Export-Import Bank of the United States

2000 ANNUAL REPORT

THE EXPORT-IMPORT BANK OF THE UNITED STATES

MISSION

The Export-Import Bank of the United States (Ex-Im Bank) is the official export credit agency of the United States. In its 65 years of service, Ex-Im Bank has helped to support more than $400 billion of U.S. exports worldwide.

Ex-Im Bank's mission is to match officially supported foreign competition and fill financing gaps in order to maximize support for U.S. exports and contribute to the promotion and maintenance of U.S. jobs. By targeting financing gaps and officially supported competition, Ex-Im Bank supports export sales that otherwise would not have gone forward. Ex-Im Bank believes that these additional export sales expand or maintain employment in sectors where jobs are both among the highest paid in the country and have extensive "multiplier" effects on the U.S. economy.

PRODUCTS

Ex-Im Bank finances exports of any type of nonmilitary goods or services with at least 50 percent U.S. content. The Bank offers three main products:

- working capital guarantees to help U.S. exporters obtain the funds to fulfill sales orders or finance inventory and accounts receivable;
- export credit insurance to enable U.S. exporters to offer competitive credit terms to their foreign buyers and cover the risk of nonpayment;
- direct loans or guarantees of commercial loans to foreign buyers of U.S. goods and services in markets where financing otherwise would not be available.

FY 2000 AT A GLANCE

Total Financing

- Ex-Im Bank financing helped more than 2,500 U.S. export sales in FY 2000.
- In FY 2000, Ex-Im Bank authorized $12.6 billion in loans, guarantees and export credit insurance, supporting $15.5 billion of U.S. exports to markets worldwide.

Small Business

- Ex-Im Bank's financing in support of U.S. small businesses increased by nearly 10 percent in FY 2000 to $2.3 billion – more than 18 percent of total authorizations.
- Ex-Im Bank approved 2,176 small business transactions, which represented 86 percent of the total number of transactions in FY 2000 – an increase of 13 percent from FY 1999.
- In FY 2000, 377 small businesses used Ex-Im Bank programs for the first time.
- Ex-Im Bank's working capital guarantees for pre-export financing increased by 41 percent in FY 2000 to $588 million – $517 million of which benefited small businesses. Of the 361 working capital guarantee transactions authorized, 339 were for small businesses, representing 94 percent of the transaction volume.
- Small businesses were issued 1,762 export credit insurance policies representing 93 percent of the total number of Ex-Im Bank's policies in FY 2000. Small business insurance authorizations totaled $1.5 billion – up 27 percent from FY 1999.

Women- and Minority-Owned Business

- For women-owned businesses, Ex-Im Bank's working capital guarantees in FY 2000 increased to $14.5 million. The number of export credit insurance policies held by minority- and women-owned businesses increased by nearly 18 percent.

Export Credit Insurance

- Ex-Im Bank authorized $3.3 billion in export credit insurance in FY 2000.
- Medium-term insurance – supporting sales of U.S. capital goods and services on medium terms of repayment – increased 49 percent in FY 2000 to $880 million.

Limited Recourse Project Finance

- In FY 2000, Ex-Im Bank's authorizations of limited recourse project financing rose to more than $1.5 billion, a significant increase over FY 1999.

Aircraft

- In FY 2000, Ex-Im Bank authorized more than $3.5 billion to finance exports of the U.S. aircraft manufacturing industry, including the export of 60 U.S.-manufactured, large commercial aircraft to 19 airlines located in 15 countries.

Environmental

- Ex-Im Bank financing supported nearly $877 million in exports of environmentally beneficial U.S. goods and services in FY 2000.

Energy

- Ex-Im Bank supported 25 transactions involving U.S. exports to foreign energy production and transmission projects in FY 2000, including electric power generation and transmission, and oil and gas exploration and refineries. The export value of these transactions totaled more than $2.2 billion.

High Technology

- In FY 2000, Ex-Im Bank assisted in financing more than $436 million of U.S. high technology exports such as electronics, telecommunications and biotechnology – a 90 percent increase from FY 1999.

Services

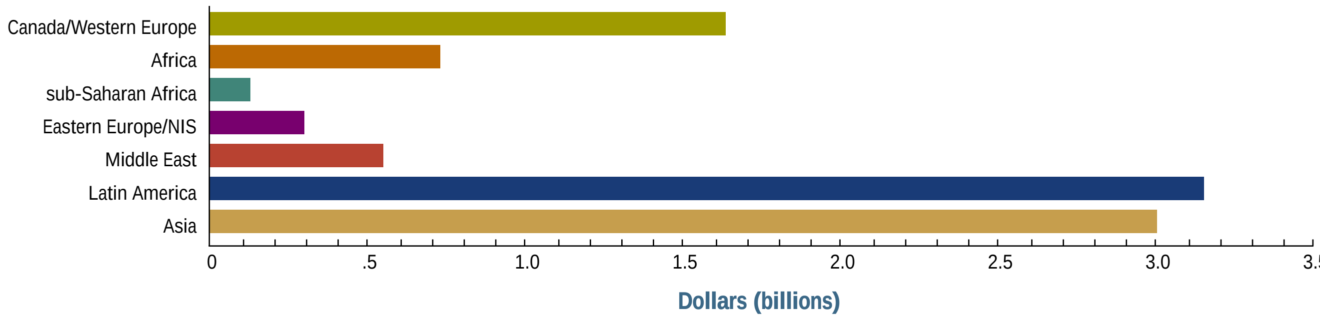
- Ex-Im Bank financing in FY 2000 assisted in the export of a wide range of U.S. services (such as engineering, design, consulting and training), of which the total export value was more than $823 million.

Agriculture

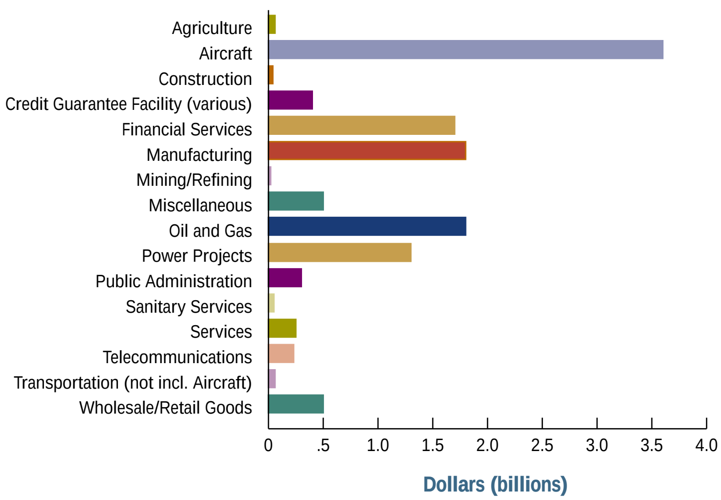
- In FY 2000, Ex-Im Bank helped to finance the export of nearly $75 million of U.S. agricultural commodities, livestock, foodstuffs and related products, and more than $134 million of agricultural equipment, chemicals, supplies and services.

FY 2000 OVERVIEW

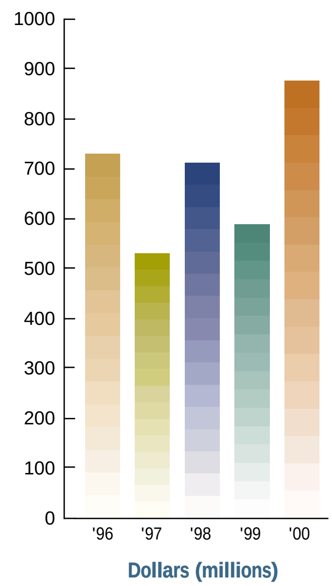
Authorizations by Regional Market



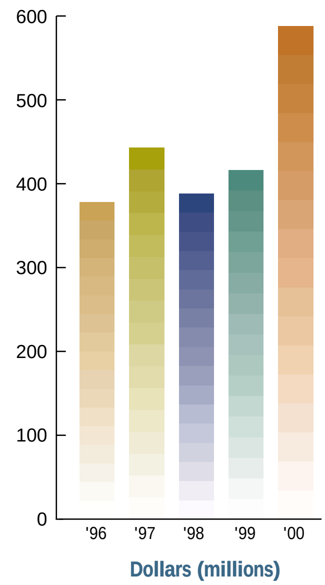
Authorizations by Economic Sector



Medium-Term Insurance Authorizations (5-Year Period)



Working Capital Guarantee Authorizations (5-Year Period)



Small Business Authorizations

Dollars (millions)

	Number		Amount	
	2000	1999	2000	1999
Export Credit Insurance	1,762	1,531	$1,513	$1,192
Working Capital Guarantees	339	312	517	383
Guarantees	73	71	296	514
Guarantees and Insurance	2,174	1,914	2,326	2,089
Loans	2	4	7	37
Grand Total	2,176	1,918	$2,333	$2,126

Note: A total of 377 small businesses receiving Ex-Im Bank's assistance during the year had not previously participated in the Bank's programs.

"EX-IM BANK IS IN EXCELLENT FINANCIAL CONDITION."

Fiscal 2000 was a good year for the Export-Import Bank of the United States.

I am pleased to report that:

* New authorizations of $12.6 billion of loans, guarantees and insurance supported $15.5 billion in U.S. exports in FY 2000 – one of the largest levels of support in Bank history.

* The Bank used $938 million in program budget, which fully utilized our $756 million appropriation for FY 2000, as well as resources available from prior years.

* Despite a sharp decline in the aircraft sector after a record high in FY 1999, total authorizations for FY 2000 were off by only 3.2 percent. At the same time, the Bank's portfolio grew more balanced and diversified, both geographically and among sectors. In fact, authorizations to the oil and gas, manufacturing, and technology sectors in the aggregate more than doubled in FY 2000.

* Net income increased to $345.8 million in FY 2000 from $214.4 million in FY 1999.

* The Bank was profitable for the fourth time in the last five years.

* Total portfolio exposure at year's end was $61.6 billion, up 5.4 percent from FY 1999. The Bank also ended the year with a significant risk improvement, reflecting the upgrade of a substantial number of project finance cases, airline companies and large exposure in certain countries.

As a result of this progress, Ex-Im Bank is in excellent financial condition. This is a tribute to the hard work, good policy and sound judgment of the dedicated Ex-Im Bank staff and to the support of the U.S. Congress. Today, Ex-Im Bank is well-positioned to innovate in response to more intense global competition and to assume greater risk to maximize support for U.S. exports.

Asian/Russian Financial Crisis

The fact that Ex-Im Bank emerged relatively unscathed from the Asian/Russian financial crisis of 1997-98 is a testament to the prudent management and good leadership of the Bank's prior chairmen, board members and senior staff. For the two-year period ended

In February 2000, Ex-Im Bank Chairman Harmon addressed a gathering of the Confederation of Indian Industries in Mumbai, India.

September 30, 1999, Ex-Im Bank paid guarantee and insurance claims totaling $1.5 billion (mostly on Asian transactions). This is equal to about 2.8 percent of the Bank's total exposure at the end of FY 1997. By comparison, Ex-Im Bank paid guarantee and insurance claims during the five years of the Latin American debt crisis of 1983-87 in the amount of $1.2 billion, equal to 3.1 percent of total exposure preceding the crisis. In the 10 years following the Latin American crisis, Ex-Im Bank recovered a significant portion of those claims. The recent Asian / Russian crisis was more private-sector focused, and thus involved more risk, than its Latin American predecessor. Yet, the Bank again expects reasonable recovery of claims paid.

In the Asian / Russian crisis, the international banking community learned once again that there is no economic stability without political stability. Indonesia and Russia were the principal examples. Indonesia has been our most difficult market in recent years. Our exposure in the country at the end of the 1997 fiscal year was approximately $3.8 billion, equal to seven percent of the total Bank portfolio at that time. Yet, net losses are expected ultimately to run only about five percent of that exposure. Even more impressive, our Russian losses to date are below the Bank's global average – amounting to less than one percent of our exposure there just prior to Russia's August 1998 crisis.

These recent economic trials put Ex-Im Bank to the test, and the Bank emerged from these challenges stronger than ever. Our losses are modest. The Bank's portfolio has solid industry and regional balance. Ex-Im Bank supported approximately $45 billion in exports during the past three years, and the Bank's role as a stabilizing influence during periods of economic instability has grown in importance. The Bank staff and board should be proud of this record.

Expanding Support for Small Business

We also are proud of the dramatic growth in support that Ex-Im Bank offers U.S. small businesses. Our small business financing rose 10 percent to $2.3 billion in FY 2000, and small businesses are using our working capital guarantees more than ever before. These guarantees, which provide small and mid-sized U.S. companies with pre-export financing, increased 41 percent to more than $588 million in FY 2000. Working capital guarantees to women-owned businesses increased significantly to $14.5 million, and the number of insurance policies held by minority- and women-owned businesses increased nearly 18 percent. This is strong evidence that our aggressive outreach efforts and our new partnership with dozens of trade associations are paying off.

The Challenges Ahead: Innovation and Competition

With the Bank's good record in recent years and serving a wider variety of U.S. businesses than ever before, it is time to press forward with reforms that will help the Bank better defend and expand U.S. export opportunities. From Japan's untied aid, to Canada's and Germany's market windows, to the United Kingdom's vigorous co-financing, our competitors have restructured and refocused their trade finance efforts to be more aggressive in today's world.

In the coming year, we must focus on developing and implementing the policy and structural changes necessary to maintain Ex-Im Bank's competitiveness. When the new Administration and Congress arrive, we will hand to them an independent report on the Bank prepared by the Institute for International Economics with an attached report from the Bank's advisory committee and my own recommendations. We hope that these reports will serve as the basis for strengthening the Bank, as part of its upcoming reauthorization, to better serve U.S. exporters in today's environment. One key recommendation will be that the U.S. government foster greater cooperation among its various trade finance agencies. Ex-Im Bank, the Overseas Private Investment Corporation and the U.S. Trade and Development Agency frequently have the same U.S. and developing world clients. In some cases, we offer a similar product to the same client. Given the rising competition, we need to operate more effectively as a team.

As I write this letter, Ex-Im Bank has begun the final stages of reviewing important policy reform proposals with the export and labor communities. These proposals cover three key areas: foreign content, co-financing and local cost. Reforms on this scale have not occurred at the Bank since the mid-1980s. But their time has come. These revisions aim to make Ex-Im Bank programs more flexible and responsive. They will allow us to support more exports in an efficient way that helps U.S. businesses stay on a level playing field with their foreign competitors, while maintaining our commitment to our core mission of supporting U.S. jobs through exports.

