

VICE CHAIRMAN'S MESSAGE



One of the main values that President George W. Bush has brought to Washington is a strong belief that government should be limited but effective, and that in reforming government, we must also take lessons from the private sector. After a career in commercial banking for 34 years, I have found that much of my own experience corresponds

well to the needs of the Ex-Im Bank of today. In the past, I've always wanted to keep the customers in mind, to serve them with a winning team, and to give the shareholders and stakeholders a good return. I believe that commitment to these three principles leads to success – in government as well as in the private sector.

At Ex-Im Bank, our customers are the U.S. exporters and the lenders with whom we partner to serve them. It is a pleasure to say that we have a winning team of professionals to carry out the Bank's mandate of supporting U.S. exports and U.S. jobs. Our stakeholders are the taxpayers of the United States, and, because we cannot identify them individually, we work closely with their representatives in the Administration and Congress to serve their interests.

Administration's Trade Strategy

President Bush and his entire trade team are committed to building domestic and global prosperity by expanding free and fair trade. The Bush Administration's first National Export Strategy is a comprehensive plan to provide U.S. companies of all sizes with the tools they need to compete in today's global marketplace.

As part of this strategy, the Trade Promotion Coordinating Committee (TPCC) has been reinvigorated under President Bush's leadership to coordinate, leverage and focus federal trade programs. The TPCC is chaired by U.S. Secretary of Commerce Donald Evans, and as Ex-Im Bank's senior official, I currently serve as the vice chairman. Ex-Im Bank's role in the TPCC is indicative of the importance of trade finance to increasing U.S. exports.

Ex-Im Bank is a key player in the Administration's trade strategy. As the official export credit agency of the United States, Ex-Im Bank helps U.S. companies to sustain and create jobs by providing financing for U.S. exports that fills trade finance gaps in commercial lending and levels the playing field for U.S. exporters competing with foreign companies backed by their governments.

In fiscal year 2002, Ex-Im Bank authorized more than \$10 billion in financing to support nearly \$13 billion of U.S. exports to markets worldwide. Small businesses benefited directly in nearly 86 percent of our transactions. The pages that follow in this annual report provide details of our authorizations and financial position, as well as portraits of several companies that have succeeded in developing markets with Ex-Im Bank's financing.

Congressional Reauthorization

On June 14, 2002, President Bush signed into law a five-year reauthorization of Ex-Im Bank that received overwhelming bipartisan support from Congress. This legislation was the culmination of a year-long effort among Bush Administration officials, members of Congress, and representatives of exporters, small businesses, lenders, labor organizations and other interested parties to reaffirm the Bank's mission.

Small and medium-sized enterprises are key to economic growth in our economy. With the enthusiastic support of Congress and the Administration, Ex-Im Bank is strongly committed to helping these companies overcome the financial hurdles to exporting. Ex-Im Bank's reauthorization places significant emphasis on small businesses.

Among other features, the reauthorization also reinforces Ex-Im Bank's efforts to promote the export of U.S. goods and services related to renewable energy sources. In FY 2002, Ex-Im Bank established the Renewable Energy Exports Advisory Committee of outside experts in solar, wind, geothermal, and other renewable energy industries. In September, Ex-Im Bank sponsored two very successful environmental conferences in Budapest and Mexico City. We are actively seeking ways to support more U.S. renewable energy exports.

Ex-Im Bank is dedicated to meeting all of the mandates set under the reauthorization, and that means doing even more for our customers – U.S. exporters, small, medium and large.

Improving Customer Service

President Bush's vision of government is that it must be citizen-centered, results-oriented and market-driven. At Ex-Im Bank, we have

been talking with many exporters, lenders, and other customers and stakeholders about how we can achieve this vision.

Our customers have told us that they would like Ex-Im Bank to be more streamlined and efficient, and they would like to see a reduced transaction cycle time. They would like more consistency in our credit culture and underwriting standards. They value our regional expertise and would like to see it strengthened and concentrated. They would also like timely, accurate and consistent information on our products and initiatives presented to meet their needs.

As a result, we have recently reorganized to leverage the strengths of our products and staff, enhance our customer service, and learn from the "best practices" of other financial institutions. Our goal is to become more customer-driven and market-focused, and at the same time, to enhance our risk management.

Under our new structure, the Export Finance Group is exclusively devoted to managing transaction relationships with our exporters, lenders and foreign buyers. This group has the resources to deliver all of our products globally: pre-export financing, loans and guarantees, and export credit insurance. This group also includes both domestic and international business relations.

The Credit and Risk Management Group provides stewardship for risk management, including credit standards and underwriting, credit review and compliance, country risk analysis, and engineering and environmental analysis. This group will maintain a single credit culture and standards for all of the Bank's transactions.

The new Office of Communications, which encompasses public affairs and marketing functions, is responsible for developing and coordinating all of our external information. As we develop new products and initiatives, this office will target information to customers, stakeholders, financial markets, industry sectors and geographic regions.

Teamwork and Leadership

Finally, I would like to add a few words about Ex-Im Bank's team. So many of our customers have told me how knowledgeable, helpful and responsive our people are – in every department and at every level. I am proud to work with and represent this highly skilled team of trade finance professionals.

It was my fortune to have begun my service at Ex-Im Bank under the leadership of the Bank's late chairman, John Robson. Chairman Robson was a man of tremendous integrity and dedication to serving the American people in both the private and public sectors.

Although his tenure at Ex-Im Bank was brief, he has given this agency lasting inspiration.

I look forward to continuing to serve as part of Ex-Im Bank's leadership team and to working with the new chairman, Philip Merrill. My fellow board members and I are committed to developing the relationships with the private sector that are critical to the success of this agency and the Administration's trade policy.

Ex-Im Bank's market is the world, but our role is to facilitate U.S. exports, thus boosting economic growth and development in the United States. Simply put, we are an agency working in the international arena with a domestic mission. In FY 2003 and beyond, we will continue to look to our customers and stakeholders to find out how we can accomplish this mission even better.



Eduardo Aguirre
Vice Chairman,
First Vice President and
Chief Operating Officer