treasury

$6.9b

more than it received in appropriations for program and administrative costs.

In FY 2008, Congress changed the form in which 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 $6.9 billion more than it received in appropriations for program and administrative costs.

Although Ex-Im Bank is self-financing, Congress continues its oversight of the Bank's budget, setting annual limits on its use of funds for program administrative expense obligations and other 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. The following officers report directly to the president of the Bank:

Chief Risk Officer: The Chief Risk Officer serves as the Bank's Executive Vice President charged with managing and directing all Bank programs and operations, including the Bank's enterprise-wide risk function.

Chief of Staff: The Chief of Staff is the principal political and communications problem-solver and advisor to the chairman and president of the Bank.

Chief Banking Officer: The Chief Banking Officer oversees the Export Finance Group and develops long term strategy to meet the Bank's export goals.

Senior Vice President for Small Business: The Bank's charter provides that the head of the small business function report directly to the president of the Bank.

Office of the Chief of Staff: This group provides overall direction and management of the Bank's policies and government and external affairs, reauthorization efforts, and initiates and implements long term strategic goals. The following departments and officers are supervised by this office:

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

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

Office of the Chief Banking Officer and Export Finance: The Office of the Chief Banking Officer leads the Office of Export Finance, primarily focusing on export strategy, with business outreach and development in key markets. The Office of Export Finance is responsible for the origination and processing of transactions for most lines of business, as well as transaction servicing, operations, and business development. The following divisions are supervised by the Chief Banking Officer:

Trade Finance and Insurance

Transportation Group

Customer Experience

Business Credit

Operations and Data Quality

Structured and Project Finance

Business and Product Development

Global Business Development

Business and Product Development: The Senior Vice President of Business and Product Development, reporting to the Chief Banking Officer, focuses on promoting products to new and current customers of Ex-Im Bank. As a senior member of the Bank, this person serves as the knowledge expert on Bank products and practices.

Office of the Executive Vice President and Chief Risk Officer: The Office of the Executive Vice President and Chief Risk Officer oversees management of the Bank and the full range of enterprise risk facing the bank, including repayment risk, market risk, operational risk, legal risk and other risks.

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 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 Credit and Risk Management: The Office of Credit and Risk Management 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 credit policy, country risk and economic analysis.

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

Business Process Division: The Business Process Division is charged with reengineering business processes to enhance effectiveness and increase productivity through the Total Enterprise Modernization Project (TEM).

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 2014 and FY 2013 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 September 18, 2014, 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. STRATEGY 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 13.5 percent of the U.S. gross domestic product as of the second quarter of FY 2014.

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 Bank 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 that it is 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 FY2014 Ex-Im Bank authorizations, the Bank supports 6,190 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 2013 update to the strategic plan added the last goal to ensure effective enterprise risk management consistent with the Bank's charter requirements.

The 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.

In an effort to provide greater emphasis on enterprise risk management, Ex-Im Bank established an Enterprise Risk Committee (ERC) in late 2013. The committee's primary goal is to implement, evaluate and manage a comprehensive and systematic risk structure at the Bank. The committee's responsibility includes the full range of risks facing the bank: Strategic Risk, Repayment Risk, Market Risk, Operational Risk, and Legal Risk. Other areas of focus for the Enterprise Risk Committee include, but are not limited to, due diligence measures, risk rating evaluations, impaired credit monitoring, and the overall effectiveness of risk management practices.

The Enterprise Risk Committee is chaired by the Chief Risk Officer and includes as its membership the senior vice presidents of the Bank, who supervise all of the functional offices of the bank. The committee meets at least monthly and gives periodic updates and recommendations to the President and Chairman of the Board and the Audit Committee of the Board of Directors.

Beginning in FY 2012 and continuing for the next five years, the Bank began a project to modernize IT systems infrastructure and business processes. The Total Enterprise Modernization (TEM) project is making long-deferred technology investments and business process improvements to grow the Bank's capacity to meet customer needs and enhance long-term capabilities of the Bank.

Results: FY 2014 Authorizations

A resurging economy and increasingly liquid lending environment resulted in more private lenders funding export finance during the year, as a result, Ex-Im Bank has seen its authorizations ebb from recent highs brought about in the wake of the 2008 financial crisis. Ex-Im's role is to match competition from other ECAs (export credit agencies) and fill in the gaps when private lenders are unable or unwilling to provide support for American-made goods and services. As such, Ex-Im Bank authorizations are, to a certain extent, contra-cyclical during times of liquidity.

In FY 2014, Ex-Im Bank approved $20,467.9 million in authorizations. This is a 25.2 percent decrease from authorizations of $27,347.6 million in FY 2013. The authorizations supported an estimated U.S. export value of $27,490.2 million for FY 2014 and $37,412.0 million in FY 2013 and an estimated 164,000 and 205,000 U.S jobs in FY 2014 and FY 2013, respectively. Full-year authorizations ranged from $20,467.9 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 2010	FY 2011	FY 2012	FY 2013	FY 2014
LONG-TERM					
Loans	$4,255.5	$6,315.0	$11,751.7	$6,878.4	$1,927.6
Guarantees	10,225.0	15,479.4	14,879.6	12,179.7	10,789.2
Subtotal, Long-Term	**14,480.5**	**21,794.4**	**26,631.3**	**19,058.1**	**12,716.8**
MEDIUM-TERM					
Loans	5.1	7.9	12.8	–	–
Guarantees	702.5	693.0	186.8	132.5	135.0
Insurance	312.9	238.8	165.0	101.7	98.8
Subtotal, Medium-Term	**1,020.5**	**939.7**	**364.6**	**234.2**	**233.8**
SHORT-TERM					
Working Capital	2,178.5	3,228.0	3,254.1	2,615.0	2,410.0
Insurance	6,788.3	6,765.0	5,534.3	5,440.3	5,107.3
Subtotal, Short-Term	**8,966.8**	**9,993.0**	**8,788.4**	**8,055.3**	**7,517.3**
TOTAL AUTHORIZATIONS	**$24,467.8**	**$32,727.1**	**$35,784.3**	**$27,347.6**	**$20,467.9**

Long-term transactions: The Bank's credit assessment includes an evaluation of the industry/position and primary source of repayment, the borrower's operating performance, liquidity position, leverage, and ability to service its existing and prospective debt obligations throughout the term of the exposure. Consideration may also be given to either credit enhancements proffered by the borrower and/or those deemed necessary by Ex-Im Bank. A risk rating is assigned to the transaction based on this evaluation which in turn establishes the level of loss reserves the Bank must set aside.

Short-term and medium-term transactions: These transactions are largely underwritten under individual delegated authority pursuant to prescribed credit standards and information requirements. Governance and control procedures employed include periodic credit and compliance reviews, the results of which are provided to senior management and the Board of Directors.

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. Ex-Im 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 Office of Small Business provides a bank wide 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, In 1985, Congress enacted a 10 percent mandate on small business authorizations, which was increased in 2002 to 20 percent. Ex-Im Bank continues to innovate, design, and implement programs and policies to meet the needs of the U.S. small business exporter.

Results: FY 2014 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 2014 were $5,050.2 million as compared with small business authorizations for FY 2013 of $5,223.0 million. In FY 2014, small business authorizations represented 24.7 percent of total authorizations and 39.0 percent or $10.7 billion of the direct exports Ex-Im Bank supported. This compares to 19.1 percent of total authorizations and 31.3 percent or $11.7 billion for FY 2013. During FY 2014, the number of transactions that were executed for the direct benefit of small business exporters was 3,347 transactions (89.3 percent of the total number of transactions), compared to 3,413 transactions (88.8 percent of the total number of transactions) in FY 2013. For FY 2014, Ex-Im Bank estimates that authorizations with indirect small business support were $0.7 billion compared to $0.8 billion in FY 2013.

In FY 2014, Ex-Im Bank authorized $751.3 million, 3.7 percent of total authorizations, to support exports by small and medium-sized business known to be minority-owned and women-owned, compared to authorizations of $815.6 million, 3.0% of total authorizations, in FY 2013.

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 2014 and FY 2013 $1,771.5 million and $1,813.8 million, respectively, (74.3 percent and 69.5 percent, respectively), of total authorizations in the Working Capital Guarantee Program supported small businesses.

Of the total authorizations under the export-credit insurance program in FY 2014, $2,917.6 million (57.7 percent) supported small businesses compared to $2,812.5 million (50.8 percent) in FY 2013.

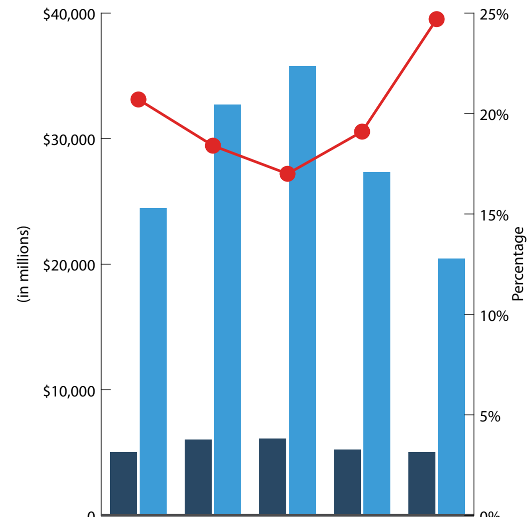
Exhibit 2 shows the total dollar amount of authorizations for small business exports for each year since FY 2010, together with the percentage of small business authorizations to total authorizations for that fiscal year.

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

EXHIBIT 2: SMALL BUSINESS AUTHORIZATIONS



Fiscal Year	2010	2011	2012	2013	2014
Small Business Authorizations	$5,052.9	$6,037.3	$6,122.9	$5,223.0	$5,050.2
Total Authorization	$24,467.8	$32,727.1	$35,784.3	$27,347.6	$20,467.9
Percentage of Authorizations	20.7%	18.4%	17.1%	19.1%	24.7%

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 2014 Environmentally Beneficial Authorizations

In FY 2014, Ex-Im Bank authorizations of environmentally beneficial goods and services totaled $335.7 million compared to $433.1 million in FY 2013. Approximately 1.6 percent of the Bank's FY 2014 authorizations supported environmentally beneficial goods, which was comparable to the percentage in FY 2013.

Ex-Im Bank's total number of renewable-energy authorizations, a subset of the Bank's environmentally beneficial authorizations, was unchanged at 32 in FY 2014 from 32 in FY 2013. In FY 2014, Ex-Im Bank authorizations which support U.S. renewable-energy exports and services totaled $186.8 million compared to $257.0 million in FY 2013. FY 2014 authorizations were driven by financing wind energy projects in Latin America. The decrease in overall authorizations in FY 2014 was driven primarily by the lack of financing demand for solar projects in India, Ex-Im Bank's major market for solar financing, as the result of transition in the National Solar Mission in India from Phase 1 to Phase 2.

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 supported $3,212.2 million in renewable energy transactions.

