EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States (Ex-im Bank) Is The Official Export Credit Agency Of The United States. Ex-Im Bank's Financing Products Help U.S. Companies To Compete In Today's Challenging Global Marketplace. With Over 70 Years Of Experience, Ex-Im Bank Has Supported More Than $455 Billion Of U.S. Exports, Primarily To Developing Markets Worldwide.

Ex-Im Bank Assumes The Credit And Country Risks That The Private Sector Is Unable Or Unwilling To Accept And Provides Financing To Counter Foreign Government-Supported Export Financing. Ex-Im Bank Provides Pre-export Financing, Financing For Foreign Buyers Of U.S. Goods And Services, And Insurance To Protect Against Buyer Nonpayment. More Than 80 Percent Of Ex-Im Bank's Transactions Directly Benefit U.S. Small Businesses.

Chairman's Message

The U.S. economy remains the world's largest and strongest. America's more than $1 trillion in exports is critical to our nation's prosperity. Exports continue to create jobs and wealth on an unparalleled scale.

For more than 70 years, the Export-Import Bank of the United States has played a key role in ensuring that U.S. exports remain strong, especially in those developing markets where the risks can be challenging, but the opportunities are even greater. Today Ex-Im Bank is helping U.S. companies compete successfully in an ever more global economy.

Ex-Im Bank's mantra is "Jobs, Jobs, Jobs." Since its founding, the Bank's mission has been to help U.S. companies create and sustain jobs in the United States by supporting their exports to international markets.

Ex-Im Bank fills a critical trade finance gap by providing loan guarantees, export credit insurance and direct loans for U.S. exports in developing markets where commercial-bank financing is unavailable or insufficient. We also level the playing field to keep U.S. companies competitive in international markets by matching the government support provided to foreign competitors.

We have three basic criteria: 1) to promote U.S. employment; 2) to complement, but not compete with, private sector sources of trade financing; and 3) to have a reasonable assurance of repayment for every transaction.

Providing Strong Support in FY 2004

In fiscal year 2004, Ex-Im Bank assisted 3,107 U.S. transactions of all sizes and from all sizes of U.S. companies. Every one of these export sales involved products made or services performed by U.S. workers. Every one of these sales helped to sustain or create jobs here at home.

In fiscal year 2004, Ex-Im Bank authorizations supported nearly $18 billion of U.S. exports – the largest amount in the past 10 years. The total amount of authorizations is up 27 percent from last year and more than 31 percent from the total approved two years ago when I joined Ex-Im Bank.

Ex-Im Bank continues to commit U.S. taxpayer dollars with care and diligence. For every dollar appropriated by Congress for program budget for fiscal year 2004, Ex-Im Bank supported $48 of authorizations, a significant increase over the $31 of authorizations supported per appropriated dollar in fiscal year 2003, and the $14 of authorizations supported per appropriated dollar in fiscal year 2002.

Small business remains a key emphasis for Ex-Im Bank. In fiscal year 2004, Ex-Im Bank supported 2,572 small business transactions, up nearly 20 percent over two years ago. This support directly benefits U.S. small businesses, which also benefit indirectly as suppliers to many of the Bank's larger transactions.

Key Priorities

Ex-Im Bank continues to focus on three key priorities: putting our customers first, improving our cycle time, and expanding our support for new knowledge-based and services sectors of the economy.

Putting Customers First – At Ex-Im Bank, putting customers first means ensuring that every customer receives quick answers and clear responses. Relationship managers assist customers that do a high volume of business through Ex-Im Bank in order to ensure consistent processing.

Improving Cycle Time – Ex-Im Bank is working to improve transaction-processing (cycle) time in order to help our customers offer timely financing to their buyers. The Bank has simplified applications, including applications for our financing products that most benefit small business exporters.

Expanding Support for Knowledge-based and Services Exports – At Ex-Im Bank, we are keenly aware of the importance of expanding support for new knowledge-based, high technology and services industries. Fiscal year 2004 was a strong year for support for these industries, with the Bank approving major transactions to a number of developing markets such as India, Singapore, Jordan and Egypt.

Initiatives in FY 2004

In fiscal year 2004, Ex-Im Bank completed negotiations on several initiatives to increase support for U.S. exporters in several key areas and markets.

Iraq – Ex-Im Bank signed a framework agreement with the interim Iraqi government to provide a $500 million trade facility through the Trade Bank of Iraq. Under this program, the Bank will insure short-term letters of credit issued through the Trade Bank for U.S. exports that contribute to Iraq's reconstruction. These Iraqi imports will be funded through the Development Fund for Iraq by current Iraqi oil export revenues.

Ex-Im Bank/SBA Working Capital Co-guarantee – U.S. small businesses seeking to sell their products and services in foreign markets can access more financing support through a co-guarantee product established in fiscal year 2004 by Ex-Im Bank and the U.S. Small Business Administration (SBA). This product enables Ex-Im Bank and the SBA to co-guarantee loans of up to $2 million to small business exporters under the SBA's Export Working Capital Program. Co-guarantee financing helps simplify the application and approval process for those small businesses that need more capital than they could obtain under the SBA's program alone.

MARAD/Export Transportation Finance Agreement – Ex-Im Bank and the U.S. Maritime Administration (MARAD) of the Department of Transportation developed a program to provide Ex-Im Bank-guaranteed working capital loans for shipping, logistics and other companies involved in ocean freight transportation. Under the agreement signed in November 2004, Ex-Im Bank can provide working capital loans to export service providers, enabling them to extend credit terms to their export clients.

Ex-Im Bank and MARAD also agreed to raise the minimum threshold for Ex-Im Bank-guaranteed U.S. export transactions that require shipment on U.S. flag vessels from $10 million to $20 million. This agreement provides greater flexibility for U.S. exporters seeking Ex-Im Bank financing and also enables the Bank to expand working capital support to more U.S. companies involved in exporting.

Environmental Common Approaches – In December 2003, the U.S. government and all of its counterpart members of the Organization for Economic Cooperation and Development (OECD) agreed on common approaches for evaluating environmental impacts of projects financed by export credit agencies. Major progress was made on two important issues: standards and transparency. In July 2004, Ex-Im Bank approved a new version of its environmental procedures and guidelines to make Ex-Im Bank's guidelines consistent with the OECD guidelines.

Facilitating Asset-based Aircraft Financing – Ex-Im Bank supports the U.S. government's efforts to promote the Cape Town Convention, an international treaty that will facilitate cross-border, asset-based financing of large commercial aircraft, helicopters and related equipment. In October 2004, the United States became the fifth nation to ratify the treaty and the related aircraft protocol. The treaty will be in effect when eight countries have ratified and implemented it. As an incentive to encourage other countries to sign and ratify the treaty, Ex-Im Bank extended through September 30, 2005, its offer of a reduced exposure fee to any airline in a country that has signed, ratified and implemented the treaty.

Markets Update

Ex-Im Bank is opening up new markets for U.S. exporters and expanding our support of U.S. exports. The Bank is active in approximately 90 countries throughout the globe. In fiscal year 2004, Ex-Im Bank authorized $3.1 billion supporting U.S. exports to Latin America, $1.7 billion for U.S. exports to Europe and Canada, $1.5 billion for U.S. exports to Asia, and more than $1 billion for U.S. exports to Africa and the Middle East.

Supporting U.S. Exports to Sub-Saharan Africa – Fiscal year 2004 was Ex-Im Bank's best year ever in terms of the number of transactions (160) authorized for sub-Saharan Africa. Much of the success can be attributed to Ex-Im Bank's strategic marketing efforts, including strengthening relationships with African banks.

Expanded Cover Policies – In addition to the Iraq Trade Bank agreement to support U.S. exports to Iraq, in fiscal year 2004, Ex-Im Bank opened for business for all programs in the public (sovereign) sector in Pakistan. In Azerbaijan, the Bank opened for short-term and medium-term financing in the nonsovereign sector. In Ukraine, the Bank opened in fiscal year 2004 for long-term financing to the public sector and in early fiscal year 2005 for long-term financing in the nonsovereign sector.

International Marketing – The Bank is actively marketing its programs internationally. For example, in early fiscal year 2004, Ex-Im Bank held a conference in Slovenia involving U.S. exporters and both sovereign and nonsovereign buyers in Southeast and Central Europe. In September 2004, Ex-Im Bank co-hosted with the Corporate Council on Africa a very successful continent-wide conference on infrastructure projects in Africa. The conference brought together project sponsors, exporters and financiers from throughout Africa and other regions.

Dedicated to the Future

I would like to emphasize that Ex-Im Bank is committed to anticipating the export opportunities and obstacles that U.S. companies will have in the future.

Ex-Im Bank's dedicated, professional staff provides outstanding service to U.S. companies and excellent value to U.S. taxpayers. I am proud to be serving with this team on behalf of U.S. exporters.

At Ex-Im Bank, we aim to keep U.S. companies in the vanguard of international trade by putting the customer first, reducing the cost and time of doing business with us, and supporting the knowledge- and service-based U.S. industries while maintaining undiminished our strong traditional support for the U.S. manufacturing sector. With these priorities, Ex-Im Bank will continue to assist U.S. companies in sustaining U.S. jobs and maintaining the world's most powerful economy.

Sincerely,

Philip Merrill
President and Chairman

BOARD OF DIRECTORS, FY 2004

From left: **April H. Foley**, *vice chair;* **Philip Merrill**, *president and chairman;* **Linda Conlin** and **J. Joseph Grandmaison**, *board members*

Max Cleland, *board member*

EX-IM BANK SENIOR MANAGEMENT, FY 2004

From left, front row: **James H. Lambright**, *executive vice president;* **Philip Merrill**, *president and chairman;* **Peter Saba**, *chief operating officer, senior vice president, Legal Affairs, and general counsel*

From left, back row: **Lorrie A. Secrest**, *senior vice president, Communications;* **Michael Cushing**, *senior vice president, Resource Management;* **Jeffrey L. Miller**, *senior vice president, Export Finance;* **James C. Cruse**, *senior vice president, Policy;* **John A. McAdams**, *senior vice president, Credit and Risk Management;* **Thomas C. Montgomery**, *senior vice president, Congressional Affairs;* and **James K. Hess**, *senior vice president and chief financial officer*

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Philip Merrill
President and Chairman

BOARD OF DIRECTORS, FY 2004

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Max Cleland, *board member*

EX-IM BANK SENIOR MANAGEMENT, FY 2004

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Bluefield Associates Inc.

Bluefield Associates Inc. – winner of Ex-Im Bank's Small Business Exporter of the Year award in 2004 – is a minority-owned small business manufacturer of skin care products that uses Ex-Im Bank's multibuyer export credit insurance and working capital guarantee products to export to 12 countries in West Africa and Europe.

The privately owned company, which was founded in 1991, currently has approximately 50 employees, 32 of whom were added to the payroll after the company began using Ex-Im Bank's small business insurance policy in 1999. In the past five years, the company has increased its sales by more than 100 percent and tripled the number of its foreign buyers.

Ex-Im Bank's short-term, multi-buyer insurance minimizes risk and enables Bluefield to sell to international customers with protection against buyer default for either political or commercial reasons. Export credit insurance also functions as a financing tool because lenders are more willing to extend working capital loans against insured foreign receivables.

Bluefield also has an Ex-Im Bank-guaranteed working capital line of credit from East West Bank of San Marino, Calif. Bluefield uses Ex-Im Bank's working capital guarantee to enable its lender to lend against foreign accounts receivable and increase working capital. East West Bank is an Ex-Im Bank delegated authority lender that can commit Ex-Im Bank's working capital guarantee at the time that the loan is processed.

Bluefield's core market is in sub-Saharan Africa, where Ex-Im Bank's products have opened up sales opportunities that previously had been inaccessible for lack of credit from commercial banks.

Fiscal year 2004 was Ex-Im Bank's best year ever in terms of the number of transactions (160) authorized for sub-Saharan Africa.

Adelaida Marquez
Research and Development Manager

USA

EXPORTS TO
Sub-Saharan Africa, Europe

COMPANY
BLUEFIELD ASSOCIATES INC.

GIVEN NAME
Dr. Iheatu Obioha

CITY/STATE
Ontario, CA

MANUFACTURES
Skin Care Products

TITLE
President and CEO

SIGNATURE

AUTHORITY

EXPORT IMPORT BANK OF THE USA

"Ex-Im Bank's financing is tailor-made for businesses like ours. In just five years of using Ex-Im Bank products, we increased our foreign buyers from five to 15 and increased our sales by over 100 percent."

Dr. Iheatu Obioha
President and CEO

Bluefield Associates Inc.

Steve Bottorf
Welder

Chief Industries Inc.

Chief Industries Inc. in Grand Island, Neb., a 50-year-old manufacturer of fabricated steel and agricultural storage buildings, is using Ex-Im Bank's medium-term insurance to expand its exports to private sector buyers in Mexico and Russia. Ex-Im Bank's medium-term insurance is a financing tool that enables Chief Industries to compete successfully for foreign sales in markets where local financing is not available.

Using Ex-Im Bank's medium-term insurance to secure buyer financing, Chief Industries has experienced double-digit growth of its international sales in the past several years. The company's international sales range in value from $500,000 to $1.5 million per transaction. Chief Industries anticipates a growth rate of 40 percent in its international sales by the end of its current fiscal year. Its growing exports have helped the company to expand its workforce at its manufacturing facilities in Grand Island and Kearney, Neb.

USA

EXPORTS TO
Mexico,
Russia

COMPANY
CHIEF INDUSTRIES INC.

GIVEN NAME *(Left)*
Roger Townsend

CITY/STATE
Grand Island, NE

MANUFACTURES
Agricultural Equipment

TITLE
President
Chief Agri/Industrial Div.

SIGNATURE

GIVEN NAME *(Right)*
Allen Mitchel

TITLE
Customer Service Mgr.
Chief Agri/Industrial Div.

AUTHORITY

EXPORT IMPORT BANK OF THE USA

"Using Ex-Im Bank's medium-term insurance, we anticipate a growth rate of 40 percent in our international sales this year. We are thrilled with the opportunities and future growth that we foresee using Ex-Im Bank's products."

Roger Townsend
President, Chief Agri/Industrial Division

Chief Industries Inc.

In fiscal year 2004, Chief Industries benefited from Ex-Im Bank's medium-term insurance policies supporting sales to private sector agricultural producers in Mexico. The insured lender in the Mexico transactions was Wells Fargo Bank in El Paso, Texas. The broker was International Risk Consultants in Columbus, Ohio. Additionally, the company benefited from an Ex-Im Bank medium-term insurance policy that supported its $1.1 million sale to a private-sector buyer in Russia.

Ex-Im Bank's medium-term insurance protects U.S. sales to a single foreign buyer against the risk of a foreign buyer defaulting on payment due to commercial or political reasons. Each policy covers transactions with a particular buyer for either single or repetitive sales. Ex-Im Bank's medium-term policies help U.S. exporters arrange commercial bank financing for their foreign buyers that otherwise would not be available without the Bank's insurance.

Chief Industries Inc. is a diversified manufacturer of fabricated steel for grain handling, grain storage, correctional products, pre-engineered metal buildings, wastewater treatment and other industrial uses. The company's Agri/Industrial Division designs and manufactures a complete line of buildings and grain storage systems.

Richard Johnson
Welder

Aquatech International Corporation

Aquatech International Corporation in Canonsburg, Pa., is a leader in providing industrial water and wastewater treatment solutions through its engineered systems, products and services. Aquatech, a mid-sized company, has been using Ex-Im Bank's working capital guarantee for the past five years to expand its exports to international markets in Asia, the Middle East and Latin America.

With the additional working capital that Ex-Im Bank facilitates, Aquatech has been able to increase its exports to Singapore, South Korea, China and other markets. The company has grown at an average annual rate of greater than 10 percent over the past 15 years. Even during the economic downturn following September 11, 2001, Aquatech's exports helped the company to retain U.S. jobs and recover quickly to a position of continuing growth.

Aquatech has an Ex-Im Bank-guaranteed revolving working capital line of credit of several million dollars from Citizen's Bank in Pittsburgh, Pa., an Ex-Im Bank delegated authority lender that can commit the Bank's guarantee at the time the loan is processed.

Among the projects that Aquatech has successfully completed with the assistance of Ex-Im Bank's working capital financing is a major wastewater recycling treatment plant in Singapore. Aquatech designed and built the Jewel facility that treats secondary treated sewage effluent and industrial wastewater, purifying it for industrial reuse and reducing demand on the public water system.

Ex-Im Bank's working capital financing has also helped the company to compete successfully for water projects for a major petrochemical facility in China for Shell and China National Offshore Oil Corporation (CNOOC) and LG Electronics in South Korea for the supply of ultra-pure water for microelectronics applications. The company is currently executing and developing several desalination projects in the Middle East and other markets.

In addition to its engineered solutions, Aquatech also provides pre-engineered systems, products and ongoing end-user services for the life of the facility. The company has more than 300 employees working in the United States and in support offices in Canada, Mexico, India, China and Korea.

USA

EXPORTS TO
Asia, Middle East, Latin America

COMPANY
AQUATECH INTERNATIONAL CORPORATION

GIVEN NAME *(Left)*
Venkee Sharma

CITY/STATE
Canonsburg, PA

MANUFACTURES
Water and Wastewater Treatment Solutions

TITLE
President and CEO

SIGNATURE
Venkee Sharma

GIVEN NAME *(Center)*
Chandra Sharma

TITLE
Chairman

GIVEN NAME *(Right)*
Devesh Sharma

TITLE
Vice President

AUTHORITY
EXPORT IMPORT BANK OF THE USA

"Ex-Im Bank's working capital guarantee financing has helped us to be more competitive. Being able to strike a balance of domestic and export business has enabled us to support our clients worldwide and remain a growth company."

Venkee Sharma
President and CEO

Aquatech International Corporation

Gina Jackson
Administrative Assistant

Reed Sheats
Project Structural Engineer

Armentrout Roebuck Matheny Consulting Group

Armentrout Roebuck Matheny Consulting Group P.C. is a small architectural, engineering and construction management firm based in Athens, Ga., that has used Ex-Im Bank's medium-term and environmental exports financing to support sales of its products and services to the Caribbean island nation of Grenada.

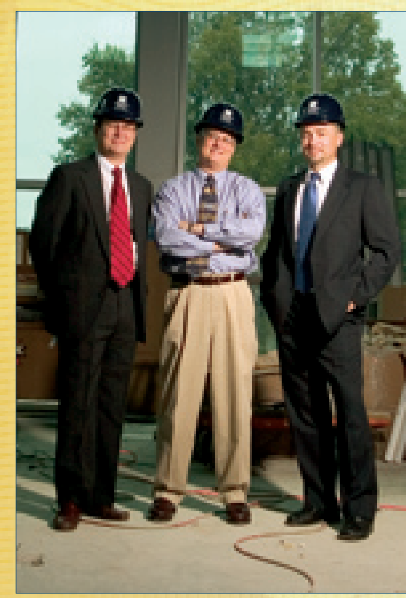
With the support of an Ex-Im Bank-guaranteed loan, the company was able to design and build a new two-story elementary school in Grenada. Building the new school was an emergency priority of Grenada's government because the existing school building, in close proximity to the sea, had been condemned due to severe corrosion of its structural steel frame.

However, since the project was unforeseen and not included in the Education Ministry's capital budget, the only feasible funding option was a complete financing package with favorable loan terms and a quick approval process. An innovative lending approach provided 100 percent financing and maximized the use of U.S.-produced materials and services that could be supported by Ex-Im Bank.

The school designed and built by Armentrout Roebuck Matheny withstood another major challenge. In September 2004, it weathered Hurricane Ivan, which devastated much of the island's infrastructure, including most of the other school facilities. In the aftermath, the new school served as a public shelter for local citizens who had lost their homes.

Armentrout Roebuck Matheny also used Ex-Im Bank's medium-term insurance to support a potable water project in Grenada. Since the exports were environmentally beneficial, the project qualified for enhanced financing under Ex-Im Bank's Environmental Exports Program. The company was able to arrange 100 percent financing with Ex-Im Bank's support and supplemented by private insurance to close the gap. The Bank's financing enabled the company to obtain better terms for local cost support, a key enhancement for environmental exports.

In early FY 2005, Armentrout Roebuck Matheny benefited from an Ex-Im Bank loan guarantee to Intercontinental Bank of Nigeria supporting a feasibility study for a cement manufacturing project in Nigeria. The company is seeking to expand its exports to Central America, Africa and Eastern Europe.



U S A

EXPORTS TO
Caribbean, Africa

COMPANY
ARMENTROUT ROEBUCK MATHENY CONSULTING GROUP, P.C.

GIVEN NAME *(Right)*
David M. Roebuck

CITY/STATE
Athens, GA

MANUFACTURES
Architectural Design, Engineering and Consulting

TITLE
President

SIGNATURE

GIVEN NAME *(Left)*
M. Bret Thurmond

TITLE
Project Manager

GIVEN NAME *(Center)*
David W. Matheny

TITLE
Principal Architect

AUTHORITY
EXPORT IMPORT BANK OF THE USA

"Without Ex-Im Bank, we would not be in the international arena at all. The Bank's financing and resources enable us to get in the game and compete. With Ex-Im's backing, our firm can successfully take on challenging projects worldwide."

David Roebuck
President

Armentrout Roebuck Matheny Consulting Group

Pat Howell
Wafer Fabrication Supervisor

Input/Output Inc.