We also must seek new ways to leverage the efforts of this lean, 420-employee agency. In the past year, Ex-Im Bank launched an ambitious risk-sharing initiative to encourage more private-sector participation in U.S. export financing. For the first time in Bank history, our board approved a competitively bid proposal from Citigroup to share the risks and benefits of certain Bank transactions. We hope to finalize this agreement in the near future. I believe the Bank and other U.S. government entities

Ex-Im Bank Chairman Harmon greeted Russian President Vladimir Putin at the September 2000 signing of the Tyumen Oil Company financing at the Russian Mission to the United Nations in New York City.

can learn from this innovative experiment. Long term, the public sector has much to gain by partnerships with the private sector, particularly in the area of trade finance.

Ex-Im Bank also has undertaken an ambitious effort to harness the power of the Internet to reach more U.S. businesses and foreign buyers. By automating many services, we can greatly extend the impact of our small agency. A key milestone in the coming year will be the establishment of an Internet-based marketplace that can serve as a "virtual Ex-Im Bank," offering access to our services, as well as links to other export financing information and resources. This effort will take more than one year to complete, but its ultimate contribution will be considerable.

Ex-Im Bank at 65: Supporting More Jobs Through Exports

The Bank celebrated a milestone this past year. We turned 65. While the world and the global economic landscape have changed a great deal since the 1930s, this Bank remains true to its timeless mission: to support U.S. jobs through exports. With the good results of recent years and a roadmap for fundamental change, Ex-Im Bank is in a strong position to maximize its support for U.S. exports and thereby contribute to a strong U.S. economy.

On behalf of the board of directors, I wish to take this opportunity to thank the capable, dedicated and loyal staff of Ex-Im Bank for their hard work. I also wish to thank members of Congress for their support of the Bank during my time as chairman. The progress of recent years would not have been possible without a Congress that readily understands the importance of Ex-Im Bank's work. Congress generously supported both our program budget, which directly fuels exports, and our administrative budget, which enables us to improve our technology and keep our programs competitive with export credit agencies in Europe, Canada and Japan. I am grateful for this support.

It has been my pleasure to serve as this Bank's chairman for the past three-and-a-half years. I look forward to working with the U.S. exporting community and all the Bank's stakeholders to complete this pivotal evolution and ensure that this historic agency's greatest contributions, to our nation and to the world, are yet ahead.

JAMES A. HARMON

Chairman and President

EXPANDING FINANCING IN EMERGING MARKETS

Ex-Im Bank helps U.S. companies to grow and sustain jobs by assisting in financing their foreign sales and helping them to remain competitive in the ever-changing conditions of the developing world. The Bank enables U.S. companies to take advantage of new sales opportunities in emerging markets that otherwise would not be available. In FY 2000, Ex-Im Bank authorized $12.6 billion in financing to support more than $15.5 billion of U.S. exports to foreign markets worldwide.

Small businesses, particularly those new to exporting, often benefit the most from Ex-Im Bank's support. In FY 2000, Ex-Im Bank's small business export financing increased to $2.3 billion, and pre-export working capital guarantees increased to $588 million (with 94 percent of these transactions benefiting small businesses). Medium-term insurance, which covers foreign buyers' purchases of capital equipment and spare parts, increased to more than $880 million.

Ex-Im Bank also helps large U.S. companies to win contracts for major infrastructure projects. In FY 2000, Ex-Im Bank's limited recourse project financing, a type of private financing where repayment is derived from project revenues, rose to more than $1.5 billion – more than nine times the dollar volume of the previous fiscal year.

Throughout the world, Ex-Im Bank is expanding awareness of its financing and making its products more attractive to foreign buyers in order to maximize sales opportunities for U.S. companies of all sizes. The following are highlights of FY 2000 activity in major markets.

Latin America

Latin America remained Ex-Im Bank's most active market and a major target of the Bank's financing and outreach efforts. In FY 2000, Ex-Im Bank authorized more than $3.1 billion in support of U.S. exports to the region.

In Mexico, Ex-Im Bank authorized $215 million in limited recourse project financing to support the export of U.S. equipment and services to build the Bajio combined-cycle power plant in San Luis de la Paz. Bechtel International Inc. of Gaithersburg, Md., the primary exporter, will design and build the plant,

With the help of an Ex-Im Bank loan guarantee in FY 2000, Magna Medical Systems Inc. exported $35 million of U.S. equipment to outfit the new hospital of Universidade Luterna do Brasil in Canoas, Brazil.

and General Electric Power Systems of Schenectady, N.Y., will supply gas turbines and a steam turbine. More than two dozen other U.S. companies will also supply equipment.

In Brazil, Ex-Im Bank conducted joint marketing seminars with Banco do Brasil in five Brazilian cities to encourage more small and medium-sized Brazilian companies to purchase U.S. goods and services with Ex-Im Bank and Banco do Brasil financing. In FY 2000, the Bank authorized $487 million to support U.S. exports to Brazil, including more than $83 million in single buyer export credit insurance to support short- and medium-term sales.

Ex-Im Bank authorized a medium-term guarantee to support the purchase of $36 million of U.S. telecommunications equipment to TRICOM of Santo Domingo in the Dominican Republic. The primary U.S. exporter is Motorola Inc. of Arlington Heights, Ill. The Bank is making another $10 million in medium-term financing available that will facilitate additional sales to TRICOM from various U.S. exporters.

In FY 2000, Ex-Im Bank authorized $372 million for U.S. exports to Venezuela, including financing for wastewater treatment plants, refuse systems, ambulances and trucks, and electricity generation. Ex-Im Bank authorized a $100 million credit facility for exports of U.S. capital equipment and services to support oil exploration, production, refining and other activities of Petroleos de Venezuela S.A. (PDVSA), Venezuela's state-owned oil company.

Magna Medical Systems Inc.

Miami, Fla.

Breaks into Competitive Market in Southern Brazil

With the help of Ex-Im Bank in FY 2000, this small business integrator and exporter of hospital equipment and technology won a $35 million contract to provide equipment and services to a private, non-profit organization that runs a university and several hospitals in southern Brazil. Magna Medical Systems is exporting equipment from 93 sub-suppliers throughout the United States. The company was able to break into a market dominated by major German suppliers with the assistance of an Ex-Im Bank-guaranteed long-term loan from the Northern Trust Company in Chicago, Ill.

"If it weren't for Ex-Im Bank, this transaction would not have occurred. Ex-Im Bank's involvement allowed us to offer one financing package for all equipment, which makes it very economical for the buyer. This sale will help us to establish a foothold in this market for many years to come as it will serve as a showcase for Magna and other high-end U.S. medical manufacturers in this region of the world," said Julian Arrieta, special projects director at Magna Medical Systems Inc.

ASIA

In FY 2000, Ex-Im Bank authorized more than $3 billion for U.S. exports to Asia, the second most active market for Ex-Im Bank financing.

In Thailand, Ex-Im Bank provided a long-term loan guarantee to Thai Airways International Ltd. to support the $548 million export by The Boeing Co. of Seattle, Wash., of one Boeing 747-400 aircraft with four installed engines from General Electric Co., and four Boeing 777-300 aircraft with four Rolls Royce engines that were financed by the official export credit agency of the United Kingdom. Ex-Im Bank's guarantee was needed because of reduced availability of commercial bank funding for aircraft purchases in the wake of Asia's economic downturn.

In the Philippines, Ex-Im Bank provided limited recourse project financing to support the $129 million sale of equipment and services by Raytheon Engineers and Constructors of Princeton, N.J., and numerous other U.S. suppliers to build the KEPCO Ilijan gas-fired, combined-cycle power plant on Luzon.

In Malaysia, Ex-Im Bank provided a long-term loan to enable a semiconductor manufacturer, Silterra Malaysia Sdn. Bhd., to purchase $800 million of technology, equipment and services from LSI Logic Corporation in Milpitas, Calif., Fluor Daniel Intercontinental in Irvine, Calif., and 23 other U.S. suppliers.

Throughout the year, Ex-Im Bank worked to develop partnerships with government, business and banking sectors in India. Chairman Harmon conducted a trade mission to India in February and met with representatives of the Indian government, U.S. and Indian companies and banks to discuss ways to increase the Bank's financing for government and private Indian buyers.

Ex-Im Bank announced that it will guarantee loans denominated in India's currency, the rupee. The ability to offer their Indian buyers a guarantee in rupees will help U.S. exporters to be more flexible and competitive in this important market.

In December 1999, Ex-Im Bank Vice Chair Jackie Clegg traveled to Vietnam and signed two agreements to pave the way for use of Ex-Im Bank's programs.

Ex-Im Bank Vice Chair Jackie Clegg signed a trade agreement in September 2000 with S.K. Chakrabarti, deputy managing director of the Industrial Development Bank of India. In background (right to left): U.S. Commerce Secretary Norman Y. Mineta and J. Brady Anderson, administrator of the U.S. Agency for International Development (USAID).

Turkey and Southeastern Europe

In FY 2000, Ex-Im Bank authorized more than $1.2 billion in financing to support the sale of U.S. goods and services to Turkey. The Bank also established a new $1 billion credit facility with 12 Turkish private sector banks to expedite the financing of purchases of U.S. goods and services by small and medium-sized Turkish firms, which can apply directly to one of these pre-approved banks for Ex-Im Bank-guaranteed or insured financing.

Ex-Im Bank supported President Clinton's Southeast Europe Initiative in FY 2000 by appointing a senior loan officer to lead the Bank's outreach in southeastern Europe, working with government and business representatives to promote U.S. trade and encourage partnerships.

Ex-Im Bank board members, Dan Renberg and Vanessa Weaver, conducted business development missions in southeastern Europe in FY 2000. In April, Mr. Renberg met with officials in Hungary and the Czech Republic, and signed an agreement promoting financing for U.S. environmental exports to Hungary. In September, Ms. Weaver visited Macedonia, Croatia and Slovenia to explore ways to expand use of Ex-Im Bank financing for U.S. exports.

The Bank approved $51 million in long-term financing to help Lockheed Martin Overseas Corp. of Bethesda, Md., to sell state-of-the-art weather radar and related equipment and services for an integrated national meteorological system to the state meteorological institute of Romania. In addition to Lockheed Martin, 18 U.S. companies in 10 states will supply equipment and services.

InterGen, Bechtel Power Corp., General Electric Co.

Export Equipment and Services for Three Power Projects in Turkey

Ex-Im Bank's limited recourse project financing in FY 2000 will assist Bechtel Power Corp. and General Electric Co. (GE) in exporting approximately $1.4 billion of U.S. equipment and services to the Gebze, Adapazari and Izmir natural gas-fired power facilities in Turkey. The project sponsors are InterGen (owned by Bechtel Enterprises Inc. and Shell Generating Ltd.) with offices in Boston, Mass., and Enka Insaat ve Sanayi, A.S., one of the largest construction companies in Turkey.

The three Build-Own-Operate (BOO) plants combined represent the largest private power sector investment to date in Turkey and a 15 percent increase in Turkey's electrical power capacity. InterGen/Enka have subcontracted the engineering, procurement and construction of the plants to a joint venture consisting of InterGen's affiliate, Bechtel Power Corp., and Enka. The joint venture will procure gas turbine generators from GE's manufacturing facility in Greenville, S.C., as well as other equipment from various U.S. suppliers. Bechtel Power Corp. will provide up to $230 million of engineering services, and GE will provide $275 million of equipment. GE has also entered into a $550 million, long-term parts and services agreement for the three plants, which will be operated by InterGen upon completion.

"Ex-Im Bank's support for these projects was a critically important factor in our decision to move forward with these power facilities. It has enabled us to develop projects yielding considerable environmental and economic benefits for both the United States and Turkey," said Carlos Riva, president and CEO of InterGen.

"As a result of Ex-Im Bank's financing, GE was able to provide Turkey with its most reliable, inexpensive and environmentally friendly source of power. These transactions represent GE's largest order ever in Turkey," said Steven Howlett, GE senior vice president.

Ex-Im Bank led the financing group, which consists of the Overseas Private Investment Corp. (OPIC), the export credit agencies of Belgium (OND) and Germany (Hermes), and commercial banks. The Bank's long-term financing covers both the construction and operating periods of the projects, a first for Ex-Im Bank in Turkey.

Africa

In FY 2000, Ex-Im Bank authorized more than $733 million for U.S. exports to Africa and worked to expand use of its financing in North Africa and in sub-Saharan countries.

Ex-Im Bank expanded availability of its financing for public sector transactions in Algeria. The Bank provided a long-term guarantee to finance the export of four Boeing 737-800 aircraft to Air Algerie, and also supported the export of engineering services by Brown & Root for the Hassi Berkine oil field project of SONATRACH, Algeria's state-owned oil and gas company.

Ex-Im Bank's focus on sub-Saharan Africa was underscored by several delegations in FY 2000. Ex-Im Bank Chairman James Harmon accompanied President Clinton in August on a historic visit to Nigeria, where he met with President Obasanjo and other government and business leaders to discuss use of the Bank's financing. In October 1999, Chairman Harmon led a trade mission to Ghana, Nigeria, South Africa and Mozambique. The Bank's regional director for Africa also visited the region and conducted seminars in Nigeria, Cameroon and Senegal.

Ex-Im Bank announced a pilot program in July offering financing of up to $1 billion a year on five-year repayment terms to help sub-Saharan Africa to purchase U.S. HIV/AIDS-related medical equipment, services and medications. The program is designed to add flexibility to minimize the cost of medications and health care delivery and maximize repayment terms.

In FY 2000, Ex-Im Bank approved limited recourse project financing for the Chad-Cameroon oil pipeline system. The Bank authorized $200 million in financing to support the export of U.S. equipment and services by Willbros Engineering Inc. in Tulsa, Okla., Kellogg Brown & Root and IWL Communications in Houston, Texas, and numerous other U.S. suppliers to build a pipeline system to transport crude oil from southwest Chad through Cameroon to the Atlantic coast. The pipeline will carry 225,000 barrels of oil a day and will generate significant revenue for Chad and Cameroon. In accord with the Bank's guidelines, the environmental effects have been identified and will be mitigated to protect human populations and the environment.

TeleCommunication Systems Inc.