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 2014 Sub-Saharan Africa Authorizations

The total number of sub-Saharan Africa authorizations increased 2.1 percent to 192 in FY 2014 from 188 in FY 2013. The dollar amount of authorizations increased 240.1 percent to $2,055.1 million (10.0 percent of total authorizations) in FY 2014 from $604.2 million (2.2 percent of total authorizations) in FY 2014. Across the region, there has been substantial investment in infrastructure, including in ports, electricity capacity, and transportation. There was an increase in aircraft authorizations from approximately $160.0 million in FY 2013 to $1,000.0 million in FY 2014. The main driver of this change is an $835.1 million authorization to Kenya Airways, a deal that will catalyze Nairobi's growth as a major aviation hub, expand Kenya Airways' fleet of high-quality aircraft, and support 5,400 manufacturing and other quality jobs at Boeing's suppliers across America.

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

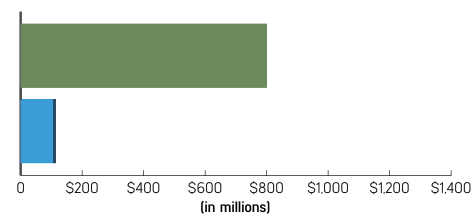
Ex-Im Bank has been self-sustaining for budgetary purposes since FY 2008. As a result, the Bank does not rely on Congressional appropriation to sustain operations, which is critical in a tight budgetary environment. Ex-Im Bank's program revenue (i.e., in a given year, fee and interest collections from 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 2014, Ex-Im Bank collected $800.2 million in offsetting collections, while subsidy and administrative obligations totaled $135.6 million; compared with $1,254.8 million offsetting collections and $132.3 million subsidy and administrative obligations in FY 2013.

For Ex-Im, prudent lending and rigorous risk management have consistently led to positive returns for American taxpayers. In FY 2014, Ex-Im wired $674.7 million to the U.S. Treasury to be used for deficit reduction—the latest in a long line of surplus revenues. All told, over the last two decades, Ex-Im has generated $6.9 billion in revenues for U.S. taxpayers above and beyond the cost of Bank operations and loan loss reserves.

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. Despite Ex-Im's self-sustaining

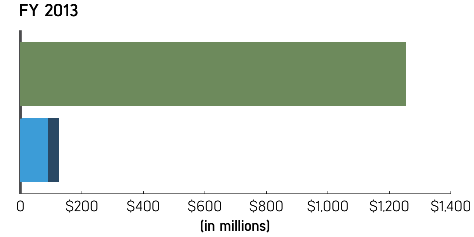
EXHIBIT 3: OFFSETTING COLLECTIONS AND NEW OBLIGATIONS

FY 2014



Offsetting Collections	$800.2
Administrative Expenses	$105.5
Program Costs	$8.7

FY 2013



Offsetting Collections	$1,254.8
Administrative Expenses	$89.9
Program Costs	$34.1

For each dollar of expenses (administrative and program cost), the Bank generated $7.01 in offsetting collections in FY 2014.

More than

80%

of Ex-Im Bank's entire portfolio is backed by some form of collateral or sovereign guarantee.

status, Congress still continues its oversight of the Bank's budget, setting annual limits on the use of funds for program budget and administrative expense obligations. Ex-Im Bank has also devoted extensive time and resources in exploring ways to reduce credit subsidy expenses, which are on track to reach zero subsidy in FY 2015.

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. This publication serves as the global magazine for decision makers in the trade-finance and export communities. The Bank also received several accolades from Global Finance Magazine that recognized Ex-Im Bank as the Best Trade Finance Multilateral Institution or Export Credit Agency.

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 non-domestic 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

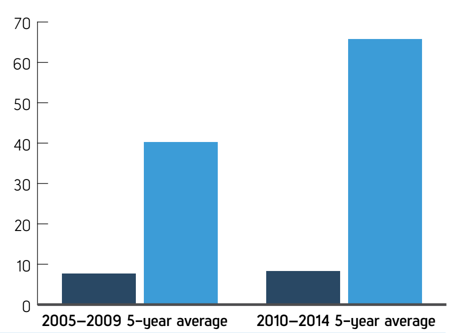
Protecting the U.S. Taxpayer

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 and sanctions. And 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 on its active portfolio. The September 30, 2014 reported number was 0.175 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 effective portfolio management action on those credits that do 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 2014, Ex-Im Bank paid gross claims of $40.3 million with $43.7 million of loans in arrears. These figures represent 0.04 percent of the total exposure of the Bank.

EXHIBIT 5: TREND OF AUTHORIZATIONS PER EMPLOYEE



	2005–2009 5-year average	2010–2014 5-year average
Count Authorized per Employee	7.7	8.3
Dollar Authorized per Employee	$40.2	$65.7

Another efficiency measure (Exhibit 5), examines the trend of authorizations per employee using five-year averages. The 2010 through 2014 five-year average dollar amount of authorizations per employee was $65.7 with an average count of 8.3 transactions per employee. This compares to a 2005 through 2009 five-year average of $40.2 and a count of 7.7 transactions per employee.

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 2014 $140 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, the entire credit is assumed to be "disbursed" when the fee is paid to Ex-Im. The credit is recorded as repaid in one installment 180 days 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 178 countries throughout the world totaling $112,007.8 million at September 30, 2014. Total exposure over the five-year period has averaged $99.4 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 2010	FY 2011	FY 2012	FY 2013	FY 2014
Guarantees	$51,828.9	$61,429.1	$66,860.2	$70,344.3	$69,363.2
Loans	11,200.3	16,732.4	28,758.3	33,004.0	32,654.7
Insurance	9,866.5	9,312.9	9,528.7	9,148.1	8,770.0
Receivables from Subrogated Claims	2,318.2	1,677.6	1,499.2	1,328.9	1,219.9
Total Exposure	**$75,213.9**	**$89,152.0**	**$106,646.4**	**$113,825.3**	**$112,007.8**

(% of Total)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Guarantees	68.9%	68.9%	62.7%	61.8%	61.9%
Loans	14.9%	18.8%	27.0%	29.0%	29.2%
Insurance	13.1%	10.4%	8.9%	8.0%	7.8%
Receivables from Subrogated Claims	3.1%	1.9%	1.4%	1.2%	1.1%
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 2010	FY 2011	FY 2012	FY 2013	FY 2014
Asia	$27,655.2	$32,832.3	$42,345.3	$46,463.2	$46,007.2
Latin America and Caribbean	15,606.3	19,728.3	22,104.6	21,454.2	20,105.7
Europe	7,907.3	10,772.7	11,303.8	15,711.8	15,924.2
North America	7,773.9	9,352.9	10,579.3	10,496.9	8,638.1
Oceania	4,601.9	5,372.5	8,305.0	8,255.5	8,258.5
Africa	4,949.4	4,832.5	5,770.8	5,548.3	6,885.1
All Other	6,719.9	6,260.8	6,237.6	5,895.4	6,189.0
Total Exposure	**$75,213.9**	**$89,152.0**	**$106,646.4**	**$113,825.3**	**$112,007.8**

(% of Total)	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Asia	36.8%	36.9%	39.7%	40.8%	41.1%
Latin America and Caribbean	20.7%	22.1%	20.7%	18.8%	18.0%
Europe	10.5%	12.1%	10.6%	13.8%	14.2%
North America	10.3%	10.5%	9.9%	9.2%	7.7%
Oceania	6.1%	6.0%	7.8%	7.3%	7.4%
Africa	6.6%	5.4%	5.4%	4.9%	6.1%
All Other	9.0%	7.0%	5.9%	5.2%	5.5%
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 2010	FY 2011	FY 2012	FY 2013	FY 2014
Air Transportation	$35,370.6	$43,014.5	$49,419.6	$51,337.8	$50,668.7
Manufacturing (other)	8,904.7	12,499.8	18,091.0	20,632.3	19,960.7
Oil and Gas	10,408.5	10,916.6	13,938.7	16,718.9	16,381.2
Power Projects	4,599.1	6,818.8	8,649.2	7,370.1	7,325.3
All Other	15,931.0	15,902.3	16,547.9	17,766.2	17,671.9
Total Exposure	**$75,213.9**	**$89,152.0**	**$106,646.4**	**$113,825.3**	**$112,007.8**

(% of Total)	FY 2010	FY 2011	FY 2012	FY 2012	FY 2014
Air Transportation	47.0%	48.2%	46.3%	45.1%	45.2%
Manufacturing (other)	11.8%	14.0%	17.0%	18.1%	17.8%
Oil and Gas	13.8%	12.2%	13.1%	14.7%	14.6%
Power Projects	6.1%	7.6%	8.1%	6.5%	6.5%
All Other	21.3%	18.0%	15.5%	15.6%	15.9%
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 67.2 percent in FY 2010 to 69.3 percent in FY 2014.

Of the portfolio at September 30, 2014, 30.7 percent represents credits to public-sector obligors or guarantors (6.9 percent to sovereign obligors or guarantors and 23.8 percent to public non-sovereign entities); 69.3 percent represents credits to private-sector obligors. Starting in 2003 Ex-Im Bank's portfolio began to shift from primarily sovereign and other public-sector borrowers to primarily private-sector borrowers. A breakdown of public-sector versus private-sector exposure is shown in Exhibit 9.

EXHIBIT 9: PUBLIC AND PRIVATE OBLIGORS

Year End	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Private Obligors	67.2%	68.6%	69.3%	71.0%	69.3%
Public Obligors	32.8%	31.4%	30.7%	29.0%	30.7%

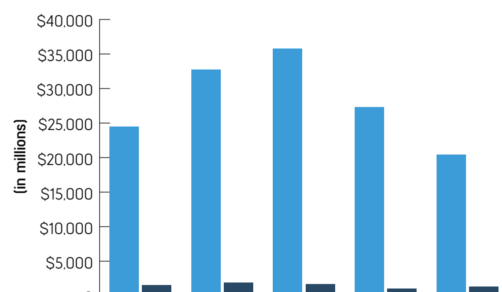
Ex-Im Bank provides guarantees in foreign currency to allow borrowers to better match debt service costs with earnings. Ex-Im Bank adjusts its reserves to reflect the potential risk of foreign-currency fluctuation.

In FY 2014, Ex-Im Bank approved $1,333.6 million in transactions denominated in a foreign currency, representing 6.5 percent of all new authorizations, as shown in Exhibit 10. 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. 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, 2014, Ex-Im Bank had 97 transactions with outstanding balances denominated in a foreign currency. Using the foreign currency exchange rates at September 30, 2014, Ex-Im Bank adjusted the dollar amount of the outstanding balances for these transactions. The adjustment was a net increase in exposure of $163.7 million for a total outstanding balance of $7,329.6 million of foreign currency denominated guarantees, representing 6.5 percent of total Bank exposure.

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.