Input/Output Inc. (I/O) is a seismic-imaging technology company in Stafford, Texas, that is using Ex-Im Bank's medium-term financing to export its equipment and technology into Russia's robust energy market where Ex-Im Bank's loan guarantees provide critical support for commercial loans that otherwise would not be available.

In the past two years, I/O has been able to export more than $16 million of its products and services to the Russian energy sector with the support of Ex-Im Bank's medium-term loan guarantees. With this financing, Ex-Im Bank supported approximately 10 percent of I/O's export business in 2004.

Each of the four Russian transactions supported by Ex-Im Bank involved a leasing structure in which I/O's seismic equipment was purchased by a Russian leasing company and leased to end-user companies involved in the exploration of oil and gas reserves in Tartarstan and Siberia. The borrower was Ural-Siberian Bank, a Russian bank, and the guaranteed lender was American Express Company in New York, N.Y.

Ex-Im Bank worked with I/O and the banks to set up a complex loan structure that meets the security requirements of both Ex-Im Bank and the Russian bank. For each transaction, Ex-Im Bank's medium-term financing enabled the company to export on three-year repayment terms, considerably longer than its usual terms of 30 days. The longer terms enabled I/O to compete successfully for these sales.

I/O is dedicated to becoming the world's first technology-only seismic solutions company. The company develops and deploys advanced technologies and services across the entire seismic workflow process – from survey planning through field acquisition and on to processing and final image rendering. The company has a workforce of 800 employees worldwide, with approximately 500 employees in the United States.

USA

EXPORTS TO
Russia, NIS Countries

COMPANY
INPUT/OUTPUT INC. (I/O)

GIVEN NAME *(Right)*
Robert P. Peebler

CITY/STATE
Stafford, TX

MANUFACTURES
High-Tech Equipment for Oil and Gas Industry

TITLE
President and CEO

SIGNATURE

GIVEN NAME *(Left)*
Jorge Machnizh

TITLE
President, Imaging Systems Group

AUTHORITY

EXPORT IMPORT BANK OF THE USA

"With Ex-Im Bank's medium-term financing, we have been able to compete successfully in Russia, which does not yet have ready access to capital. Ex-Im Bank enabled us to meet all the laws and security requirements to help grow our business in this dynamic market."

Robert P. Peebler
President and CEO

Input/Output Inc.

Small Business Report

In accordance with section 8 of the Export-Import Bank Act of 1945, as amended, Ex-Im Bank is reporting the following information regarding its fiscal year 2004 activities.

Direct Small Business Support

Ex-Im Bank authorized more than $2.2 billion – nearly 17 percent of total authorizations – in direct support of U.S. small businesses as primary exporters in FY 2004. The Bank approved 2,572 small business transactions that represented nearly 83 percent of the total number of transactions in FY 2004, and 291 small businesses used Ex-Im Bank programs for the first time during the fiscal year. In FY 2004, Ex-Im Bank approved financing in amounts under $500,000 for 1,234 small business transactions.

Small Business Supplier Data (Indirect Support)

Ex-Im Bank is required to estimate on the basis of an annual survey or tabulation the number of entities that are suppliers of users of the Bank and that are small business concerns.

Ex-Im Bank estimates the value of exports supported that is attributable to small business suppliers at the time of authorization of each long-term transaction (i.e., transactions either of $10 million or more or with a repayment term in excess of seven years).

Ex-Im Bank estimates that the total value of indirect small business content associated with transactions supported through the Bank's long-term loans and guarantees authorizations during FY 2004 was $906 million out of a total export value of $7.9 billion – more than 11 percent of the total export value associated with the Bank's long-term financing.

The following example serves to underscore the extent of indirect small business support that Ex-Im Bank provides through its financing of large, long-term transactions. In addition to the indirect small business support that Ex-Im Bank was able to identify in relation to its long-term financing in FY 2004, Ex-Im Bank asked a major U.S. exporter of gas turbine power plants and a primary user of the Bank's financing to compile a comprehensive breakdown of all the U.S. companies that it engages in the course of producing its finished gas turbines.

The U.S. exporter provided Ex-Im Bank with a list that identified all of the companies from which the exporter procures the various components and materials that it requires to produce its final products. The Bank reviewed the list and ascertained that of the 167 suppliers identified by the exporter, 71 were small businesses located throughout the United States. These small businesses therefore constituted more than 40 percent of the total number of suppliers participating in the production of the exporter's gas turbines. As this example illustrates, Ex-Im Bank's support for larger U.S. exporters also indirectly benefits many U.S. small businesses.

Technology Improvements

In fiscal year 2004, Ex-Im Bank continued to update its Web site to provide all customers, particularly small businesses, with improved access to information, applications and forms. All of Ex-Im Bank's applications and forms are available through the Web site, www.exim.gov.

In fiscal year 2004, Ex-Im Bank continued to develop its business automation project, "Ex-Im Online", which will enable Ex-Im Bank to process applications for Ex-Im Bank financing more efficiently and effectively. Some forms and processes, including an online letter of interest application and an online claims filing process, can be processed electronically. The next major component will be automating the Bank's short-term multibuyer insurance program, which primarily benefits small business exporters.

The Bank participates in the government-wide "Business Gateway" initiative to integrate the content and functions of the Web sites of Ex-Im Bank, the Small Business Administration, and other agencies into one comprehensive site, www.business.gov. In addition, the Bank participates in the U.S. government export Web site, www.export.gov, which offers information on all of the export-related services of the federal government.

The Bank also participates in the Trade Promotion Coordinating Committee's "One Stop, One Form" registration system, an Internet-based system that will enable small businesses to apply electronically for all government export programs.

Electronic Tracking Systems

Ex-Im Bank tracks loan, guarantee and insurance activity through its Integrated Information System, which is an aggregation of several electronic databases that provides comprehensive information regarding all Bank transactions.

In fiscal year 2004, Ex-Im Bank continued its data quality review to further ensure the accuracy of the information in its electronic databases.

Ex-Im Bank also utilizes a customer management database, focused primarily on small businesses, to assist in the Bank's outreach to small business exporters throughout the United States.

Outreach to Small Businesses

Ex-Im Bank is committed to providing export financing to socially and economically disadvantaged small businesses, including those that are minority-owned and women-owned and small businesses employing fewer than 100 employees. In order to increase its outreach to more customers in these traditionally underserved groups, in fiscal year 2004, the Bank added staff devoted solely to this effort and increased the number of its partnerships with lenders, trade associations and other government agencies.

In fiscal year 2004, Ex-Im Bank reached out to more than 4,000 customers throughout the United States by participating in more than 50 outreach events such as trade shows, conferences, seminars and symposia. Ex-Im Bank staff delivered presentations at several major conference events, including the Small Business Administration's annual conference and the annual conference of the National Association of Women Business Owners. A significant number of the small businesses that attend the seminars and trade shows in which Ex-Im Bank participates employ fewer than 100 employees.

In addition, in the fall of 2004, members of Ex-Im Bank's board of directors and staff served as guest speakers at several women-owned-business seminars that were sponsored by the U.S. Department of Commerce and held in several cities, including Cleveland, Ohio; Philadephia, Pa.; and Houston, Texas.

Ex-Im Bank's business development officers, including those located in its network of regional offices throughout the country, focus heavily on the new-to-export segment of U.S. small businesses. Ex-Im Bank staff provide customized training for new users of the Bank's products.

Ex-Im Bank sponsors seminars and symposia throughout the country that are targeted to small businesses that traditionally have been underserved in the trade finance market. The symposia consist of half-day training programs to help U.S. companies learn how to use U.S. government resources to find foreign buyers and use trade finance tools. These symposia also feature presentations by other agencies of the Trade Promotion Coordinating Committee, including the U.S. Commercial Service of the Department of Commerce, the Small Business Administration and the Overseas Private Investment Corporation.

FY 2004 at a Glance

Total Financing

- Ex-Im Bank's financing supported 3,107 U.S. export sales in FY 2004.
- In FY 2004, Ex-Im Bank authorized $13.3 billion in loans, guarantees and export credit insurance, supporting $17.8 billion of U.S. exports to markets worldwide – an export value increase of more than 24 percent from FY 2003.

Small Business

- Ex-Im Bank authorized more than $2.2 billion – nearly 17 percent of total authorizations – in direct support of U.S. small businesses as primary exporters in FY 2004.
- Ex-Im Bank approved 2,572 small business transactions that represented nearly 83 percent of the total number of transactions in FY 2004.
- In FY 2004, 291 small businesses used Ex-Im Bank programs for the first time.
- In FY 2004, Ex-Im Bank approved financing in amounts under $500,000 for 1,234 small business transactions.
- Ex-Im Bank estimates the export value of additional small business content supported indirectly through long-term transactions where small businesses serve as suppliers to larger primary exporters. In FY 2004, the Bank estimated that the total value of its indirect support for this small business content through its long-term loans and guarantees was $906 million out of a total export value of $7.9 billion – more than 11 percent of the total export value associated with the Bank's long-term financing. (See Small Business Report, pp. 16-17.)

Working Capital

- Ex-Im Bank authorized $880 million in working capital guarantees for pre-export financing in FY 2004 – $620 million of which benefited small businesses.
- Of the 458 working capital guarantee transactions authorized, 378 were for small businesses, representing more than 82 percent of the transaction volume.

Export Credit Insurance

- Ex-Im Bank authorized more than $4.5 billion in export credit insurance in FY 2004. Small business insurance authorizations totaled almost $1.6 billion.
- Small businesses were issued 2,188 export credit insurance policies representing approximately 91 percent of the total number of Ex-Im Bank's policies in FY 2004.

Project and Structured Finance

- In FY 2004, Ex-Im Bank authorized nearly $400 million in limited recourse project financing to support U.S. exports to five projects: the new airport in Quito, Ecuador; the Baku-Tblisi-Ceyhan (BTC) pipeline in Azerbaijan, Georgia and Turkey; the NewGen telecommunications project in Jordan; the Veladero gold mine in Argentina; and port security for the Sokhna port in Egypt.
- Ex-Im Bank authorized more than $2 billion for long-term structured and corporate finance transactions supporting U.S. exports to Comision Federal de Electricidad (CFE) and Petroleos Mexicanos (PEMEX) in Mexico; Sonatrach and the Skikda power plant in Algeria; Reliance Infocomm in India; Zorlu Enerji and the Darussafaka retirement home in Turkey; and telecommunications projects in Kazakhstan and Colombia.

Transportation Finance

- In FY 2004, Ex-Im Bank authorized nearly $4.2 billion to support the export of 72 U.S.-manufactured, large commercial aircraft to 12 airlines located in 12 different countries.
- In addition, Ex-Im Bank authorized $332 million in FY 2004 to support the export of U.S.-manufactured small aircraft, helicopters, locomotives and other transportation-related equipment to various operators around the world.

Environmental

- Ex-Im Bank financing supported $131 million in exports of environmentally beneficial U.S. goods and services in FY 2004.
- In addition, in FY 2004, Ex-Im Bank provided working capital guarantees totaling $29.3 million to support approximately $160 million of environmentally beneficial exports from U.S. small and medium-sized businesses.

Energy

- In FY 2004, Ex-Im Bank authorized financing to support approximately $85 million in renewable energy exports that included wind turbines, photovoltaic panels, solar energy outdoor lighting systems and services for geothermal plants. Included in this total were six insurance transactions under which $1.3 million of renewable energy exports were shipped and four authorizations of working capital guarantees totaling $12.3 million that will support approximately $83.7 million of renewable energy exports.
- In FY 2004, Ex-Im Bank authorized 16 loan and guarantee transactions and 119 new and renewed export credit insurance policies to support U.S. exports related to foreign energy production and transmission activities, 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.
- In FY 2004, Ex-Im Bank authorized financing to support $450 million of U.S. exports for fossil fuel power plants. The Bank estimates that the aggregate amount of carbon dioxide emissions produced directly by these plants will total approximately 7.3 million metric tons per year. On average, the cost of the U.S. exports that Ex-Im Bank financed in FY 2004 for these power projects represents approximately 45 percent of the total cost of the equipment and services associated with these projects.
- In FY 2004, Ex-Im Bank authorized financing to support nearly $1.5 billion of U.S. exports for projects in the oil and gas and the petrochemical sectors. The Bank estimates that the aggregate amount of carbon dioxide emissions produced directly by these projects will total approximately 3.5 million metric tons per year. On average, the cost of the U.S. exports that Ex-Im Bank financed in FY 2004 for these oil and gas and petrochemical projects represents approximately 25 percent of the total cost of the equipment and services associated with these projects.

High Technology

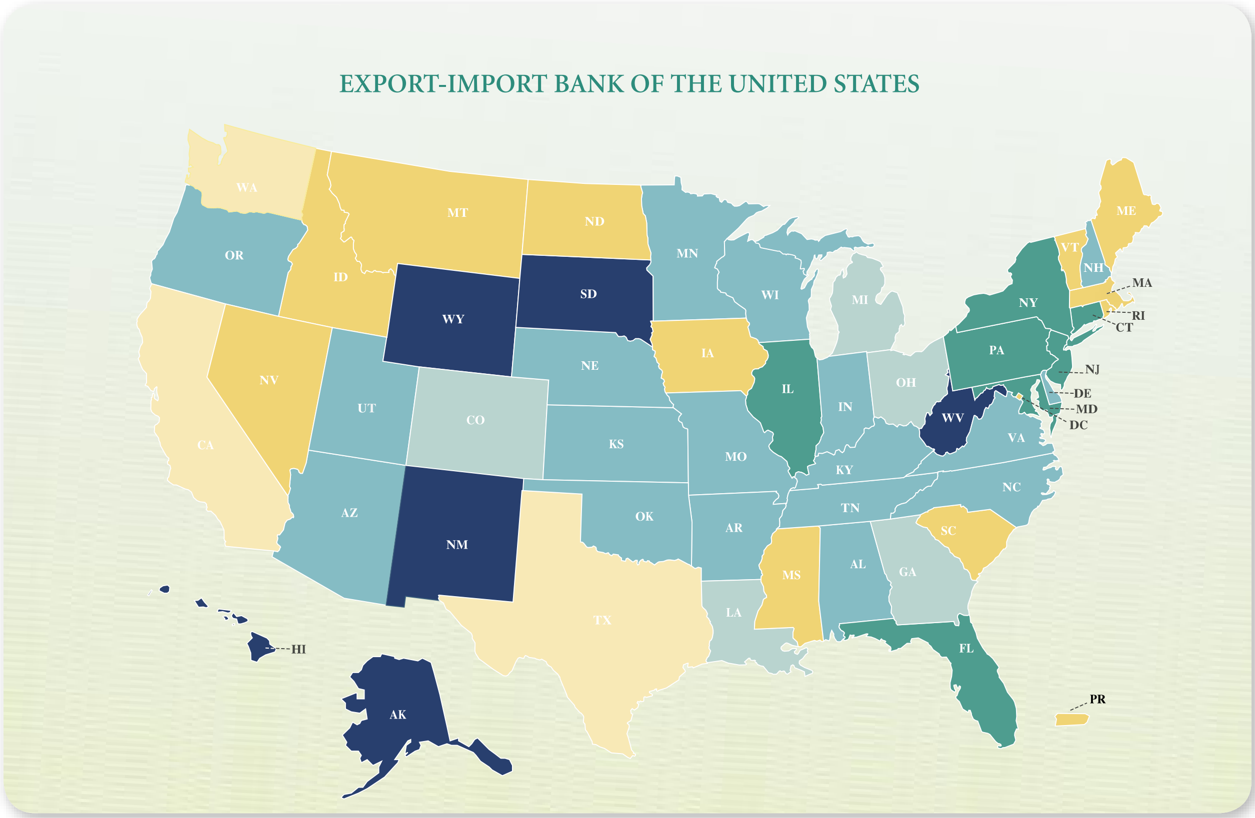
- In FY 2004, Ex-Im Bank authorized financing to support $715 million of U.S. high technology exports other than aircraft, including electronics, telecommunications, mass transit and medical equipment. Hundreds of U.S. suppliers of high tech products will benefit from these transactions.
- In addition, Ex-Im Bank authorized $102 million in working capital guarantees to support approximately $590 million of U.S. high technology exports from U.S. small and medium-sized businesses.

Services

- In FY 2004, Ex-Im Bank financed the export of a wide range of U.S. services, including engineering, design, construction, oil drilling, training and consulting. The total export value of these services totaled more than $1.3 billion.
- In addition, in FY 2004, Ex-Im Bank authorized $1.8 million in working capital guarantees to support approximately $8.4 million of service exports from U.S. small and medium-sized businesses.

Agriculture

- In FY 2004, Ex-Im Bank financed the export of $223.5 million of U.S. agricultural exports, including commodities, livestock, foodstuffs, equipment, chemicals, supplies and services. In addition, the Bank authorized $66.8 million in working capital guarantees to support approximately $500 million in agricultural exports from small and medium-sized businesses.



Value of Exports Supported Five-Year Period (October 1, 1999 – September 30, 2004)

OVER $7 BILLION
California ($10 billion)
Washington ($28.8 billion)
Texas ($7.7 billion)

OVER $1 BILLION
Connecticut ($1.8 billion)
Florida ($3.4 billion)
Illinois ($1.8 billion)
Maryland ($2 billion)
Massachusetts ($2.6 billion)
New Jersey ($1.9 billion)
New York ($2.8 billion)
Pennsylvania ($2 billion)

OVER $500 MILLION
Colorado ($878 million)
Georgia ($641 million)
Louisiana ($826 million)
Michigan ($614 million)
Ohio ($852 million)

OVER $100 MILLION
Alabama ($235 million)
Arkansas ($107 million)
Arizona ($209 million)
Delaware ($177 million)
Indiana ($216 million)
Kansas ($177 million)
Kentucky ($114 million)
Minnesota ($497 million)
Missouri ($242 million)
Nebraska ($139 million)
New Hampshire ($156 million)
North Carolina ($326 million)
Oklahoma ($378 million)
Oregon ($212 million)
Tennessee ($162 million)
Utah ($137 million)
Virginia ($479 million)
Wisconsin ($367 million)

OVER $10 MILLION
District of Columbia ($95 million)
Idaho ($53 million)
Iowa ($96 million)
Maine ($28 million)
Mississippi ($98 million)
Montana ($33 million)
Nevada ($92 million)
North Dakota ($42 million)
Puerto Rico ($33 million)
Rhode Island ($46 million)
South Carolina ($82 million)
Vermont ($26 million)

OVER $100,000 TO $9 MILLION
Alaska ($120,000)
Hawaii ($1 million)
New Mexico ($8 million)
South Dakota ($10 million)
West Virginia ($8 million)
Wyoming ($1 million)

FY 2004 AUTHORIZATIONS SUMMARY

($ millions)	Number of Authorizations		Amount Authorized		Export Value		Program Budget	
PROGRAM	2004	2003	2004	2003	2004	2003	2004	2003
LOANS								
Long-Term Loans	5	1	$227.1	$52.7	$242.4	$61.5	$21.5	$0.0
Medium-Term Loans	0	1	0.0	5.6	0.0	6.5	0.0	0.9
Tied Aid	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Total Loans	**5**	**2**	**227.1**	**58.3**	**242.4**	**68.0**	**21.5**	**0.9**
GUARANTEES								
Long-Term Guarantees	49	69	7,112.1	6,422.9	8,072.6	7,672.0	165.9	280.2
Medium-Term Guarantees	187	161	540.6	554.1	619.8	646.1	29.2	26.0
Working Capital Guarantees	458	390	880.4	768.0	4,177.9	3,101.8	10.9	4.2
Total Guarantees	**694**	**620**	**8,533.1**	**7,745.0**	**12,870.3**	**11,419.9**	**206.0**	**310.4**
EXPORT CREDIT INSURANCE								
Short-Term	1,911	1,762	3,649.3	2,025.5	3,649.3	2,025.5	7.2	7.1
Medium-Term	497	323	911.5	678.4	1,072.1	798.0	35.2	11.8
Total Insurance	**2,408**	**2,085**	**4,560.8**	**2,703.9**	**4,721.4**	**2,823.5**	**42.4**	**18.9**
Modifications							9.3	3.9
GRAND TOTAL	**3,107**	**2,707**	**$13,321.0**	**$10,507.2**	**$17,834.1**	**$14,311.4**	**$279.2**	**$334.1**

SMALL BUSINESS AUTHORIZATIONS

($ millions)	Number		Amount	
	2004	2003	2004	2003
Export Credit Insurance	2,188	1,886	$1,570.6	$1,361.6
Working Capital Guarantees	378	343	620.3	622.3
Guarantees	6	29	66.4	91.3
GRAND TOTAL	**2,572**	**2,258**	**$2,257.3**	**$2,075.2**