Annapolis, Md.
Sells Wireless Internet Access Equipment to Nigeria

This minority-owned small business is helping the state government of Jigawa in Nigeria to access the Internet for educational, training, commercial and health care services – with the help of an Ex-Im Bank medium-term loan guarantee approved in FY 2000. The $6 million export will provide hardware, software and technical support and is financed with a five-year loan from First International Bank in Hartford, Conn., that is backed by Ex-Im Bank. The transaction is Ex-Im Bank's first in Nigeria in nearly a decade.

"We are pleased to be part of the infrastructure development efforts in Jigawa that will provide services to 1,000 offices, schools and medical facilities, and enable the state to communicate locally, nationally and globally as never before. This project would not have been realized without Ex-Im Bank's guarantee," said Maurice Tose, president of TeleCommunication Systems Inc.

Russia and the New Independent States

In FY 2000, Chairman Harmon made two trips to Russia, working with Russia's new leadership to find ways to expand U.S. exports and encourage Russia's development as a trade partner with the United States. Authorizations for exports to Russia rose to $213.7 million.

Ex-Im Bank approved long-term loan guarantees to support more than $500 million of U.S. oil field equipment and services for two projects of Russia's Tyumen Oil Company: the rehabilitation of the Samatlor oil field in western Siberia and the modernization of the Ryazan oil refinery near Moscow. U.S. exporters involved in the Samatlor project are Halliburton Company of Houston, Texas, and more than 25 other U.S. suppliers. ABB Lummus Global, based in Bloomfield, N.J., is the primary U.S. exporter to the Ryazan project.

Authorizations for Russia also included the financing of $143 million of U.S. aircraft engines and avionics that will be installed on three IL-96T cargo airplanes built by Russia's aircraft manufacturers, JSC Ilyushin Aviation Complex and JSC Voronezh Aircraft Manufacturing Association. The three cargo airplanes will be operated by Aeroflot Russian International Airlines. The two primary exporters were Pratt & Whitney, a division of United Technologies Inc., based in Hartford, Conn., and Rockwell Collins, based in Cedar Rapids, Iowa. Ten other U.S. exporters supplied components for the IL-96T aircraft.

Ex-Im Bank also authorized long-term financing for U.S. medical equipment exports to a Moscow children's hospital and medium-term financing for the sale of air traffic collision avoidance systems by Honeywell Inc. of Phoenix, Ariz., to a Russian cargo airline. The Bank also approved a medium-term guarantee to support the export of mining and earthmoving equipment by Caterpillar Inc. of Peoria, Ill., to Alrosa Company Ltd. for surface diamond mining.

In its first transaction with Azerbaijan, Ex-Im Bank approved a $66 million long-term guarantee as part of an asset-based financing package to facilitate the export of two Boeing 757-200 aircraft to Azerbaijan Airlines.

In June, Vice Chair Clegg traveled to Estonia, Lithuania and Poland to meet with business, financial and government leaders to promote availability of Ex-Im Bank's financing.

With the help of an Ex-Im Bank loan guarantee, Lunceford Associates Inc. is exporting U.S. imaging and other medical equipment to a pediatric hospital in Moscow.

Lunceford Associates Inc.

Coeur d'Alene, Idaho

Sells Medical Equipment to Moscow Children's Hospital

In FY 2000, this small business exporter benefited from a $31 million loan guarantee from Ex-Im Bank to sell U.S. medical imaging machinery and other equipment to a pediatric hospital in Moscow, Russia. The company is obtaining equipment from more than 20 U.S. suppliers. Ex-Im Bank's guarantee is supporting a long-term loan from U.S. Bank N.A., in Minneapolis, Minn. This transaction is the Bank's fifth financing of the company's sales of medical equipment to Russia.

"We certainly appreciate the efforts of Ex-Im Bank to accommodate financing in Russia. Acting in an expeditious manner is always important because we are not just marketing the equipment on its merits, but we are also in competition with several other countries, such as Germany, that provide loans to Russia," said Earl Lunceford, company president. "Lunceford Associates has done in excess of a quarter of a billion dollars in the post perestroika market, and Ex-Im Bank's ongoing support in financing projects has been very important to our continued success in providing critical medical equipment to Russia."

REACHING OUT TO SMALL BUSINESS

Ex-Im Bank's growing success in reaching out to assist U.S. small businesses is a story of strategic marketing aimed at attracting and serving new customers, including businesses that traditionally have been under-served by export financing such as minority- and women-owned companies, and businesses in rural or economically depressed urban areas. In FY 2000, the Bank brought a sharpened focus to meeting its congressional mandate to assist small businesses by implementing multidimensional outreach. Initiatives included developing an extensive exporter database and direct marketing effort, working with customers through the Bank's six regional offices, and establishing new strategic alliances with state and local organizations, trade associations and lenders.

Reflecting the Bank's commitment to small business support, the overall dollar value of the Bank's small business financing rose nearly 10 percent to $2.3 billion in FY 2000, and the number of small business transactions increased 13 percent. Insurance authorizations for small businesses increased to $1.5 billion. Working capital loan guarantees rose 41 percent to a record $588 million, and of the 361 working capital guarantees authorized, 94 percent were for small businesses. Working capital guarantees for women-owned businesses increased to $14.5 million, and the number of insurance policies held by minority- and women-owned businesses increased by nearly 18 percent.

New Jersey Governor Christine Todd Whitman, former New Jersey Secretary of Commerce Gualberto Medina and Ex-Im Bank Board Member Dan Renberg at the signing of New Jersey's City/State Partnership with Ex-Im Bank in May 2000.

Ex-Im Bank Board Member Vanessa Weaver addressed a meeting of asset-based lenders in Los Angeles in September 2000.

Recognizing the need to build awareness of its financing among U.S. exporters, Ex-Im Bank developed a targeted exporter database of 127,000 U.S. companies and conducted a direct marketing program and advertising campaign.

Using the new exporter database in FY 2000, Ex-Im Bank's regional offices in New York, Washington, D.C., Miami, Houston, Chicago, and Long Beach, Calif. (and satellite offices in Orange County and San Francisco) contacted more than 29,000 new and prospective customers. The regional offices staff conducted nearly 3,000 office visits with U.S. companies and participated in more than 250 seminars nationwide that helped over 12,000 attendees to learn about the Bank's financing.

In FY 2000, Ex-Im Bank established City / State Partnerships in Wyoming and New Jersey, enabling the Bank to reach out more effectively to companies in these states. Ex-Im Bank now has 36 City / State Partners – state and local trade organizations with staff trained in the Bank's programs – available to help U.S. exporters in their own communities.

To attract asset-based lenders and small community banks, Ex-Im Bank developed more user-friendly documentation for its Working Capital Guarantee Program. The Bank also reached out to a broader spectrum of lenders through new marketing initiatives, including a strengthened Delegated Authority Lenders Program that allows lenders to give their customers quick approval on Ex-Im Bank working capital guarantees without prior Ex-Im Bank approval. The Bank now has more than 100 lenders in the program. In September 2000, United Pacific Bank in City of Industry, Calif., was the first community bank to process an Ex-Im Bank working capital guarantee under delegated authority.

To encourage more minority- and women-owned firms to export, Ex-Im Bank increased its coverage of working capital loan guarantees for these businesses from 90 to 100 percent, giving these companies greater access to financing for pre-export costs.

In FY 2000, Ex-Im Bank appointed a business development officer to work directly with minority- and women-owned companies. The Bank also signed agreements with two private business organizations to set up partnerships to market export financing to their members: the National Minority Supplier Development Council (NMSDC) and the Business Women's Network.

Ex-Im Bank enhanced its Trade Association Partners Program (TAPP) in FY 2000 by offering member associations referral fees for connecting their members with the Bank's small business programs. Through TAPP, more than 50 affiliated trade associations disseminate export financing information and refer trade association members to Ex-Im Bank's regional offices and City/State Partners.

AS&E uses Ex-Im Bank's working capital guarantees to export high-tech cargo inspection systems to foreign countries to detect drug smuggling and other contraband.

AMERICAN SCIENCE & ENGINEERING (AS&E) INC.

Billerica, Mass.
Exports High-Tech Cargo Inspections Systems

This high technology small business develops, manufactures and services X-ray cargo inspection systems and sells them to governments worldwide to uncover trade fraud and detect drugs, bombs and other contraband – with the help of Ex-Im Bank's working capital financing. The company has used the Bank's working capital guarantees to sell its products to Taiwan, Egypt and other foreign markets, and has used an Ex-Im Bank credit guarantee facility to export to Mexico. In September 2000, the company's Ex-Im Bank working capital line of credit was increased to $35 million.

"Ex-Im Bank support has been critical to our company's turnaround and growth. Starting in 1995, we used Ex-Im Bank support effectively to 'bridge the gap' until our permanent financing took hold. The Bank's financing has continued to support our revenue growth and helped to triple our employment. Ex-Im Bank has been and will continue to be a critical partner in our international growth strategy," said Lee C. Steele, AS&E finance vice president and chief financial officer.

DEVELOPING PRODUCTS

Ex-Im Bank is continually working to develop and streamline its products to be more responsive to the needs of U.S. exporters in an ever-changing and increasingly competitive marketplace. The Bank's goal is to make available better, more user-friendly products to benefit U.S. companies exporting to foreign markets, and to expedite the financing approval process. Highlights of FY 2000 include establishing a trade receivables facility with a major financial services company to support U.S. exports to Mexico, expanding eligibility for the Bank's small business insurance policy and streamlining processing of medium-term transactions. Ex-Im Bank is also developing an E-commerce strategy that eventually will make financing applications available through the Internet.

In October 2000, Ex-Im Bank approved and signed an export credit insurance policy with Residential Funding Corporation (GMAC-RFC), a wholly owned subsidiary of General Motors Acceptance Corp. (GMAC), and its affiliate, GMAC Trade Finance, Inc. The policy establishes a trade receivables facility to support short-term purchases of U.S. goods and services by qualified Mexican buyers under revolving lines of credit extended by GMAC Trade Finance. In contrast to traditional multi-buyer insurance policies that are issued to exporters to help facilitate their foreign sales, the new policy will focus on small and medium-sized Mexican buyers, encouraging them to increase imports from the United States, especially from small U.S. businesses.

To help more small businesses to access the advantages of its small business policy, Ex-Im Bank is preparing to raise the export sales eligibility limit from $3 million to $5 million. The small business policy provides a higher level of insurance coverage for export sales than generally is available under the Bank's other policies. In addition, policyholders may take advantage of enhanced assignment of the policy proceeds to lenders, which encourages lenders to finance export credit receivables. The threshold limit increase is expected to increase the number of exporters using the small business policy.

Ex-Im Bank's E-Commerce Strategy

In FY 2000, Ex-Im Bank continued to focus resources on developing an E-commerce strategy to produce a Web-based Trade Finance Marketplace that will offer the Bank's customers the speed, convenience and security of doing their export financing transactions over the Internet. The new Web site will have customer portals and will feature interactive and functional Ex-Im Bank financial applications. Applications for Ex-Im Bank's Working Capital Guarantee Program are expected to be online in January 2001. The site will also serve as a source for export trade information.

The Bank's E-commerce strategy embraces a new concept of public/private sector partnership that will allow it to utilize state-of-the-art technology. Through this kind of partnership, Ex-Im Bank can offer substantial value to exporters and other customers – and especially to U.S. taxpayers – without significantly increasing capital outlays or maintenance costs. Currently under development, the Trade Finance Marketplace will integrate its offerings with other government trade-related agencies, providing customers with one-stop export financing opportunities.

Viking Range Corp. exports its high-end kitchen products to foreign markets with Ex-Im Bank's short-term insurance.

In FY 2000, Ex-Im Bank also expanded the scope of its streamlined medium-term credit standards process for financing up to $5 million. U.S. companies applying for insurance, loans or guarantees with terms of one to seven years can anticipate approval within a 20-day turnaround if their transactions meet the streamlined credit criteria. Ex-Im Bank introduced the new medium-term credit standards in May 1998 for transactions up to $1 million.

To reduce processing time even further for qualifying medium-term export credit applications, Ex-Im Bank has instituted individual delegated authority within the agency. Now the Bank's insurance or trade finance division vice presidents can approve qualifying medium-term transactions without referral to the Bank's credit committee, which saves processing time for the exporter. Medium-term transactions of up to $5 million in financing that involve financial institution credit under specified conditions are eligible for this streamlined approval. The new process is expected to expedite more than $1 billion in medium-term transactions processed annually.

Viking Range Corp.

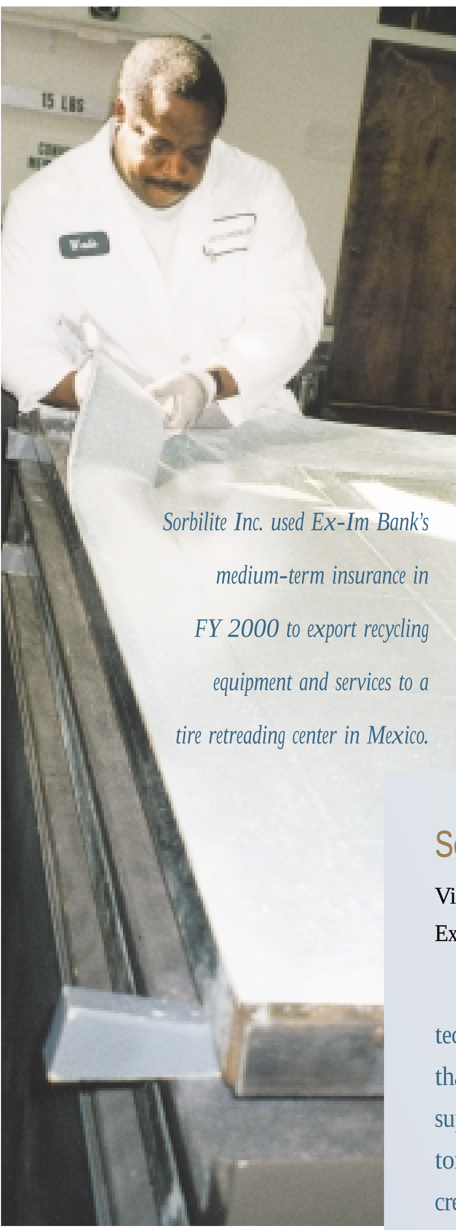
Greenwood, Miss.
Expands Exports of Kitchen Appliances

This popular appliance company, famous for its high-end kitchen appliances, exported its products to countries such as Mexico, Venezuela, the Dominican Republic and Belgium with the help of Ex-Im Bank's short-term export credit insurance in FY 2000. The company is experiencing significant growth in export sales and expects these sales to increase dramatically in the coming years.