EXHIBIT 10: FOREIGN CURRENCY TRANSACTIONS



Fiscal Year	2010	2011	2012	2013	2014
Authorizations	$24,467.8	$32,727.1	$35,784.3	$27,347.6	$20,467.9
Foreign Currency Authorizations	$1,529.3	$1,896.3	$1,721.2	$1,040.1	$1,333.6

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 2014		FY 2013	
Currency	Outstanding Balance (in millions)	Percentage of Total	Outstanding Balance (in millions)	Percentage of Total
Euro	$5,186.6	70.8%	$5,915.1	70.6%
Canadian Dollar	658.6	9.0%	719.0	8.6%
Japanese Yen	537.2	7.3%	638.1	7.6%
New Zealand Dollar	225.5	3.1%	278.5	3.3%
South African Rad	214.5	2.9%	168.1	2.0%
Austrlian Dollar	202.2	2.8%	248.4	3.0%
Mexican Peso	185.8	2.5%	240.7	2.9%
Korean Won	105.2	1.4%	122.0	1.5%
British Pound	13.9	0.2%	39.3	0.5%
Swiss Franc	–	0.0%	1.0	0.0%
Total	**7,329.6**	**100.0%**	**8,370.2**	**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 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 3.70 at the end of FY 2013 to a rating of 3.75 at the end of FY 2014.

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 2014 the Bank includes ten 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 estimated credit loss of the outstanding balance of loans, guarantees and insurance is re-estimated annually in accordance with OMB guidelines and SFFAS 18, "Amendments to Accounting Standards for Direct Loans and Loan Guarantees" This re-estimate indicates the appropriate balance necessary in the financing accounts to ensure sufficient funds to pay future estimated claims. Ex-Im Bank can experience downward reestimates, sending funds to the U.S. Treasury, or upward reestimates, receiving funds in the form of appropriation from the U.S. Treasury, which can vary by year. Since the Federal Credit Reform Act of 1990, Ex-Im Bank has sent over $11 billion in net downward reestimates to the U.S. Treasury.

The re-estimate of the credit loss of the exposure for FY 1992 through FY 2014 commitments calculated at September 30, 2014, indicated that the net amount of $479.8 million of additional funds were needed in the financing accounts. This will be received from the U.S. Treasury in FY 2015. The re-estimate of the credit loss of the exposure for FY 1992 through FY 2012 commitments calculated at September 30, 2013, indicated that of the balances in the financing accounts, the net amount of

$492.5 million of additional funds were needed in the financing accounts. This amount was received in FY 2014.

The total allowance for losses at September 30, 2014, for loans, claims, guarantees and insurance commitments is $5,045.2 million, representing 4.5 percent of total exposure of $112,007.8 million (Exhibit 12B). This compares to the allowance for losses at September 30, 2013, for loans, claims receivable, guarantees and insurance commitments of $4,631.4 million representing 4.1 percent of total exposure of $113,825.3 million.

EXHIBIT 12A: OUTSTANDING EXPOSURE AND ALLOWANCE BY PROGRAM

(in millions)	FY 2014	FY 2013
Outstanding Loans	$21,560.4	$18,248.1
Allowance for Loan Losses	2,409.9	1,927.2
Percent Allowance to Outstanding Balance	11.1%	10.6%
Outstanding Defaulted Guarantees and Insurance	1,219.9	1,328.9
Allowance for Defaulted Guarantees and Insurance	1,014.6	1,083.4
Percent Allowance to Outstanding Balance	83.2%	81.5%
Outstanding Guarantees & Insurance	63,159.8	62,062.7
Liability for Guarantees & Insurance	1,620.7	1,620.8
Percent Allowance to Outstanding Balance	2.6%	2.6%
Total reserves	**$5,045.20**	**$4,631.40**

The allowances 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.

The total allowance for losses at September 30, 2014 was over

$5b+

this was for loans, guarantees and insurance commitments.

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 2014	FY 2013
Outstanding Guarantees and Insurance	$63,159.8	$62,062.7
Outstanding Loans	21,560.4	18,248.1
Outstanding Defaulted Guarantees and Insurance	1,219.9	1,328.9
Total Outstanding	$85,940.1	$81,639.7
Undisbursed Guarantees and Insurance	$14,973.4	$17,429.7
Undisbursed Loans	11,094.3	14,755.9
Total Undisbursed	$26,067.7	$32,185.6
Total Exposure	**$112,007.8**	**$113,825.3**
Weighted-Average Risk Rating or Total Exposure	3.75	3.70
Loss Reserves		
Liability for Guarantees and Insurance	$1,620.7	$1,620.8
Allowance for Loan Losses	2,409.9	1,927.2
Allowance for Defaulted Guarantees and Insurance	1,014.6	1,083.4
Total Reserves	**$5,045.2**	**$4,631.4**
Loss Reserve as Percentage of Outstanding Balance	5.9%	5.7%
Loss Reserve as Percentage of Total Exposure	4.5%	4.1%

Major Impaired Assets

Impaired Credits are defined as those transactions risk rated as Budget Cost Level ("BCL") 9-11 and 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.

At September 30, 2014, Ex-Im Bank's aggregate amount of impaired credits exposure was $294.3 million compared to $434.0 million in September 30, 2013.

Paris Club Activities

The Paris Club is a group of 20 permanent member-creditor countries that meet regularly in Paris to discuss and provide debt relief to qualifying debtor countries. The U.S. Treasury and State Department are members of the organization and represent the interests of all U.S. agencies that hold international debt. In FY 2014 and FY 2013, no countries and two countries, respectively, received Paris Club treatment of their debt owed to Ex-Im Bank (Exhibit 13).

After over a decade of intermittent discussions, The Paris Club reached an agreement with Argentina in FY 2014 on a plan to clear Argentina's outstanding debt. This agreement was negotiated with Paris Club creditors similar to a traditional Paris Club agreement. Argentina agreed to repay Ex-Im Bank the full outstanding principal, interest, and late interest of $562.2 million at renegotiated terms. This agreement remains to be implemented by the Paris Club.

EXHIBIT 13: PARIS CLUB BILATERAL AGREEMENTS

(in thousands)	FY 2014	FY 2013
Country	**Principal Forgiven**	**Principal Forgiven**
Guinea	$–	$6,049.0
Cote d'Ivoire	–	98,876.0
Total	**–**	**104,925.0**

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 Departments of State and U.S. 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 non-sovereign 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, political and social variables. There are 11 sovereign and nine non sovereign risk categories and each country receives two ratings: a sovereign-risk rating and a non-sovereign-risk rating. ICRAS currently has risk ratings for 201 sovereign and 203 non-sovereign markets.

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 2014 and FY 2013, the models incorporated Ex-Im Bank's actual historical loss and recovery experience.

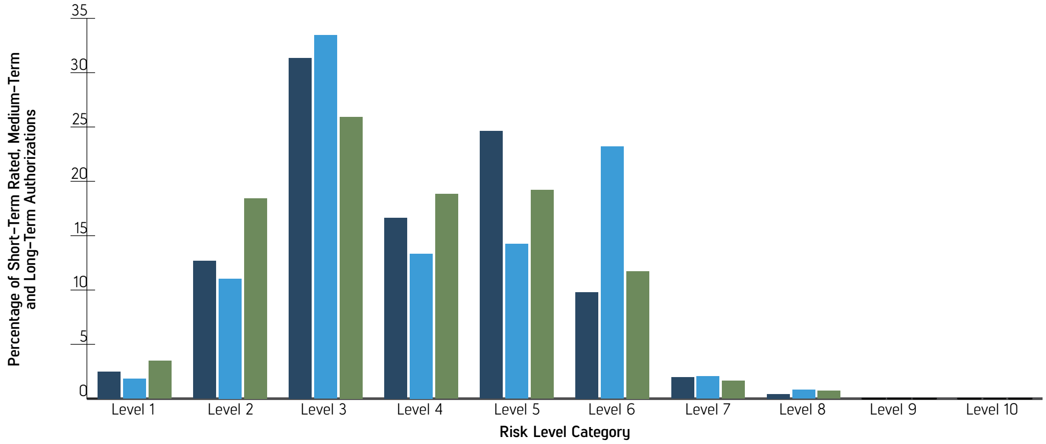
Exposure Risk Profile

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 higher risk-rated obligors. The overall weighted-average risk rating for FY 2014 short-term rated, medium-term, and long-term export-credit authorizations was 4.09 compared to a weighted-average risk rating of 3.88 in FY 2013 and 3.71 on average for the last five years. For FY 2014, 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 25.8 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 2014 and FY 2013 and the past five-year average-risk profile.

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



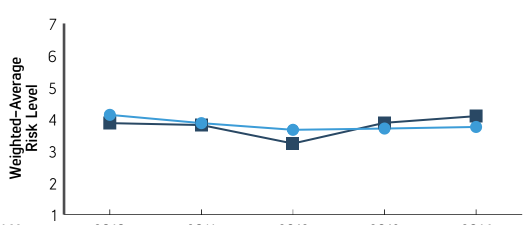
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7	Level 8	Level 9	Level 10
2013	2.50%	12.67%	31.36%	16.64%	24.62%	9.80%	1.96%	0.43%	0.01%	0.01%
2014	1.82%	11.04%	33.45%	13.35%	14.23%	23.21%	2.05%	0.82%	0.02%	0.00%
5 year average	3.48%	18.44%	25.94%	18.84%	19.20%	11.74%	1.63%	0.73%	0.01%	0.01%

Changes in the Portfolio-Risk Level

At September 30, 2014, Ex-Im Bank had a portfolio exposure of $112,007.8 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 3.75 in FY 2014 as compared to 3.70 in FY 2013 (Exhibit 15).

EXHIBIT 15: CREDIT-QUALITY RISK PROFILE



Fiscal Year	2010	2011	2012	2013	2014
Total Exposure	4.13	3.87	3.66	3.70	3.75
New Business	3.87	3.81	3.23	3.88	4.09

VIII. RESULTS OF OPERATIONS

Ex-Im Bank reports under generally accepted accounting principles in the United States applicable to federal agencies (government GAAP) and in accordance with form and content guidance provided in OMB Circular A-136, *Financial Reporting Requirements*, revised as of September 18, 2014. Under government GAAP standards, the Bank reported total net excess program costs over revenue of $526.1 million for the year ended September 30, 2014, and $539.9 million for the year ended September 30, 2013. The Statement of Net Cost does not provide an assessment of Ex-Im Bank's operational performance. As mentioned, this statement is set up to present expenditures of funds for programs, assuming federal agencies do not earn excess fees or profit. Refer to explanation of Statement of Net Cost in section Statement of Net Cost below.

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 annual 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. Ex-Im Bank continues to devote time and resources in exploring ways to reduce credit subsidy expenses or program cost, which are on track to reach zero subsidies in FY 2015.

In FY 2014, Ex-Im Bank collected $800.2 million in offsetting collections, of which $105.0 million was used to cover administrative expense obligations, $10.0 million was retained and is available for obligation until September 30, 2017, $10.5 million to cover the ongoing renovations to Bank Headquarters, and $674.7 million was sent to the U.S. Treasury. Program costs of $8.7 million were obligated from available funds carried over from prior years. $23.0 million was sent to Treasury in a rescission.

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

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 2014 and FY 2013. More detailed financial information can be found in the financial statements and notes.

EXHIBIT 16: SIGNIFICANT FINANCIAL DATA

(in millions)

Balance Sheets	FY 2014	FY 2013
Fund Balance with the U.S. Treasury	$4,058.6	$3,387.0
Loans Receivable, Net	19,284.4	16,447.5
Receivables from Subrogated Claims, Net	207.3	247.0
Other Assets	28.6	33.7
Borrowings from the U.S. Treasury	21,633.6	18,101.8
Payment Certificates	21.4	33.1
Claims Payable	2.2	12.5
Other Liabilities	216.2	263.6
Statements of Net Costs		
Fee & Other Income	$566.6	$477.0
Insurance Premium & Other Income	36.4	48.0

Balance Sheet

Ex-Im Bank follows generally accepted accounting principles in the United States applicable to federal agencies (government GAAP) and OMB guidance when preparing its financial statements and related footnotes. This guidance is set up around receiving appropriations and use of funds for programs.