FY 2004 AUTHORIZATIONS BY MARKET

(in dollars)	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
Africa Multinational					200,000,000
Albania					25,638
Algeria		231,206,397	5,355,369	236,561,766	1,520,331,215
Angola			45,000	45,000	84,786,133
Anguilla					110,433
Antigua			135,900	135,900	606,856
Argentina	80,000,000			80,000,000	552,227,072
Aruba					2,686,242
Australia		258,664,085	718,200	259,382,285	1,268,241,598
Austria			247,500	247,500	290,937,895
Azerbaijan		19,249,431		19,249,431	67,244,055
Bahamas			1,005,419	1,005,419	3,793,349
Bahrain		3,416,970		3,416,970	119,077,539
Barbados			907,843	907,843	1,801,117
Belgium					2,076,735
Belize					19,894,429
Benin					201,166
Bermuda			90,000	90,000	1,898,110
Bolivia					6,680,232
Bosnia					24,694,192
Brazil	76,871,312	81,211,778	54,963,735	213,046,825	2,777,730,877
Brunei					8,456
Bulgaria			1,345,013	1,345,013	82,638,405
Burkina Faso					1,941,845
Cameroon		2,304,969	4,379,643	6,684,612	51,308,667
Canada		357,634,745	4,531,018	362,165,763	853,726,699
Canary Islands					4,423
Cayman Islands					1,058,651
Central African Republic					8,710,457
Chad					17,250,000
Chile		11,316,243	15,563,297	26,879,540	420,130,022
China					26,386,019
China (Mainland)		84,443,547	4,590,069	89,033,616	4,112,239,853
China (Taiwan)		285,164,123	180,000	285,344,123	1,414,180,174
Colombia		16,264,593	20,798,229	37,062,822	281,629,759
Congo					22,864,759
Congo, Democratic Republic					859,579,876
Costa Rica		4,981,252	11,125,966	16,107,218	31,399,740
Cote D'Ivoire					152,005,251

FY 2004 AUTHORIZATIONS BY MARKET *(cont.)*

(in dollars)	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
Croatia					390,192,146
Cuba					36,266,581
Cyprus		484,877	10,804,102	11,288,979	12,249,356
Czech Republic			513,000	513,000	268,754,254
Denmark					1,999,267
Djibouti					1,962
Dominica					418,585
Dominican Republic		4,990,247	8,358,578	13,348,825	901,192,600
Ecuador	70,194,836			70,194,836	111,350,186
Egypt		103,479,331		103,479,331	135,885,655
El Salvador		1,310,199	2,260,328	3,570,527	15,209,665
Estonia					223,008
Ethiopia					212,909,130
Fiji Islands					65,561,017
Finland					1,698,630
France					9,820,608
French Polynesia					19,579
Gabon					60,633,503
Gambia			6,317,294	6,317,294	6,646,339
Georgia					6,359,049
Germany, Federal Republic of			450,000	450,000	17,653,508
Ghana		5,243,655	4,530,441	9,774,096	169,379,925
Gibraltar					6,235
Greece					2,466,254
Grenada					3,136,872
Guatemala		2,403,792	18,588,211	20,992,003	46,374,970
Guinea			90,000	90,000	7,768,174
Guinea-Bissau			10,000,000	10,000,000	10,080,231
Guyana			2,033,159	2,033,159	3,187,016
Haiti					3,872,688
Honduras		459,540	12,539,002	12,998,542	30,281,853
Hong Kong			108,000	108,000	422,328,385
Hungary		2,633,905		2,633,905	13,759,054
Iceland					988,668
India		501,650,446	15,920,363	517,570,809	1,449,811,197

FY 2004 AUTHORIZATIONS BY MARKET *(cont.)*

(in dollars)	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
Indonesia					2,616,461,345
Iraq			250,000,000	250,000,000	300,705,975
Ireland		168,096,000		168,096,000	1,150,356,085
Israel			7,459,280	7,459,280	349,602,047
Italy			707,000	707,000	589,552,441
Jamaica		17,493,076	1,878,300	19,371,376	43,296,073
Japan			477,000	477,000	156,389,318
Jordan		51,438,675	1,183,000	52,621,675	54,718,153
Kazakhstan		89,332,974	12,886,442	102,219,416	109,070,033
Kenya		126,905,404		126,905,404	269,979,395
Korea, Republic of		105,709,098	1,364,801	107,073,899	2,680,263,979
Kuwait			28,009,344	28,009,344	47,360,970
Latvia					1,390,218
Lebanon					19,653,171
Liberia					5,980,110
Lithuania			2,067,003	2,067,003	10,485,671
Luxembourg		124,012,000	112,500	124,124,500	251,558,117
Macau					7,509
Macedonia					59,117,548
Madagascar					37,138,733
Malaysia, Federation of					1,452,231,021
Maldive Islands					3,250
Mali		3,823,642		3,823,642	12,238,488
Malta					119,093
Mauritania					137,276
Mauritius					363,447
Mexico		1,389,440,369	846,417,642	2,235,858,011	6,492,958,500
Micronesia, Federated States of					84,338
Monaco					193,221
Montserrat			68,400	68,400	69,206
Morocco		68,717,377		68,717,377	547,980,546
Mozambique					87,973
Nauru					13,223,835
Netherlands		515,190,155	1,458,000	516,648,155	743,503,942
Netherlands Antilles					760,994
New Caledonia					6,814

FY 2004 AUTHORIZATIONS BY MARKET *(cont.)*

(in dollars)	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
New Zealand					2,870,468
Nicaragua			1,604,165	1,604,165	97,089,321
Niger					6,101,301
Nigeria		84,144,755	16,791,415	100,936,170	1,238,006,629
Norway					2,494,831
Oman					32,690,080
Pakistan		3,772,737		3,772,737	731,432,696
Panama		37,027,734	4,010,000	41,037,734	408,343,707
Papua New Guinea					12,703
Paraguay					9,341,438
Peru		22,241,845	16,232,522	38,474,367	210,993,189
Philippines		24,088,921	24,860,717	48,949,638	971,863,508
Poland			323,865	323,865	281,980,774
Portugal			315,000	315,000	1,531,767
Qatar					283,597
Reunion Island					1,080
Romania		38,742,280	630,000	39,372,280	429,541,185
Russia		82,049,342	16,781,077	98,830,419	1,060,048,886
Rwanda					559,569
Saudi Arabia		69,076,016	675,000	69,751,016	1,724,860,067
Senegal					14,757,114
Singapore		3,450,953	1,649,250	5,100,203	264,040,614
Slovak Republic					135,457
Slovenia					246,226
Solomon Islands					11,395
South Africa			5,010,938	5,010,938	508,866,848
Spain		966,671	1,242,000	2,208,671	10,370,839
Sri Lanka					34,850
St Kitts-Nevis			4,736,922	4,736,922	4,882,532
St Lucia					681,096
St Vincent					186,077
Sudan					28,246,331
Sweden					3,255,904
Switzerland			270,000	270,000	3,172,255

FY 2004 AUTHORIZATIONS BY MARKET *(cont.)*

(in dollars)	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
Tanzania					190,372
Thailand		239,810,193	270,000	240,080,193	1,256,497,689
Togo					2,820
Tonga					33,791
Trinidad And Tobago		4,802,269	11,422,612	16,224,881	224,666,210
Tunisia					181,951,987
Turkey		227,069,071	16,364,339	243,433,410	2,955,436,052
Turks and Caicos Islands					33,686
Uganda			1,168,954	1,168,954	7,039,591
Ukraine		6,370,401		6,370,401	179,876,377
United Arab Emirates			4,050,000	4,050,000	22,118,627
United Kingdom			5,931,151	5,931,151	39,715,822
United States of America		1,013,609,426		1,013,609,426	1,883,267,612
Uruguay		696,660	15,030,790	15,727,450	17,904,736
Uzbekistan					627,615,382
Various Countries Unallocable		1,830,209,347		1,830,209,347	2,138,959,297
Venezuela		1,554,221		1,554,221	1,468,154,621
Vietnam		204,749,827	2,463,132	207,212,959	399,788,320
Virgin Islands - British			924,673	924,673	1,292,458
West Indies - French					112,269
Yugoslavia, Federal Republic of					282,465,808
Zambia					142,580,871
Zimbabwe					29,913,775
TOTAL	**227,066,148**	**8,533,105,564**	**1,525,341,913**	**10,285,513,625**	**57,626,195,430**
Multibuyer Insurance - Short-Term			3,035,470,000	3,035,470,000	3,522,122,782
TOTAL AUTHORIZATIONS	**$227,066,148**	**$8,533,105,564**	**$4,560,811,913**	**$13,320,983,625**	**$61,148,318,212**

FY 2004 LOANS AND LONG-TERM GUARANTEES AUTHORIZATIONS LISTINGS

AUTH. DATE	OBLIGOR GUARANTOR PRINCIPAL SUPPLIER	CREDIT	PRODUCT	INTEREST RATE	LOANS	LONG-TERM GUARANTEES
ALGERIA						
30-Dec-03	Shariket Kahraba Skikda SONATRACH General Electric Co.	079288	Combined Cycle Power Plant			$191,858,473
24-Jun-04	SONATRACH None General Electric Company	079979	Pipeline Renovation Equipment			$39,347,924
TOTAL FOR ALGERIA						**$231,206,397**
ARGENTINA						
26-Mar-04	Minera Argentina None Caterpillar Inc.	079686	Trucks and Blasting Drills (Veradero Gold Mine)	4.070%	$80,000,000	
TOTAL FOR ARGENTINA					**$80,000,000**	
AUSTRALIA						
26-Feb-04	Virgin Blue Airlines None The Boeing Co.	079651	Commercial Aircraft			$94,386,217
30-Jul-04	Virgin Blue Airlines None The Boeing Co.	080450	Commercial Aircraft			$164,277,868
TOTAL FOR AUSTRALIA						**$258,664,085**
AZERBAIJAN						
11-Mar-04	General Construction LLC International Bank of Azerbaijan Saba Inc.	079957	Engineering Services			$19,249,431
TOTAL FOR AZERBAIJAN						**$19,249,431**
BRAZIL						
14-Nov-03	Rio Polimeros S.A. None ABB Lummus Global	076658	Petrochemical Project (Credit Increase)	4.740%	$17,289,520	
10-Dec-03	Ibiritermo S.A. None General Electric Co.	078557	Power Project (Credit Increase)	4.450%	$1,099,348	
26-Aug-04	Lider Taxi Aereo Multiple Guarantors Sikorsky Aircraft Corp.	080638	Helicopters	3.790%	$58,482,444	
TOTAL FOR BRAZIL					**$76,871,312**	

FY 2004 LOANS AND LONG-TERM GUARANTEES AUTHORIZATIONS LISTINGS *(cont.)*

AUTH. DATE	OBLIGOR GUARANTOR PRINCIPAL SUPPLIER	CREDIT	PRODUCT	INTEREST RATE	LOANS	LONG-TERM GUARANTEES
CANADA						
2-Dec-03	WestJet Airlines	076615	Commercial Aircraft			$357,634,745
	None					
	The Boeing Co.					
TOTAL FOR CANADA						**$357,634,745**
CHINA (MAINLAND)						
23-Dec-03	China Construction Bank	078591	Railroad Equipment			$84,443,547
	None					
	Harsco Corp.					
TOTAL FOR CHINA (MAINLAND)						**$84,443,547**
CHINA (TAIWAN)						
20-Aug-04	China Airlines	080629	Commercial Aircraft			$285,164,123
	None					
	The Boeing Co.					
TOTAL FOR CHINA (TAIWAN)						**$285,164,123**
COLOMBIA						
10-Jun-04	Colombia Movil	080504	Software To Support			$15,000,000
	Multiple Guarantors		GSM Cellular Network			
	Hewlett Packard Co.					
TOTAL FOR COLOMBIA						**$15,000,000**
ECUADOR						
30-Sep-04	Quiport	079024	Construction of New	4.90%	$70,194,836	
	None		International Airport			
	Caterpillar Inc.					
TOTAL FOR ECUADOR					**$70,194,836**	
EGYPT						
9-Jan-04	Sokhna Port Development	079958	X-Ray Equipment for			$7,921,230
	None		Cargo Inspection			
	American Science and Engineering Inc.					

FY 2004 LOANS AND LONG-TERM GUARANTEES AUTHORIZATIONS LISTINGS *(cont.)*

AUTH. DATE	OBLIGOR GUARANTOR PRINCIPAL SUPPLIER	CREDIT	PRODUCT	INTEREST RATE	LOANS	LONG-TERM GUARANTEES
22-Apr-04	Cairo Electricity Production Co. Central Bank of Egypt GE Power Systems Inc.	079289	Gas Turbines and Generators			$90,809,958
TOTAL FOR EGYPT						**$98,731,188**
INDIA						
30-Sep-04	Reliance Infocommunications Inc. None Lucent Technologies	080441	CDMA Telecommunications Equipment			$500,000,000
TOTAL FOR INDIA						**$500,000,000**
IRELAND						
24-Jun-04	Ryanair Ryanair Holdings PLC The Boeing Co.	078492	Commercial Aircraft			$168,096,000
TOTAL FOR IRELAND						**$168,096,000**
JAMAICA						
21-Nov-03	Port Authority of Jamaica None Science Applications International Corp.	079770	X-Ray Machines			$17,493,076
TOTAL FOR JAMAICA						**$17,493,076**
JORDAN						
23-Feb-04	New Generation Telecommunication Co. Multiple Guarantors Motorola Inc.	079558	Iden Telecommunications Network			$49,386,710
TOTAL FOR JORDAN						**$49,386,710**
KAZAKHSTAN						
18-Dec-03	Kazakhstan Temir Zholy Rse Multiple Guarantors General Electric Company Inc.	079883	Locomotive Modernization Kits			$32,426,429
TOTAL FOR KAZAKHSTAN						**$32,426,429**

FY 2004 LOANS AND LONG-TERM GUARANTEES AUTHORIZATIONS LISTINGS *(cont.)*

AUTH. DATE	OBLIGOR GUARANTOR PRINCIPAL SUPPLIER	CREDIT	PRODUCT	INTEREST RATE	LOANS	LONG-TERM GUARANTEES
KENYA						
13-May-04	Kenya Airways None The Boeing Co.	078987	Commercial Aircraft			$126,905,404
TOTAL FOR KENYA						**$126,905,404**
KOREA						
1-Jul-04	Asiana Airlines None The Boeing Co.	080616	Commercial Aircraft			$104,877,329
TOTAL FOR KOREA						**$104,877,329**
LUXEMBOURG						
1-Apr-04	Cargolux Airlines International None The Boeing Co.	080318	Commercial Aircraft			$124,012,000
TOTAL FOR LUXEMBOURG						**$124,012,000**
MEXICO						
21-Nov-03	Sinergia Soluciones Integral de Energia Grupo Condumex S.A. de C.V. General Electric Co.	079863	Locomotives			$23,349,185
23-Dec-03	Comision Federal de Electricidad None Siemens Westinghouse Power Corp.	079193	Power Generators			$140,345,547
11-Mar-04	Pemex Project Funding Master Trust Petroleos Mexicanos Solar Turbines Inc.	080074	Oil Field Development Equipment (Cantarrel IV)			$300,000,000
13-May-04	Pemex Project Funding Master Trust Multiple Guarantors Pride Offshore Inc.	080231	Gas and Oil Field Exploration (PEG II)			$200,000,000
22-May-04	Pemex Project Funding Master Trust Pemex Exploracion y Produccion BGP International Inc.	080385	Gas and Oil Field Exploration (Burgos IV)			$200,000,000
30-Sep-04	Pemex Project Funding Master Trust Pemex Exploracion Y Produccion Nabors Industries	080947	Oil Field Development Equipment (Pidirigas Project II)			$400,000,000
TOTAL FOR MEXICO						**$1,263,694,732**

FY 2004 LOANS AND LONG-TERM GUARANTEES AUTHORIZATIONS LISTINGS *(cont.)*

AUTH. DATE	OBLIGOR GUARANTOR PRINCIPAL SUPPLIER	CREDIT	PRODUCT	INTEREST RATE	LOANS	LONG-TERM GUARANTEES
MOROCCO						
17-Dec-03	Royal Air Maroc None The Boeing Co.	078791	Commercial Aircraft			$68,717,377
TOTAL FOR MOROCCO						**$68,717,377**
NETHERLANDS						
19-Dec-03	KLM Royal Dutch Airlines None The Boeing Co.	080091	Commercial Aircraft			$411,823,547
27-Apr-04	KLM Royal Dutch Airlines None The Boeing Co.	080092	Commercial Aircraft			$103,366,608
TOTAL FOR NETHERLANDS						**$515,190,155**
NIGERIA						
9-Aug-04	Bourdex Telecommunications Multiple Guarantors Nortel Networks Inc.	080392	Telecommunications Equipment			$18,266,282
TOTAL FOR NIGERIA						**$18,266,282**
PAKISTAN						
25-Jun-04	Pakistan International Airlines Government of Pakistan The Boeing Co.	079190	Commercial Aircraft and Spare Engine (Credit Increase)			$3,772,737
TOTAL FOR PAKISTAN						**$3,772,737**
PANAMA						
20-Aug-04	SPV/COPA Holdings COPA Holdings S.A. The Boeing Co.	080739	Commercial Aircraft			$37,027,734
TOTAL FOR PANAMA						**$37,027,734**
ROMANIA						
26-Mar-04	Ministry of Environment Ministry of Finance Lockheed Martin Corp.	077758	Hydrological Computer Models			$38,742,280
TOTAL FOR ROMANIA						**$38,742,280**

FY 2004 LOANS AND LONG-TERM GUARANTEES AUTHORIZATIONS LISTINGS *(cont.)*

AUTH. DATE	OBLIGOR GUARANTOR PRINCIPAL SUPPLIER	CREDIT	PRODUCT	INTEREST RATE	LOANS	LONG-TERM GUARANTEES
SAUDI ARABIA						
2-Dec-03	National Air Service Co. None Gulfstream Aerospace Corp.	080186	Small Aircraft			$69,076,016
TOTAL FOR SAUDI ARABIA						**$69,076,016**
SINGAPORE						
4-Mar-04	Singapore Airlines Cargo None The Boeing Co.	079672	Commercial Aircraft			$3,450,953
TOTAL FOR SINGAPORE						**$3,450,953**
THAILAND						
22-Jan-04	Thai Airways International None The Boeing Co.	079298	Commercial Aircraft			$239,530,341
TOTAL FOR THAILAND						**$239,530,341**
TURKEY						
1-Oct-03	Bis Enerji None GE Packaged Power Inc.	079452	Gas Turbine Electrical Generators			$63,894
8-Dec-03	Habas Sinai Ve Tibbi Gazlar Istihsal End None GE Packaged Power Inc.	078988	Gas Turbine Electrical Generators			$22,232,926
12-Dec-03	T.C. Basbakani Baskanliginda Darussafaka None Saba Inc.	079335	Residential and Auditorium Construction			$38,065,666
23-Feb-04	Baymina Enerji None General Electric Co.	077804	Ankara Power Project (Credit Increase)			$5,289,859
13-Jul-04	Zorlu Enerji Zorlu Holding GE Packaged Power Inc.	080178	Gas Turbine Electrical Generators			$60,669,155
9-Sep-04	Undersecretariat of Treasury None General Motors Corp.	080601	Locomotives			$86,849,380
TOTAL FOR TURKEY						**$213,170,880**

FY 2004 LOANS AND LONG-TERM GUARANTEES AUTHORIZATIONS LISTINGS *(cont.)*

AUTH. DATE	OBLIGOR GUARANTOR PRINCIPAL SUPPLIER	CREDIT	PRODUCT	INTEREST RATE	LOANS	LONG-TERM GUARANTEES
VIETNAM						
15-Apr-04	Vietnam Airlines Ministry of Finance The Boeing Co.	078584	Commercial Aircraft			$204,749,827
TOTAL FOR VIETNAM						**$204,749,827**
MISCELLANEOUS						
30-Dec-03	Baku Tblisi Ceyhan (BTC) Pipeline None Solar Turbines Inc.	078161	Turbines and Turbine Generator Sets			$150,000,000
18-Feb-04	Private Export Funding Corp. (PEFCO)	03048	Interest on Certain of PEFCO's Borrowings			$133,230,000
20-Aug-04	SPV/International Lease Finance Corp. International Lease Finance Corp. The Boeing Co.	080259	Commercial Aircraft			$1,680,209,347
TOTAL FOR MISCELLANEOUS						**$1,963,439,347**
GRAND TOTAL					**$227,066,148**	**$7,112,119,125**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Year Ending September 30, 2004

EXECUTIVE SUMMARY

The Export-Import Bank of the United States (Ex-Im Bank or Bank) is an independent agency and government corporation that operates as the official export credit agency of the United States. Its mission is to support U.S. exports by providing export financing through its loan, guarantee, and insurance programs in cases where the private sector is unable or unwilling to provide financing or to neutralize financing provided by foreign governments to their exporters when they are in competition for export sales with U.S. exporters. By facilitating the financing of U.S. exports, Ex-Im Bank helps companies create and maintain U.S. jobs. The Bank has assisted U.S. exporters to win export sales in over 120 markets throughout the world. In discharging its public policy role of supporting the export of U.S. goods and services, Ex-Im Bank accepts risks the private sector is unwilling or unable to take. However, the Bank does require reasonable assurance of repayment for the transactions it authorizes and closely monitors credit and other risks in its portfolio.

Ex-Im Bank authorized $13,321.0 million of loans, guarantees and insurance during FY 2004 which supported $17,834.1 million of U.S. export sales. This is the highest level for the past five fiscal years. Over that time, annual authorizations have ranged from $9,241.5 million to $13,321.0 million supporting U.S. export sales of $12,525.7 million to $17,834.1 million.