"The Ex-Im Bank insurance has been an asset to our company because it gives us a comfort level of protection that enables us to more aggressively grow our international business," said Brian Waldrop, Viking Range chief financial officer and vice president of finance.

SUPPORTING A CLEANER ENVIRONMENT

Since Ex-Im Bank created its Environmental Exports Program in 1994 as a proactive effort to fulfill its congressional mandate to increase support for U.S. exports of environmentally beneficial goods and services, the Bank's environmental transactions have grown from 13 in FY 1994 to 62 in FY 2000. Ex-Im Bank's environmental portfolio is now well in excess of $2 billion.



Sorbilite Inc. used Ex-Im Bank's medium-term insurance in FY 2000 to export recycling equipment and services to a tire retreading center in Mexico.

In FY 2000, Ex-Im Bank authorized loans, guarantees and export credit insurance in support of nearly $877 million of U.S. exports that were environmentally beneficial or were sold for environmentally beneficial foreign projects. In addition, Ex-Im Bank provided working capital guarantees to 13 small businesses that assisted more than $148 million of environmental exports.

In accord with the Bank's environmental guidelines, Ex-Im Bank works with project sponsors to mitigate adverse environmental impacts of fossil fuel power plants, petroleum and mining sector operations, and other projects. Ex-Im Bank tracks the estimated amount of carbon dioxide produced by projects that it supports in order to assist in the management of global greenhouse gas emissions.

Although most of the projects supported by Ex-Im Bank in FY 2000 will emit some level of greenhouse gases, the most significant amount of these emissions are in the form of carbon dioxide produced by the operation of fossil fuel power plants. In FY 2000, Ex-Im Bank provided support for $975 million of U.S. exports for five new fossil fuel power plants. The Bank estimates that the aggregate amount of carbon dioxide emissions produced by these plants will total approximately 16.9 million metric tons per year.

Petroleum sector projects supported by Ex-Im Bank represent a second significant source of carbon dioxide emissions. In FY 2000, Ex-Im Bank provided support for $698 million of U.S. exports for six projects in the petroleum sector, including extraction, pipeline and refining projects. The Bank estimates that the aggregate amount of carbon dioxide emissions produced directly by these projects will total approximately 6.2 million metric tons per year.

Ex-Im Bank aggressively promotes clean U.S. renewable energy exports that produce virtually no greenhouse gases. In conjunction with the U.S. Department of Energy, the Bank identifies and targets foreign markets for U.S. exporters of wind, solar, and geothermal energy and technologies that promote energy efficiency.

SORBILITE INC.

Virginia Beach, Va.
Exports Tire Recycling Equipment to Mexico

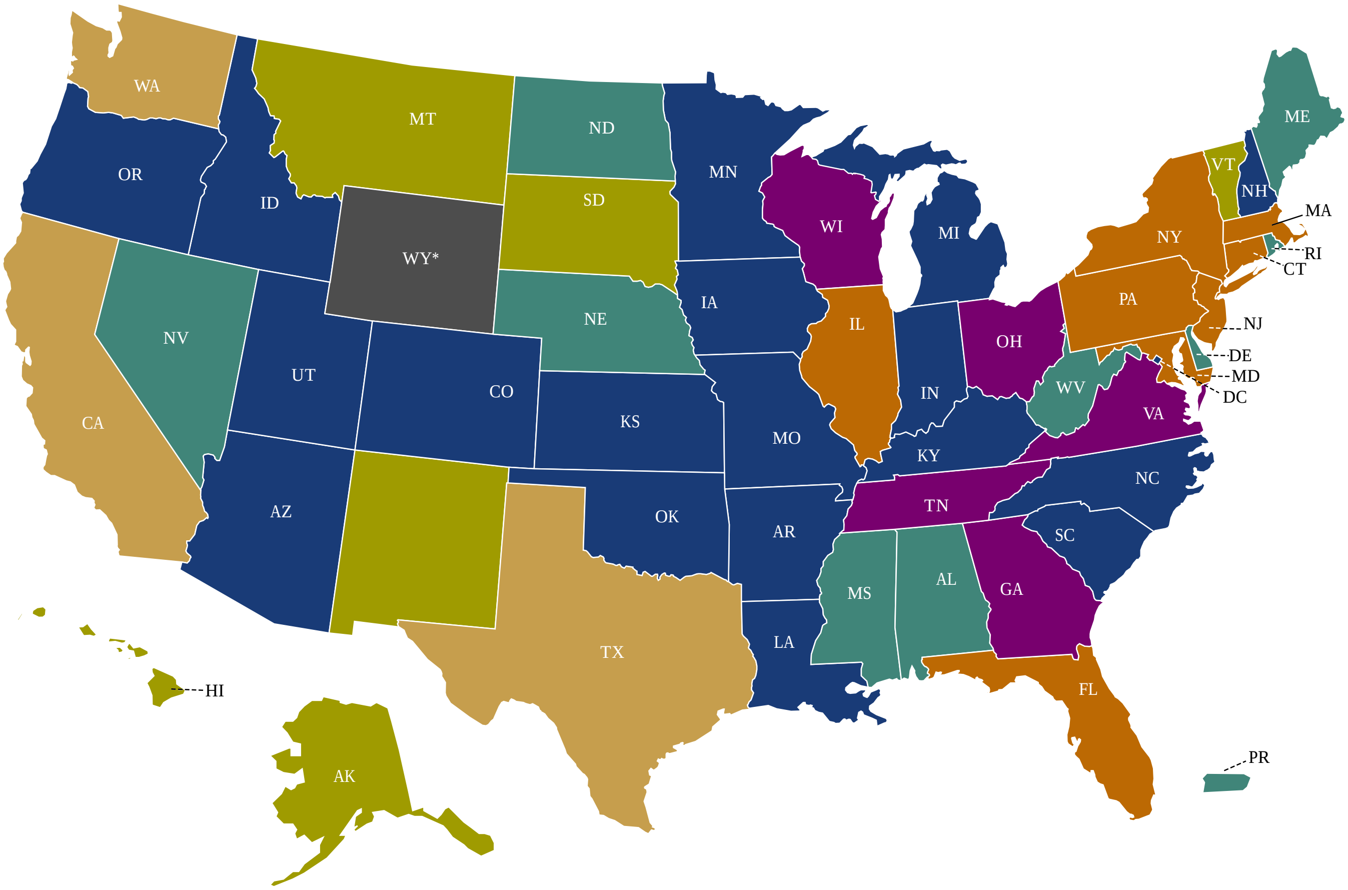
With the help of Ex-Im Bank's Environmental Exports Program in FY 2000, this recycling technology firm sold more than $2.3 million of recycling equipment and services to a Mexican business that runs a tire retreading center in Cuidad Juarez. Sorbilite used an Ex-Im Bank insurance policy to support a seven-year loan from Wells Fargo Bank of El Paso, Texas. The recycling plant will convert 4,000 tons of used tires per year into rubber floor mats and molding, reusing material that otherwise would create a significant environmental problem. Exports account for 80 percent of Sorbilite's sales.

"This deal would not have gone through without Ex-Im Bank's support. We fill a unique niche in the world market for environmentally beneficial products, and Ex-Im Bank is very helpful in those markets where export credit can be difficult to obtain," said Brigitte Pohl, vice president of Sorbilite Inc.

Export-Import Bank of the United States

Supporting U.S. Exports, Sustaining U.S. Jobs

Five-Year Period (October 1, 1995 – September 30, 2000)



Value of Exports Supported

Over $5 Billion

California ($8.3 billion)
Washington ($16.8 billion)
Texas ($5.3 billion)

Over $1 billion

Connecticut ($1.6 billion)
Florida ($2.8 billion)
Illinois ($3 billion)
Maryland ($1.1 billion)
Massachusetts ($2 billion)
New Jersey ($2.5 billion)
New York ($3.5 billion)
Pennsylvania ($2.3 billion)

Over $500 million

Georgia ($806 million)
Ohio ($786 million)
Tennessee ($551 million)
Virginia ($701 million)
Wisconsin ($751 million)

Over $100 million

Arizona ($188 million)
Arkansas ($111 million)
Colorado ($396 million)
District of Columbia ($152 million)
Idaho ($150 million)
Indiana ($149 million)
Iowa ($116 million)
Kansas ($280 million)
Kentucky ($165 million)
Louisiana ($261 million)
Michigan ($486 million)
Minnesota ($369 million)
Missouri ($407 million)
New Hampshire ($217 million)
North Carolina ($358 million)
Oklahoma ($416 million)
Oregon ($216 million)
South Carolina ($135 million)
Utah ($127 million)

Over $10 million

Alabama ($94 million)
Delaware ($22 million)
Maine ($32 million)
Mississippi ($74 million)
Nebraska ($90 million)
Nevada ($94 million)
North Dakota ($16 million)
Puerto Rico ($26 million)
Rhode Island ($30 million)
West Virginia ($13 million)

Over $500,000 to $10 million

Alaska ($2 million)
Hawaii ($531,600)
Montana ($9 million)
New Mexico ($7 million)
South Dakota ($10 million)
Vermont ($9 million)

*In FY 2000, Ex-Im Bank established a City/State Partnership with the State of Wyoming.

FY 2000 AUTHORIZATIONS SUMMARY

($ millions)

Program	Number of Authorizations		Amount Authorized		Export Value		Subsidy	
	2000	1999	2000	1999	2000	1999	2000	1999
LOANS								
Long-Term Loans	7	9	$930.9	$839.5	$1,125.1	$1,001.8	$11.4	$36.3
Medium-Term Loans	1	4	1.7	8.6	2.0	10.1	0.3	0.3
Tied Aid	0	3	0.0	54.6	0.0	54.7	0.0	16.4
Total Loans	8	16	932.6	902.7	1,127.1	1,066.6	11.7	53.0
GUARANTEES								
Long-Term Guarantees	65	71	6,911.0	7,238.4	7,261.0	8,667.4	700.1	479.8
Medium-Term Guarantees	194	124	914.1	644.7	1,067.2	766.3	89.5	57.3
Working Capital Guarantees	361	330	588.3	415.9	2,653.6	2,239.0	17.3	12.3
Total Guarantees	620	525	8,413.4	8,299.0	10,981.8	11,672.7	806.9	549.4
EXPORT CREDIT INSURANCE								
Short-Term	1,528	1,436	2,410.7	3,276.4	2,410.7	3,276.4	0.0	0.0
Medium-Term	373	246	880.4	589.5	1,028.5	692.9	83.5	53.4
Total Insurance	1,901	1,682	3,291.1	3,865.9	3,439.2	3,969.3	83.5	53.4
Modifications							35.7	20.7
Grand Total	2,529	2,223	$12,637.1	$13,067.6	$15,548.1	$16,708.6	$937.8	$676.5

FY 2000 AUTHORIZATIONS BY MARKET

	Loans	Guarantees	Single Buyer Insurance	Total Actual Authorizations	Exposure 9/30/00
AFRICA MULTINATIONAL		200,000,000		200,000,000	202,564,809
ALGERIA	65,577,619	202,617,205		268,194,824	1,633,849,469
AMERICAS MULTINATIONAL FINANCIAL INST					12,261,333
ANGOLA					150,062,904
ANGUILLAR					4,765
ANTIGUA					433,525
ARGENTINA		65,311,850	43,801,969	109,113,819	1,034,931,354
ARUBA			63,720	63,720	10,234,137
AUSTRALIA			315,000	315,000	386,235,396
AUSTRIA					42,673,986
AZERBAIJAN		65,936,207		65,936,207	65,936,207
BAHAMAS			5,641,011	5,641,011	12,021,852
BAHRAIN					19,436,400
BANGLADESH					2,092,557
BARBADOS			502,582	502,582	1,190,891
BELGIUM					2,137,575
BELIZE		25,657,738	5,385,736	31,043,474	52,369,704
BERMUDA					169,962
BOLIVIA			319,886	319,886	17,026,168
BOSNIA					25,706,215
BRAZIL		403,949,160	83,115,833	487,064,993	3,576,223,094
BRUNEI					909
BULGARIA					81,827,299
CAMEROON			54,458	54,458	47,842,413
CANADA			2,349,000	2,349,000	19,835,184
CANARY ISLANDS					410,302
CAYMAN ISLANDS					185,993
CENTRAL AFRICAN REPUBLIC					8,712,258
CHILE		74,232,085	4,304,834	78,536,919	441,946,808
CHINA					26,386,019
CHINA (MAINLAND)		495,176,477	3,162,549	498,339,026	6,197,191,835
CHINA (TAIWAN)		605,539,771	2,308,548	607,848,319	1,010,021,057
COLOMBIA	20,586,830	204,382,194	25,732,918	250,701,942	539,066,356
CONGO					22,864,759
COSTA RICA		598,692	5,255,559	5,854,251	20,641,842
COTE D'IVOIRE			7,309,644	7,309,644	167,428,738
CROATIA					463,358,544
CUBA					36,266,581
CYPRUS					32,646
CZECH REPUBLIC		96,711,722	270,000	96,981,722	561,631,727
DEBT IN FORMER YUGOSLAVIA					107,334,380
DEMOCRATIC REPUBLIC OF CONGO					921,830,192
DENMARK					1,480,731
DOMINICAN REPUBLIC		69,214,058	20,214,557	89,428,615	272,052,613