In FY 2014, Ex-Im Bank had a negative Net Position in the Balance Sheet of $1,030.5 million. The main variable impacting Ex-Im's Net Position is the Cumulative Results of Operations, which represent distribution of funds to the U.S. Treasury rather than the results of operational activities. The Federal Credit Reform Act of 1990 requires federal agencies to transfer excess funds to the U.S. Treasury

Most of Ex-Im Bank's funds transfers to the U.S. Treasury are in the form of dividends declared and paid, liquidating account transfers, excess fees, and net reestimate. Prior to 1992, Ex-Im Bank declared and paid dividends to the U.S. Treasury that totaled $1.1 billion. Additionally, since Credit Reform Act of 1990, which took effect in 1992, Ex-Im has sent a net $6.9 billion to the U.S. Treasury, which includes $813 million from its liquidating accounts to the US Treasury and has sent a net total of $11.0 billion in downward reestimate to the US Treasury. Ex-Im has also transferred to Treasury $2.7 billion in excess fees (negative subsidy). These dividends and transfers are accounted as a reduction of Cumulative Results of Operations, resulting in the negative Cumulative Results of Operations of $2,244.9 million.

Fund Balance with the U.S. Treasury: The Fund Balance with the U.S. Treasury increased by $671.6 million from $3,387.0 million at September 30, 2013 to $4,058.6 million at September 30, 2014. The change is primarily attributed to approximately $1,887.4 million in loan principal repayments, interest, and guarantee fee collections, $3,531.8 million in net borrowings from Treasury, and $671.6 million in exposure fee collections; and $492.5 million received for the FY 2013 net credit-loss reserve re-estimate. This is offset by $4,513.5 million in direct-loan disbursements, $549.2 million in net Treasury interest expense, a rescission of $23.0 million and the transfer of $674.7 million in offsetting collections to the U.S. Treasury.

Loans Receivable, Net: Loans Receivable increased $2,836.9 million from $16,447.5 million at September 30, 2013 to $19,284.4 million at September 30, 2014 primarily as a result of $4,513.5 million in direct loan disbursements, offset by a $241.4 million decrease in allowance of doubtful accounts and $1,575.5 million of direct loan repayments.

Receivables from Subrogated Claims, Net: Receivables from Subrogated Claims, Net decreased $39.7 million from $247.0 million at September 30, 2013 to $207.3 million at

Ex-Im Bank paid

$40.3m

in claims on a $112.0 billion portfolio.

September 30, 2014. The decrease is related to claim recoveries exceeding claim payments.

Other Assets: Other Assets decreased $5.1 million from $33.7 million at September 30, 2013 to $28.6 million at September 30, 2014. The change mostly relates to a decrease in commitment fee receivable.

Borrowings from the U.S. Treasury: Borrowings from the U.S. Treasury increased $3,531.8 million from $18,101.8 million at the end of FY 2013 to $21,633.6 million as of September 30, 2014. The increase is attributable to additional borrowings used to fund direct loans.

Payment Certificates: Payment Certificates decreased $11.7 million from $33.1 million at the end of FY 2013 to $21.4 million as of September 30, 2014. The decrease is mostly due to the payment certificates repayments.

Claims Payable: Claims Payable decreased $10.3 million from $12.5 million at September 30, 2013, to $2.2 million at September 30, 2014. The decreasing balance in more reflective of a timing issue than an identifiable trend.

Other Liabilities: Other Liabilities decreased $47.5 million from $263.6 million at September 30, 2013 to $216.2 million at September 30, 2014. The change is mostly related to the reduction of fees deferred and funds received pending application.

Statement of Net Cost

As mentioned, Ex-Im Bank's Statement of Net Costs follows generally accepted accounting principles in the United States applicable to federal agencies. This government GAAP statement is set up to present expenditures of funds for programs hence the name Net Costs, associated cash flows, and assumes federal agencies do not earn excess fees or profits. Ex-Im Bank's net excess cost over revenue for FY 2014 was $526.1 million.

The Statement of Net Cost does not provide an assessment of Ex-Im Bank's operational performance. Operationally, Ex-Im Bank earned $800.2 million in offsetting collections after setting funds aside for credit loss reserves. Of these amounts, $674.7 million was sent to the U.S. Treasury. The remaining funds were used to cover administrative and program expenses. The Statement of Net Cost is set up to present expenditures of funds for programs, assuming federal agencies do not earn excess fees or profit. The excess fees and the interest the Bank collects flow through the Statement of Net Cost. However, they have no impact on the bottom line. All fees, including those in excess of the requirement for loan loss reserves, are fully offset at the Provision for Credit Losses in this statement. This happens whether or not Ex-Im is collecting excess fees (offsetting collections). Additionally, when these excess fees are sent to the U.S. Treasury, they do not have an impact on the Statement of Net Cost and only flow through the Balance Sheet, through the Cumulative Results of Operations line as discussed above.

Fees & Other Income: Fees and Other Income increased $89.6 million from $477.0 million as of September 30, 2013 to $566.6 million in the same period in FY 2014. The change represents activity resulting from increased levels of loan, guarantee and insurance authorizations over the past few years.

Insurance Premium & Other Income: Insurance Premium and Other Income decreased $11.7 million from $48.0 million as of September 30, 2013 to $36.4 million in the same period in FY 2014. This was due to a decrease in authorizations.

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 market risk. Other risks the Bank must assess and attempt to minimize are strategic risk, operational risk, and legal 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.

Country 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.

Market Risk: Risks stemming from the nature of the markets in which the Bank operates. Principal components of market risk are:

Concentration Risk: Risks 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: 77.6 percent of the Bank's credit portfolio is in three industries (air transportation, manufacturing, and oil and gas), with air transportation representing 45.2 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 Concentration: 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 59.1 percent of the portfolio contained in two geographic regions: Asia (41.1 percent) and Latin America and Caribbean (18.0 percent).

Obligor Concentration: 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 23.5 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, Chinese yuan, 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, 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.

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. To mitigate the interest rate risk, Ex-Im charges at least 100 basis points over borrowing costs and generally fixed the interest rates at the time of disbursement.

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.

IX. OTHER MANAGEMENT INFORMATION

Statutory Limitations

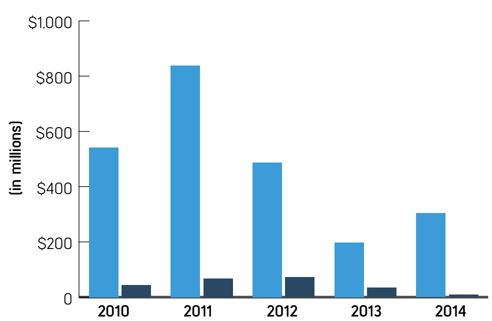
Ex-Im Bank has several significant financial limitations that are contained in its charter and in various appropriation acts. The following exhibits (Exhibit 17 and Exhibit 18) summarize the status of those limitations as of September 30, 2014 as well as the utilization of available funding.

EXHIBIT 17: FINANCIAL STATUTORY LIMITATIONS

Spending Authority	Program Budget	No-Year Funds (including Tied-Aid)	Administrative Expense (including OIG)
Carry-Over from prior year	$85.8	$214.5	$1.9
Rescission of Carry-Over Funds	(23.0)	–	–
Cancellations During FY 2014	8.5	0.3	–
Offsetting Collections	10.0	36.8	105.6
Inspector General	N/A	N/A	5.1
Total	**$81.3**	**$251.6**	**$112.6**
Obligated	$8.7	$21.40	$110.5
Unobligated Balance Lapsed	0.7	–	0.3
Unobligated Balance Available	$71.9	$230.2	$1.8
	Available	**Obligated**	**Balance**
Statutory Lending Authority	$140,000.0	$112,007.8	$27,992.2

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



	2010	2011	2012	2013	2014
Available	$541.6	$838.7	$487.9	$197.9	$303.9
Utilized	$44.0	$68.1	$72.1	$34.1	$8.7

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 prepared 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 million or $100 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 non-federal 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 which 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 and incorporates qualitative feedback from senior management.

The Bank has a strong system of internal controls in place, along with improved due diligence procedures and increased oversight by the Bank's Inspector General, to help prevent improper payments and to detect them should they occur. Ex-Im's preventive and detective controls are part of the routine payment process. Because this year's assessment resulted in a low-risk of improper payments and the amount of known improper payments

EXHIBIT 19: DISAGGREGATED STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2014

(in millions)	Program Account	Direct Loan Financing Account	Guaranteed Loan Financing Account	Pre-Credit Refrom Financing Account	Other	Total
BUDGETARY RESOURCES						
Unobligated Balance, Brought Forward October 1	$541.0	$ —	$2,053.5	$0.1	$11.7	$2,606.3
Recoveries of Prior-Year Unpaid Obligations	9.6	715.5	—	—	0.1	725.2
Other changes in unobligated balance	(1.6)	(741.5)	—	—	(0.1)	(743.2)
Unobligated Balance From Prior Year Budget Authority, Net	549.0	(26.0)	2,053.5	0.1	11.7	2,588.3
Appropriations	1,413.0	—	—	—	5.1	1,418.1
Borrowing authority	—	—	—	—	—	—
Borrowing authority Withdrawn	—	(306.2)	—	—	—	(306.2)
Spending Authority from Offsetting Collections	151.7	3,333.1	860.9	10.6	(10.1)	4,346.2
Total Budgetary Resources	**$2,113.7**	**$3,000.9**	**$2,914.4**	**$10.7**	**$6.7**	**$8,046.4**
STATUS OF BUDGETARY RESOURCES						
Obligations incurred	$1,580.8	$3,000.9	$1,044.6	$10.7	$5.0	$5,642.0
Unobligated balance, end of year:						
Apportioned	271.4	—	1,869.8	—	1.8	2,143.0
Unapportioned	261.4	—	—	—		261.4
Total Unobligated Balance, End of Year	532.8	—	1,869.8	—	1.8	2,404.4
Total Status of Budgetary Resources	**$2,113.6**	**$3,000.9**	**$2,914.4**	**$10.7**	**$6.8**	**$8,046.4**
CHANGE IN OBLIGATED BALANCE						
Unpaid obligations, brought forward, October 1 (gross)	$115.7	$15,740.3	$12.9	$—	$1.4	$15,870.3
Obligations Incurred	1,580.8	3,000.9	1,044.6	10.7	5.0	5,642.0
Outlays (gross) (-)	(1,558.7)	(5,970.8)	(1,054.7)	(10.7)	(4.0)	(8,598.9)
Recoveries of Prior-Year Unpaid Obligations	(9.6)	(715.5)	—	—	(0.1)	(725.2)
Obligated Balance, End of Year						
Unpaid Obligations, End of Year, Gross	128.2	12,054.9	2.8	—	2.3	12,188.2
Uncollected Customer Payments From Federal Sources, End of Year	$0.0	($12.9)	($90.2)		$0.1	($103.0)
Total, Unpaid Obligated Balance, Net, End of Period	**128.2**	**12,042.0**	**(87.4)**	**0.0**	**2.4**	**12,085.2**
Budget Authority and Outlays, Net:						
Budget Authority, Gross	1,564.7	3,333.1	860.9	10.6	(5.0)	5,764.3
Actual Offsetting Collections	(151.7)	(3,347.8)	(887.9)	(65.7)	(20.5)	(4,473.6)
Change in Uncollected Customer Payments From Federal Sources	—	0.1	22.3	—	0.2	22.6
Budget Authority, Net	**$1,413.0**	**$(14.6)**	**$(4.7)**	**$(55.1)**	**$(25.3)**	**$1,313.3**
Outlays, Gross	$1,558.7	$5,970.8	$1,054.7	$10.7	$4.0	$8,598.9
Actual Offsetting Collections	(151.7)	(3,347.8)	(887.9)	(65.7)	(20.5)	(4,473.6)
Outlays, Net	**$1,407.0**	**$2,623.0**	**$166.8**	**($55.0)**	**($16.5)**	**$4,125.3**