New authorizations for direct small business exports in FY 2004 totaled $2,257.0 million, up from $2,075.2 million in FY 2003. The number of small business transactions increased from 2,258 in FY 2003 to 2,572 in FY 2004. Ex-Im Bank's direct support for the small business sector, primarily through working capital guarantees and short-term insurance, has ranged from $1,658.0 million to $2,330.0 million over the past five fiscal years. The Bank also supports additional billions of dollars of indirect small business exports where the small business is a supplier to a larger U.S. exporter.

Ex-Im Bank's exposure at the end of FY 2004 totaled $61,148.2 million, which is approximately the same level as the prior five fiscal years. Of this total, the Bank's largest exposure is in the aircraft sector, accounting for 38.4 percent of total exposure. The highest geographic concentration of exposure is in Asia, with 29.4 percent of the total.

The program composition of Ex-Im Bank's credit portfolio has not significantly changed over the past five fiscal years. Direct loans comprise approximately 15.9 percent of total exposure, while insurance and guarantee programs account for the remainder.

While most of Ex-Im Bank's financings are denominated in U.S. dollars, Ex-Im Bank also guarantees notes denominated in certain foreign currencies. In FY 2004, Ex-Im Bank approved $1,632.9 million in foreign currency transactions, a slight decrease from the prior fiscal year. The Bank anticipates that its outstanding exposure for authorizations denominated in a currency other than the U.S. dollar will continue to grow.

The Bank classifies its credits into 11 risk categories, with level one being the least risky. Using this scale, level 3 approximates Standard and Poor's BBB, level 4 approximates BBB-, and level 5 approximates BB. The Bank's overall weighted-average-risk rating has improved from 5.03 to 4.07 on new authorizations for FY 2003 and FY 2004, respectively. Fifty percent of Ex-Im Bank's medium-term and long-term new authorizations in FY 2004 fell in the level 3-to-5 range (BBB to BB).

Net income for FY 2004 was $2,044.4 million as compared to $641.4 million in FY 2003. At the end of fiscal year 2004, the Bank's reserve against credit loss was $9,613.4 million, or approximately 15.7 percent of total credit exposure.

Ex-Im Bank has consolidated certain variable interest entities (VIEs) for which it was determined that the Bank is the primary beneficiary, to comply with Financial Accounting Standard Board's Financial Interpretation Number 46 (FIN 46) and FIN 46(R). At September 30, 2004, consolidated net lease receivables were $3,815.2 million and consolidated borrowings were $4,008.5 million. In accordance with FIN 46 and FIN 46(R), the Bank plans to consolidate an additional $5,400.0 million of net outstanding leases and borrowings as of October 1, 2004. This will not alter the risk profile of the Bank's business since these guaranteed borrowings have been previously accounted for as contingent liabilities rather than consolidated transactions.

I. DESCRIPTION OF BUSINESS

Ex-Im Bank supports the financing of U.S. exports of goods and services thereby helping maintain and create U.S. jobs. In financing exports, Ex-Im Bank supplements private sector financing by assuming credit risks the private sector is unable or unwilling to accept.

In its more than 70 years of operations, Ex-Im Bank has supported more than $455 billion of U.S. exports, primarily to developing markets.

The Export-Import Bank of the United States was established by executive order of President Franklin D. Roosevelt in 1934 as a District of Columbia banking corporation. The Export-Import Bank Act of 1945 (the "Act") reincorporated Ex-Im Bank as a U.S. government corporation. This Act, which has been amended by Congress over the years, is the basic legal authority for Ex-Im Bank's operations. The most recent amendment to the Act was the Export-Import Bank Reauthorization Act of 2002, which reauthorized Ex-Im Bank through September 30, 2006, and increased its financing capacity.

Mission

Ex-Im Bank is the official export credit agency of the United States. The mission of the Bank is to facilitate U.S. exports by providing competitive export financing in situations where U.S. exporters are facing foreign competition backed by officially supported financing or the private market is unwilling or unable to offer export financing. Ex-Im Bank financing is predicated on a determination that reasonable assurance of repayment exists. Ex-Im Bank enables U.S. companies — large and small — to turn export opportunities into sales that help to maintain and create U.S. jobs and contribute to a stronger national economy.

The Bank provides direct loans (buyer financing), loan guarantees, working capital guarantees (pre-export financing), and export credit insurance. On average, 85 percent of the Bank's transactions directly benefit U.S. small businesses.

Products

Direct Loans: The Direct Loan Program is a foreign buyer credit program in which Ex-Im Bank makes a loan to a foreign buyer to purchase U.S. exports. Ex-Im Bank's loan disbursements go directly to the U.S. exporter as the export products are shipped to the foreign buyer.

Loan Guarantees: Ex-Im Bank loan guarantees cover the repayment risks on the foreign buyer's debt obligations incurred to purchase U.S. exports. Ex-Im Bank guarantees to a lender that, in the event of a payment default by the borrower, the Bank will pay to the lender the outstanding principal and interest on the loan. Ex-Im Bank's comprehensive guarantee covers 100 percent of the commercial and political risks for up to 85 percent of the U.S. contract value of the export transaction.

Working Capital Guarantees: The Working Capital Guarantee Program is a pre-export financial tool to enable U.S. exporters to obtain necessary working capital in order to fulfill export sales orders. Ex-Im Bank's working capital guarantees enable U.S. exporters to obtain loans to produce or buy goods or services for export. These working capital loans, made by commercial lenders and backed by the Bank's guarantee, provide exporters with the liquidity to accept new export business, grow international sales and compete more effectively in the international marketplace.

Export Credit Insurance: The Export Credit Insurance program helps U.S. exporters develop and expand their overseas sales by protecting them against loss should a foreign buyer or other foreign debtor default for political or commercial reasons.

II. NEW BUSINESS

The amount of new loans, guarantees and insurance that Ex-Im Bank authorizes each year is dependent on export sales by U.S. exporters who need Ex-Im Bank's export credit support to win these sales. These export sales are in turn dependent on domestic and international political, economic and financial conditions, and on the competitiveness of U.S. products in world markets.

Ex-Im Bank has supported U.S. exports predominantly to Asia, Latin America and Eastern Europe. Many trade experts expect continued economic expansion in these areas in the future. World trade in general is also expected to substantially increase. The Bank believes that these factors will contribute to a greater demand for Ex-Im Bank financing assistance.

The Bank will continue to emphasize its programs which support the export sales of U.S. small businesses. Ex-Im Bank authorized 2,572 transactions supporting small business exports which totaled $2,257.3 million in FY 2004, and the Bank expects that amount to grow in the future.

FY 2004 Authorizations

Exhibit 1 shows authorizations for the past five fiscal years. During FY 2004, Ex-Im Bank authorized $13,321.0 million of loans, guarantees and insurance, an increase of almost 26.8 percent over the $10,507.2 million authorized in FY 2003, and the highest total over the past five years.

Authorizations have fluctuated from $9,241.5 million to $13,321.0 million during the past five years as shown in Exhibit 1.

Exhibit 1: Authorizations

(in millions)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
LONG-TERM					
Loans	$227.1	$52.7	$295.6	$857.8	$930.9
Guarantees	7,112.1	6,422.9	6,180.2	4,736.3	6,911.0
Subtotal, Long-Term	**7,339.2**	**6,475.6**	**6,475.8**	**5,594.1**	**7,841.9**
MEDIUM-TERM					
Loans	0.0	5.6	0.0	13.4	1.7
Guarantees	540.6	554.1	543.1	704.5	914.1
Insurance	911.5	678.4	666.8	475.4	880.4
Subtotal, Medium-Term	**1,452.1**	**1,238.1**	**1,209.9**	**1,193.3**	**1,796.2**
SHORT-TERM					
Working Capital	880.4	768.0	684.8	660.2	588.3
Insurance	3,649.3	2,025.5	1,748.7	1,793.9	2,410.7
Subtotal, Short-Term	**4,529.7**	**2,793.5**	**2,433.5**	**2,454.1**	**2,999.0**
TOTAL AUTHORIZATIONS	**$13,321.0**	**$10,507.2**	**$10,119.2**	**$9,241.5**	**$12,637.1**

Estimated Cost of New Authorizations Under the Credit Reform Act

Under the Federal Credit Reform Act of 1990 (P.L. 101-508), which took effect on October 1, 1992, U.S. government lending agencies are required to estimate the cost of making their loans and loan guarantees and to seek an appropriation from Congress to cover that cost. Loans and guarantees may not be committed unless sufficient appropriations are available to cover the calculated cost.

Under credit reform, the U.S. government budgets for the present value of the estimated cost of credit programs not covered by fees, excluding administrative expenses. This cost, known as the "subsidy cost" or "program budget cost," is defined as the net present value of all the cash flows of the credits to and from the U.S. government. Agencies must establish cash flow estimates for expected defaults, fees and recoveries to estimate the subsidy cost as a part of the budget process.

FY 2004 Program Budget

The appropriation of program budget required, if any, depends on the fee charged and the risk level of each authorization. The amount of appropriation required for FY 2004 authorizations has significantly declined compared to FY 2003 because the risk profile of credits authorized in FY 2004 is less risky than the risk profile of credits authorized in FY 2003. This is seen in the improvement in the weighted-average-risk rating for new authorizations which went from 5.03 in FY 2003 to 4.07 in FY 2004. The leverage ratio, which is the amount of authorizations supported by each dollar of program budget, has also improved compared to FY 2003 as a result of the same factors. In FY 2003, each dollar of program budget supported $31.5 of authorizations, while in FY 2004, each dollar of program budget supported $47.7 in authorizations, an increase of 51.4 percent.

The following chart shows the total amount authorized, the corresponding usage of program budget, and the leverage for the past five years. Authorization levels since FY 2001 have been steadily increasing, while program budget levels have gradually decreased. The amount of program budget required decreased between FY 2002 and FY 2003 due to OMB lowering the Interagency Country Risk Assessment System (ICRAS) risk premium (see Significant Factors Influencing Financial Results section), while the program budget decline between FY 2003 and FY 2004 is due to the reasons noted above.

Exhibit 2: Authorization Levels and Program Budget Required

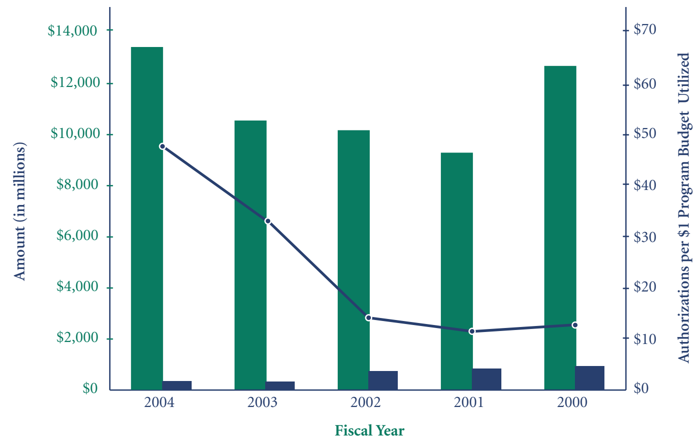


Exhibit 2 (Data)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Authorizations	$13,321.0	$10,507.2	$10,119.2	$9,241.5	$12,637.1
Program Budget Used	$279.2	$334.0	$738.0	$826.0	$928.0
Leverage	$47.7	$31.5	$13.7	$11.2	$13.5

Small Business Authorizations in FY 2004

A major goal of Ex-Im Bank is to expand U.S. small business exports. Ex-Im Bank offers two products that primarily benefit small business – working capital guarantees and short-term insurance.

In FY 2004, $620.3 million, or 70.4 percent, of total authorizations in the Working Capital Guarantee Program supported small business. Of total authorizations under the Short-Term Insurance Program, $1,570.6 million, or 43.0 percent, supported small business.

The following exhibit shows the total dollar amount of authorizations for small business exports for each year since FY 2000, together with the percentage for each year of the small business authorizations to total authorizations for that year.

Exhibit 3: Small Business Authorizations

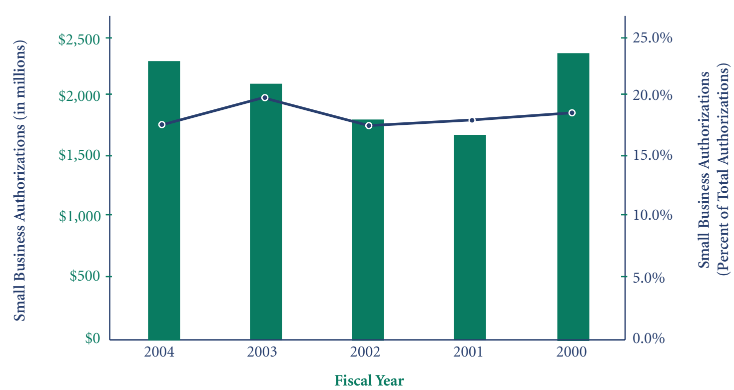


Exhibit 3 (Data)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Authorizations	$2,257.3	$2,075.2	$1,782.0	$1,658.0	$2,333.0
Percentage	16.9%	19.8%	17.6%	17.9%	18.5%

Although the small business percentage of total authorizations declined in FY 2004, the amount authorized for direct small business exports increased 8.8 percent from $2,075.2 million in FY 2003 to $2,257.3 in FY 2004.

Foreign Currency Transactions

Ex-Im Bank provides support for guarantees and insurance denominated in certain foreign currencies. The foreign currencies approved for Ex-Im Bank transactions as of September 30, 2004, are: Australian dollar, Brazilian real, British pound, Canadian dollar, CFA franc, Colombian peso, euro, Japanese yen, Mexican peso, Moroccan dirham, New Zealand dollar, Philippine peso, Russian ruble, South African rand, Swedish krona, and Swiss franc. At the time of authorization, Ex-Im Bank records as the authorization the dollar amount equivalent to the foreign currency obligation based on the exchange rate at that time. In FY 2004, Ex-Im Bank approved $1,632.9 million in transactions denominated in a foreign currency. In FY 2003, Ex-Im Bank approved $1,745.7 million in transactions denominated in a foreign currency.

Exhibit 4: Foreign Currency Transactions

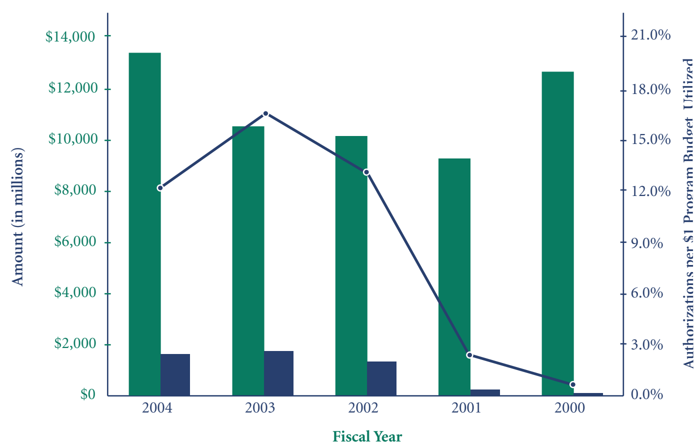


Exhibit 4 (Data)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Authorizations	$13,321.0	$10,507.2	$10,119.2	$9,241.5	$12,637.1
Foreign Currency Authorizations	$1,632.9	$1,745.7	$1,322.0	$213.3	$91.6
Percentage	12.3%	16.6%	13.1%	2.3%	0.7%

As seen in the chart above, the percentage of foreign currency authorizations to total authorizations has increased significantly over the past five years. This increase is attributable in large part to borrowers' desire to borrow funds in the same currency as they earn funds, in order to mitigate the risk involved with exchange fluctuations. The majority of the foreign currency authorizations are for support of U.S. exports of commercial jet aircraft.

III. FINANCIAL RESULTS OF OPERATIONS

The following table presents certain financial data from the Statement of Financial Position and the Statement of Operations as of September 30, 2004. This financial data is highlighted due to a significant change (15 percent or more) between FY 2004 and FY 2003. More detailed financial information can be found in the financial statements.

Exhibit 5: Significant Financial Data

(in millions)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Receivable from Subrogated Claims, Net	$1,272.4	$1,504.1	$1,776.0	$2,141.0	$2,107.0
Lease Receivables Consolidated from VIEs	3,815.2	803.9	N/A	N/A	N/A
Payment Certificates	448.5	593.0	785.6	931.1	289.0
Borrowings Consolidated from VIEs	4,008.5	841.0	N/A	N/A	N/A
Allowance for Guarantees, Insurance and Undisbursed Loans	6,077.7	7,263.6	7,069.6	6,411.5	7,030.0
Amounts Payable to the U.S. Treasury	751.5	1,943.5	3,621.0	557.0	1,575.0
Other Liabilities	83.3	108.3	77.5	977.7	837.5
Credit Appropriations	444.9	574.9	296.5	190.6	38.8
Accumulated Deficit	(5,741.1)	(6,718.6)	(5,303.9)	(2,230.3)	(1,621.9)
Interest on Loans	734.7	613.2	826.6	740.1	838.8
Interest on Leases Consolidated from VIEs	83.3	7.7	N/A	N/A	N/A
Interest on Cash and Cash Equivalents	218.9	302.6	341.6	416.3	582.6
Interest on Borrowings Consoldiated from VIEs	83.3	7.7	N/A	N/A	N/A
Other Income	100.7	37.0	8.5	15.8	42.6
Guarantee Amortization	679.8	N/A	N/A	N/A	N/A
Operating Income	1,539.3	754.6	908.0	866.0	1,047.0
Provision for Credit and Claim Losses	(505.1)	113.2	726.0	(195.0)	701.0
Net Income	$2,044.4	$641.4	$182.0	$1,061.0	$346.0

Receivables from Subrogated Claims, Net

The subrogated claims amount is net of an allowance for claim losses. This allowance reflects risk ratings specific to the entities involved in particular transactions. The net amount of claims receivable was $1,272.4 million at September 30, 2004, and was $1,504.1 million at September 30, 2003. The overall risk rating for total claims receivable is more risky in FY 2004 than FY 2003; the amount of claims rated between 9-11 increased by 9 percent since the end of FY 2003. Additionally, the loss percentages applied to each of these levels was slightly higher than in FY 2003. These factors caused an increase in the allowance for claim losses, thereby accounting for the decrease in net subrogated claims from $1,504.1 million at the close of FY 2003 to $1,272.4 million at September 30, 2004, a decrease of $231.7 million.

Lease Receivables Consolidated from VIEs

Lease receivables consolidated from VIEs increased from $803.9 million in FY 2003 to $3,815.2 million due to the consolidation of 21 additional VIEs in FY 2004 for which Ex-Im Bank is the primary beneficiary. Ex-Im Bank consolidated all VIEs for which the Bank is the primary beneficiary authorized subsequent to January 31, 2003, and will consolidate all such VIEs originating prior to this date in FY 2005 to comply with FIN 46. The Borrowings Consolidated from VIEs increased for the same reason.

Payment Certificates

Payment certificates decreased from $593.0 million at September 30, 2003 to $448.5 million as of September 30, 2004. Ex-Im Bank offers the option to the guaranteed lender to receive payment certificates in lieu of an immediate cash payment for the entire outstanding balance of the guaranteed notes when approving claims on defaulted fixed rate notes. The payment certificates are direct obligations of Ex-Im Bank and are freely transferable. The balance declined during FY 2004 as the payments made by Ex-Im Bank on existing payment certificates exceeded the issuance of new payment certificates.

Allowance for Guarantees, Insurance and Undisbursed Loans

The allowance for guarantees, insurance and undisbursed loans decreased from $7,263.6 million in FY 2003 to $6,077.7 million in FY

2004 due to the amortization of the guarantees under FIN 45 as well as the lower overall risk in the portfolio at the end of fiscal year 2004.

Amounts Payable to the U.S. Treasury

The amounts payable to the U.S. Treasury decreased by $1,192.0 million from $1,943.5 million at the end of FY 2003 to $751.5 million at the end of FY 2004. The amount payable to the Treasury is based on the re-estimate of the program budget cost of the outstanding balances of fiscal years 1992 through 2003 commitments. As the amount re-estimated on the remaining program budget cost has declined, the amount payable to the Treasury at the end of the year has correspondingly declined.

Other Liabilities

Other liabilities have decreased from $108.3 million at September 30, 2003, to $83.3 million at September 30, 2004, due to a decrease in the amount of funds held pending application.

Credit Appropriations

Credit appropriations declined from $574.9 million at September 30, 2003, to $444.9 million at September 30, 2004. Due to availability of unobligated balances carried over from the prior year, no appropriation was necessary in FY 2004 to cover the estimated program budget cost of providing new direct loans, guarantees and insurance. Consequently, Ex-Im Bank's budget request to the Congress for FY 2004 did not contain a request for a program budget appropriation.

Interest on Loans

Ex-Im Bank's interest on loans increased by $121.5 million from $613.2 million at the end of FY 2003 to $734.7 million at September 30, 2004. When interest is capitalized as a result of a debt rescheduling, the amount of interest capitalized is deducted from interest income for that year. A smaller amount of capitalized interest was deducted in FY 2004 than in FY 2003, resulting in higher interest income in FY 2004.

Interest on Lease Receivables

The interest on lease receivables from consolidated VIEs has increased from $7.7 million in FY 2003 to $83.3 million in FY 2004. In FY 2003, FIN 46 required consolidation of VIEs authorized subsequent to January 31, 2003, thereby resulting in a partial year of interest accrual on these lease receivables. Interest on lease receivables increased in FY 2004 because these receivables accrued interest for a full year. Interest was also accrued for an additional 21 VIEs consolidated in FY 2004.