FY 2000 AUTHORIZATIONS BY MARKET

	Loans	Guarantees	Single Buyer Insurance	Total Actual Authorizations	Exposure 9/30/00
ECUADOR			798,331	798,331	77,056,168
EGYPT		7,377,222	4,252,500	11,629,722	44,295,527
EL SALVADOR		291,479	3,064,500	3,355,979	70,409,759
ESTONIA					4,901
FIJI ISLANDS					96,877,115
FINLAND					897,488
FRANCE			854,765	854,765	7,916,110
FRENCH POLYNESIA					7,608
GABON					67,359,266
GEORGIA					14,837,780
GERMANY, FEDERAL REPUBLIC OF			319,500	319,500	10,054,422
GHANA		24,746,514	5,499,235	30,245,749	176,077,705
GREECE			382,500	382,500	58,106,146
GRENADA			2,978,661	2,978,661	7,962,694
GUATEMALA		3,319,219	16,615,572	19,934,791	71,649,541
GUINEA					7,761,977
GUYANA			1,118,634	1,118,634	5,375,565
HAITI					3,911,016
HONDURAS		1,116,288	31,035,072	32,151,360	52,926,315
HONG KONG			2,700,000	2,700,000	340,392,738
HUNGARY					53,978,978
ICELAND					267,408
INDIA		26,584,515	180,000	26,764,515	1,260,072,691
INDONESIA	1,726,483			1,726,483	2,826,993,322
IRELAND		134,106,892		134,106,892	253,447,517
ISRAEL			3,470,010	3,470,010	440,194,936
ITALY			129,600	129,600	249,106,393
JAMAICA			785,974	785,974	45,013,312
JAPAN			315,000	315,000	208,349,384
JORDAN					7,351,145
KAZAKHSTAN			1,389,319	1,389,319	60,908,767
KENYA			5,462,100	5,462,100	122,838,185
KOREA, REPUBLIC OF	10,076,352	324,727,549	1,825,740	336,629,641	2,389,778,130
KUWAIT					333,781
LATVIA					11,182,250
LEBANON					7,394,213
LIBERIA					5,980,110
LITHUANIA		9,804,750	7,037,846	16,842,596	31,676,562
LUXEMBOURG					99,737,438
MACAU					35,492
MACEDONIA	12,215,644			12,215,644	99,341,486
MADAGASCAR					38,318,462
MALAYSIA, FEDERATION OF	673,790,166	163,425,011		837,215,177	1,043,489,250
MALTA			135,000	135,000	12,163,842

FY 2000 AUTHORIZATIONS BY MARKET

	Loans	Guarantees	Single Buyer Insurance	Total Actual Authorizations	Exposure 9/30/00
MAURITANIA					6,596,857
MAURITIUS		28,276,544		28,276,544	28,286,585
MEXICO		905,088,171	549,680,545	1,454,768,716	4,500,777,599
MICRONESIA, FEDERATED STATES OF					18,678
MONACO					6,894
MONTSERRAT					3,067
MOROCCO		91,635,194		91,635,194	633,903,273
MOZAMBIQUE					48,156,266
NAMIBIA		87,550		87,550	95,589,445
NAURU					35,240,201
NETHERLANDS			8,275,598	8,275,598	19,729,746
NETHERLANDS ANTILLES					386,710
NEW CALEDONIA					19,966
NEW ZEALAND					1,463,327
NICARAGUA		2,697,984	24,469,174	27,167,158	96,624,327
NIGER					7,092,641
NIGERIA		7,413,696	2,589,106	10,002,802	606,194,083
NORWAY			325,000	325,000	47,159,680
OMAN					218,326,922
PAKISTAN					395,227,139
PANAMA		105,426,442	270,000	105,696,442	149,344,703
PAPUA NEW GUINEA					2,779,913
PARAGUAY			216,997	216,997	964,412
PERU		9,596,355	2,280,240	11,876,595	182,047,173
PHILIPPINES		229,715,991	6,075,000	235,790,991	1,756,985,326
POLAND					545,372,002
PORTUGAL					368,258
PUERTO RICO					4,836
QATAR					359,151,864
REPUBLIC OF YEMEN					7,900
REUNION ISLAND					1,649
ROMANIA		89,438,001	22,369,666	111,807,667	372,777,986
RUSSIA		213,750,010		213,750,010	2,075,983,958
RWANDA					559,569
SAUDI ARABIA		551,227,643		551,227,643	2,526,989,512
SENEGAL		4,373,590	712,454	5,086,044	5,964,580
SEYCHELLES					140,504
SIERRA LEONE					2,611,474
SINGAPORE			90,000	90,000	104,773,213
SLOVAK REPUBLIC					4,486,100
SLOVENIA					212,085
SOUTH AFRICA		5,748,774		5,748,774	222,033,628
SOUTHWEST AFRICA					657
SPAIN					4,030,043

FY 2000 AUTHORIZATIONS BY MARKET

	Loans	Guarantees	Single Buyer Insurance	Total Actual Authorizations	Exposure 9/30/00
SRI LANKA					6,182,737
ST. KITTS-NEVIS					65,702
ST. LUCIA					206,594
ST. VINCENT					147,749
SUDAN					28,246,331
SWEDEN			270,000	270,000	2,890,330
SWITZERLAND					2,271,490
TANZANIA			8,913,984	8,913,984	31,002,115
THAILAND		502,615,844		502,615,844	885,939,912
TOGO					2,820
TRINIDAD AND TOBAGO	16,390,400	26,276,424		42,666,824	525,421,870
TUNISIA		30,836,702	180,000	31,016,702	306,245,163
TURKEY		1,144,676,910	102,564,049	1,247,240,959	3,523,429,372
TURKMENISTAN					246,342,470
TURKS AND CAICOS ISLANDS					1,339,192
UGANDA		199,978		199,978	1,402,786
UKRAINE					33,203,800
UNITED ARAB EMIRATES			931,421	931,421	11,447,423
UNITED KINGDOM			1,017,000	1,017,000	23,405,289
UNITED STATES OF AMERICA		976,328,825		976,328,825	1,712,830,342
URUGUAY			1,231,380	1,231,380	8,663,769
UZBEKISTAN		30,506,712		30,506,712	888,741,438
VARIOUS COUNTRIES UNALLOCABLE					51,063,307
VENEZUELA	132,279,498	217,737,819	21,928,433	371,945,750	1,833,180,504
VIRGIN ISLANDS - BRITISH			8,833,200	8,833,200	8,991,354
WEST INDIES - FRENCH					32,806
ZAMBIA					147,263,144
ZIMBABWE		34,910,039	96,228	35,006,267	68,037,445
TOTAL	932,642,992	8,413,391,796	1,063,777,138	10,409,811,926	53,984,136,389
INTERMEDIARY LOANS					7,441,811
MULTIBUYER INSURANCE - SHORT-TERM			2,227,250,000	2,227,250,000	5,474,682,315
OTHER					2,129,422,268
TOTAL AUTHORIZATIONS	$932,642,992	$8,413,391,796	$3,291,027,138	$12,637,061,926	$61,595,682,783

FY 2000 LOANS AND LONG-TERM GUARANTEES

Auth Date	Obligor Guarantor Principal Supplier	Credit	Product	Interest Rate	Loans	Guarantees
AFRICA MULTINATIONAL/CHAD-CAMEROON						
01-Aug-2000	Cameroon Oil Transportation Co. Tchad Oil Transportation Co. None Willbros Engineers Inc.	072889	Pipeline Installation			$200,000,000
Total for AFRICA MULTINATIONAL/CHAD-CAMEROON						$200,000,000
ALGERIA						
28-Sep-2000	Air Algerie Ministry of Finance Boeing Co.	076616	(4) B737-800 Aircraft	7.05%	$65,577,619	$66,220,536
28-Sep-2000	SONATRACH None Brown & Root International Inc.	075187	Engineering and Project Services			$135,739,152
Total for ALGERIA					$65,577,619	$201,959,688
AZERBAIJAN						
28-Mar-2000	Azerbaijan Airlines Ministry of Finance Boeing Co.	075323	(2) B757-200 Airframes			$65,936,207
Total for AZERBAIJAN						$65,936,207
BRAZIL						
08-Jun-2000	São Paulo Evangelical Lutheran None Magna Medical Systems Inc.	075819	Hospital Equipment and Technical Services			$33,941,199
06-Jul-2000	Cia Vale Do Rio Doce None General Electric Co.	075930	(15) Locomotives			$28,653,293
Total for BRAZIL						$62,594,492
CHILE						
10-Aug-2000	Ladeco S.A. Lan Chile S.A. Boeing Co.	076240	(1) B767-300F Aircraft			$72,064,702
Total for CHILE						$72,064,702
CHINA (MAINLAND)						
14-Apr-2000	Air China Industrial and Commercial Bank of China Boeing Co.	075931	(1) B747-400, (2) B777-200 and (2) B737-800 Aircraft			$322,887,424
14-Apr-2000	Shanghai Airlines Bank of China Boeing Co.	076075	(2) B737-700 Aircraft			$73,095,248

FY 2000 LOANS AND LONG-TERM GUARANTEES

Auth Date	Obligor Guarantor Principal Supplier	Credit	Product	Interest Rate	Loans	Guarantees
06-Jul-2000	Hainan Airlines Co. Ltd. Bank of China Boeing Co.	076331	(2) B737-800 Aircraft			$81,830,971
Total for CHINA (MAINLAND)						$477,813,643
CHINA (TAIWAN)						
21-Dec-1999	Far Eastern Air Transport Corp. None Boeing Co.	075354	(2) B757-200 Aircraft			$83,922,093
29-Jun-2000	China Airlines Ltd. None Boeing Co.	076102	(3) B747-400F and (1) B737-800 Aircraft			$402,730,000
20-Jul-2000	Eva Airways None Boeing Co.	076309	(1) B747-400F Aircraft			$118,887,678
Total for CHINA (TAIWAN)						$605,539,771
COLOMBIA						
21-Dec-1999	Ministry of Finance and Public Credit None Sikorsky Aircraft Corp.	075240	(5) Black Hawk Helicopters			$47,524,109
01-Aug-2000	Ministry of Finance and Public Credit None Sikorsky Aircraft Corp.	075956	(14) Black Hawk Helicopters			$156,858,085
15-Aug-2000	Polipropileno Del Caribe S.A. None Engineering America Inc.	075365	Polypropylene Production Equipment	7.00%	$20,586,830	
Total for COLOMBIA					$20,586,830	$204,382,194
CZECH REPUBLIC						
07-Oct-1999	Unipetrol A.S. Chemopetrol A.S. Amoco Polymers Inc.	073841	Licensing and Technical Assistance			$37,638,934
03-Feb-2000	Czech Airlines None Boeing Co.	070350	(2) B737-400 Aircraft			$59,072,788
Total for CZECH REPUBLIC						$96,711,722

FY 2000 LOANS AND LONG-TERM GUARANTEES

Auth Date	Obligor Guarantor Principal Supplier	Credit	Product	Interest Rate	Loans	Guarantees
DOMINICAN REPUBLIC						
21-Dec-1999	Tricom S.A. Tricom USA Inc. Motorola Inc.	075235	Wireless Local Loop Equipment			$36,002,530
Total for DOMINICAN REPUBLIC						$36,002,530
INDIA						
18-Apr-2000	Uttam Steel Ltd. Uttam Exports Pvt. Ltd. Delta Brands Inc.	075661	Steel Manufacturing Equipment			$26,584,515
Total for INDIA						$26,584,515
INDONESIA						
11-Jan-2000	Ministry of Finance None IBM Corp.	073342	Design/Install LAN Equipment and Systems	6.92%	$1,726,483	
Total for INDONESIA					$1,726,483	
IRELAND						
11-May-2000	Ryanair Ltd. None Boeing Co.	072813	(5) B737-800 Aircraft			$134,106,892
Total for IRELAND						$134,106,892
KOREA, REPUBLIC OF						
20-Dec-1999	Korean Air Lines Ministry of Finance of Korea Boeing Co.	072643	Increase in financing for (1) B747-400 Aircraft	7.05%	$10,076,352	$7,912,502
14-Jun-2000	Korean Air Lines None Boeing Co.	076065	(1) B777-300 and (2) B777-200 Aircraft			$316,815,047
Total for KOREA, REPUBLIC OF					$10,076,352	$324,727,549
MACEDONIA						
14-Oct-1999	Ministry of Finance None Crown International Inc.	074540	Vehicles and Security Equipment	6.11%	$12,215,644	
Total for MACEDONIA					$12,215,644	
MALAYSIA						
04-May-2000	1st Silicon (Malaysia) Sdn. Bhd. Rhb Bank Berhad Novellus Systems Inc.	073722	Semiconductor Manufacturing Equipment			$86,458,409
24-May-2000	Silterra Malaysia Sdn. Bhd. Ministry of Finance Varian Associates Inc.	075343	Semiconductor Manufacturing Technology and Equipment	7.17%	$673,790,166	

FY 2000 LOANS AND LONG-TERM GUARANTEES

Auth Date	Obligor Guarantor Principal Supplier	Credit	Product	Interest Rate	Loans	Guarantees
14-Jun-2000	Petronas Nasional Bhd. None General Electric Co.	075396	(4) Gas Turbines			$76,966,602
Total for MALAYSIA, FEDERATION OF					$673,790,166	$163,425,011
MAURITIUS						
16-Nov-1999	Mauritius Telecom Ltd. None Tyco Submarine Systems Ltd.	074716	Fiber Optic Cable System			$28,276,544
Total for MAURITIUS						$28,276,544
MEXICO						
13-Oct-1999	Delta Comunicaciones Digitales Soriano, Javier Motorola Inc.	074641	Base Station and Mobile Switching			$1,187,646
19-Jan-2000	The Pemex Project Funding Master Trust Petroleos Mexicanos Schlumberger Technology Corp.	075605	Oil Field Equipment (Delta del Grijalva Project)			$86,654,294
19-Jan-2000	Compania Mexicana de Aviación S.A. de C.V. None Federal Express Corp.	074845	Aircraft Engine Hushkits and Spare Engines			$5,278,074
28-Mar-2000	The Pemex Project Funding Master Trust Petroleos Mexicanos Bechtel International Inc.	072875	Compressors and Turbines (Cantarrel Oil Field Development)			$400,000,001
14-Apr-2000	Energia Azteca Viii S. de R.l. de C.V. None Bechtel International Inc.	075097	Engineering Services (Bajio Gas Power Project)			$215,000,001
08-Jun-2000	Samsung Ingenieria Mexico S.A. de C.V. None Samsung Engineering America Inc.	075760	Mechanical Equipment (Salamanca Refinery Upgrade)			$32,419,317
08-Jun-2000	Samsung Ingenieria Mexico S.A. de C.V. None Samsung Engineering America Inc.	075761	Mechanical Equipment and Instrumentation (Tula Refinery Upgrade)			$11,854,981