was small, the Bank did not establish a formal recapture audit plan in FY14. However, the Bank actively pursues recovery of any payment that has been identified as being made improperly. According to IPIA, as amended by IPERA, Ex-Im Bank will conduct a risk assessment each year. If the risk assessment shows an increase in the risk of improper payments in any of the Bank's programs, if there is a substantial increase in the amount of improper payments, and/or if the recovery rate decreases significantly, the Bank will reevaluate its payment processes and procedures and determine if it is beneficial for it to pursue improper payment recoveries and to establish a formal recapture audit plan, per A-136 Government Accounting Manual guidance.

MANAGEMENT REPORT ON

Financial Statement and Internal Accounting Controls

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

November 14, 2014

Financial Statements

$800.2m

Ex-Im Bank had $800.2 million in offsetting collections after setting funds aside for credit loss reserves in FY 2014.

BALANCE SHEETS

(in millions)	As of September 30, 2014	As of September 30, 2013
ASSETS		
Intragovernmental		
Fund Balance with the U.S. Treasury (Note 2)	$4,058.6	$3,387.0
Public		
Cash (Note 3)	—	0.1
Loans Receivable, Net (Note 4A)	19,284.4	16,447.5
Receivables from Subrogated Claims, Net (Note 4E)	207.3	247.0
Other Assets (Note 8)	28.6	33.7
Total Assets—Public	19,520.3	16,728.3
Total Assets	**$23,578.9**	**$20,115.3**
LIABILITIES		
Intragovernmental		
Borrowings from the U.S. Treasury (Note 10)	$21,633.6	$18,101.8
Accounts Payable to the U.S. Treasury	1,115.3	1,201.2
Total Liabilities—Intragovernmental	22,748.9	19,303.0
Public		
Payment Certificates (Note 10)	21.4	33.1
Claims Payable	2.2	12.5
Guaranteed Loan Liability (Note 4G)	1,620.7	1,620.8
Other Liabilities (Note 9, 11)	216.2	263.6
Total Liabilities—Public	1,860.5	1,930.0
Total Liabilities	**$24,609.4**	**$21,233.0**
NET POSITION		
Capital Stock	$1,000.0	$1,000.0
Unexpended Appropriations	214.4	213.2
Cumulative Results of Operations	(2,244.9)	(2,330.9)
Total Net Position	(1,030.5)	(1,117.7)
Total Liabilities and Net Postion	**$23,578.9**	**$20,115.3**

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, 2014				
Costs				
Interest Expense	$713.1	$ —	$ —	$713.1
Claim Expenses	—	3.1	3.2	6.3
Provision for Credit Losses	748.8	270.3	(35.4)	983.7
Broker Commissions	—	—	5.9	5.9
Total Costs	1,461.9	273.4	(26.3)	1,709.0
Earned Revenue				
Interest Income	(615.3)	(79.4)	—	(694.7)
Fee and Other Income	(72.8)	(493.8)	—	(566.6)
Insurance Premium and Other Income	—	—	(36.4)	(36.4)
Total Earned Revenue	(688.1)	(573.2)	(36.4)	(1,297.7)
Net Excess of Program Costs over (Revenue)	773.8	(299.8)	(62.7)	411.3
Administrative Costs (Note 4K, 14)				114.8
Total Net Excess Program Costs Over (Revenue)				**$526.1**

(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
Total Net Excess Program Costs Over (Revenue)				**$539.9**

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, 2014				
Beginning Net Position	$1,000.0	$213.2	($2,330.9)	($1,117.7)
Budgetary Financing Sources (Uses)				
Appropriations Received – Inspector General	–	5.1	–	5.1
Appropriations Received – Reestimate	–	1,436.0	–	1,436.0
Cancelled Authority	–	(0.9)	–	(0.9)
Transfer Out Without Reimbursement	–	–	(958.3)	(958.3)
Other Adjustments	–	0.7	(1.7)	(1.0)
Appropriations Used	–	(1,439.7)	1,439.7	–
Offsetting Collections	–	–	128.6	128.6
Other Financing Sources				
Imputed Financing	–	–	3.8	3.8
Total Financing Sources (Uses)	–	1.2	612.1	613.3
Adjusted Net Position	1,000.0	214.4	(1,718.8)	(504.4)
Less: Excess of Program Costs Over Revenue	–	–	526.1	526.1
Ending Net Position	**$1,000.0**	**$214.4**	**($2,244.9)**	**($1,030.5)**

(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 – Reestimate	–	1,024.5	–	1,024.5
Cancelled Authority	–	(2.3)	–	(2.3)
Transfer In – Debt Reduction Financing	–	–	–	–
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)**

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

COMBINED STATEMENTS OF BUDGETARY RESOURCES

(in millions)	For the Year Ended September 30, 2014 Budgetary	Non-Budgetary Credit Reform Financing Account	Total	For the Year Ended September 30,2013 Budgetary	Non-Budgetary Credit Reform Financing Account	Total
Budgetary Resources:						
Unobligated Balance Brought Forward, October 1	$542.8	$2,063.5	$2,606.3	$857.7	$1,409.3	$2,267.0
Recoveries of Prior Year Unpaid Obligations	9.7	715.5	725.2	12.8	1,419.5	1,432.3
Other Changes in Unobligated Balance	(1.6)	(741.6)	(743.2)	(2.4)	(959.1)	(961.5)
Unobligated Balance From Prior Year Budget Authority, Net	550.9	2,037.4	2,588.3	868.1	1,869.7	2,737.8
Appropriations (discretionary and mandatory)	1,418.1	—	1,418.1	628.3	—	628.3
Borrowing Authority (discretionary and mandatory) (Note 16)	—	—	—	—	5,746.9	5,746.9
Borrowing Authority Withdrawn	—	(306.2)	(306.2)	—	—	—
Spending Authority From Offsetting Collections (discretionary and mandatory)	162.2	4,184.0	4,346.2	242.9	3,495.2	3,738.1
Total Budgetary Resources (Note 16)	**$2,131.2**	**$5,915.2**	**$8,046.4**	**$1,739.3**	**$11,111.8**	**$12,851.1**
Status of Budgetary Resources:						
Obligations Incurred (Note 16)	$1,596.5	$4,045.5	$5,642.0	$1,196.5	$9,048.3	$10,244.8
Unobligated Balance, End of Year:						
Apportioned	273.3	1,869.7	2,143.0	283.8	2,063.5	2,347.3
Unapportioned	261.4	—	261.4	259.0	—	259.0
Total Unobligated Balance, End of Year (Note 16)	534.7	1,869.7	2,404.4	542.8	2,063.5	2,606.3
Total Status of Budgetary Resources	**$2,131.2**	**$5,915.2**	**$8,046.4**	**$1,739.3**	**$11,111.8**	**$12,851.1**
Change in Obligated Balance:						
Unpaid Obligations, Brought Forward, October 1	$117.1	$15,753.2	$15,870.3	$119.3	$17,231.6	$17,350.9
Obligations Incurred	1,596.5	4,045.5	5,642.0	1,196.5	9,048.3	10,244.8
Outlays (Gross)	(1,573.3)	(7,025.6)	(8,598.9)	(1,185.9)	(9,107.2)	(10,293.1)
Recoveries of Prior Year Unpaid Obligations	(9.7)	(715.5)	(725.2)	(12.8)	(1,419.5)	(1,432.3)
Unpaid Obligations, End of Year	130.6	12,057.6	12,188.2	117.1	15,753.2	15,870.3
Uncollected Payments:						
Uncollected payments, Federal sources brought forward, Oct 1	—	(125.6)	(125.6)	—	(141.7)	(141.7)
Change in uncollected payments, Federal sources	—	22.6	22.6	—		—
Actual transfers, uncollected payments, Federal sources (net)	—	—	—	—	16.1	16.1
Uncollected Customer Payments From Federal Sources, End of Year	—	(103.0)	(103.0)	—	(125.6)	(125.6)
Memorandum (non-add) entries						
Obligated balance, start of year	$117.1	$15,627.6	$15,744.7	$119.3	$17,089.9	$17,209.2
Obligated Balance, End of Year, Net	**$130.6**	**$11,954.6**	**$12,085.2**	**$117.1**	**$15,627.6**	**$15,870.3**
Budget Authority and Outlays, Net:						
Budget Authority, Gross (discretionary and mandatory)	$1,580.3	$4,184.0	$5,764.3	$871.1	$9,241.9	$10,113.0
Actual Offsetting Collections (discretionary and mandatory)	(217.3)	(4,256.3)	(4,473.6)	(263.3)	(3,550.0)	(3,813.3)
Change in Uncollected Customer Payments From Federal Sources (discretionary and mandatory)	—	22.6	22.6	—	16.1	16.1
Anticipated offsetting collections (discretionary and mandatory)	—	—	—	—	—	—
Budget Authority, Net (discretionary and mandatory)	**$1,363.0**	**($49.7)**	**$1,313.3**	**$607.8**	**$5,708.0**	**$6,315.8**
Outlays, Gross (discretionary and mandatory)	$1,573.3	$7,025.6	$8,598.9	$1,185.9	$9,107.2	$10,293.1
Actual Offsetting Collections (discretionary and mandatory)	(217.3)	(4,256.3)	(4,473.6)	(263.3)	(3,550.0)	(3,813.3)
Outlays, Net (discretionary and mandatory)	**$1,356.0**	**$2,769.3**	**$4,125.3**	**$922.6**	**$5,557.2**	**$6,479.8**

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

EXPORT-IMPORT BANK OF THE UNITED STATES

Notes to the Financial Statements

For the Years Ended September 30, 2014 and September 30, 2013

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. 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. The Administration has requested a five-year extension of the Bank's charter through FY 2019. Congressional authorization has been temporarily extended through June 30, 2015. Management believes that Ex-Im Bank's authorization will be further extended until a final authorization is passed by Congress. If the charter is temporarily not extended, the Bank will not be able to authorize new credits; however, under the terms of its charter the Bank will continue to service existing loans, guarantees, and insurance policies. Ex-Im is currently appropriated through a continuing resolution through December 11, 2014 and management expects Ex-Im Bank will receive a full year appropriation when Congress approves an Omnibus Appropriations Bill funding the entire U.S Government

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 September 18, 2014.