Interest on Cash and Cash Equivalents

Interest on cash and cash equivalents declined from $302.6 million at September 30, 2003 to $218.9 million at September 30, 2004, because Ex-Im Bank's credit reform financing account balances declined during FY 2004. This decline resulted from funds remitted to the Treasury because the re-estimate of program budget indicated that those funds were no longer needed.

Guarantee Amortization

Guarantee amortization reflects the amortization of the FIN 45 noncontingent obligation during FY 2004 as the related exposure decreased. In FY 2004, the amortization of the noncontingent obligation under FIN 45 was $679.8 million, which is included in Guarantee Amortization on the Statement of Operations. The amortization of the noncontingent obligation is a new requirement in FY 2004 under Fin 45. See Note 10 to the financial statements for Ex-Im Bank's calculation of guarantee amortization.

Other Income

Other income increased from $37.0 million for FY 2003 to $100.7 million for FY 2004 due to recoveries on paid claims in excess of amounts originally paid because of interest charged on the claim.

Provision for Credit and Claims Losses

Ex-Im Bank evaluates its loan and guarantee portfolio to establish an allowance for credit and claims losses. The change in the allowance from one year to the next, adjusted for net write-offs, is the provision for losses that is charged to that year's income. The net change in the provision for FY 2004 is $618.3 million, from a charge of $113.2 million at the end of FY 2003 to a credit of $505.1 million at September 30, 2004. The change in the provision is due primarily to the fact that the risk rating on the overall portfolio decreased from 5.49 in FY 2003 to 5.30 in FY 2004, which resulted in lower loss percentages compared to the prior year.

Exhibit 6 summarizes the allowance for credit losses as of September 30, 2004. The table highlights the allowance at the beginning of the year, any changes during the year, and the allowance at the end of the year. As can be seen, the allowance for credit losses has remained relatively stable over the past five years. More detailed financial information can be found in the notes to the financial statements.

Exhibit 6: Allowance for Credit Losses

(in millions)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
BALANCE AT BEGINNING OF YEAR:					
Allowance for Loan Losses	$1,975.7	$2,341.0	$2,635.5	$2,149.9	$2,135.0
Allowance for Claim Losses	1,586.3	1,910.8	1,608.2	1,691.7	1,760.7
Allowance for VIE Lease Receivables	37.0	N/A	N/A	N/A	N/A
Allowance for Guarantees, Insurance and Undisbursed Loans	7,263.6	7,069.6	6,411.5	7,030.0	6,335.1
TOTAL	**10,862.6**	**11,321.4**	**10,655.2**	**10,871.6**	**10,230.8**
PLUS NET WRITE-OFFS:					
Loans	(12.9)	(216.0)	(43.6)	(1.7)	(28.9)
Claims	(51.4)	(356.0)	(16.4)	(19.6)	(31.3)
TOTAL	**(64.3)**	**(572.0)**	**(60.0)**	**(21.3)**	**(60.2)**
PLUS PROVISION (CREDITED)/CHARGED TO OPERATIONS:					
Provision for Loan Losses	(249.1)	(149.3)	(250.9)	487.3	43.8
Provision for Claim Losses	93.8	31.5	319.0	(63.9)	(37.7)
Provision for VIE Lease Receivable Losses	156.3	37.0	N/A	N/A	N/A
Provision for Guarantees, Insurance and Undisbursed Loans	(506.1)	194.0	658.1	(618.5)	694.9
TOTAL	**(505.1)**	**113.2**	**726.2**	**(195.1)**	**701.0**
PLUS GUARANTEE AMORTIZATION	(679.8)	N/A	N/A	N/A	N/A
BALANCE AT END OF YEAR:					
Allowance for Loan Losses	1,713.7	1,975.7	2,341.0	2,635.5	2,149.9
Allowance for Claim Losses	1,628.7	1,586.3	1,910.8	1,608.2	1,691.7
Allowance for VIE Lease Receivables	193.3	37.0	N/A	N/A	N/A
Allowance for Guarantees, Insurance and Undisbursed Loans	6,077.7	7,263.6	7,069.6	6,411.5	7,030.0
TOTAL	**9,613.4**	**10,862.6**	**11,321.4**	**10,655.2**	**10,871.6**
TOTAL EXPOSURE	**$61,148.2**	**$60,812.0**	**$58,117.6**	**$58,425.5**	**$61,595.7**
Allowance as % of Exposure	15.7%	17.9%	19.5%	18.2%	17.6%

Major Workouts: At the end of FY 2004, Ex-Im Bank was in the process of restructuring 11 major impaired credits (where aggregate exposure to the borrower is in excess of $20 million) with a total exposure of approximately $669.2 million, a 10.4 percent reduction from the total of impaired credits at September 30, 2003. This is attributable to the conclusion during FY 2004 of three major restructurings: Uch Power (Pakistan), Jindal Iron & Steel (India), and Mabuhay Philippines Satellite Corp. (Philippines). The credits currently under restructuring supported the export of U.S. products and services to projects and buyers in Indonesia, Mexico, Argentina, Brazil, Thailand, Dominican Republic, Nauru, India and Pakistan. All of these companies have other lenders with which Ex-Im Bank is participating in the restructuring processes.

The four largest restructurings are Central Puerto, a power generation company located in Argentina; Thai Petrochemical Industry Co., a fully integrated petroleum/petrochemical company in Thailand; Saba Power Company Limited, a power generation company located in Pakistan; and Alto Hornos de Mexico, a major steel company located in Mexico.

Paris Club Activities in FY 2004: The Paris Club is a group of 20 permanent member creditor countries that meet regularly in Paris to discuss and provide debt relief to qualifying debtor countries. During FY 2004, Ex-Im Bank signed and implemented bilateral agreements to provide public sector debt relief in the form of debt forgiveness and/or debt rescheduling, including capitalized interest, to 15 countries. In FY 2003, 13 countries received either debt forgiveness or debt rescheduling.

Exhibit 7: Paris Club Bilateral Agreements

(in thousands)

FY 2004		
Country	**Principal Forgiven**	**Debt Rescheduled**
Cameron	$3,503	
DRC (Zaire)	10,732	$36,903
Ghana	2,398	
Guinea	65	
Guyana	3,110	
Honduras	1,766	
Indonesia		13,237
Madagasca	1,528	
Niger	54	
Nigeria		915,934
Nicaragua	822	
Pakistan		2,413
Philippines	1,864	
Yugoslavia		8,452
Zambia	4,569	
TOTAL	**$30,411**	**$976,939**

FY 2003		
Country	**Principal Forgiven**	**Debt Rescheduled**
Bolivia	$10,047	-
Cameroon	3,381	
Coite d'Ivoire	39,397	$26,715
DRC (Zaire)	455,877	597,227
Ghana	2,536	
Indonesia		259,329
Macedonia		10,523
Mauritania	6,597	
Nicaragua	2,339	
Niger	602	
Pakistan		220,053
Rwanda	882	
Yugoslavia	154,728	274,014
TOTAL	**$676,386**	**$1,387,861**

The amount written off against the reserve in FY 2004 includes $12.9 million in loan write-offs and $51.4 million in claim write-offs for a total write-off of $64.3 million. The difference between amounts charged to the reserves and Paris Club principal forgiveness reflect $39.6 million of non-sovereign subrogated claims included in the write-off to the reserve but not included in the Paris Club principal forgiveness and $5.7 million in capitalized interest not included in the reserve write-off but included in the Paris Club principal forgiveness.

The amount written off to the reserve in FY 2003 includes $216.0 million in loan write-offs and $356.0 million in claim write-offs for a total write-off of $572.0 million. The difference between the charge to the reserve and Paris Club principal forgiveness reflect $14.8 million of non-sovereign subrogated claims included in the charge to the reserve but not included in the Paris Club principal forgiveness and $119.2 million in capitalized interest not included in reserve write-off but included in the Paris Club principal forgiveness.

Net Income

Net income increased by $1,403.0 million from $641.4 million at the end of FY 2003 to $2,044.4 million at September 30, 2004. This increase is due to the net change in the provision for credit losses described above, and the amortization credited to other income under FIN 45.

Other Significant Items

Foreign Currency Adjustment

As of September 30, 2004, Ex-Im Bank guarantees denominated in a foreign currency totaled $4,800.9 million. The Bank does not hedge its foreign currency exposure, consequently changes in the value of the dollar related to the foreign currencies the Bank guarantees changes the Bank's dollar liability. The Bank recorded a foreign currency adjustment of $547.9 million to reflect transaction exchange rates at September 30, 2004.

Accumulated Deficit

Total accumulated deficit decreased by $977.5 million from $6,718.6 million at the end of FY 2003 to $5,741.1 million at September 30, 2004. The Statement of Changes in Equity and Accumulated Deficit in the financial statements details the changes in accumulated deficit.

IV. SIGNIFICANT FACTORS INFLUENCING FINANCIAL RESULTS

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

Also, Ex-Im Bank makes fixed-rate loan commitments prior to borrowing to fund loans and takes the risk that it will have to borrow the funds at an interest rate greater than the rate charged on the credit. In the event this occurs, a U.S. Treasury appropriation account is available to Ex-Im Bank to cover the loss.

Additionally, as noted elsewhere in this report, Ex-Im Bank has a growing portfolio of guarantees of export credits denominated in foreign currencies. If the obligor defaults, Ex-Im Bank must use dollars to purchase foreign currency to pay the guaranteed lender. Ex-Im Bank does not hedge the risk that the value of the dollar to the foreign currency may change significantly from the time the guarantee was issued. As the Bank expects its portfolio of guaranteed foreign currency loans to grow in the future, this risk will become more significant.

In fulfilling its mission to facilitate U.S. exports by providing competitive export financing, Ex-Im Bank must balance the risks associated with assuming credit and country risks that the private sector is unable or unwilling to accept with the requirement of reasonable assurance of repayment for its credit authorizations.

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

Repayment Risk: The risk that a borrower will not pay according to the original agreement and the Bank may eventually have to write-off some or all of the obligation. Repayment risk is primarily composed of:

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

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

- **Industry:** The risk that events could negatively impact not only one company but many companies at the same time that are in the same industry. The Bank's credit exposure is highly concentrated by industry – 60 percent of the Bank's credit portfolio is in three industries - airlines, oil and gas, and power with aircraft representing 38.4 percent of the Bank's total exposure. Events impacting these industries are frequently international in nature and may not be confined to a specific country or geographic area.

- **Geographic Region:** The risk that events could negatively impact not only one country but at the same time many countries in an entire region. Fifty-four percent of Ex-Im Bank's portfolio is contained in two geographic regions - Asia (29.4 percent) and Latin America (25.5 percent).
- **Obligor:** The risk when a credit portfolio is concentrated with one or a few borrowers that a default by one or more of those borrowers will have a disproportionate impact. The Bank's 10 largest obligors make up 28 percent of its portfolio.

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

Operational Risk: The risk of material losses resulting from human error, system deficiencies and control weaknesses. Ex-Im Bank has established policies and procedures to mitigate operational risk.

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

Interest Rate Risk: This risk is described in the section on fixed rate loans above.

The Interagency Country Risk Assessment System (ICRAS)

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

The ICRAS methodology determines both the risk levels for lending to sovereign governments as well as certain factors to be used in calculating the program budget cost for transactions at the various risk levels.

One of OMB's key goals in developing this system was to pattern ICRAS after systems in the private sector. Therefore ICRAS adopts similar ratings and rating methodologies as the private rating agencies, such as Moody's, Standard & Poor's and Fitch IBCA.

Risk Ratings

The interagency group rates every country to which U.S. government agencies have outstanding loans or loan guarantees or are anticipating making new credits available. The interagency group has established 11 sovereign and nine non-sovereign risk categories and currently has risk ratings for 184 markets.

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

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

ICRAS Risk Premia

In order to determine the cost associated with the risk of lending to a category of credits, OMB applies a risk premium to each category that reflects the expected losses.

OMB bases its calculations of the risk premia on investors' risk-return perceptions on international debt instruments. The premia were established using data from international debt markets that reflected changes in financial market conditions over the past seven years. An extensive analysis was done of international lending rates so that the premia would most accurately reflect the market's evaluation of default risk.

Agencies apply these premia by comparing the present value cash flows discounted using a risk-free U.S. Treasury rate, against the present value of identical cash flows discounted by a risk-adjusted discount rate built from the risk-free U.S. Treasury rate plus the historical average spread for the risk category of the transaction under evaluation (the risk premia). The difference between these two present values is the present value of estimated defaults. This present value default amount is spread over the maturity of the proposed transaction and is discounted using the standardized OMB Credit Subsidy Calculator.

In 2002, OMB adjusted the risk premia for certain noncredit factors so that the revised risk premia reflect only estimates of probable credit losses. The risk premia were derived from the historical average interest rate differences or "spreads" between U.S. Treasury instruments and similar-term dollar-denominated sovereign bonds of similarly rated countries.

Transaction Risk Evaluation

Ex-Im Bank requires a reasonable assurance of repayment for all credit authorizations. The Credit and Risk Management Division evaluates applications for loan guarantees, export credit insurance and direct loans, with the exception of transportation and structured finance transactions, to assess if those applications meet Ex-Im Bank risk criteria. Specialists in the Transportation Division and Structured Finance Division analyze credit applications for those types of transactions.

The Bank's board of directors, credit committee or a bank officer acting pursuant to delegated authority makes the final determination of reasonable assurance of repayment taking into consideration staff recommendations. Transactions resulting in over $10 million in exposure generally require the approval of the board of directors. All other transactions require the approval of either 1) the Bank's credit committee, whose voting members consist of five designated senior managers, and a member of the board of directors serving as an ex-officio member, or 2) a Bank officer acting pursuant to authority delegated by the board of directors.

Portfolio Risk Monitoring and Evaluation

Ex-Im Bank continuously monitors its portfolio of credits after they have been approved. Monthly reports are prepared for the board of directors and management detailing and analyzing the portfolio risk profile and any significant changes from the prior report. Credits to obligors with total Ex-Im Bank exposure of $20 million or more are individually re-evaluated semiannually after approval.

V. RISK PROFILE OF EXPOSURE

FY 2004 Authorizations

Ex-Im Bank classifies credits into 11 risk categories, with level 1 being the lowest risk. Ex-Im Bank generally does not authorize new credits that would be risk-rated below level 8. On this scale, level 3 is approximately equivalent to Standard and Poor's BBB, level 4 approximates BBB-, and level 5 approximates BB.

The overall weighted-average-risk rating of FY 2004 medium-term and long-term export credit authorizations was 4.07. This is less risky than the 5.03 average for such authorizations made in FY 2003. Fifty-five percent of Ex-Im Bank's medium-term and long-term authorizations in FY 2004 fell in the level 3-to-5 range (BBB to BB) while 11 percent were rated level 7 or 8 (B or B-).

The following exhibit shows the risk profile of Ex-Im Bank's medium-term and long-term authorizations in FY 2004 and FY 2003 and the past five year average risk profile.

Exhibit 8: FY 2004 Medium-Term and Long-Term Authorizations by Risk Category

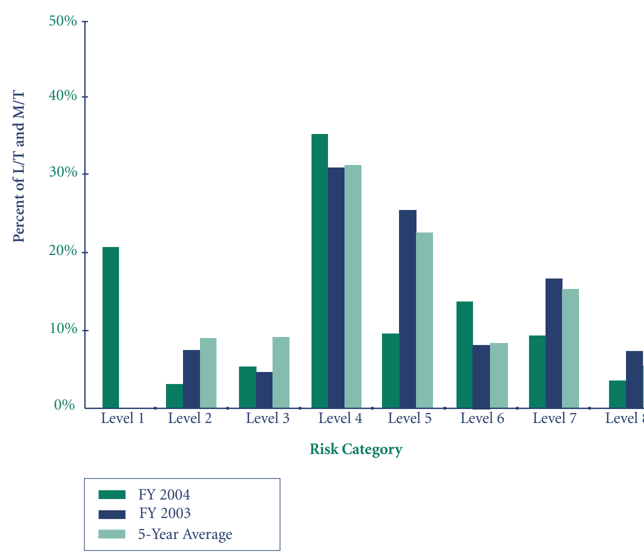


Exhibit 9 shows FY 2003 and FY 2004 medium-term and long-term authorizations by amount and risk category.

Exhibit 9: Medium-Term and Long-Term Authorizations By Amount and Risk Category

(in millions)	FY 2004	FY 2003	Difference
Level 1	$1,818.0	$0.0	$1,818.0
Level 2	263.7	575.7	(312.0)
Level 3	467.2	351.4	115.8
Level 4	3,086.0	2,313.7	772.3
Level 5	850.6	1,951.9	(1,101.3)
Level 6	1,199.0	640.5	558.5
Level 7	830.9	1,287.7	(456.8)
Level 8	268.3	567.2	(298.9)
TOTAL	**$8,783.7**	**$7,688.1**	**$1,095.6**

Fiscal-Year-End Exposure

The following table summarizes total Ex-Im Bank exposure by type of exposure and shows each type of exposure as a percent of the total exposure at the end of the respective fiscal year.

Exhibit 10: Exposure by Type and Percent

(in millions)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Guarantees	$37,353.1	$39,184.7	$38,595.9	$36,948.2	$36,944.2
Borrowings Consolidated from VIEs	$4,008.5	$841.0	N/A	N/A	N/A
Loans Receivable	9,288.3	9,998.5	10,324.2	10,614.6	9,948.5
Insurance	6,183.8	6,261.1	3,987.4	4,822.5	7,857.5
Receivables from Subrogated Claims	3,895.1	3,976.0	4,116.3	4,181.4	4,233.3
Undisbursed Loans	419.4	550.7	1,093.8	1,858.8	2,612.2
TOTAL EXPOSURE	**$61,148.2**	**$60,812.0**	**$58,117.6**	**$58,425.5**	**$61,595.7**

(% to Total)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Guarantees	61.1%	64.5%	66.3%	63.1%	59.9%
Borrowings Consolidated from VIEs	6.6%	1.4%	N/A	N/A	N/A
Loans Receivable	15.2%	16.4%	17.8%	18.2%	16.2%
Insurance	10.1%	10.3%	6.9%	8.3%	12.8%
Receivables from Subrogated Claims	6.4%	6.5%	7.1%	7.2%	6.9%
Undisbursed Loans	0.7%	0.9%	1.9%	3.2%	4.2%
TOTAL EXPOSURE	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Total exposure over the five-year period has remained relatively constant at an average of $60 billion. As a percent of total exposure, direct loans Ex-Im Bank has supported, including undisbursed loans, has declined while guarantee exposure has increased. The VIE borrowings consolidated onto the financial statements were previously authorized and accounted for as guarantee transactions; thus, consolidating these transactions has not altered the risk profile of Ex-Im Bank business.

The following table summarizes total Ex-Im Bank exposure by geographic region as of the end of the fiscal year. The table shows that the geographic exposure has been relatively stable over the past five years.

Exhibit 11: Geographic Exposure

(in millions)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Asia	$17,967.5	$20,229.5	$19,065.9	$19,350.2	$19,390.6
Latin America	15,570.3	14,983.9	15,710.7	14,814.4	14,591.5
Europe/Canada	10,840.7	10,491.1	10,069.7	10,029.2	10,618.9
Africa/Middle East	9,222.3	9,008.1	8,684.8	9,380.8	9,708.6
All Other	7,547.4	6,099.4	4,586.5	4,850.9	7,286.1
TOTAL EXPOSURE	**$61,148.2**	**$60,812.0**	**$58,117.6**	**$58,425.5**	**$61,595.7**

(% to Total)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Asia	29.4%	33.3%	32.9%	33.0%	31.5%
Latin America	25.5%	24.6%	27.0%	25.4%	23.7%
Europe/Canada	17.7%	17.3%	17.3%	17.2%	17.2%
Africa/Middle East	15.1%	14.8%	14.9%	16.1%	15.8%
All Other	12.3%	10.0%	7.9%	8.3%	11.8%
TOTAL EXPOSURE	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Exhibit 12 shows exposure by the major industrial sectors represented in the Bank's portfolio.

Exhibit 12: Industry Exposure

(in millions)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Air Transportation	$23,475.0	$21,659.1	$19,816.8	$18,364.4	$18,107.4
Power Projects	6,577.7	7,067.6	8,154.8	8,383.0	8,676.7
Oil and Gas	6,415.5	6,166.9	6,275.5	6,475.9	6,091.0
Manufacturing	4,309.1	4,320.7	4,806.4	5,204.3	6,694.0
All Other	20,370.9	21,597.7	19,064.1	19,997.9	22,026.6
TOTAL EXPOSURE	**$61,148.2**	**$60,812.0**	**$58,117.6**	**$58,425.5**	**$61,595.7**

(% to Total)	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Air Transportation	38.4%	35.6%	34.1%	31.4%	29.4%
Power Projects	10.8%	11.6%	14.0%	14.3%	14.1%
Oil and Gas	10.5%	10.1%	10.8%	11.1%	9.9%
Manufacturing	7.0%	7.1%	8.3%	8.9%	10.9%
All Other	33.3%	35.6%	32.8%	34.3%	35.7%
TOTAL EXPOSURE	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Of the portfolio at September 30, 2004, 50 percent represents credits to public sector obligors or guarantors (32 percent to sovereign obligors or guarantors and 18 percent to public non sovereign entities); 50 percent represents credits to private sector obligors. A breakdown of public versus private sector exposure is shown in the following table.