FY 2000 LOANS AND LONG-TERM GUARANTEES

Auth Date	Obligor Guarantor Principal Supplier	Credit	Product	Interest Rate	Loans	Guarantees
06-Jul-2000	Banco Nacional de Obras y Servicios Publicos None Time Manufacturing Co.	075603	Cranes (Articulating) and Telescopes			$12,651,383
1-Aug-2000	Ferrosur S.A. de C.V. Grupo Carso General Electric Co.	075424	(15) Diesel Electric Locomotives			$21,227,107
Total for MEXICO						$786,272,804
MOROCCO						
17-Feb-2000	Royal Air Maroc None Boeing Co.	073085	(1) B737-800 and (2) B737-700 Aircraft			$91,635,194
Total for MOROCCO						$91,635,194
NAMIBIA						
15-Oct-1999	Air Namibia Ministry of Finance Boeing Co.	075104	Increase in Financing for (1) B747-400 Aircraft			$87,550
Total for NAMIBIA						$87,550
PANAMA						
19-Jan-2000	Cia Panamena de Aviación Copa Holdings S.A. Boeing Co.	074517	(4) B737-700 Aircraft and Spare Engine			$105,426,442
Total for PANAMA						$105,426,442
PHILIPPINES						
19-Jan-2000	Dept of Finance None ADC Telecommunications Inc.	075572	Switching Equipment			$63,744,845
01-Aug-2000	Kepco Ilijan Corp. None Raytheon Engineers & Constructors	073272	Technical Services			$150,410,357
Total for PHILIPPINES						$214,155,202
ROMANIA						
14-Oct-1999	Ministry of Health Ministry of Finance Stryker Corp.	074846	Endoscopic Instruments			$22,060,338
20-Jul-2000	Ministry of Waters, Forests Ministry of Finance Lockheed Martin Corp.	075516	Radar Design and Integration Services			$50,922,531
Total for ROMANIA						$72,982,869

FY 2000 LOANS AND LONG-TERM GUARANTEES

Auth Date	Obligor Guarantor Principal Supplier	Credit	Product	Interest Rate	Loans	Guarantees
RUSSIA						
06-Apr-2000	Tyumen Oil Company Samotlorneftegaz Halliburton Co.	067280	Oil Field Services			$36,838,454
29-Jun-2000	Vnesheconombank None Lunceford Associates Inc.	076168	Medical Imaging Equipment			$30,928,800
28-Sep-2000	Aeroflot Russian Intl. Airlines Ministry of Finance United Technologies Corp.	076613	Aircraft Engines and Avionics			$129,556,915
Total for RUSSIA						$197,324,169
SAUDI ARABIA						
19-Oct-1999	Saudi Oger Ltd. None Boeing Co.	073621	Increase in financing for (1) B737-700 Aircraft			$375,197
21-Sep-2000	Ministry of Finance None Boeing Co.	075303	(3) B777-200, (1) B747-400 and (3) MD-90 Aircraft			$550,852,446
Total for SAUDI ARABIA						$551,227,643
THAILAND						
19-Jan-2000	Thai Airways International Ltd. None Boeing Co.	074656	(1) B747-400 and (4) B777-300 Aircraft			$502,615,844
Total for THAILAND						$502,615,844
TRINIDAD AND TOBAGO						
11-May-2000	Telecomm Services of Trinidad & Tobago None Nortel CALA	075585	Telecommunications Equipment	7.50%	$16,390,400	
24-May-2000	Airport Authority Ministry of Finance Calmaquip Engineering Corp.	076172	Engineering Services			$26,276,424
Total for TRINIDAD AND TOBAGO					$16,390,400	$26,276,424

FY 2000 LOANS AND LONG-TERM GUARANTEES

Auth Date	Obligor Guarantor Principal Supplier	Credit	Product	Interest Rate	Loans	Guarantees
TUNISIA						
14-Apr-2000	Societe Tunisienne De L'air None Boeing Co.	074534	(1) B737-600 Aircraft			$30,836,702
Total for TUNISIA						$30,836,702
TURKEY						
02-Dec-1999	Ford Otomotiv Sanayi A.S. None MSX Intl. Engineering Services Inc.	074743	Engineering Services			$20,789,274
21-Dec-1999	Turk Hava Yollari Ministry of Finance Boeing Co.	073136	(7) B737-800 Aircraft			$220,915,084
27-Apr-2000	Adapazari Electrik Uretim Limited Sirketi None Bechtel Power Corp.	074510	Gas Turbines and Engineering Services			$189,560,250
28-Apr-2000	Gebze Electrik Uretim Limited Sirketi None Bechtel Power Corp.	071502	Gas Turbines and Engineering Services			$334,156,410
06-Sep-2000	Izmir Electrik Uretim Limited Sirketi None Bechtel Power Corp.	074509	Gas Turbines and Engineering Services			$336,569,003
Total for TURKEY						$1,101,990,021
UZBEKISTAN						
17-May-2000	National Bank of Uzbekistan Ministry of Finance Case Corp.	075774	Power Guide Axle and Combines			$30,506,712
Total for UZBEKISTAN						$30,506,712
VENEZUELA						
14-Oct-1999	Ministry of Finance None SNC-Lavalin America Inc.	074248	Trucks and Heavy Construction Equipment			$41,100,000
17-Dec-1999	Ministry of Finance None BNA Operations International Inc.	072846	Search and Navigation Equipment			$4,250,000

FY 2000 LOANS AND LONG-TERM GUARANTEES

Auth Date	Obligor Guarantor Principal Supplier	Credit	Product	Interest Rate	Loans	Guarantees
17-Mar-2000	Ministry of Finance None Halter Marine Group Inc.	074018	(2) Support Vessels			$13,636,450
24-Aug-2000	Ministry of Finance None ATN Industries	075942	Trucks			$17,605,152
13-Sep-2000	Accroven SRL None Enron Development Corp.	075663	Gas Processing Equipment and Engineering Services	7.22%	$132,279,498	
Total for VENEZUELA					$132,279,498	$76,591,602
ZIMBABWE						
10-Feb-2000	Zimbabwe Broadcasting Corp. Ministry of Finance Pfluger Enterprises	075089	Transmitter Equipment			$34,910,039
Total for ZIMBABWE						$34,910,039
MISCELLANEOUS						
11-Jan-2000	Private Export Funding Corp. (PEFCO)	03048	Interest on PEFCO's Own Debt			$388,050,000
Total for MISCELLANEOUS						$388,050,000
GRAND TOTAL					$932,642,992	$6,911,014,677

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 funds appropriated by Congress. Credits may not be approved if the cost has not been appropriated in advance.

The financial statements were prepared in accordance with generally accepted accounting principles. As explained in more detail in the footnotes, 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 this 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.

We believe that the Bank's policies and procedures, including its system of internal accounting controls, provide reasonable assurance that the financial statements are prepared in accordance with provisions of applicable laws and regulations.

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

James A. Harmon
Chairman and President

James K. Hess
Chief Financial Officer

October 13, 2000

STATEMENT OF FINANCIAL POSITION

(in $ millions)	September 30, 2000	September 30, 1999
ASSETS		
Cash and Cash Equivalents	$9,086.6	$9,385.5
Loans Receivable, Net	5,725.8	5,830.7
Receivables from Subrogated Claims, Net	2,107.0	2,316.9
Accrued Interest, Fees Receivable and Other Assets	164.9	164.4
Total Assets	$17,084.3	$17,697.5
LIABILITIES AND STOCKHOLDER'S (DEFICIENCY)/EQUITY		
Borrowings	$7,751.9	$7,824.8
Claims Payable	51.1	63.1
Accrued Interest Payable	11.6	438.5
Allowance for Off-Balance Sheet Risk	7,030.0	6,335.1
Amounts Payable to Treasury	1,574.9	2,027.5
Other Liabilities	837.5	824.4
Total Liabilities	17,257.0	17,513.4
Capital Stock held by U.S. Treasury	1,000.0	1,000.0
Tied Aid Appropriations	410.4	412.2
Credit Appropriations	38.8	176.1
Accumulated Deficit	(1,621.9)	(1,404.2)
Total Stockholder's (Deficiency)/Equity	(172.7)	184.1
Total Liabilities and Stockholder's (Deficiency)/Equity	$17,084.3	$17,697.5

The accompanying notes are an integral part of this financial statement.

STATEMENT OF OPERATIONS

(in $ millions)	For the Year Ended September 30, 2000	For the Year Ended September 30, 1999
INTEREST INCOME		
Interest on Loans	$838.8	$736.3
Interest on Cash and Cash Equivalents	582.6	442.5
Total Interest Income	1,421.4	1,178.8
INTEREST EXPENSE		
Interest on Borrowings	609.6	486.5
Other Interest Expense	26.9	1.9
Total Interest Expense	636.5	488.4
Net Interest Income	784.9	690.4
Provision for Credit Losses	701.0	707.2
Net Income / (Loss) after Provision for Losses	83.9	(16.8)
NON-INTEREST INCOME		
Commitment Fees	32.9	48.4
Exposure Fees	224.0	190.7
Guarantee Fees and Insurance Premiums	29.9	29.4
Other Income	42.6	25.9
Total Non-Interest Income	329.4	294.4
NON-INTEREST EXPENSE		
Administrative Expense	55.1	48.8
Other Expense	12.4	14.4
Total Non-Interest Expense	67.5	63.2
Net Income	$345.8	$214.4

The accompanying notes are an integral part of this financial statement.

STATEMENT OF CHANGES IN CAPITAL AND RETAINED EARNINGS/ACCUMULATED DEFICIT

(in $ millions)	Capital Stock	Tied Aid	Appropriated Capital: Pre-Fiscal 1992 Credits	Appropriated Capital: Post-Fiscal 1991 Credits	Retained Earnings/(Accumulated Deficit)	Total
BALANCE AT SEPTEMBER 30, 1998	$1,000.0	$417.3	$0.0	$9.5	$146.1	$1,572.9
Appropriations Received			18.3	825.3		843.6
Appropriations Obligated Excluding Tied Aid			(18.3)	(710.3)	728.6	0.0
Net Income					214.4	214.4
Appropriations Deobligated and Reavailable, Net				48.7	(48.7)	0.0
Appropriations Deobligated and Unavailable				2.9	(2.9)	0.0
Expired or Transferred to the U. S. Treasury		(2.6)			(414.2)	(416.8)
Tied Aid Appropriations Disbursed		(2.5)				(2.5)
Amounts Payable to Treasury					(2,027.5)	(2,027.5)
BALANCE AT SEPTEMBER 30, 1999	$1,000.0	$412.2	$0.0	$176.1	($1,404.2)	$184.1
Appropriations Received			20.6	811.2		831.8
Appropriations Obligated Excluding Tied Aid			(20.6)	(992.7)	1,013.3	0.0
Net Income					345.8	345.8
Appropriations Deobligated and Reavailable, Net				63.4	(63.4)	0.0
Transferred (to)/from the U. S. Treasury, Net				(11.2)	53.5	42.3
Tied Aid Appropriations Disbursed		(1.8)				(1.8)
Amounts Payable to Treasury				(8.0)	(1,566.9)	(1,574.9)
BALANCE AT SEPTEMBER 30, 2000	$1,000.0	$410.4	$0.0	$38.8	($1,621.9)	($172.7)

The accompanying notes are an integral part of this financial statement.

STATEMENT OF CASH FLOWS

(in $ millions)	For the Year Ended September 30, 2000	For the Year Ended September 30, 1999
CASH FLOWS FROM OPERATIONS		
Net Income	$345.8	$214.4
Adjustments To Reconcile Net Income to Net Cash from Operations:		
Amortization of Discount on Loan Disbursements, Net	16.7	(6.8)
Amortization of Loan Exposure Fees, Net	(1.5)	64.5
Provision for Credit Losses	701.0	707.2
Claim Payments	(289.2)	(1,506.9)
Claim Recoveries	524.8	369.8
Increase in Accrued Interest, Fees Receivable and Other Assets	(0.5)	(11.7)
(Decrease) Increase in Accrued Interest Payable	(426.9)	167.5
Increase in Other Liabilities	13.1	96.0
Net Cash from Operations	883.3	94.0
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan Disbursements	(947.0)	(2,321.0)
Repayment of Loans Receivable	992.9	664.5
Net Cash from/(Used in) Investing Activities	45.9	(1,656.5)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from the U.S. Treasury	2,275.0	2,876.6
Repayment of Borrowings from the U.S. Treasury	(2,194.7)	(229.6)
Claim Payment Certificates Issued	27.7	864.0
Claim Payment Certificates Paid	(180.9)	(148.7)
Credit Appropriations Received	831.8	843.6
Amounts Returned to the U.S. Treasury	(1,985.2)	(416.8)
Tied Aid Disbursements	(1.8)	(2.5)
Net Cash (Used in)/from Financing Activities	(1,228.1)	3,786.6
Net (Decrease)/Increase in Cash and Cash Equivalents	(298.9)	2,224.1
Cash and Cash Equivalents – Beginning of Year	9,385.5	7,161.4
Cash and Cash Equivalents – End of Year	$9,086.6	$9,385.5
Supplemental Disclosures of Cash Flow Information:		
Cash Paid During the Year for Interest	$1,063.4	$320.8

The accompanying notes are an integral part of this financial statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Enabling Legislation and Mission

The Export-Import Bank of the United States (Ex-Im Bank) is an independent corporate agency of the United States 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).

Ex-Im Bank's mission is to facilitate U.S. exports by providing financing in order to level the playing field for American exporters facing unfair foreign financing competition and bridge export financing shortfalls caused by market failures.

Use of Estimates

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle

In fiscal year 1999, cash and cash equivalents were defined as highly liquid investments with maturities of three months or less and unrestricted cash balances held at the Department of the Treasury.

In fiscal year 2000, the definition of cash and cash equivalents was expanded to include restricted credit reform financing account balances and unexpended appropriations. Although restricted in their usage, the availability of these funds are the same as cash in that they are readily available and may be used without prior notice or penalty in the normal course of business. This change provides a more consistent and informative presentation of Ex-Im Bank's financial statements. The prior year statement of cash flows was restated to conform to current year presentation.

Cash and Cash Equivalents

Cash and cash equivalent balances as of September 30, 2000 and 1999 were as follows (in $ millions):

Cash Accounts	2000	1999
RESTRICTED:		
Credit Reform Financing Accounts	$6,245.6	$5,862.0
Unexpended Appropriations	1,750.1	2,217.3
UNRESTRICTED:		
Pre-Credit Reform Accounts	1,064.7	1,053.0
Other Cash	26.2	253.2
TOTAL	$9,086.6	$9,385.5

Ex-Im Bank is restricted in its use of certain cash and cash equivalent balances. Unexpended appropriations are appropriated funds received that are deposited in a non-interest-bearing account at the Department of the 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 occurrence of the credit activity, disbursement of the related loans or shipment of goods under guarantee or insurance policies written by Ex-Im Bank, the funds become available either to 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.

Unrestricted funds include funds resulting from pre-credit reform activities and represent highly liquid investments with original maturities of three months or less and cash balances at the Department of the Treasury.