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, 2014, are: Australian dollar, Brazilian real, British pound, Canadian dollar, CFA franc, Chinese yuan, 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, 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 using the effective yield method.

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.

2. FUND BALANCE WITH THE U.S. TREASURY

Fund balances as of September 30, 2014 and September 30, 2013 were as follows:

(in millions)	FY 2014	FY 2013
Revolving Funds	$3,365.6	$2,652.1
General Funds—Unexpended Appropriations	459.7	461.2
General Funds—Offsetting Collections	207.6	200.9
Other Funds—Unallocated Cash	25.7	72.8
Total	**$4,058.6**	**$3,387.0**

STATUS OF FUND BALANCE WITH THE U.S. TREASURY		
Unobligated Balance		
Available	$2,143.0	$2,347.3
Expired	261.4	259.0
Canceled and Unavailable	1.6	2.5
Obligated Balance Not Yet Disbursed	1,626.9	705.4
Funds Pending Application	25.7	72.8
Total	**$4,058.6**	**$3,387.0**

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, 2014 and September 30, 2013, 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, 2014 and September 30, 2013 there was no cash and $0.1 million, respectively, 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 (Organisation for Economic Co-operation and Development).

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 non-sovereign 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 9 non-sovereign risk categories and each country receives two ratings: a sovereign-risk rating and a private-risk rating. ICRAS currently has risk ratings for 201 sovereign and 203 non-sovereign markets.

FY 2014 and FY 2013 Activity

Ex-Im Bank received a $5.1 million appropriation in FY 2014 and $4.0 million in FY 2013 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 2014 and in FY 2013:

(in millions)	FY 2014	FY 2013
RECEIVED AND AVAILABLE		
Appropriation for Inspector General Administrative Costs	$5.1	$4.0
Offsetting Collections	152.4	242.7
Total Received	**157.5**	**246.7**
Unobligated Balance Carried Over from Prior Year	302.2	595.9
Recission of Unobligated Balances	(23.0)	(400.0)
Cancellations of Prior-Year Obligations	8.8	4.2
Total Available	**445.5**	**446.8**
OBLIGATED		
For Credit Program Costs Excluding Tied Aid	8.7	34.1
For Credit-Related Administrative Costs	131.9	102.2
Total Obligated	**140.6**	**136.3**
UNOBLIGATED BALANCE		
Unobligated Balance	304.9	310.5
Unobligated Balance Lapsed	(1.0)	(8.3)
Remaining Balance	**$303.9**	**$302.2**

Of the remaining balance of $303.9 million at September 30, 2014, $6.2 million is available until September 30, 2015; $57.5 million is available until September 30, 2016; $10.0 million is available until September 30, 2017, and $230.2 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 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 2014, Ex-Im Bank collected $800.2 million of receipts in excess of estimated credit losses. Of these offsetting collections, $105.0 million was used to fund administrative expenses, $10.5 was retained and is available until expended for the renovation of Ex-Im Bank headquarters, $674.7 million was returned to the U.S Treasury and $10.0 million was retained and is available for obligation until September 30, 2016. 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 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, when fees are insufficient to fully cover expected losses, 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 non-interest-bearing U.S. Treasury account.

Allowances for Losses

The process by which Ex-Im Bank determines its allowances for losses 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.

Non sovereign obligors are divided into four categories for risk assessment purpose: (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. This is an estimate of the loss expected due to credit risk and does not include non-credit factors that are included in the fair 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, "Amendments to Accounting Standards for Direct Loans and Loan Guarantees." 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 probablility of default.

Prior to FY 2012, Ex-Im Bank relied primarily on quantitative factors to calculate loss reserves. Because the portfolio grew significantly and the composition of the portfolio became more complex, the Bank analyzed and developed 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 thirteen qualitative adjustments into its loss model, of which seven were built into the quantitative framework. These adjustments fall into two broad categories: 1) model enhancements and 2) portfolio concentration risk. Model enhancements include factors such as loss curves for sovereign guaranteed transactions and asset backed aircraft. Portfolio concentration risk incorporates the Bank's stress testing Monte-Carlo simulations that assess correlation risk among the largest concentrations within the portfolio. These simulations, to assess the correlation impact on portfolio, were run for the Bank's largest concentrations, which were in aircraft, oil & gas, manufacturing, Asia, Latin America / Caribbean, and Europe.

As of September 30, 2014, the credit loss re-estimate of FY 1992 through FY 2014 commitments outstanding balances indicated that a net of $479.8 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 2015.

As of September 30, 2013, the credit loss re-estimate of FY 1992 through FY 2013 commitments outstanding balances 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.

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, 2014, and September 30, 2013, capitalized interest on credits obligated prior to FY 1992 was $83.0 million and $87.6 million, respectively. The total allowance for direct loans obligated prior to FY 1992, including capitalized interest, equaled 71.4 percent and 68.7 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, 2014, and September 30, 2013, the allowance for loan losses on credit-reform credits equaled 10.2 percent and 9.8 percent, respectively, of the outstanding loans and interest receivable balance.

At September 30, 2014, and September 30, 2013, the allowance for both pre-credit-reform and credit-reform loans equaled 11.1 percent and 11.0 percent, respectively, of the total loans and interest receivable.

The outstanding balances related to rescheduled installments included in loans receivable at September 30, 2014 and September 30, 2013, were $434.6 million and $503.9 million, respectively. No loan principal installments were rescheduled in FY 2014 and FY 2013.

The net balance of loans receivable at September 30, 2014, and September 30, 2013, consists of the following:

FY 2014 (in millions)	Loans Receivable, Gross	Interest Receivable	Allowance for Loan Losses	Loans Receivable, Net
Loans Obligated Prior to FY 1992	$338.2	$0.2	($241.6)	$96.8
Loans Obligated After FY 1991	21,222.2	133.7	(2,168.3)	19,187.6
Total	**$21,560.4**	**$133.9**	**($2,409.9)**	**$19,284.4**

FY 2013 (in millions)	Loans Receivable, Gross	Interest Receivable	Allowance for Loan Losses	Loans Receivable, 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**

(in millions)	FY 2014	FY 2013
Direct Loans Disbursed During Year (Post-1991)	$4,513.5	$6,663.8

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 2014	FY 2013
Interest	($462.1)	($668.1)
Defaults	136.2	176.0
Fees and Other Collections	(201.4)	(385.7)
Total Program Cost	**(527.3)**	**(877.8)**
Net Re-estimate – Principal	757.4	1,037.1
Net Re-estimate – Interest	87.1	56.3
Total Net Re-estimate	**844.5**	**1,093.4**
Total Direct Loan Program Cost and Re-Estimate Expense	**$317.2**	**$215.6**

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 2014	FY 2013
Interest	(4.2)%	(8.1)%
Defaults	5.2%	3.8 %
Fees and Other Collections	(7.3)%	(4.3)%
Total	**(6.3)%**	**(8.7)%**

D. Schedule for Reconciling Direct Loan Allowance Balances

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

(in millions)	FY 2014	FY 2013
POST-1991 DIRECT LOANS		
Beginning Balance of the Allowance Account	$1,668.6	$1,205.8
Current-Year Program Cost	(527.3)	(877.8)
Subtotal Program Cost (see Note 4B for Component Breakdown)	(527.3)	(877.8)
Fees Received	224.3	393.3
Loans Written Off	(2.1)	(27.9)
Program-Cost Allowance Amortization	314.1	267.0
Miscellaneous Recoveries and Costs	(353.8)	(385.2)
Ending Balance Before Re-estimate	1,323.8	575.2
Re-estimate	844.5	1,093.4
Ending Balance of the Allowance Account	**$2,168.3**	**$1,668.6**

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, 2014 and September 30, 2013, capitalized interest on pre-credit reform defaulted guaranteed loans was $24.4 million and $26.4 million, respectively. At September 30, 2014 and September 30, 2013, capitalized interest on credit reform defaulted guaranteed loans was $99.7 million and $111.4 million, respectively. The total allowance equaled 81.9 percent and 81.4 percent of gross defaulted guaranteed loans and interest receivable at September 30, 2014, and September 30, 2013, respectively.

FY 2014 (in millions)	Defaulted Guaranteed Loans Receivable, Gross	Interest Receivable	Allowance for Loan Losses	Fair Value of Assets Related to Defaulted Guaranteed Loans, Net
Defaulted Guaranteed Loans Obligated Prior to FY 1992	$53.6	$ –	($41.7)	$11.9
Obligated After FY 1991	1,166.3	2.0	(972.9)	$195.4
Total	**$1,219.9**	**$2.0**	**($1,014.6)**	**$207.3**

FY 2013 (in millions)	Defaulted Guaranteed Loans Receivable, Gross	Interest Receivable	Allowance for Loan Losses	Fair Value of Assets Related to Defaulted Guaranteed 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**

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 2014	FY 2013
Gross Outstanding Principal of Guaranteed Loans and Insurance, Face Value	$63,159.8	$62,062.7
Undisbursed Principal of Guaranteed Loans and Insurance, Face Value	14,973.4	17,429.7
Total Principal of Guaranteed Loans and Insurance, Face Value	**$78,133.2**	**$79,492.4**
Amount of Principal That is Guaranteed and Insured by Ex-Im Bank	$78,133.2	$79,492.4
Gross Amount of Guaranteed Loans and Insurance Disbursed During Year, Face Value	$18,376.8	$20,848.4
Amount of Guaranteed Loans and Insurance Disbursed During Year that is Guaranteed and Insured by Ex-Im Bank	$18,376.8	$20,848.4

G. Liability for Loan Guarantees and Insurance

The liability for loan guarantees and insurance balances of $1,620.7 million at September 30, 2014 and $1,620.8 million at September 30, 2013 represent post FY 1991 guarantees and insurance credits. Since FY 2011, Ex-Im 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 2014	FY 2013
Defaults	$693.5	$669.3
Fees and Other Collections	(944.7)	(1,003.8)
Total Program Costs	(251.2)	(334.5)
Net Re-estimate – Principal	(285.3)	(404.4)
Net Re-estimate – Interest	(79.3)	(196.6)
Total Net Re-estimate	(364.6)	(601.0)
Total Loan Guarantee and Insurance Program Cost and Re-Estimate Expense	**($615.8)**	**($935.5)**

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 2014	FY 2013
Defaults	3.8%	4.7%
Fees and Other Collections	(5.5)%	(6.2)%
Total	**(1.7)%**	**(1.5)%**

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 2014	FY 2013
POST-1991 LOAN GUARANTEES		
Beginning Balance of the Allowance Account	$1,620.8	$1,814.0
Current Year Program Cost	(251.2)	(335.0)
Modifications	–	0.5
Subtotal Program Cost (See Note 4H for Component Breakdown)	(251.2)	(334.5)
Fees Received	623.1	688.2
Claim Expenses and Write-Offs	(5.3)	(6.1)
Interest Accumulation	46.4	65.7
Other	(48.5)	(5.5)
Ending Balance Before Re-estimate	1,985.3	2,221.8
Re-estimate	(364.6)	(601.0)
Ending Balance of the Allowance Account	**$1,620.7**	**$1,620.8**

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 2014	FY 2013
Total Administrative Expense	$114.8	$115.5

L. Outstanding Exposure and Allowance by Program

(in millions)	FY 2014	FY 2013
Outstanding Loans	$21,560.4	$18,248.1
Allowance for Loan Losses	2,409.9	1,927.2
Percent Allowance of Outstanding Balance	**11.1%**	**10.6%**
Outstanding Defaulted Guarantees and Insurance	1,219.9	1,328.9
Allowance for Defaulted Guarantees and Insurance	1,014.6	1,083.4
Percent Allowance of Outstanding Balance	**83.2%**	**81.5%**
Outstanding Guarantees & Insurance	63,159.8	62,062.7
Liability for Guarantees & Insurance	1,620.7	1,620.8
Percent Allowance of Outstanding Balance	**2.6%**	**2.6%**

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.

