

# 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 balance sheets of the Export-Import Bank of the United States (Ex-Im Bank) as of September 30, 2011 and 2010, and the related statements of net costs, changes in net position, and the combined statements of budgetary resources (collectively referred to as the “financial statements”) for the years then ended. These financial statements are the responsibility of Ex-Im Bank’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ex-Im Bank’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Ex-Im Bank as of September 30, 2011 and 2010, and its net costs of operations and changes in net position, and combined budgetary resources for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying required supplementary information included in the sections entitled “Management’s Discussion and Analysis” and “Required Supplementary Information” are not required parts of the basic financial statements but are supplementary information required by OMB Circular A-136, *Financial Reporting Requirements*, as amended, and the Federal Accounting Standards Advisory Board. This supplementary information is the responsibility of Ex-Im Bank’s management.

We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of required supplementary information. However, we did not audit such supplementary information and we do not express an opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2011, on our consideration of Ex-Im Bank’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audits.

*Deloitte & Touche LLP*

McLean, Virginia  
November 14, 2011

# Independent Auditors' Report

on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based Upon the Audit 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 the financial statements of the Export-Import Bank of the United States (Ex-Im Bank) as of and for the year ended September 30, 2011, and have issued our report thereon dated November 14, 2011. We conducted our audit in accordance with 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. 07-04, *Audit Requirements for Federal Financial Statements*, as amended.

### Internal Control Over Financial Reporting

Management of Ex-Im Bank is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Ex-Im Bank's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Ex-Im Bank's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial

reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the following section, that we consider to be a significant deficiency in internal control over financial reporting. 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.

### Subsidy Re-estimate on Foreign Transactions

#### **Condition:**

The Microsoft Excel macro used to generate cash flow streams for the CSC2 input file (OMB data template for re-estimate calculation) did not utilize the correct default rate for some foreign currency transactions.

#### **Cause:**

The default estimates that populate the foreign currency cash flows in the CSC2 input file were incorrectly referencing to the wrong data source in the file that the subsidy re-estimate Microsoft Excel macro is run on.

#### **Effect:**

The cash flow streams of foreign currency transactions in the CSC2 input file were incorrectly calculated. The future disbursement, default, principal repayment, and interest were miscalculated due to the coding error. As a result, the total net subsidy was inaccurate. The error of \$134.1 million was corrected in the issued financial statements.

#### **Recommendation:**

We recommend that management perform a thorough review of the Microsoft Excel macro script and perform a reasonableness check of the Microsoft Excel macro results. On a sample basis, a comparison of the results from the Microsoft Excel macro and an independent calculation of cash flow streams are recommended.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ex-Im Bank's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts and certain other laws and regulations specified in OMB Bulletin No. 07-04, as amended. 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. 07-04, as amended.

This report is intended solely for the information and use of Ex-Im Bank, the Audit Committee, the Board of Directors, the Inspector General, the OMB, the Government Accountability Office, and the United States Congress and is not intended to be, and should not be, used by anyone other than these specified parties.

Deloitte & Touche LLP

McLean, Virginia  
November 14, 2011