Accrued Interest on Loans and Claims Receivable

Interest is accrued on loans and claims as it is earned. Generally, loans and claims receivable delinquent 90 days or more are placed in a non-accrual status unless they are well secured and significant collections have been received during the past year. At the time that a loan or claim is placed in non-accrual status, any accrued but unpaid interest previously recorded is reversed against current period interest income.

Accounting for Capitalized Interest on Rescheduled Loans and Claims

Rescheduling agreements frequently allow Ex-Im Bank to add uncollected interest to the principal balance of rescheduled loans and claims receivable (i.e., capitalized interest). In such circumstances, interest income resulting from capitalized interest is recorded only when, in management's judgment, borrowers have demonstrated the ability to repay the debt in the normal course of business.

Allowance for Credit Losses

The allowance for credit losses provides for possible losses inherent in the lending process. Providing for such losses recognizes that collection of some loans and claims are doubtful and their value, including claims to be filed under Ex-Im Bank's guarantee and insurance programs, is impaired. The allowance is available to absorb credit losses related to the total credit portfolio. The allowance is increased by provisions charged to expense and decreased by write-offs, net of recoveries. The provision for credit losses of $701.0 million for fiscal year 2000 is comprised of a charge of $43.8 million for loan losses, a credit of $37.7 million for claim losses, and a charge of $694.9 million for off-balance sheet risk.

Commitment and Exposure Fees

Commitment fees on direct loans and guarantees, which are generally non-refundable, are calculated and recognized ratably over the term of the commitment.

Ex-Im Bank charges a risk-related exposure fee under both the loan and guarantee programs that is based on each loan disbursement or shipment of goods under the guarantee policy. Exposure fees for loans are recognized as interest income over the life of the loan using the effective yield method. Exposure fees for guarantees are recognized ratably over the term of the guarantee as other income.

Insurance Fees

Fees charged under insurance policies are recognized as income on the straight line basis over the life of the insurance policies.

Claims Payable

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

Discount on Loans Receivable

In fulfilling its mission to aid in financing and facilitating exports of U.S. goods and services to foreign countries and to provide U.S. exporters with financing that is competitive with that provided by foreign governments to their exporters, Ex-Im Bank, at times, lends money at interest rates lower than its cost of borrowing. When this occurs, Ex-Im Bank records a charge to income equivalent to the discount at inception of the loan and amortizes the discount over the life of the loan as interest income.

Appropriated Capital

Appropriations received by Ex-Im Bank pursuant to the Credit Reform Act are recorded, in effect, as paid-in-capital. Such appropriations are applied to Ex-Im Bank's retained earnings in accordance with directions on the use of credit reform appropriations issued by the Office of Management and Budget (OMB). Appropriations not required to finance credit activities are returned to the Department of the Treasury.

Reclassifications

Certain fiscal year 1999 balances have been reclassified to conform with the fiscal year 2000 financial statement presentations, the effect of which is immaterial.

2. Credit Reform

The Federal Credit Reform Act of 1990, which became effective on October 1, 1991, significantly affected the manner in which Ex-Im Bank finances its credit activities. The primary purpose of this Act 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.

Ex-Im Bank received appropriations aggregating $811.2 million in fiscal year 2000 and $825.3 million in fiscal year 1999, which represented the annual appropriation to cover the estimated subsidy cost of providing new direct loans, guarantees and insurance, and the associated administrative costs of these programs.

The following table summarizes appropriations received and used during fiscal years 2000 and 1999 (in $ millions):

	2000	1999
Received and Available:		
For Credit Subsidies	$756.1	$775.0
For Credit-related Administrative Costs	55.1	50.3
Total Received	811.2	825.3
Carryover from Prior Fiscal Year	480.4	333.2
Cancellations of Prior Year Obligations	71.6	48.7
Total Available	$1,363.2	$1,207.2
Obligated:		
For Credit Subsidies Excluding Tied Aid	937.8	660.1
For Credit-related Administrative Costs	54.9	50.2
Subtotal	992.7	710.3
For Tied Aid	0.0	16.4
Total Obligated	$992.7	$726.7
Unobligated Balance:		
Unobligated Balance	370.5	480.5
Unobligated Balance Lapsed	7.3	0.1
Remaining Balance	$363.2	$480.4

Of the remaining balance of $363.2 million at September 30, 2000, $1.2 million is available until September 30, 2001, $10.9 million is available until September 30, 2002, $26.6 million is available until September 30, 2003, and $324.5 million is available until expended and may be used for tied aid (see Note 3).

The cost of credit risk (credit subsidy) shown above, is the present value of expected inflows and outflows associated with loans, guarantees and insurance. Inflows typically include fees or premiums and loan principal and interest, and outflows typically include claim payments and loan disbursements. When the present value of expected cash inflows exceeds the present value of expected cash outflows, a "negative" credit subsidy arises. Negative subsidies are remitted to the Department of the Treasury upon disbursement of the underlying credits. Ex-Im Bank transferred

$11.9 million and $13.3 million of negative subsidies to the Department of the Treasury in fiscal years 2000 and 1999, respectively.

The appropriation for administrative costs is based on an annual estimate of the costs to administer and service Ex-Im Bank's entire credit portfolio. It is obligated at the time administrative expenses are accrued. The credit subsidy appropriations 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 costs of the subsidies related to the disbursements and shipments. The portion of the appropriation related to Ex-Im Bank's lending programs is used to partially finance 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 Department of the Treasury. Prior to this use, all of the appropriated funds are held in a non-interest-bearing Department of the Treasury account.

OMB Circular A-11 requires that unobligated funds relating to credits authorized prior to October 1, 1991, are to be returned to the Department of the Treasury. At the end of fiscal year 2000, Ex-Im Bank returned $1,000 million of these funds. In fiscal year 1999, $400 million was returned.

Because financial and economic factors affecting the repayment prospects change over time, the net estimated subsidy cost of the outstanding balance of loans, guarantees and insurance financed by the subsidies is re-estimated periodically in accordance with OMB guidelines. Re-estimates that result in increases in subsidy costs are covered by additional appropriations, which become automatically available, while decreases in estimated subsidy costs result in excess funds being returned to the Department of the Treasury. As of September 30, 1999, a re-estimate indicated that $1,607.2 million was no longer needed to cover commitments and was due to the Department of the Treasury. Subsequent to September 30, 1999, the subsidy re-estimate was revised downward using updated risk premia to $572.6 million, which was the amount transferred to the Department of the Treasury during fiscal year 2000. As of September 30, 2000, a re-estimate of the subsidy costs of the outstanding balances of fiscal year 1992 through 1999 commitments indicated that of the fees, interest and appropriations in the financing accounts, the net amount of $1,414.1 million was no longer needed to cover commitments and is due to the Department of the Treasury. These amounts are reported as a liability in the Statement of Financial Position.

The manner in which Ex-Im Bank uses its credit appropriations differs from the way in which it calculates its credit-related loss allowances and net income under GAAP. Both GAAP and the credit appropriation calculation similarly factor into the loss allowance individual credit risks. Both recognize the cost to Ex-Im Bank of issuing loans at interest rates below Ex-Im Bank's borrowing rate. However, the GAAP loss allowances do not recognize the present value of future fees and premiums as an offset to the allowance since to do so would effectively record revenue prior to realization. As discussed in Note 12, Ex-Im Bank calculates the fair value of its credit instruments using the credit reform methodology.

Effective in fiscal year 2001, OMB issued new risk premia to calculate estimated subsidy costs for new loans, guarantees and insurance obligated in fiscal year 2001. The new risk premia were also used to calculate the credit-related loss allowances as of September 30, 2000. The net impact of the new risk premia alone was to increase loss reserves by approximately $1.3 billion.

3. Tied Aid Appropriations

Ex-Im Bank provides assistance for transactions, referred to as "tied aid," that help U.S. exporters in special situations where there is "reasonable proof" that concessional financing is being offered to a foreign competitor of a U.S. exporter. The assistance is provided through either a direct grant or an interest concession subsidy payment. Appropriations that may be used for tied aid are available until expended.

Changes in the appropriations that may be used for tied aid in fiscal years 1999 and 2000 are as follows (in $ millions):

		Obligated			
	Unobligated Balance	Undisbursed Grants	Undisbursed Interest Equalization Program	Undisbursed Int. Rate Subsidy	Total Undisbursed Balance
Balance 9/30/98	$332.6	$67.5	$2.0	$15.2	$417.3
Tied Aid Obligations	(16.4)	16.4			
Unobligated Balance Lapsed		(2.6)			(2.6)
Disbursements		(1.3)		(1.2)	(2.5)
Balance 9/30/99	$316.2	$80.0	$2.0	$14.0	$412.2
Cancellation	8.3	(8.3)			
Disbursements		(0.2)		(1.6)	(1.8)
Balance 9/30/00	$324.5	$71.5	$2.0	$12.4	$410.4

4. Loans Receivable

Ex-Im Bank extends medium-term and long-term direct loans to foreign buyers of U.S. exports. Loans extended under the medium-term loan programs have repayment terms of one to seven years, while loans extended under the long-term loan programs have repayment terms in excess of seven years. Generally, both the medium-term and long-term loan programs cover up to 85 percent of the U.S. export value of shipped goods. Ex-Im Bank's direct loans carry the lowest fixed interest rate permitted for the country and term under the "Arrangement on Guidelines for Officially Supported Export Credits" negotiated among members of the Organization for Economic Cooperation and Development (OECD).

Ex-Im Bank's loans receivable, as shown in the Statement of Financial Position, are net of uncollected interest capitalized upon rescheduling, unamortized exposure fees, unamortized discounts, and an allowance for loan losses. At September 30, 2000 and 1999, the allowance for loan losses equaled 27.3 percent and 26.8 percent, respectively, of the outstanding loans receivable balance, excluding uncollected capitalized interest and unamortized exposure fees and discounts. The net balance of loans receivable at September 30, 2000 and 1999 consists of the following (in $ millions):

		2000	1999
Asia		$4,928.6	$4,957.6
Latin America		2,711.3	2,737.7
Africa / Middle East		1,672.6	1,752.1
New Independent States (NIS)		0.0	0.9
Eastern Europe – Non-NIS		424.5	442.2
United States / Other		0.7	3.5
Western Europe / Canada		210.8	231.7
		9,948.5	10,125.7
Less:	Capitalized Interest	1,823.5	1,926.0
	Unamortized Discount and Exposure Fees	249.3	234.0
		7,875.7	7,965.7
Less:	Allowance for Loan Losses	2,149.9	2,135.0
Net Balance		$5,725.8	$5,830.7

Changes in the allowance for loan losses for fiscal years 2000 and 1999 are as follows (in $ millions):

	2000	1999
Balance at Beginning of Year	$2,135.0	$1,850.6
Net Write-offs	(28.9)	(9.1)
Provision Charged to Operations	43.8	293.5
Balance at End of Year	$2,149.9	$2,135.0

The allowance for loan losses is based on Ex-Im Bank's evaluation of the loan portfolio taking into consideration a variety of factors, including repayment status of the loans, assessment of future risks, and worldwide, regional and local economic and political conditions.

Although Ex-Im Bank has a diversified loan portfolio, some of its loans are more heavily concentrated in certain countries or industries. At September 30, 2000, the largest concentrations of gross loans outstanding were in the following countries and industries (in $ millions):

Country		Industry	
China	$1,497.7	Power Projects	$3,453.6
Brazil	1,389.9	Manufacturing	1,076.4
Indonesia	1,231.0	Infrastructure Projects	785.4
Philippines	689.5	Air Transportation	533.5

From time to time, Ex-Im Bank extends the repayment date and modifies the interest terms of some or all principal installments of a loan because the obligor or country has encountered financial difficulty and Ex-Im Bank's board of directors has determined that providing relief in this manner will enhance the ability to collect the loan. The outstanding balances related to rescheduled installments included in loans receivable at September 30, 2000 and 1999 were $2,749.2 million and $2,873.7 million, respectively. Rescheduled loan installments of principal and interest were $192.3 million and $87.6 million, respectively, in fiscal year 2000, and $83.8 million and $67.7 million, respectively, in fiscal year 1999. The interest rate on rescheduled loans is generally a floating rate of interest which is 37.5 to 62.5 basis points over Ex-Im Bank's cost of borrowing.

5. Receivables from Subrogated Claims

Receivables from subrogated claims represent the outstanding balance of 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. Under the subrogation clauses in its insurance contracts, Ex-Im Bank receives all rights, title and interest in all amounts relating to claims paid under insurance policies and therefore establishes an asset to reflect such rights.

Ex-Im Bank's receivables from subrogated claims, as shown in the Statement of Financial Position, are net of uncollected capitalized interest for rescheduled claims and an allowance for claim losses.

The net balance of receivables from subrogated claims at September 30, 2000 and 1999 consists of the following (in $ millions):

	2000	1999
Claims Previously Paid and Unrecovered:		
Rescheduled	$2,104.1	$2,096.7
Non-rescheduled	2,078.2	2,351.2
Claims Filed Pending Payment	51.0	63.1
	4,233.3	4,511.0
Less: Capitalized Interest	434.6	433.4
	3,798.7	4,077.6
Less: Allowance for Claim Losses	1,691.7	1,760.7
Net Balance	$2,107.0	$2,316.9

Changes in the allowance for claim losses for fiscal years 2000 and 1999 are as follows (in $ millions):

	2000	1999
Balance at Beginning of Year	$1,760.7	$1,258.0
Net Write-offs	(31.3)	(6.6)
Provision (Credited)/Charged to Operations	(37.7)	509.3
Balance at End of Year	$1,691.7	$1,760.7

The allowance for claim losses is based on Ex-Im Bank's evaluation of the receivables from the subrogated claims portfolio taking into consideration a variety of factors, including repayment status of the claims, assessment of future risks, and worldwide, regional and local economic and political conditions. Write-offs are net of recoveries of funds received on claims that were previously written-off. At September 30, 2000 and 1999, the allowance for claim losses equaled 44.5 percent and 43.2 percent, respectively, of the outstanding balance, excluding uncollected capitalized interest.

6. Non-Accrual of Interest

The weighted average interest rate on Ex-Im Bank's loan and rescheduled claim portfolio at September 30, 2000, equaled 4.38 percent (6.49 percent on performing loans and rescheduled claims). Interest income is not recognized on non-rescheduled claims paid and unrecovered or on claims filed pending payment.