Exhibit 13: Public and Private Obligors

Year End	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Private Obligors	49.5%	45.9%	42.9%	40.7%	41.4%
Public Obligors	50.5%	54.1%	57.1%	59.3%	58.6%

Foreign Currency Exposure

At the end of FY 2004, Ex-Im Bank had 32 transactions denominated in a foreign currency. Using the foreign currency exchange rate at September 30, 2004, Ex-Im Bank adjusted the dollar amount of the outstanding balance for these transactions. The adjustment was an increase of exposure of $547.9 million for a total exposure of $4,800.9 million for foreign-currency-denominated guarantees.

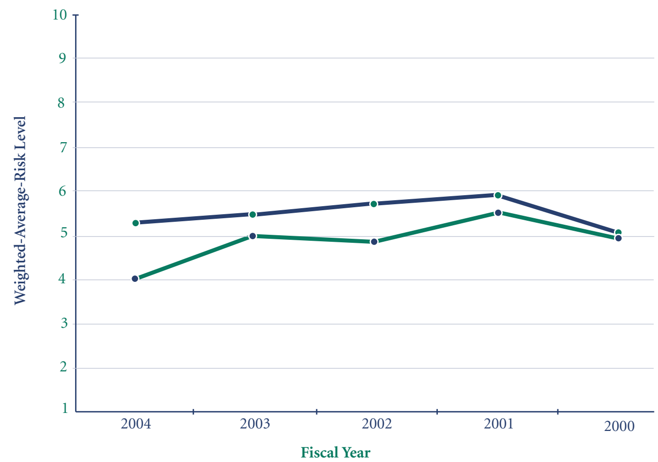
Exhibit 14: U.S. Dollar Value of Foreign Currency Exposure as of September 30, 2004 (by Currency)

(in millions)	Exposure	% of Total
Euro	$2,278.3	47.5%
Canadian Dollar	746.8	15.6%
Australian Dollar	677.9	14.1%
Japanese Yen	633.3	13.2%
British Pound	259.9	5.4%
South African Rand	193.3	4.0%
All Other	11.4	0.2%
TOTAL	**$4,800.9**	**100.0%**

Changes in the Portfolio Risk Level

At the end of FY 2004, Ex-Im Bank had a portfolio of $61,148.2 million of loans, guarantees, insurance and outstanding claims receivable, only slightly higher than the balance of $60,812.0 million at the end of FY 2003. Exhibit 15 shows the weighted-average-risk rating for new authorizations and the outstanding portfolio over the past five fiscal years. The new business risk level includes all medium-term and long-term transactions authorized in each respective fiscal year and reflects the weighted-average-risk rating for these authorizations. The outstanding portfolio above includes new business transactions and the existing portfolio risk-rated at the end of each fiscal year. As can be seen below, the risk rating for new business and the outstanding portfolio has gradually improved over the past several fiscal years.

Exhibit 15: Credit Quality: Risk Profile



Fiscal Year	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
New Business	4.07	5.03	4.90	5.50	4.95
Outstanding	5.30	5.49	5.68	5.87	4.96

VI. LOSS RESERVE METHODOLOGY

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

Ex-Im Bank has separately determined loss reserves for short-term insurance exposure and for the risk of exposure concentration, both of which are discussed below.

Sovereign Obligor Ratings

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

Non-Sovereign Obligor Ratings

Semiannually, Ex-Im Bank makes a case-by-case assessment of the risk level of its largest obligors (outstanding exposure in excess of $20 million) in its non-sovereign portfolio. At September 30, 2004, these entities comprise 56 percent of Ex-Im Bank's total portfolio. The risk assessment is based on two major factors: the credit risk of the obligor and its industry sector and the risk associated with the country where the obligor is legally domiciled as a business entity. Airlines, large corporates, and project finance cases are risk-rated based on risk-rating methodologies specific to those types of transactions.

To assess the obligor risk, the non-sovereign obligors are divided into four categories: (1) obligors in workout status; (2) obligors rated by third-parties rating agencies, i.e., Standard & Poor's and Moody's; (3) obligors not rated but publicly traded on local exchanges; and (4) obligors neither rated nor publicly traded on local exchanges.

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

For obligors with exposure less than $20 million, the risk rating is adjusted so that the current risk rating bears the same relationship to the current ICRAS country rating that the original risk rating bore to the original ICRAS country rating at time of authorization.

Loss Percentage

Each of the 11 risk levels are identified with a loss percentage to determine the overall allowance for credit losses. The loss percentage for each risk level is based on the risk premia model developed by OMB, discussed previously, to calculate subsidy costs.

Allowance for Losses on Non-impaired Loans and Claims Receivable

For non-impaired loans and claims receivable, Ex-Im Bank determines the allowance using the OMB risk premia. The allowance for losses on this exposure is calculated using the credit loss estimate method. Consistent with FAS 5 and industry practice, this is an estimate of the loss expected due to credit risk and does not include non-credit factors that are included in the fair-market value method.

Allowance for Losses on VIE Lease Receivables

The leases associated with consolidated VIEs are classified as direct financing leases in accordance with FAS 13, and the loss reserve is calculated according to the probable loss due to credit risk.

Allowance for Losses on Impaired Loans and Claims Receivable

Ex-Im Bank generally considers a credit impaired if it meets one or more of the following: (1) delinquent loans and claims with an amount of $50,000 or more past due at least 90 days; (2) rescheduled loans and rescheduled claims; and (3) non-delinquent loans and claims above a certain risk rating.

Loss reserves on impaired credits are determined using the fair value method. This practice is consistent with FAS 114 guidance that requires impaired loans to be measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or at the loan's observable market price or the fair-market value of the collateral if the loan is collateral dependent.

Allowance for Losses on Guarantees and Medium-term Insurance

The allowance for losses on Ex-Im Bank's contingent liabilities for medium-term and long-term guarantees and medium-term insurance is determined using the fair-value method. See the discussion in the notes to the financial statements.

Allowance for Losses on Export Credit Insurance Exposure

Ex-Im Bank separately determines the allowance for losses for short-term export credit insurance. The methodology assumes that repayment of a portion of the shipments outstanding at fiscal year end either may be already in default but not yet reported by the insured or will be defaulted and become a claim in the future. Under this methodology, the allowance for losses provided for short-term export credit insurance exposure is a combination of the percentage of claims paid to total shipments and the percentage of claims recovered to claims paid over the last 15 years as a percentage of current shipments outstanding.

Allowance for Concentration Risk

In addition to the loss reserves based on an obligor's individual risk rating, Ex-Im Bank also provides an additional loss reserves to account for the risk of exposure concentration. The additional loss reserve is determined based on five percent of the combined exposure of five countries with the largest outstanding loan and claim exposures in Ex-Im Bank's portfolio. The five percent is a comprehensive factor that Ex-Im Bank management believes is reasonable and sufficient to account for the risk of exposure concentration.

Undisbursed Balances

Ex-Im Bank's historical cancellation rate for authorized credits is approximately 15 percent. Consequently, Ex-Im Bank records a 15 percent decrease for loss-reserve purposes to undisbursed balances.

Allowance for Losses

The total allowance for losses (loss reserve) at September 30, 2004, for loans, claims, guarantee and insurance commitments and lease receivables is $9,613.4 million, which is 16 percent of total exposure of $61,148.2 million. This compares to the total loss reserve at September 30, 2003, for loans, claims receivable, and guarantee and insurance commitments of $10,862.6 million that was 18 percent of total exposure of $60,812.0 million.

Exhibit 16: Loss Reserves and Exposure

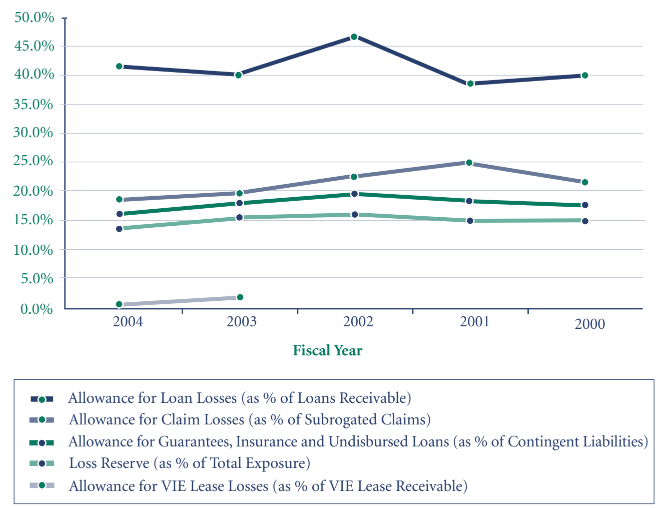
(in millions)	FY 2004	FY 2003
LOSS RESERVES		
Allowance for Loan Losses	$1,713.7	$1,975.7
Allowance for Claim Losses	1,628.7	$1,586.3
Allowance for VIE Lease Receivables	193.3	$37.0
Allowance for Guarantees, Insurance and Undisbursed Loans	6,077.7	$7,263.6
TOTAL	**$9,613.4**	**$10,862.6**
TOTAL EXPOSURE		
Loans Receivable	$9,288.3	$9,998.5
Receivables from Subrogated Claims	3,895.1	3,976.0
Guarantees and Insurance	47,545.4	46,286.8
Undisbursed Loans	419.4	550.7
TOTAL EXPOSURE	**$61,148.2**	**$60,812.0**
LOSS RESERVE AS PERCENT (%) OF TOTAL EXPOSURE	**15.7%**	**17.9%**

Of Ex-Im Bank's $13,183.4 million in loans and claims exposure as of September 30, 2004, $4,600.1 million is classified as impaired. Loss reserves on the impaired portion of Ex-Im Bank's exposure are $2,578.7 million for outstanding loans and claims. Of Ex-Im Bank's $13,974.5 million in loans and claims exposure as of September 30, 2003, $4,774.9 million was classified as impaired. Loss reserves on the impaired portion of Ex-Im Bank's exposure was $2,497.8 million for outstanding loans and claims.

Ex-Im Bank's exposure for guarantees, insurance and undisbursed loans is $47,964.8 million as of September 30, 2004. Loss reserves on this exposure totals $6,077.7 million. Ex-Im Bank's exposure for guarantees, insurance and undisbursed loans was $46,837.5 million as of September 30, 2003. Loss reserves on this exposure totaled $7,263.6 million.

The following chart, Exhibit 17, illustrates the loss reserve balance, net of capitalized interest and unamortized discount and exposure fees, as a percentage of loans receivable, receivables from subrogated claims, contingent liabilities, VIE lease receivables, and total exposure, respectively.

Exhibit 17: Loss Reserves Summary



VII. CRITICAL ACCOUNTING POLICIES

Ex-Im Bank's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Ex-Im Bank's critical accounting policies are described below.

Allowance for Losses

Under SFAS No. 5, Ex-Im Bank is required to make an estimate of the impairment of its loan, guarantee and insurance portfolio and report that amount as an allowance for credit losses. To do this, Ex-Im Bank uses a methodology related to the methodology developed by OMB to risk-rate new U.S. government loans and guarantees.

Under SFAS No. 114, Ex-Im Bank is required to measure impaired loans on the basis of the present value of expected future cash flows discounted at the loan's effective interest rate or at the loan's observable market price. This requires management to judge when a loan is impaired. Ex-Im Bank generally considers a loan or claim as impaired if one or more of the following conditions exist: (1) delinquent ($50,000 or more past due at least 90 days), (2) rescheduled loans and rescheduled claims, and (3) non-delinquent loans and claims risk-rated above a certain risk rating.

Estimates of the level of risk in Ex-Im Bank's credit transactions are central to the application of both of the above accounting standards. The level of risk of credits may change in an unpredictable manner because of financial, economic and political events impacting specific companies and countries. Consequently, significant and unanticipated changes in Ex-Im Bank's allowance for credit losses may occur in any year.

Guarantees

Under the provisions of FIN 45, Ex-Im Bank is required to recognize, at the inception of a guarantee, a liability for its fair value. FIN 45 applies to guarantees issued after December 31, 2002. For further information, refer to Note 10 in the Notes to the Financial Statements.

Variable Interest Entities

In January 2003, the FASB issued FIN No. 46, "Consolidation of Variable Interest Entities," which addresses the consolidation of certain entities when control exists through other than voting interests. Ex-Im Bank is the primary beneficiary of certain variable interest entities (VIEs) that have been created in connection with security arrangements for certain export credits, primarily Ex-Im Bank-guaranteed financing for exports of commercial jet aircraft.

The financial statements reflect the consolidation of all VIEs where Ex-Im Bank is the primary beneficiary which were established after January 31, 2003. For further information, refer to Note 3 in the Notes to the Financial Statements.

Interest Income

Interest on the Bank's loans is accrued and taken into income as it is earned. The accrual of interest income on loans is discontinued for financial statement purposes if payment of principal or interest is delinquent for 90 days or more and the loan is not well-secured and in the process of collection. Loans that have been non-accruing and are current at fiscal year-end only because previously delinquent installments have been rescheduled remain non-accruing. Loans which have been non-accruing and are brought current by cash payment (as opposed to rescheduling delinquent installments) and are classified as portfolio risk 6 or better at fiscal year-end are made accruing at the next payment date, if the principal and/or interest is paid in full and timely (within 30 days of the due date). If the amount due is not paid in full or is late, the loan remains non-accruing.

Loans may be made non-accruing due to a specific cause (i.e. by agreement) which can occur anytime throughout the year. In these cases, interest stops accruing according to the terms dictated by the implementation of the event causing the non-accrual.

All interest receivable on a loan placed in non-accruing status is charged against interest income in the year the loan is placed in a non-accruing status. Any interest subsequently collected on the loan is taken into interest income on a cash basis.

Loans and claims receivable are written off when the Bank determines that the remaining balance of a loan or claim receivable is uncollectible. Government-wide debt relief initiatives may also require Ex-Im Bank to write-off specific debt identified in the debt relief proposal.

Deferred Fees

Refer to Note 1 in the Notes to Financial Statement Section.

VIII. SIGNIFICANT FINANCIAL STATUTORY LIMITATIONS

Ex-Im Bank has several significant financial limitations that are contained in the Export-Import Bank Act of 1945, as amended and in various appropriation acts. The following exhibits summarize the status of those limitations as of September 30, 2004, as well as the utilization of available funding.

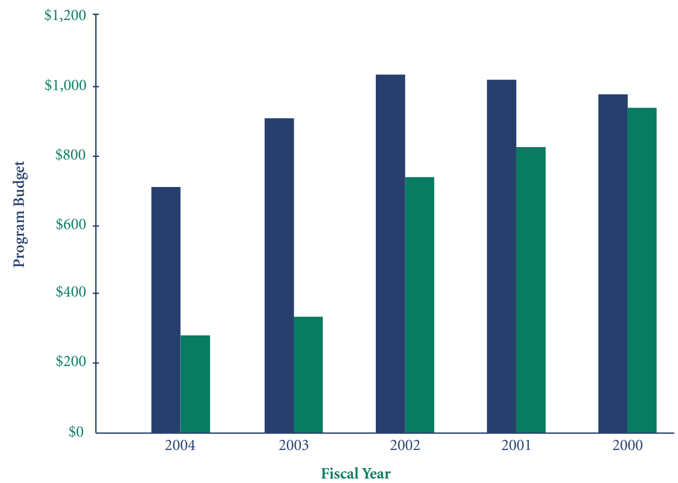
Exhibit 18: Financial Statutory Limitations

(in millions)	PROGRAM BUDGET	ADMINISTRATIVE TIED-AID	ADMINISTRATIVE EXPENSE
APPROPRIATIONS			
Carry-over from Prior Year	$574.8	$260.5	N/A
Cancellations during FY 2004	149.3	0.0	N/A
FY 2004 Appropriation	0.0	0.0	72.5
Subtotal	**$724.1**	**$260.5**	**$72.5**
Obligated	279.1	0.0	72.3
BALANCE	**$445.0**	**$260.5**	**$0.2**

	AVAILABLE	OBLIGATED	BALANCE
Statutory Lending Authority	$90,000.0	$61,148.2	$28,851.8

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

Exhibit 19: Non Tied-Aid Program Budget Appropriation Available and Utilized



Fiscal Year	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Available	$724.1	$909.0	$1,036.0	$1,016.0	$976.0
Utilized	$279.1	$334.0	$738.0	$826.0	$938.0

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 accounting principles generally accepted in the United States of America. As explained in more detail in the notes, the financial statements recognize the impact of credit reform legislation on the Bank's commitments. Other financial information related to the Bank included elsewhere in 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.

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

Philip Merrill

Philip Merrill
President and Chairman

James K. Hess
Senior Vice President and Chief Financial Officer

October 29, 2004

STATEMENT OF FINANCIAL POSITION

(in millions)	SEPTEMBER 30, 2004	SEPTEMBER 30, 2003
ASSETS		
Cash	$5,095.5	$5,775.6
Loans Receivable, Net	5,225.4	5,893.0
Receivables from Subrogated Claims, Net	1,272.4	1,504.1
Lease Receivables Consolidated from VIEs, Net	3,815.2	803.9
Accrued Interest, Fees Receivable and Other Assets	145.3	151.9
TOTAL ASSETS	**$15,553.8**	**$14,128.5**
LIABILITIES AND STOCKHOLDER'S DEFICIENCY		
Borrowings from the U.S. Treasury	$7,237.2	$7,280.5
Payment Certificates	448.5	593.0
Borrowings Consolidated from VIEs	4,008.5	841.0
Allowance for Guarantees, Insurance and Undisbursed Loans	6,077.7	7,263.6
Claims Payable	12.1	12.3
Amounts Payable to the U.S. Treasury	751.5	1,943.5
Deferred Fees	889.5	887.1
Other Liabilities	83.3	108.3
Total Liabilities	**19,508.3**	**18,929.3**
COMMITMENTS AND CONTINGENCIES (Note 19)		
Capital Stock held by the U.S. Treasury	1,000.0	1,000.0
Tied Aid Appropriations	341.7	342.9
Credit Appropriations	444.9	574.9
Accumulated Deficit	(5,741.1)	(6,718.6)
Total Stockholder's Deficiency	**(3,954.5)**	**(4,800.8)**
TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIENCY	**$15,553.8**	**$14,128.5**

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

STATEMENT OF OPERATIONS

(in millions)	For the Year Ended SEPTEMBER 30, 2004	For the Year Ended SEPTEMBER 30, 2003
INTEREST INCOME		
Interest on Loans	$734.7	$613.2
Interest on Leases Consolidated from VIEs	83.3	7.7
Interest on Cash and Cash Equivalents	218.9	302.6
Total Interest Income	**1,036.9**	**923.5**
INTEREST EXPENSE		
Interest on Borrowings	466.3	484.0
Interest on Borrowings Consolidated from VIEs	83.3	7.7
Other Interest Expense	0.1	0.1
Total Interest Expense	**549.7**	**491.8**
NET INTEREST INCOME	487.2	431.7
Provision for Losses	(505.1)	113.2
Net Income after Provision for Losses	**992.3**	**318.5**
NON-INTEREST INCOME		
Commitment Fees	10.4	14.5
Exposure Fees for Guarantees	313.2	311.6
Insurance Premiums and Other Fees	36.3	26.2
Guarantee Amortization	679.8	-
Other Income	100.7	37.0
Total Non-Interest Income	**1,140.4**	**389.3**
NON-INTEREST EXPENSE		
Administrative Expense	71.6	66.3
Other Expense	16.7	0.1
Total Non-Interest Expense	**88.3**	**66.4**
NET INCOME	**$2,044.4**	**$641.4**

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

STATEMENT OF CHANGES IN CAPITAL AND ACCUMULATED DEFICIT

			APPROPRIATED CAPITAL			
(in millions)	Capital Stock	Tied Aid	Pre-Credit Reform	Post-Credit Reform	Accumulated Deficit	Total
BALANCE AT SEPTEMBER 30, 2002	**$1,000.0**	**$344.3**	**$0.0**	**$296.5**	**$(5,303.9)**	**$(3,663.1)**
Appropriations Received				577.7		577.7
Appropriations Obligated Excluding Tied Aid				(402.2)	402.2	0.0
Net Income					641.4	641.4
Appropriations Deobligated and Reavailable, Net				103.2	(103.2)	0.0
Transfers of Pre-credit Reform Amounts and Negative Subsidy, Net (Note 2)					(472.6)	(472.6)
Tied Aid Appropriations Disbursed		(1.4)				(1.4)
Amounts Payable to the U.S. Treasury (Note 2)				(0.3)	(1,882.5)	(1,882.8)
BALANCE AT SEPTEMBER 30, 2003	**$1,000.0**	**$342.9**	**$0.0**	**$574.9**	**$(6,718.6)**	**$(4,800.8)**
Appropriations Received				72.5		72.5
Appropriations Obligated Excluding Tied Aid				(351.6)	351.6	0.0
Net Income					2,044.4	2,044.4
Appropriations Deobligated and Reavailable, Net				149.3	(149.3)	0.0
Transfers of Pre-credit Reform Amounts and Negative Subsidy, Net (Note 2)					(541.7)	(541.7)
Tied Aid Appropriations Disbursed		(1.2)				(1.2)
Amounts Payable to the U.S. Treasury (Note 2)				(0.2)	(727.5)	(727.7)
BALANCE AT SEPTEMBER 30, 2004	**$1,000.0**	**$341.7**	**$0.0**	**$444.9**	**$(5,741.1)**	**$(3,954.5)**

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

STATEMENT OF CASH FLOWS

(in millions)	For the Year Ended SEPTEMBER 30, 2004	For the Year Ended SEPTEMBER 30, 2003
CASH FLOWS FROM OPERATIONS		
Net Income	$2,044.4	$641.4
Adjustments to Reconcile Net Income to Net Cash from Operations:		
Amortization of Discount on Loans Receivable	(7.9)	(9.7)
Amortization of Loan Exposure Fees	(19.2)	(19.1)
Provision for Credit and Claim Losses	(505.1)	113.2
Guarantee Amortization	(679.8)	-
Claim Payments and Recoveries, Net	137.7	231.0
Increase/(Decrease) in Deferred Fees	2.4	(6.4)
Decrease/(Increase) in Accrued Interest Receivable, Fees Receivable and Other Assets	6.6	(7.0)
(Decrease)/Increase in Other Liabilities	(25.0)	30.8
Net Cash Provided by Operations	**954.1**	**974.2**
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan Disbursements	(208.3)	(785.4)
Repayment of Loans Receivable	1,152.1	971.0
Disbursements of Lease Receivables Consolidated from VIEs	(3,183.7)	(848.1)
Repayment of Lease Receivables Consolidated from VIEs	151.4	7.1
Net Cash Used by Investing Activities	**(2,088.5)**	**(655.4)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from the U.S. Treasury	497.2	930.6
Repayment of Borrowings from the U.S. Treasury	(540.5)	(307.5)
Borrowings Consolidated from VIEs	3,183.7	848.1
Repayment of Borrowings Consolidated from VIEs	(151.4)	(7.1)
Credit Appropriations Received	72.5	577.7
Amounts Transferred to the U.S. Treasury	(2,461.5)	(4,032.8)
Claim Payment Certificates Paid	(144.5)	(192.6)
Tied Aid Disbursements	(1.2)	(1.4)
Net Cash Provided/(Used) in Financing Activities	**454.3**	**(2,185.0)**
Net Decrease in Cash	(680.1)	(1,866.2)
Cash - Beginning of Year	5,775.6	7,641.8
CASH - END OF YEAR	**$5,095.5**	**$5,775.6**
Supplemental Disclosures of Cash Flow Information:		
CASH PAID DURING THE YEAR FOR INTEREST	**$474.3**	**$451.8**

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

EXPORT-IMPORT BANK OF THE UNITED STATES
NOTES TO THE FINANCIAL STATEMENTS

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). Continuation of Ex-Im Bank as an independent corporate agency of the United States is subject to periodic reauthorizations granted by Congress. Congressional authorization has been extended through September 30, 2006. For fiscal year 2004, the reauthorization increased Ex-Im Bank's overall limit on loans, guarantees and insurance that can be outstanding at any one time from $85 billion to $90 billion. The limit increases by an additional $5 billion each year through fiscal year 2006.