M. Allowance and Exposure Summary

(in millions)	FY 2014	FY 2013
PRE-CREDIT-REFORM ALLOWANCE		
Allowance for Loan Losses	$241.6	$258.6
Allowance for Defaulted Guarantees	41.7	47.0
Total Pre-Credit-Reform Allowance	**283.3**	**305.6**
CREDIT-REFORM ALLOWANCE		
Allowance for Loan Losses	2,168.3	1,668.6
Allowance for Defaulted Guarantees and Insurance	972.9	1,036.4
Liability for Loan Guarantees and Insurance	1,620.7	1,620.8
Total Credit-Reform Allowance	**4,761.9**	**4,325.8**
Total Allowance for Loan Losses	2,409.9	1,927.2
Total Allowance for Guarantees and Insurance	2,635.3	2,704.2
Total Allowance	**$5,045.2**	**$4,631.4**
Total Outstanding Balance of Loans, Guarantees and Insurance	$85,940.1	$81,639.7
Percent Allowance to Outstanding Balance	5.9%	5.7%
Total Exposure	$112,007.8	$113,825.3
Percent Allowance to Exposure	4.5%	4.1%

5. ACCRUAL OF INTEREST

The weighted-average interest rate on Ex-Im Bank's loan and rescheduled claim portfolio at September 30, 2014, was 2.74 percent (2.79 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, 2013, was 2.78 percent (2.85 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 $350.3 million and $37.1 million of loans and rescheduled claims, respectively, in nonaccrual status at September 30, 2014. Ex-Im Bank had $382.4 million and $47.9 million of loans and rescheduled claims, respectively, in nonaccrual status at September 30, 2013. Had these credits been in accrual status, interest income would have been $20.1 million higher as of September 30, 2014 (amount is net of interest received of $0.1 million), and $21.7 million higher in FY 2013 (amount is net of interest received of $1.3 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 $140.0 billion in FY 2014 and $130.0 billion in FY 2013, of loans, guarantees and insurance exposure at any one time. At September 30, 2014, and September 30, 2013, Ex-Im Bank's statutory authority used was as follows:

(in millions)	FY 2014	FY 2013
Outstanding Guarantees	$60,905.9	$59,195.7
Outstanding Loans	21,560.4	18,248.1
Outstanding Insurance	2,253.9	2,867.0
Outstanding Claims	1,219.9	1,328.9
Total Outstanding	85,940.1	81,639.7
Undisbursed Loans	11,094.3	14,755.9
Undisbursed Guarantees	8,457.3	11,148.6
Undisbursed Insurance	6,516.1	6,281.1
Total Undisbursed	26,067.7	32,185.6
Total Exposure	**$112,007.8**	**$113,825.3**

Transactions can be committed only to the extent that budget authority is available to cover program costs. For FY 2014 and FY 2013, 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 2014, Ex-Im Bank committed $1,927.6 million for direct loans, $18,540.3 million for guarantees and insurance, using $8.7 million of budget authority and no tied-aid funds. During FY 2013, Ex-Im Bank committed $6,893.8 million for direct loans, $20,453.8 million for guarantees and insurance, using $34.1 million of budget authority and no tied-aid funds.

Ex-Im Bank has authorized guarantee transactions denominated in a foreign currency during FY 2014 totaling $1,333.6 million, and authorized $1,040.1 million during FY 2013, 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 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 $140.0 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 180 days 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, 2014 and September 30, 2013:

2014 (in millions) Region	Amount	Percentage
Asia	$46,007.2	41.1%
Latin America & Caribbean	20,105.7	18.0%
Europe	15,924.2	14.2%
North America	8,638.1	7.7%
Oceania	8,258.5	7.4%
Africa	6,885.1	6.1%
All Other	6,189.0	5.5%
	$112,007.8	**100.0%**

2013 (in millions) Region	Amount	Percentage
Asia	$46,463.2	40.8%
Latin America & 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%**

The following tables summarize total exposure by industry as of September 30, 2014 and September 30, 2013:

2014 (in millions) Industry	Amount	Percentage
Air Transportation	$50,668.7	45.2%
Manufacturing	19,960.7	17.8%
Oil & Gas	16,381.2	14.6%
Power Projects	7,325.3	6.5%
All Other	17,671.9	15.9%
	$112,007.8	**100.0%**

2013 (in millions) Industry	Amount	Percentage
Air Transportation	$51,337.8	45.1%
Manufacturing	20,632.3	18.1%
Oil & 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%**

The following tables summarize the five largest public and private obligors at September 30, 2014 and September 30, 2013:

2014 (in millions) Obligor	Amount	Percentage
Pemex	$5,587.5	5.0%
Sadara Chemical Company	4,630.0	4.1%
Papua New Guinea Lng Global Comp.	3,000.0	2.7%
Australia Pacific LNG Processing Pty Ltd	2,865.5	2.6%
Ryanair Ltd.	2,750.1	2.5%
All Other	93,174.7	83.1%
	$112,007.8	**100.0%**

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%**

The following tables summarize total exposure by country as of September 30, 2014 and September 30, 2013:

2014 (in millions) Country	Amount	Percentage
Mexico	$9,253.6	8.3%
India	7,286.1	6.5%
Saudi Arabia	6,876.6	6.1%
United Arab Emirates	5,958.3	5.3%
Australia	4,770.4	4.3%
All Other	77,862.8	69.5%
	$112,007.8	**100.0%**

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%**

The following tables summarize the largest exposures by program by country as of September 30, 2014 and September 30, 2013:

Loans Outstanding and Undisbursed:

2014 (in millions) Country	Amount	Percentage
Saudi Arabia	$6,311.0	19.3%
Australia	3,801.0	11.6%
United Kingdom	3,187.1	9.8%
Colombia	2,614.2	8.0%
All Other	16,741.4	51.3%
Total	**$32,654.7**	**100.0%**

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%**

Subrogated Claims:

2014 (in millions) Country	Amount	Percentage
Mexico	$270.0	22.1%
Indonesia	152.0	12.5%
Kazakhstan	105.3	8.6%
Brazil	58.6	4.8%
All Other	634.0	52.0%
Total	**$1,219.9**	**100.0%**

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%**

Guarantees and Insurance:

2014 (in millions) Country	Amount	Percentage
Mexico	$7,635.0	9.8%
India	4,667.7	6.0%
United Arab Emirates	4,401.1	5.6%
Ireland	4,387.3	5.6%
All Other	57,042.1	73.0%
Total	**$78,133.2**	**100.0%**

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%**

8. OTHER ASSETS

(in millions)	FY 2014	FY 2013
Commitment Fee Receivables	$27.7	$32.7
Other	0.9	1.0
Total Other Assets	**$28.6**	**$33.7**

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.

9. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities not covered by budgetary resources are included in Other Liabilities on the Balance Sheet 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, 2014 and $4.4 million as of September 30, 2013. 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, 2014, and September 30, 2013, is as follows:

(in millions)	FY 2014	FY 2013
U.S. TREASURY DEBT		
Beginning Balance	$18,101.8	$11,301.3
New Borrowings	4,273.4	7,759.5
Repayments	(741.6)	(959.0)
Ending Balance	$21,633.6	$18,101.8
DEBT HELD BY THE PUBLIC		
Beginning Balance	$33.1	$47.5
New Borrowings	0.2	0.5
Repayments	(11.9)	(14.9)
Ending Balance	$21.4	$33.1
Total Debt	**$21,655.0**	**$18,134.9**

Ex-Im Bank had $21,633.6 million of borrowings outstanding with the U.S. Treasury at September 30, 2014, and $18,101.8 million at September 30, 2013, with a weighted-average interest rate of 3.22 percent at September 30, 2014, and 3.44 percent at September 30, 2013.

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, 2014, and September 30, 2013, were $21.4 million, and $33.1 million, respectively. Maturities of payment certificates at September 30, 2014, are as follows:

(in millions) Fiscal Year	Amount
2015	$0.3
2016	12.8
2017	8.3
Total	**$21.4**

The weighted-average interest rate on Ex-Im Bank's outstanding payment certificates at September 30, 2014, and September 30, 2013, was 3.54 percent and 3.61 percent, respectively.

11. OTHER LIABILITIES

(in millions)	FY 2014	FY 2013
CURRENT		
Funds Held Pending Application	$24.3	$91.5
Administrative Expenses Payable	9.7	11.5
Miscellaneous Accrued Payables	1.6	1.9
NON-CURRENT		
Deferred Revenue	180.6	158.7
Total Other Liabilities	**$216.2**	**$263.6**

As of September 30, 2014 and September 30, 2013, $180.6 million and $158.7 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 2014 and $6.3 million in FY 2013. Future payments under the lease are as follows:

(in millions) Fiscal Year	Amount
2015	$6.6
2016	6.9
2017	6.9
2018	6.9
Total	$27.3

13. COMMITMENTS AND CONTINGENCIES

Pending Litigation

As of September 30, 2014, 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, 2014 and September 30, 2013, Ex-Im Bank had $202.9 million and $234.8 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 following origination for a set of predetermined fees. While this program has been discontinued, as of September 30, 2014 and September 30, 2013, Ex-Im Bank still had $133.9 million and $377.1 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 list 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 and Public Revenue (in millions)	Loans	Guarantees	Insurance	Administrative Expenses	Total
FOR THE YEAR ENDED SEPTEMBER 30, 2014					
Intragovernmental Costs	$712.9	$—	$—	$6.8	$719.7
Public Costs	749.0	273.4	(26.3)	108.0	1,104.1
Total Costs	1,461.9	273.4	(26.3)	114.8	1,823.8
Intragovernmental Revenue	(117.2)	(44.7)	(1.8)	—	(163.7)
Public Revenue	(570.9)	(528.5)	(34.6)	—	(1,134.0)
Total Revenue	(688.1)	(573.2)	(36.4)	—	(1,297.7)
Net Excess of Program Costs Over (Revenue)					**$526.1**
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)
Net Excess of Program Costs Over (Revenue)					**$539.9**

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, 2014 and September 30, 2013. 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, 2014 and September 30, 2013, the Bank's resources in budgetary accounts totaled $2,131.2 million and $1,739.3 million respectively. As of September 30, 2014 and September 30, 2013, the Bank's resources in nonbudgetary accounts totaled $5,915.2 million, and $11,111.8 million respectively.