Generally, the accrual of interest on loans and rescheduled claims is discontinued when the credit is delinquent for 90 days. Ex-Im Bank had a total of $2,836.1 million and $1,086.7 million of loans and rescheduled claims, respectively, in non-accrual status at September 30, 2000, and $2,872.7 million and $1,128.5 million at September 30, 1999. Had these credits been in accrual status, interest income would have been $132.1 million higher in fiscal year 2000 (amount is net of interest received of $107.4 million) and $146.7 million higher in fiscal year 1999 (amount is net of interest received of $114.9 million).

7. Borrowings

Ex-Im Bank's outstanding borrowings come from two sources: direct borrowings from the Department of Treasury and the assumption of repayment obligations of defaulted guarantees under the Bank's guarantee program via Claim Payment Certificates. Claim Payment Certificates are, in effect, marketable securities issued by Ex-Im Bank under the same terms as the original obligation.

Under provisions of Ex-Im Bank's guarantee program, the insured party has the option of accepting payment via a Claim Payment Certificate. At September 30, 2000, $1,068.8 million was outstanding under Claim Payment Certificates. Maturities of Claim Payment Certificates are as follows (in $ millions):

Fiscal Year	Amount
2001	$167.9
2002	175.2
2003	169.7
2004	161.6
2005	126.6
	801.0
2006-2017	267.8
	$1,068.8

The weighted average interest rate on Ex-Im Bank's outstanding Claim Payment Certificates at September 30, 2000, equaled 6.51 percent.

Payments due on Claim Payment Certificates, for which the underlying commitment was authorized prior to October 1, 1991, are funded through net cash receipts related to loans, guarantees and insurance committed prior to October 1, 1991. To the extent the net receipts are not sufficient to repay the debt as it becomes due, Ex-Im Bank has available a permanent and indefinite appropriation for this purpose.

Direct borrowings from the Department of the Treasury are primarily used to finance the Bank's medium- and long-term loans committed on or after October 1, 1991. At September 30, 2000, Ex-Im Bank had $6,683.1 million of borrowings outstanding with Department of the Treasury at a weighted average interest rate of 6.25 percent.

The Department of the Treasury borrowings are repaid, primarily, with the repayments of the medium- and long-term loans they financed. To the extent the repayments on the underlying loans, combined with the 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, Department of the Treasury borrowings do not have a set repayment schedule; however, the full amount of the borrowings are expected to be repaid by fiscal year 2031.

8. 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- and long-term fixed 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. PEFCO has agreements with Ex-Im Bank which, for fees totaling $14.4 million in fiscal year 2000 and $17.3 million in fiscal year 1999, provide that Ex-Im Bank will (1) guarantee the due and punctual payment of principal and interest on export loans made by PEFCO, (2) guarantee the due and punctual payment of interest on PEFCO's long-term secured debt obligations when requested by PEFCO, and (3) guarantee certain fees paid by borrowers on behalf of PEFCO. Such guarantees, aggregating $4,418.4 million at September 30, 2000 and $3,520.1 million at September 30, 1999, are reported by Ex-Im Bank as off-balance sheet risk and the exposure is included in its allowance for off-balance sheet risk calculation.

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.

As discussed in Note 7, Ex-Im Bank has significant transactions with the Department of the Treasury. The Department of the Treasury, although not exercising control over Ex-Im Bank, holds the common stock of Ex-Im Bank creating a related-party relationship between Ex-Im Bank and the Department of the Treasury.

9. Pensions and accrued annual leave

Virtually all of Ex-Im Bank's employees are covered by either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). For CSRS employees, Ex-Im Bank withholds a portion of their base earnings. The employees' contributions are then matched by Ex-Im Bank and the sum is transferred to the Civil Service Retirement Fund, from which the CSRS employees will receive retirement benefits. For FERS employees, Ex-Im Bank withholds, in addition to Social Security withholdings, a portion of their base earnings. Ex-Im Bank contributes an amount proportional to the employees' base earnings towards retirement, and an additional scaled amount towards each individual FERS employee's Thrift Savings Plan, depending upon the employee's level of savings. The FERS employees will receive retirement benefits from the Federal Employees Retirement System, the Social Security System, and Thrift Savings Plan deposits that have accumulated in their accounts.

Total Ex-Im Bank (employer) matching contributions to the Thrift Savings Plan, CSRS and FERS for all employees, included in administrative expenses, were approximately $3.4 million and $3.3 million for the fiscal years ended September 30, 2000 and 1999, respectively.

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 Office of Personnel Management (OPM) for the retirement systems and are not allocated to the individual employers. 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's liability to employees for accrued annual leave, included in other liabilities, was $2.4 million at September 30, 2000 and 1999.

10. Statutory limitations

Under provisions of the Export-Import Bank Act, as amended in fiscal year 1997, Ex-Im Bank is limited to $75.0 billion of loans, guarantees and insurance outstanding at any one time. At September 30, 2000 and 1999, Ex-Im Bank's outstanding commitments and statutory authority used were as follows (in $ millions):

	2000	1999
Outstanding Loans	$9,948.5	$10,125.7
Undisbursed Loans	2,612.2	2,901.9
Outstanding Claims	4,233.3	4,511.0
Guarantees	36,944.2	34,063.1
Insurance	7,857.5	6,816.0
Total	$61,595.7	$58,417.7

Congress provides an appropriation to cover the subsidy cost of the transactions committed. Transactions can be committed only to the extent that appropriated funding is available to cover such costs. In fiscal years 2000 and 1999, Congress placed no limit on the total amount of loans, guarantees and insurance that could be committed in those years, provided that the $75.0 billion limit established by the Export-Import Bank Act was not exceeded.

During fiscal year 2000, Ex-Im Bank entered into commitments for loans of $932.6 million using $11.7 million of the appropriation (none for tied aid) and commitments for guarantees and insurance of $11,704.5 million using $926.1 million of the appropriation. During fiscal year 1999, Ex-Im Bank entered into commitments for loans of $902.7 million using $53.0 million of the appropriation ($16.4 million for tied aid) and commitments for guarantees and insurance of $12,164.9 million using $623.5 million of the appropriation.

11. COMMITMENTS AND CONTINGENCIES

Enabling Legislation

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. Congressional authorization has been extended through September 30, 2001.

Financial Instruments with Off-Balance Sheet Risk

In addition to the risks associated with its loans and claims receivable, Ex-Im Bank is subject to credit risk for financial instruments not reflected in its Statement of Financial Position. These financial instruments consist of (1) guarantees and insurance that provide repayment protection against political and commercial risks and (2) guarantees of letters of credit underlying future loan disbursements. Political risks covered by Ex-Im Bank involve nonpayment as a result of war, cancellation of an existing export or import license, expropriation, confiscation of or intervention in a buyer's business, or transfer risk (failure of foreign government authorities to transfer foreign deposits into dollars). However, losses due to currency devaluation are not considered a political risk by Ex-Im Bank. Commercial risks involve nonpayment for reasons such as deterioration of markets, unanticipated competition and buyer insolvency. Ex-Im Bank generally does not hold collateral or other security to support its medium- and short-term financial instruments with off-balance sheet risk, except for credits supporting export of aircraft and a variety of security arrangements made in the case of project risk transactions. When issuing working capital guarantees, Ex-Im Bank frequently requires the guaranteed party to obtain collateral or a third-party guarantee from the debtor. The amount of collateral is based on management's credit evaluation. All Ex-Im Bank guarantees and insurance benefits carry the full faith and credit of the United States Government.

The risks associated with the overall portfolio of off-balance sheet financial instruments differ from those associated with the loan portfolio. Loans are spread more evenly than guarantees over the entire risk spectrum, while off-balance sheet financial instruments are concentrated in relatively lower risk countries. Also, exporters and financial intermediaries who use Ex-Im Bank short-term insurance bear a portion of losses resulting from nonpayment.

Following is a summary of Ex-Im Bank's off-balance sheet risk at September 30, 2000 and 1999 (in $ millions):

FY 2000	Total	Commitments Unused	Outstanding *
Guarantees	$36,944.2	$ 8,342.5	$28,601.7
Insurance	7,857.5	6,676.8	1,180.7
Guarantees of Letters of Credit	2,612.2	2,612.2	-
Total	$47,413.9	$17,631.5	$29,782.4

FY 1999	Total	Commitments Unused	Outstanding *
Guarantees	$34,063.1	$10,084.1	$23,979.0
Insurance	6,816.0	5,430.0	1,386.0
Guarantees of Letters of Credit	2,901.9	2,901.9	-
Total	$43,781.0	$18,416.0	$25,365.0

* Shipment of goods has taken place.

Ex-Im Bank is exposed to credit loss with respect to the amount at risk in the event of nonpayment by other parties in the agreements. The commitments shown above are agreements to lend monies and issue guarantees and insurance so long as there is no violation of any condition established in the credit agreement.

Substantially all of Ex-Im Bank's off-balance sheet financial instruments involve credits located outside of the United States. Following is a breakdown of such total commitments at September 30, 2000, by major geographic area (in $ millions):

	Guarantees	Insurance	Guarantees of Letters of Credit	Total
Asia	$11,639.0	$167.9	$1,515.1	$13,322.0
Latin America	8,483.8	1,815.3	913.5	11,212.6
New Independent States (NIS)	3,376.1	9.9	-	3,386.0
Africa/Middle East	5,725.9	93.8	170.5	5,990.2
United States/Other	1,963.9	-	6.8	1,970.7
Eastern Europe – Non-NIS	1,840.6	43.9	2.9	1,887.4
Western Europe/Canada	3,914.9	252.0	3.4	4,170.3
S/T Insurance (unshipped)	-	5,474.7	-	5,474.7
Total	$36,944.2	$7,857.5	$2,612.2	$47,413.9

At September 30, 2000, Ex-Im Bank's largest commitments at risk were in the following countries and industries (in $ millions):

Country		Industry	
China	$4,725.9	Air Transportation	$16,784.7
Mexico	4,140.4	Financial Services	5,972.1
Turkey	3,312.6	Oil and Gas	5,716.2
Saudi Arabia	2,527.0	Power Projects	5,190.3

Changes in the allowance for off-balance sheet risk for fiscal years 2000 and 1999 are as follows (in $ millions):

	2000	1999
Balance at Beginning of Year	$6,335.1	$6,430.7
Provision Charged/(Credited) to Operations	694.9	(95.6)
Balance at End of Year	$7,030.0	$6,335.1

Leasing Activities

Ex-Im Bank has no capital leases. Operating lease arrangements are renewable annually. These leases consist primarily of rental of office space. Office space is leased primarily from the General Services Administration through the Public Buildings Fund. Lease expenses, included in administrative expenses, were $3.8 million for both fiscal years 2000 and 1999.

Pending Litigation

As of the end of fiscal year 2000, 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 they would materially affect the financial position or results of operations of Ex-Im Bank.

Project Finance

In certain project finance cases, Ex-Im Bank's assistance during the construction period generally is in the form of a political risk guarantee to the private lender. At the end of the construction period, the borrower has the option of converting the private guaranteed financing to an Ex-Im direct loan or to a comprehensive guarantee. As of September 30, 2000, Ex-Im had $1,474.8 million of such contingent loan commitments outstanding.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instruments to which Ex-Im Bank has a contractual obligation to deliver cash or a contractual right to receive cash from another entity were estimated based on the methods and assumptions identified with each class of financial instrument listed below.

Cash and Cash Equivalents

The carrying value approximates fair value because of the short maturities of such investments.

Loans and Subrogated Claims Receivable and Financial Instruments with Off-Balance Sheet Risk

Substantially all of these instruments involve credit risks that private lenders or guarantors would not accept. However, as discussed in Note 2, the Credit Reform Act requires Ex-Im Bank to calculate the net present value of the cost of its credit programs based on management's assumptions with respect to future economic conditions, the amount and timing of future cash flows, and estimated discount rates. Ex-Im Bank believes that the values derived by applying these assumptions to Ex-Im Bank's loans, claims and financial instruments with off-balance sheet risk approximate their fair values.

Borrowings and Claims Payable

The fair value of these instruments were estimated based on discounting the future cash flows using interest rates currently available to Ex-Im Bank for Department of the Treasury debt with comparable maturities. The Department of the Treasury interest rate plus one percent was used for claims payable as this is the rate available in the claim document.

	2000		1999	
(in $ millions)	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:				
Cash and Cash Equivalents	$9,086.6	$9,086.6	$9,385.5	$9,385.5
Loans Receivable, Net	5,725.8	7,173.9	5,830.7	7,389.9
Receivable From Subrogated Claims, Net	2,107.0	2,320.4	2,316.9	2,536.7
Financial Liabilities:				
Off-balance Sheet Financial Instruments	7,030.0	7,030.0	6,335.1	6,335.1
Borrowings From Treasury	6,683.1	6,683.1	6,602.8	6,602.8
Claim Payment Certificates	1,068.8	1,032.6	1,222.0	1,188.6
Claims Payable	51.1	47.0	63.1	57.7

Use of different methods and assumptions could significantly affect these estimates. Accordingly, the net realizable value could be materially different. In addition, settlement at the reported fair value may not be possible due to contractual constraints or other reasons unique to federally backed credits.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
Export-Import Bank of the United States

In our opinion, the accompanying statement of financial position and the related statements of operations, changes in capital and retained earnings/accumulated deficit, and cash flows present fairly, in all material respects, the financial position of the Export-Import Bank of the United States (Ex-Im Bank) at September 30, 2000 and 1999, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States. 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 of these statements in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2000, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

As discussed in Note 1, Ex-Im Bank changed its definition of cash and cash equivalents, which is a change in accounting principle. The prior year statement of cash flows was restated to conform to current year presentation.

PricewaterhouseCoopers LLP

Washington, D.C.
October 13, 2000

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
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, 2000, and have issued our report thereon dated October 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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 grants, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. For purposes of this report, we have categorized the provisions of laws, regulations, contracts and grants we tested as part of obtaining such reasonable assurance into the following categories:

- Personnel engagement, maintenance and separation
- Budget preparation and execution
- Debt authorization and restrictions
- Deposits and investments restrictions
- Procurement policies and procedures
- Enabling legislation authorizations and restrictions

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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ex-Im Bank's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Ex-Im Bank in a separate letter dated October 13, 2000.

This report is intended solely for the information and use of the board of directors, management of Ex-Im Bank and the Congress, and should not be used by anyone other than these specified parties.

PRICEWATERHOUSECOOPERS LLP

Washington, D.C.
October 13, 2000

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