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 officially supported foreign financing competition and to supplement private sources of financing where the private sector is unwilling or unable to provide financing and Ex-Im Bank determines that reasonable assurance of repayment exists. In pursuit of its mission of supporting U.S. exports, Ex-Im Bank offers four financial products: direct loans, loan guarantees, working capital guarantees and export credit insurance. All Ex-Im Bank guarantees carry the full faith and credit of the U.S. government.

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

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

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

Under the Working Capital Guarantee Program, Ex-Im Bank provides repayment guarantees to lenders on secured, short-term working capital loans made to qualified exporters. The working capital guarantee may be approved for a single loan or a revolving line of credit. Ex-Im Bank's working capital guarantee protects the lender from default by the exporter for 90 percent of the loan principal and interest.

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

Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (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. The most significant of these estimates are the allowances for losses on loans receivable, lease receivables, subrogated claims receivable, and guarantees and insurance. Estimates are also used in the determination of the primary beneficiary for variable interest entities (VIEs) and for residual values on lease receivables consolidated from VIEs. Certain assumptions are also used to calculate the fair value of financial instruments (Note 18). Actual results could differ significantly from management's assumptions and estimates.

Loans Receivables, Net

Loans are generally carried at principal amounts, less unamortized fees and discounts and an allowance for loan losses. Ex-Im Bank defers loan exposure fees and takes these deferred fees into interest income as a yield adjustment over the term of the loans using the interest method. If a loan is prepaid, any unamortized fees are recognized as interest income at the time of prepayment.

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

Discount on Loans Receivables

In fulfilling its mission to aid in financing and facilitating exports of U.S. goods and services 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 funds. In the period these loans are disbursed, Ex-Im Bank records a charge to income equivalent to the discount at disbursement. The discount is amortized to interest income over an eight-year period, the average life of the loan portfolio using a method that approximates the interest method.

Lease Receivables and Borrowings Consolidated from VIEs, Net

Lease receivables and borrowings arise from consolidation of certain variable interest entities (VIEs). See Notes 3 and 7. The leases are finance leases in accordance with FASB No. 13, Accounting for Leases.

Receivables from Subrogated Claims, Net

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

Accrued Interest

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

Accounting for Capitalized Interest on Rescheduled Loans and Subrogated Claims

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

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

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

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

Ex-Im Bank is the primary beneficiary of certain variable interest entities (VIEs) that have been created in connection with security arrangements for certain export credits. The lease arrangements associated with these VIEs are direct financing leases, and a loss allowance for the lease receivables is established for probable losses inherent in the lease portfolio.

An asset (loans or claims receivable) is considered impaired when, based on current information and events, it is probable that Ex-Im Bank will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Assets that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the asset and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

Ex-Im Bank generally considers an asset impaired if it meets one or more of the following:

(1) delinquent loans and claims with an amount of $50,000 or more past due at least 90 days,

(2) rescheduled loans and rescheduled claims, and

(3) non-delinquent loans and claims above a certain risk rating.

Ex-Im Bank is subject to credit risk for certain other financial instruments. These financial instruments consist of (1) guarantees and insurance that provide repayment protection against certain political and commercial risks and (2) guarantees of letters of credit underlying future loan disbursements. Ex-Im Bank generally does not hold collateral or other security to support its medium-term and short-term financial instruments. Ex-Im Bank generally does hold collateral for credits supporting export of aircraft and a variety of security arrangements are made in the case of project finance 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 required is based on management's credit evaluation.

The risks associated with guarantees and insurance differ from those associated with the loan portfolio. Loans are spread more evenly than guarantees over the entire risk spectrum, while guarantees and insurance are concentrated in relatively lower-risk countries.

Sovereign debt reschedulings take place under the framework of the Paris Club. The Paris Club is an "ad hoc" group of 20 permanent member creditor countries. The Paris Club meets regularly in Paris to discuss and provide debt relief to qualifying debtor countries. The debt relief provided depends on the economic and financial situation of the applying debtor country and can take the form of debt forgiveness and/or debt rescheduling.

Accounting for Guarantees in a Foreign Currency

Ex-Im Bank provides guarantees and insurance denominated in certain foreign currencies. The foreign currencies approved for Ex-Im Bank guarantees as of September 30, 2004, are the Australian dollar, Brazilian real, British pound, Canadian dollar, CFA franc, Colombian peso, euro, Japanese yen, Mexican peso, Moroccan dirham, New Zealand dollar, Philippine peso, Russian ruble, South African rand, Swedish krona, and Swiss franc. At the time of authorization, Ex-Im Bank records the dollar amount equivalent to the foreign currency obligation approved by the board of directors based on the exchange rate at that time. At the end of each fiscal year, Ex-Im Bank determines the dollar equivalent of the outstanding balance for each foreign currency guarantee based on the exchange rate at the end of the year, and adjusts the Allowance for Guarantees accordingly. See Note 10.

Borrowings from the U.S. Treasury

The main source of Ex-Im Bank's outstanding debt is borrowings from the U.S. Treasury. Borrowings from the U.S. Treasury are used primarily to finance medium-term and long-term loans. These borrowings carry a fixed rate of interest. They are further discussed in Note 15.

Payment Certificates

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

Claims Payable

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

Amounts Payable to U.S. Treasury

Amounts payable to the U.S. Treasury results from the re-estimate required under Federal Credit Reform Act procedures of the balance in Ex-Im Bank's financing account at the Treasury reserved to cover estimated losses and expired appropriations to be returned to Treasury.

Fees and Premiums

Ex-Im Bank charges a risk-related exposure fee under both the loan and guarantee programs that is collected on each loan disbursement or shipment of goods under the guarantee policy. Exposure fees for loans are recognized as interest income over the life of the loan using the interest method. Exposure fees for guarantees are recognized as non-interest income over the life of the guaranteed loan using the interest method. Commitment fees are charged on the undisbursed balance of direct loans and guarantees. These fees are generally non-refundable and are recognized as income when accrued.

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

Appropriated Capital

Appropriations received by Ex-Im Bank pursuant to the Federal Credit Reform Act are recorded as paid-in-capital. Such appropriations are credited to Ex-Im Bank's total stockholders deficiency when they are obligated. Appropriations not required to finance credit activities are returned to the U.S. Treasury when the period of availability ends.

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

Accounting and Financial Reporting Developments

In November 2002, the FASB released FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (FIN 45). Under FIN 45, guarantors must recognize all guarantees issued or modified after December 31, 2002, as liabilities on their balance sheets at the inception of the guarantee at its fair value. Subsequently, in December 2003, FASB issued FASB Staff Position (FSP) 45-2 to provide further guidance on recording liabilities associated with guarantees. The impact of FIN 45, as updated, on Ex-Im Bank's financial statements is discussed in Note 10.

In January 2003, the FASB issued FASB interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46), which addresses the consolidation of certain entities. Ex-Im Bank is the primary beneficiary of certain variable interest entities that have been created in connection with security arrangements for certain export credits, primarily Ex-Im Bank-guaranteed financing for exports of commercial jet aircraft. The impact of FIN 46 on Ex-Im Bank's financial statements is discussed in Notes 3 and 7.

FIN 46 required immediate consolidation by the primary beneficiary of VIEs created after January 31, 2003. In accordance with that pronouncement, certain VIEs were consolidated with the Bank's fiscal year 2004 and fiscal year 2003 financial statements. See Note 3 for further discussion.

FIN 46 (R), which the FASB issued in December 2003 to revise the original pronouncement, broadened the purview of entities covered under the accounting guidance, and redefined the timeline of adoption for entities subject to its requirements. With the issuance of FIN 46 (R), nonpublic enterprises are not required to consolidate variable interest entities established prior to February 1, 2003, for which they are the primary beneficiary until the first period beginning after December 15, 2004. Ex-Im Bank plans to early adopt FIN 46 (R) and consolidate as of October 1, 2004, all other VIEs for which Ex-Im Bank is the primary beneficiary.

2. CREDIT REFORM

The Federal Credit Reform Act of 1990 (Act), 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 $72.5 million in fiscal year 2004. This appropriation supported the administrative costs of Ex-Im Bank's programs. For fiscal year 2004, due to availability of unobligated balances carried over from the prior year, no appropriation was necessary to cover the estimated subsidy cost of providing new direct loans, guarantees and insurance. Consequently, Ex-Im Bank's request to the Congress for fiscal year 2004 did not contain a request for a subsidy budget appropriation. Ex-Im Bank received appropriations aggregating $577.7 million in fiscal year 2003, 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 post-credit reform appropriations received and used during fiscal years 2004 and 2003:

(in millions)	FY 2004	FY 2003
RECEIVED AND AVAILABLE:		
For Credit Subsidies	$ -	$509.6
For Credit-related Administrative Costs	72.5	68.1
Total Received	**72.5**	**577.7**
Unobligated Balance Carried Over from Prior Year	835.3	556.9
Cancellations of Prior-Year Obligations	149.3	103.2
TOTAL AVAILABLE	**1,057.1**	**1,237.8**
OBLIGATED:		
For Credit Subsidies Excluding Tied Aid	279.1	334.1
For Credit-related Administrative Costs	72.3	68.1
Subtotal	**351.4**	**402.2**
For Tied Aid	-	-
TOTAL OBLIGATED	**351.4**	**402.2**
UNOBLIGATED BALANCE:		
Unobligated Balance	705.7	835.6
Unobligated Balance Lapsed	(0.3)	(0.3)
REMAINING BALANCE	**$705.4**	**$835.3**

Of the remaining balance of $705.4 million at September 30, 2004, $23.3 million is available until September 30, 2005, $421.6 million is available until September 30, 2006, and $260.5 million is available until expended and may be used for tied aid.

The cost of credit risk (credit subsidies) shown above, is the net present value of expected cash receipts and cash disbursements associated with loans, guarantees and insurance. Cash receipts typically include fees or premiums and loan principal and interest, and cash disbursements typically include claim payments and loan disbursements. When the present value of expected cash receipts exceeds the present value of expected cash disbursements, a "negative" credit subsidy arises. Negative subsidies are remitted to the U.S. Treasury upon disbursement of the underlying credits. Ex-Im Bank transferred $41.7 million and $12.6 million of negative subsidies to the U.S. Treasury in fiscal year 2004 and fiscal year 2003, 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. 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 U.S. Treasury. Prior to this use, all of the appropriated funds are held in a non-interest-bearing U.S. Treasury account.

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 annually in accordance with OMB guidelines. Re-estimates that result in decreases in estimated subsidy costs result in excess funds returned to the U.S. Treasury while increases in subsidy costs are covered by additional appropriations, which become automatically available. Ex-Im Bank calculates an annual re-estimate of the subsidy costs during the last quarter of the fiscal year. This re-estimate indicates the appropriate level necessary in the financing accounts. In the event that the fees, interest and appropriations in the financing accounts exceeds the re-estimate level, then the difference will not be needed to cover commitments and will be returned to the U.S. Treasury. These amounts are included in the Amounts Payable to the U.S. Treasury on the Statement of Financial Position. In the event that the fees, interest and appropriations in the financing accounts are less than the re-estimate level, the Credit Reform Act of 1990 provides that the difference will be transferred to Ex-Im Bank from a general appropriation account authorized for this purpose. As of September 30, 2004, a re-estimate of the subsidy costs of the outstanding balances of fiscal year 1992 through 2003 commitments indicated that of the fees, interest and appropriations in the financing accounts, the net amount of $665.5 million was no longer needed to cover commitments and is due to the U.S. Treasury. These amounts are included in the Amounts Payable to the U.S. Treasury on the Statement of Financial Position.

The Statement of Changes in Capital and Accumulated Deficit reflects $541.7 million in fiscal year 2004 and $472.6 million in fiscal year 2003 as amounts transferred to the U.S. Treasury. The $541.7 million represents $500.0 million of unobligated funds relating to credits authorized prior to October 1, 1991, and $41.7 million of negative subsidies. The $472.6 million represents $460.0 million of unobligated funds relating to credits authorized prior to October 1, 1991, and $12.6 million of negative subsidies.

The Statement of Changes in Capital and Accumulated Deficit reflects $727.7 million in fiscal year 2004 and $1,882.8 million in fiscal year 2003 as amounts payable to the U.S. Treasury. The amounts payable at the end of fiscal year 2003 were paid to the U.S. Treasury in FY 2004, and the amounts payable at the end of fiscal year 2004 will be paid to the U.S. Treasury in subsequent years. The $727.7 million represents $665.5 million for the fiscal year 2004 subsidy re-estimate and $62.2 million of expired unobligated appropriations. The $1,882.8 million represents $1,874.3 million for the fiscal year 2003 subsidy re-estimate and $8.5 million of expired unobligated appropriations.

3. CONSOLIDATION OF VARIABLE INTEREST ENTITIES

Ex-Im Bank is the primary beneficiary of certain VIEs that have been created in connection with security arrangements for certain export credits, primarily Ex-Im Bank-guaranteed financing for exports of commercial jet aircraft. Typically, the VIEs take title to the aircraft from the aircraft manufacturer, lease the aircraft to the aircraft operator, and fund the purchase by financing from a commercial source of funds. The financing is fully guaranteed as to principal and interest by Ex-Im Bank. The lease and financing terms are arranged so that the lease payments and terms of the loan are equivalent as to amount and timing, thus essentially the lease payments are passed through the VIE to repay the Ex-Im Bank-guaranteed loan.

FIN 46 required immediate consolidation by the primary beneficiary of VIEs created after January 31, 2003. In accordance with that pronouncement, certain VIEs were consolidated with the Bank's fiscal year 2004 and FY 2003 financial statements as described below. In December 2003, FIN 46 (R), Consolidation of Variable Interest Entities (Revised December 2003), was issued and is required to be applied to all VIEs no later than the beginning of the first annual period after December 15, 2004. Ex-Im Bank plans to early adopt FIN 46 (R) and consolidate as of October 1, 2004, all other VIEs for which Ex-Im Bank is the primary beneficiary. The total to be consolidated as of October 1, 2004, is approximately $5.4 billion in gross lease receivables and borrowings payable.

For fiscal year 2004, there were 28 VIEs with a lease receivable balance, net of allowance $193.3 million, totaling $3,815.2 million and borrowings totaling $4,008.5 million guaranteed by Ex-Im Bank and consolidated with Ex-Im Bank's September 30, 2004, financial statements. For fiscal year 2003, there were seven VIEs with a lease receivable balance, net of allowance of $37.1 million, totaling $803.9 million and borrowings totaling $841.0 million guaranteed by Ex-Im Bank and consolidated with Ex-Im Bank's September 30, 2003, financial statements. Ex-Im Bank has not consolidated four VIEs created between January 31, 2003, and September 30, 2003, and seven VIEs created in fiscal year 2004 because Ex-Im Bank is not the primary beneficiary. The function of these VIEs is the same as described above; however, a junior subordinated lender has been determined to be the primary beneficiary. When a VIE is not consolidated, it is accounted for as a guarantee as discussed in Note 10.

4. CASH

Cash balances as of fiscal years 2004 and 2003 were as follows:

(in millions)	FY 2004	FY 2003
Credit Reform Financing Accounts	$3,754	$3,912
Unexpended Appropriations	1,237.1	1,693.5
Pre-Credit Reform Accounts	46.8	75.9
Unallocated Cash	57.6	94.2
TOTAL	**$5,095.5**	**$5,775.6**

All cash is deposited at the U. S. Treasury. Ex-Im Bank is restricted in its use of cash balances in the credit reform financing accounts and the unexpended appropriations accounts. Credit reform financing accounts include appropriated funds, exposure fees collected and interest that has been paid by Treasury to Ex-Im Bank on the balances in the account. These funds are available to cover losses in Ex-Im Bank's credit programs. Unexpended appropriations are appropriated funds received that are deposited in a non-interest-bearing account at the U.S. Treasury. These funds are available to Ex-Im Bank when the credit activity to which they relate takes place or to finance administrative expenses. Upon occurrence of the credit activity, disbursement of the related loans or shipment of goods under guarantee or insurance policies, the funds become available to either subsidize the related loan disbursement or to be invested in the credit reform financing accounts to fund the credit costs of the guarantee and insurance policies.

Funds resulting from pre-credit reform activities are available to cover expenditures related to pre-credit reform credits. Unallocated cash represents collections pending final application to the applicable loan or guarantee.

5. LOANS RECEIVABLE, NET

Ex-Im Bank's loans receivable, as shown in the Statement of Financial Position, are net of uncollected interest capitalized upon rescheduling, unamortized fees and discounts, and an allowance for loan losses. At September 30, 2004, and September 30, 2003, the allowance for loan losses equaled 24.7 percent and 25.1 percent, respectively, of the outstanding loans receivable balance net of uncollected capitalized interest and unamortized discount and exposure fees. The net balance of loans receivable at September 30, 2004, and September 30, 2003, consists of the following by region of obligor:

(in millions)	FY 2004	FY 2003
Asia	$4,167.9	$4,784.6
Latin America	2,616.5	2,848.3
Africa/Middle East	2,068.0	1,874.4
Europe/Canada	435.9	491.2
	9,288.3	9,998.5
Less: Capitalized Interest	2,131.0	1,884.6
Unamortized Discount and Exposure Fees	218.2	245.2
	6,939.1	7,868.7
Less: Allowance for Loan Losses	1,713.7	1,975.7
NET BALANCE	**$5,225.4**	**$5,893.0**

Changes in the allowance for loan losses for fiscal years 2004 and 2003 are as follows:

(in millions)	FY 2004	FY 2003
Balance at Beginning of Year	$1,975.7	$2,341.0
Write-offs	(12.9)	(216.0)
Provision Credited to Operations	(249.1)	(149.3)
BALANCE AT END OF YEAR	**$1,713.7**	**$1,975.7**

The outstanding balances related to rescheduled installments included in loans receivable at September 30, 2004, and September 30, 2003, were $3,059.5 million and $2,769.2 million, respectively. Loan installments of principal rescheduled during fiscal years 2004 and 2003 were $374.4 million and $460.1 million, respectively. Loan installments of interest rescheduled during fiscal years 2004 and 2003 were $214.2 million and $110.4 million during fiscal year 2003. 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.

The allowance for loan loss decreased from $1,975.7 million at September 30, 2003, to $1,713.7 million at September 30, 2004, due to the decrease in the outstanding balance and less risk in the loan portfolio at the end of fiscal year 2004.