Adjustments to Beginning Balance of Budgetary Resources

Ex-Im Bank made no adjustments to the beginning budgetary resources during the years ended September 30, 2014, and September 30, 2013.

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 2014 and FY 2013 totaled $5,642.0 million and $10,244.8 million, respectively.

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. The FY 2013 upward re-estimate received from the U.S. Treasury in FY 2014 was $1,436.0 million; while the downward re-estimate received from the U.S. Treasury was $943.5 million. The FY 2012 upward re-estimate received from the U.S. Treasury in FY 2013 was $1,024.5 million; while the downward re-estimate received from the U.S. Treasury was $447.2 million.

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 2014 Ex-Im Bank had $306.2 million in borrowing authority withdrawn while in FY 2013 Ex-Im Bank had $5,746.9 million in new borrowing authority with the U.S. Treasury.

Unobligated Balances

Unobligated balances at September 30, 2014 totaled $2,404.4 million. Of the $2,404.4 million, $303.9 million is available to cover program costs for new credits, $1,869.7 million represents the amount in the guarantee and insurance financing account that is available to cover future defaults, and $261.4 million is unavailable for new obligations.

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

(in millions)	For the Year Ended September 30, 2014	For the Year Ended September 30, 2013
RESOURCES USED TO FINANCE ACTIVITIES		
Budgetary Resources Obligated		
Obligations Incurred	$5,642.0	$10,244.8
Less: Spending Authority from Offsetting Collections and Recoveries	5,071.4	5,170.4
Net Obligations	570.6	5,074.4
Other Resources		
Imputed Financing from Costs Absorbed by Others	3.8	3.5
Total Resources Used To Finance Activities	**$574.4**	**$5,077.9**
RESOURCES USED TO FINANCE ITEMS NOT PART OF NET COST OF OPERATIONS		
Change in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	$3,687.1	$1,480.6
Resources That Fund Expenses in Prior Periods	(1,435.9)	(1,024.4)
Budgetary Offsetting Collections and Receipts That Do Not Affect		
Net Cost of Operations		
—Credit-Program Collections	3,266.0	2,638.6
Resources That Finance the Acquisition of Assets	(6,296.0)	(8,452.6)
Total Resources That Do Not Finance Net Cost of Operations	(778.8)	(5,357.8)
Total Resources Used To Finance the Net Cost of Operations	**($204.4)**	**($279.9)**
COMPONENTS OF THE NET COST OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD		
Components Requiring or Generating Resources in Future Periods		
Allowance Amortization	$510.5	$548.2
Provision for Loss -- Pre-Credit-Reform Credits	21.3	(47.0)
Downward Re-estimate of Credit-Losses	(902.0)	(970.9)
Upward Re-estimate of Credit-Losses	1,332.0	1,434.5
Change in Receivables	(165.6)	(264.1)
Change in Payables	(13.5)	9.3
Total Components Requiring or Generating Resources in Future Periods	**$782.7**	**$710.0**
Components Not Requiring or Generating Resources		
Deferral Adjustments	($52.2)	$109.8
Total Components Not Requiring or Generating Resources	**($52.2)**	**$109.8**
Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	**$730.5**	**$819.8**
Net Excess Program Costs Over (Revenue)	**$526.1**	**$539.9**

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 $10,027.1 million at September 30, 2014 ($9,072.5 million related to export loans and $954.7 million related to secured debt obligations) and $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), 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 $39.1 million in FY 2014 ($38.8 million related to export loans and $0.3 million related to secured debt obligations) and $43.2 million in FY 2013 ($43.1 million related to export loans and $0.1 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 such as borrowings, borrowings repayments, interest income on financing accounts, and interest expense on borrowings. 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 2014 and FY 2013, 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 2014 and FY 2013. 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 2014 and 2013 limit of $117,000 and $113,700, 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 $6.6 million in FY 2014 and $6.7 million in FY 2013. 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 which 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.

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 comprise the balance sheets as of September 30, 2014 and 2013, and the related statements of net costs and 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 *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 Statements*. 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 audit 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, 2014 and 2013, 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 Footnote 1 to the financial statements, the Export-Import Bank Reauthorization Act of 2012 extended the Bank's charter 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. The Administration has requested a five-year extension of the Bank's charter through FY 2019. Congressional authorization has been temporarily extended through June 30, 2015. Management believes that Ex-Im Bank's authorization will be further extended until a final authorization is passed by Congress. If the charter is temporarily not extended, the Bank will not be able to authorize new credits; however, under the terms of its charter the Bank will continue to service existing loans, guarantees, and insurance policies. Ex-Im is currently appropriated through a continuing resolution through December 11, 2014 and the Bank expects to receive a full year appropriation when Congress approves an Omnibus Appropriations Bill funding the entire U.S. Government. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information included in the sections entitled "Management's Discussion and Analysis" and "Required Supplementary Information" be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2014, 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 and regulations and other matters. 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* in considering Ex-Im Bank's internal control over financial reporting and compliance.

Deloitte + Touche LLP

McLean, Virginia
November 14, 2014

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 Office of Management and Budget (OMB) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*, the financial statements of the Export-Import Bank of the United States ("Ex-Im Bank" or the "Bank") as of and for the year ended September 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ex-Im Bank'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ex-Im Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of Ex-Im Bank'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be, in aggregate, a significant deficiency.

Sig should have been used,

2. Due to a formula error, cash balances for short term and medium term insurance in the CSC2 input form were incorrectly entered, and
3. The authorization dates of amended working capital guarantees (WC) were incorrectly entered.

Criteria: BCL Ratings, formulas in input forms, and authorization dates of transactions should be correctly reflected.

Cause: Causes of errors identified above are listed below, respectively:

1. An input error in the BCL rating for an ESS transaction occurred and was not detected by review of the BCL ratings,

2. Incorrect formulas were entered in the CSC2 input form for short term and medium term insurance which were not detected by review of the input form, and

3. The proper documents of amended WC were not received by the Office of the Chief Financial Officer (OCFO) until January 2014, despite the fact that they were approved prior to September 30, 2013.

Effect or potential effect: The effect of CSC2 input error resulted in an understatement of $42 million in guaranteed loan liabilities as of September 30, 2014. Ex-Im Bank reflected the adjustment in the financial statements. Errors due to ESS BCL rating and authorization date errors were not corrected by Ex-Im Bank as the monetary effects of the ESS BCL rating and authorization date error were approximately $350,000 and deemed to be immaterial by Ex-Im Bank.

Recommendation: We recommend that Ex-Im Bank enhances the effectiveness of the review processes over the ESS risk rating and CSC2 input form to ensure that correct ratings are assigned and formulas in the input form are accurate, respectively. For the amendment of WC transactions, we recommend that management established a process to ensure that the OCFO is timely notified of amendments to documents.

Ex-Im Bank's response to finding: As of the report date, Ex-Im Bank has not responded to the finding identified above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ex-Im Bank's financial statements are free from 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.

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 Bank'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, in considering Ex-Im Bank's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte + Touche LLP

McLean, Virginia
November 14, 2014

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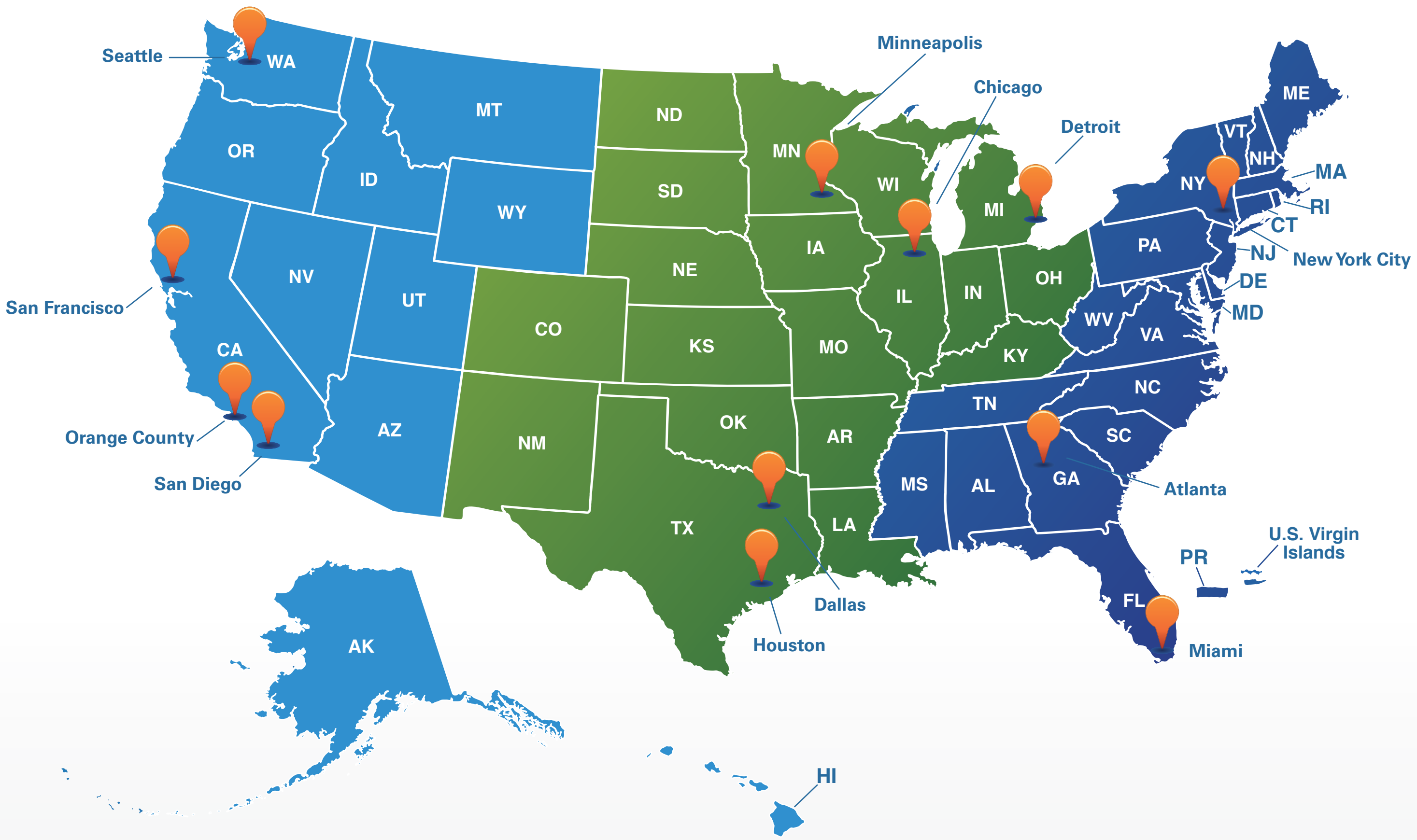

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EXPORT-IMPORT BANK *of the* **UNITED STATES**
811 Vermont Avenue, N.W.
Washington, DC 20571

@EximBankUS