6. RECEIVABLES FROM SUBROGATED CLAIMS, NET

Ex-Im Bank's receivables from subrogated claims are net of uncollected capitalized interest for rescheduled claims and an allowance for claim losses. The net balance of receivables from subrogated claims for fiscal year 2004 and fiscal year 2003 are as follows:

(in millions)	FY 2004	FY 2003
Claims Previously Paid and Unrecovered:		
Rescheduled	$2,446.9	$2,446.5
Non-rescheduled	1,436.1	1,517.2
Claims Filed Pending Payment	12.1	12.3
	3,895.1	3,976.0
Less: Capitalized Interest	994.0	885.6
	2,901.1	3,090.4
Less: Allowance for Claim Losses	1,628.7	1,586.3
NET BALANCE	**$1,272.4**	**$1,504.1**

Changes in the allowance for claim losses for fiscal years 2004 and 2003 are as follows:

(in millions)	FY 2004	FY 2003
Balance at Beginning of Year	$1,586.3	$1,910.8
Write-offs	(51.4)	(356.0)
Provision Charged to Operations	93.8	31.5
BALANCE AT END OF YEAR	**$1,628.7**	**$1,586.3**

7. LEASE RECEIVABLES

Ex-Im Bank's lease receivables arise from consolidating VIEs created in connection with security arrangements for certain export credits. See Note 3. The lease receivables shown in the Statement of Financial

Position are net of an allowance for lease losses. The allowance is calculated based on probable losses inherent in the lease portfolio. The net investment in lease receivables at September 30, 2004 and 2003 is:

(in millions)	FY 2004	FY 2003
Total Minimum Lease Payments To Be Received	$4,753.2	$1,056.4
Less: Allowance for Losses	193.3	37.0
Net Minimum Lease Payments Receivable	4,559.9	1,019.4
Less: Unearned Income	744.7	215.5
NET INVESTMENT IN FINANCING LEASES	**$3,815.2**	**$803.9**

At September 30, 2004, minimum lease payments for each of the five succeeding fiscal years are as follows: $298.0 million in 2005, $307.6 million in 2006, $317.6 million in 2007, $328.6 million in 2008, and $340.4 million in 2009.

The change in the allowance for financing lease losses for fiscal years 2004 and 2003 is as follows:

(in millions)	FY 2004	FY 2003
Balance at Beginning of Year	$37.0	$ -
Write-offs	-	-
Provision Charged to Operations	156.3	37.0
BALANCE AT END OF YEAR	**$193.3**	**$37.0**

8. IMPAIRED LOANS AND SUBROGATED CLAIMS RECEIVABLE

Included in loans and subrogated claims receivable are certain credits that are classified as impaired for financial statement purposes. The following table summarizes the gross amount of impaired loans and subrogated claims receivable, net of nonaccrued capitalized interest:

FY 2004 (in millions)	LOANS	CLAIMS	TOTAL
Gross Impaired Receivable	$3,659.6	$3,780.8	$7,440.4
Less: Capitalized Interest	1,846.3	994.0	2,840.3
	1,813.3	2,786.8	4,600.1
Less: Allowance for Losses	950.0	1,628.7	2,578.7
NET IMPAIRED RECEIVABLE	**$863.3**	**$1,158.1**	**$2,021.4**

FY 2003 (in millions)	LOANS	CLAIMS	TOTAL
Gross Impaired Receivable	$3,439.7	$3,815.9	$7,255.6
Less: Capitalized Interest	1,595.1	885.6	2,480.7
	1,844.6	2,930.3	4,774.9
Less: Allowance for Losses	1,056.7	1,441.1	2,497.8
NET IMPAIRED RECEIVABLE	**$787.9**	**$1,489.2**	**$2,277.1**

Interest income on impaired loans and claims is recognized when collected. The average outstanding balance of impaired credits during fiscal year 2004 was $7,348.0 million and $7,826.5 million during fiscal year 2003. The interest earned on impaired credits in fiscal year 2004 was $151.5 million and $151.3 million in fiscal year 2003, which are included in the $818.0 million of total interest income on loans and leases reported for fiscal year 2004 and the $620.9 million reported for fiscal year 2003. On a cash basis, the amount of interest income recognized for fiscal year 2004 and fiscal year 2003 would have been $149.0 and $160.6 million, respectively.

Sovereign debt reschedulings take place under the framework of the Paris Club. The Paris Club is an "ad hoc" group of 20 permanent member creditor countries. The Paris Club meets regularly in Paris to discuss and provide debt relief to qualifying debtor countries. The debt relief provided depends on the economic and financial situation of the applying debtor country and can take the form of debt forgiveness and/or debt rescheduling. The amount of principal forgiveness and debt rescheduled in fiscal year 2004 was $30.4 million and $976.9 million, respectively, while the amount of principal forgiveness and debt rescheduled in fiscal year 2003 was $676.4 million and $1,387.9 million.

The amount written-off to the reserve in fiscal year 2004 includes $12.9 million in loan write-offs and $51.4 million in claim write-offs for a total write-off of $64.3 million. The difference between the reserve write-offs and Paris Club principal forgiveness reflect $39.6 million of nonsovereign subrogated claims included in the reserve write-off but not included in the Paris Club principal forgiveness and $5.7 million in capitalized interest not included in reserve write-off but included in the Paris Club principal forgiveness.

The amount written off to the reserve in fiscal year 2003 includes $216.0 million in loan write-offs and $356.0 million in claim write-offs for a total write-off of $572.0 million. The difference between the reserve write-offs and Paris Club principal forgiveness reflect $14.8 million of nonsovereign subrogated claims included in the reserve write-off but not included in the Paris Club principal forgiveness and $119.2 million in capitalized interest not included in reserve write-off but included in the Paris Club principal forgiveness.

9. NON-ACCRUAL OF INTEREST

The weighted-average-interest rate on Ex-Im Bank's loan and rescheduled claim portfolio at September 30, 2004, equaled 3.43 percent (5.87 percent on performing loans and rescheduled claims). The weighted-average-interest rate on Ex-Im Bank's loan and rescheduled claim portfolio at September 30, 2003, equaled 3.72 percent (6.13 percent on performing loans and rescheduled claims). Interest income is recognized when collected on non-rescheduled claims.

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 $3,173.1 million and $1,696.9 million of loans and rescheduled claims, respectively, in nonaccrual status at September 30, 2004, and $3,204.3 million and $1,689.8 million, respectively, at September 30, 2003. Had these credits been in accrual status, interest income would have been $35.5 million higher during fiscal year 2004 (amount is net of interest received of $132.3 million) and $210.7 million higher in fiscal year 2003 (amount is net of interest received of $99.1 million).

10. GUARANTEES, INSURANCE AND UNDISBURSED LOANS

Following is a summary of Ex-Im Bank's guarantees, insurance, and undisbursed loans at the end of fiscal year 2004 and 2003.

FY 2004 (in millions)	TOTAL	COMMITMENTS UNUSED	OUTSTANDING*
Guarantees	$41,361.6	$6,990.8	$34,370.8
Insurance	6,183.8	4,792.9	1,390.9
Undisbursed Loans	419.4	419.4	-
TOTAL	**$47,964.8**	**$12,203.1**	**$35,761.7**

FY 2003 (in millions)	TOTAL	COMMITMENTS UNUSED	OUTSTANDING*
Guarantees	$40,025.7	$7,598.6	$32,427.1
Insurance	6,261.1	5,206.1	1,055.0
Undisbursed Loans	550.7	550.7	-
TOTAL	**$46,837.5**	**$13,355.4**	**$33,482.1**

**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 to the agreements. The commitments shown above are agreements to lend monies and issue guarantees and insurance as long as there is no violation of the conditions established in the credit agreement. Ex-Im Bank's insurance meets the definition of a guarantee under FIN 45.

Prior to the adoption of FIN 45, Ex-Im Bank recorded an allowance for guarantees at fair value. Subsequent to the issuance of FSP FIN 45-2 as of October 1, 2003, Ex-Im Bank separated the fair value of the portfolio into two components representing a noncontingent obligation under FIN 45 and a contingent obligation under FAS 5, using the fair value at September 30, 2003. The noncontingent obligation under FIN 45 was $3,872.2 million and the contingent obligation under FAS 5 was $3,391.4 million as of October 1, 2003. During fiscal year 2004, the FIN 45 noncontingent obligation was amortized as the exposure decreased and the FAS 5 contingent obligation relating to the guarantees issued through September 30, 2003, was adjusted to reflect fluctuations in the risk rating. In fiscal year 2004, Ex-Im Bank recorded a liability for guarantees at the time of authorization at their fair value and subsequently amortized the balance as the related exposure decreased, in accordance with FSP FIN 45-2. The FAS 5 allowance for contingent obligations recorded in fiscal year 2004 for guarantees issued post September 30, 2003, takes into consideration the noncontingent obligation recorded under FIN 45. As of September 30, 2004, the amount included in the allowance for guarantees and insurance incorporates a noncontingent obligation under FIN 45 of $3,728.9 million and contingent obligation under FAS 5 of $2,348.8 million.

In fiscal year 2004, the amortization of the noncontingent obligation under FIN 45 was $679.8 million, which is included in Guarantee Amortization on the Statement of Operations.

Ex-Im Bank authorized transactions denominated in a foreign currency totaling $1,632.9 million during fiscal year 2004 and $1,745.7 during fiscal year 2003, as calculated at the exchange rate at the time of authorization. Ex-Im Bank adjusts the allowance for all transactions denominated in a foreign currency using the various foreign currency exchange rates at the end of the fiscal year. The impact of the foreign currency adjustment on the allowance for guarantees and insurance is $63.3 million as of September 30, 2004.

Most of Ex-Im Bank's guarantees, insurance, and undisbursed loans involve credits located outside of the United States. Following is a breakdown of total commitments at September 30, 2004:

(in millions)	GUARANTEES	INSURANCE	UNDISBURSED LOANS	TOTAL
Asia	$12,726.1	$144.2	$68.1	$12,938.4
Latin America	10,086.7	1,706.0	336.0	12,128.7
Europe/Canada	9,637.3	336.4	0.1	9,973.8
Africa/Middle East	4,987.7	475.1	15.2	5,478.0
United States/Other	3,923.8	0.0	0.0	3,923.8
Short-Term Insurance (Unshipped)	0.0	3,522.1	0.0	3,522.1
TOTAL	**$41,361.6**	**$6,183.8**	**$419.4**	**$47,964.8**

Changes in the allowance for guarantees, insurance, and undisbursed loans risk for fiscal years 2004 and 2003 are as follows:

(in millions)	FY 2004	FY 2003
Balance at Beginning of Year	$7,263.6	$7,069.6
Provision (Credited)/Charged to Operations	(506.1)	194.0
Guarantee Amortization	(679.8)	N/A
BALANCE AT END OF YEAR	**$6,077.7**	**$7,263.6**

The allowance for guarantees, insurance and undisbursed loans decreased from $7,263.3 million at September 30, 2003, to $6,077.7 million at September 30, 2004, due to the amortization of the guarantees under FIN 45 as well as the lower overall risk in the portfolio at the end of fiscal year 2004.

11. SUMMARY OF ALLOWANCE FOR CREDIT LOSSES

The composition of the allowance for credit losses for loans, claims, lease receivables and guarantees, insurance and undisbursed loans is as follows:

(in millions)	FY 2004	FY 2003
Allowance for Loan Losses	$1,713.7	$1,975.7
Allowance for Claim Losses	1,628.7	1,586.3
Allowance for Lease Receivable	193.3	37.0
Allowance for Guarantees, Insurance and Undisbursed Loans	6,077.7	7,263.6
TOTAL	**$9,613.4**	**$10,862.6**

12. SUMMARY OF PROVISION CHARGED TO OPERATIONS

The composition of the provision for credit losses for loans, claims, lease receivables and guarantees, insurance and undisbursed loans is as follows:

(in millions)	FY 2004	FY 2003
Provision for Loan Losses	$(249.1)	$(149.3)
Provision for Claim Losses	93.8	31.5
Provision for Lease Losses	156.3	37.0
Provision for Guarantees, Insurance and Undisbursed Loans	(506.1)	194.0
TOTAL	**$(505.1)**	**$113.2**

13. STATUTORY LIMITATIONS ON LENDING AUTHORITY

Under provisions of the Export-Import Bank Act, as amended in fiscal year 2002, Ex-Im Bank's statutory authority currently is limited to $90.0 billion of loans, guarantees and insurance outstanding at any one time. At September 30, 2004 and 2003, Ex-Im Bank's statutory authority used was as follows:

(in millions)	FY 2004	FY 2003
Outstanding Loans	$9,288.3	$9,998.5
Undisbursed Loans	419.4	550.7
Outstanding Claims	3,895.1	3,976.0
Guarantees	41,361.6	40,025.7
Insurance	6,183.8	6,261.1
TOTAL	**$61,148.2**	**$60,812.0**

The statutory authority increases $5 billion each year to a total of $100 billion in fiscal year 2006.

Congress provides an appropriation to cover the subsidy cost of the transactions committed. Transactions can be committed only to the extent that appropriated funds are available to cover such costs. For fiscal years 2004 and 2003, Congress placed no limit on the total amount of loans, guarantees and insurance that could be committed in those years, provided that the statutory authority established by the Export-Import Bank Act was not exceeded.

During fiscal year 2004, Ex-Im Bank entered into commitments for loans of $227.1 million using $21.5 million of the appropriation and commitments for guarantees and insurance of $13,093.9 million using $257.7 million of the appropriation. During fiscal year 2003, Ex-Im Bank entered into commitments for loans of $58.3 million using $0.9 million of the appropriation and commitments for guarantees and insurance of $10,448.9 million using $333.2 million of the appropriation.

14. CONCENTRATION OF RISK

Although Ex-Im Bank has a diversified portfolio, its credits are more heavily concentrated in some regions or industries than others. The following table summarizes Ex-Im Bank's total exposure by geographic region and industry as of September 30, 2004.

TOTAL EXPOSURE:

(in millions)

REGION	AMOUNT	PERCENT
Asia	$17,967.5	29.4%
Latin America	15,570.3	25.5%
Europe/Canada	10,840.7	17.7%
Africa/Middle East	9,222.3	15.1%
All Other	7,547.4	12.3%
TOTAL	**$61,148.2**	**100.0%**

(in millions)

INDUSTRY	AMOUNT	PERCENT
Air Transportation	$23,475.0	38.4%
Power Projects	6,577.7	10.8%
Oil and Gas	6,415.5	10.5%
Manufacturing	4,309.1	7.0%
All Other	20,370.9	33.3%
TOTAL	**$61,148.2**	**100.0%**

At September 30, 2004, Ex-Im Bank's five largest obligors made up 16.5 percent of the credit portfolio.

(in millions)

OBLIGOR	AMOUNT	PERCENT
PEMEX	$3,694.5	6.0%
Industrial & Commercial Bank Of China	1,774.1	2.9%
Korean Airlines	1,639.0	2.7%
Government of Saudi Arabia	1,525.3	2.5%
Undersecretariat of Treasury (Turkey)	1,464.0	2.4%
All Other	51,051.3	83.5%
TOTAL	**$61,148.2**	**100.0%**

The largest exposures by program by country are as follows as of September 30, 2004:

LOANS OUSTANDING:

(in millions)

COUNTRY	AMOUNT	PERCENT
Indonesia	$1,798.6	19.4%
Brazil	1,713.0	18.4%
China	1,158.7	12.5%
Nigeria	713.8	7.7%
All Other	3,904.2	42.0%
TOTAL	**$9,288.3**	**100.0%**

SUBROGATED CLAIMS:

(in millions)

COUNTRY	AMOUNT	PERCENT
Algeria	$634.2	16.3%
Indonesia	610.4	15.7%
Democratic Republic Congo	449.6	11.5%
Nigeria	230.9	5.9%
All Other	1,970.0	50.6%
TOTAL	**$3,895.1**	**100.0%**

GUARANTEES, INSURANCE AND UNDISBURSED LOANS:

(in millions)

COUNTRY	AMOUNT	PERCENT
Mexico	$6,122.5	12.8%
China	2,977.7	6.2%
Turkey	2,836.2	5.9%
Korea	2,675.8	5.6%
All Other	33,352.6	69.5%
TOTAL	**$47,964.8**	**100.0%**

15. BORROWINGS

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

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

Outstanding payment certificates at September 30, 2004, and September 30, 2003, were $448.5 million and $593.0 million, respectively. Maturities of payment certificates at September 30, 2004, are as follows:

FISCAL YEAR	AMOUNT
2005	$156.5
2006	107.4
2007	62.2
2008	33.5
2009	19.3
Thereafter	69.6
TOTAL	**$448.5**

The weighted-average-interest rate on Ex-Im Bank's outstanding payment certificates at September 30, 2004, was 5.90 percent and at September 30, 2003, was 5.80 percent.

U.S. Treasury borrowings are repaid primarily with the repayments of medium-term and long-term loans. To the extent repayments on the underlying loans, combined with commitment and exposure fees and interest earnings received on the loans, are not sufficient to repay the borrowings, appropriated funds are available to Ex-Im Bank through the re-estimation process for this purpose. Accordingly, U.S. Treasury borrowings do not have a set repayment schedule; however, the full amount of the borrowings is expected to be repaid by fiscal year 2032. At September 30, 2004, and September 30, 2003, Ex-Im Bank had $7,237.2 million and $7,280.5 million of borrowings outstanding with the U.S. Treasury at a weighted-average-interest rate of 5.69 percent and 5.96 percent, respectively.

At September 30, 2004, and September 30, 2003, outstanding borrowings consolidated from VIEs were $4,008.5 million and $841.0 million, respectively. Most of the borrowings carry a floating rate of interest. The weighted-average-interest rate at September 30, 2004, was 3.01 percent and at September 30, 2003, was 3.94 percent. These borrowings have a final maturity date of 2016.

The repayments for the outstanding borrowings consolidated from VIEs at September 30, 2004, for each of the five succeeding fiscal years are as follows: $298.0 million in 2005, $307.6 million in 2006, $317.6 million in 2007, $328.6 million in 2008, and $340.4 million in 2009.

16. RELATED–PARTY TRANSACTIONS

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

PEFCO has agreements with Ex-Im Bank which provide that Ex-Im Bank will (1) guarantee the due and punctual payment of principal and interest on export loans made by PEFCO and (2) guarantee the due and punctual payment of interest on PEFCO's long-term secured debt obligations when requested by PEFCO. Such guarantees, aggregating $4,542.3 million at September 30, 2004, and $4,778.6 million at September 30, 2003, are included by Ex-Im Bank in the total for guarantee insurance and undisbursed loans and the allowance related to these transactions is included in the allowance for guarantees in the Statement of Financial Position. Ex-Im Bank received fees totaling $26.1 million in fiscal year 2004 and $15.8 million in fiscal year 2003 for the agreements, which are included in the amount listed in Exposure Fees for Guarantees on the Statement of Operations.

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

17. 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).

In 2004 Ex-Im Bank withheld 7.0 percent of CSRS employees' gross earnings. Ex-Im Bank's contribution was 7.0 percent of employees' gross earnings. This sum was transferred to the CSRS fund from which this employee group will receive retirement benefits.

For FERS, Ex-Im Bank withheld 0.80 percent of employees' gross earnings. Ex-Im Bank's contribution was 10.7 percent of employees' gross earnings. This sum was transferred to the FERS fund from which the employee group will receive retirement benefits. An additional 6.2 percent of gross earnings is withheld; that plus matching contributions by Ex-Im Bank are sent to the Social Security System from which the FERS employee group will receive Social Security benefits.

FERS and CSRS employees may elect to participate in the Thrift Savings Plan (TSP). CSRS employees may contribute up to 9 percent of gross earnings. FERS employees may contribute up to 14 percent of gross earnings. In addition, FERS employees receive an automatic 1 percent contribution from Ex-Im Bank. Amounts withheld for FERS employees are matched by Ex-Im Bank, up to 4 percent, for a maximum Ex-Im Bank contribution to the TSP of 5 percent.

Total Ex-Im Bank (employer) matching contributions to the Thrift Savings Plan, CSRS, and FERS for all employees, included in administrative expenses, were approximately $4.4 million and $4.1 million for fiscal year 2004 and fiscal year 2003, 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 $2.7 million at the end of September 30, 2004, and $2.5 million for the fiscal year ended September 30, 2003.

18. 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.

Loans Receivable, Receivables from Subrogated Claims, Guarantees and Insurance

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, guarantees and insurance 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 borrowings from the U.S. Treasury for comparable maturities. The interest rate for claims payable used to discount future cash flows is the six-month LIBOR rate plus 50 basis points.

	SEPTEMBER 30, 2004		SEPTEMBER 30, 2003	
(in millions)	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
FINANCIAL ASSETS:				
Cash	$5,095.5	$5,095.5	$5,775.6	$5,775.6
Loans Receivable, Net	5,225.4	5,163.9	5,893.0	5,626.7
Receivables From Subrogated Claims, Net	1,272.4	1,272.4	1,504.1	1,504.1
FINANCIAL LIABILITIES:				
Guarantees and Insurance	$6,077.7	$6,077.7	$7,263.6	$7,263.6
Borrowings From the U.S. Treasury	7,237.2	8,334.2	7,280.5	8,488.3
Borrowings Consolidated from VIEs	4,008.4	3,865.1	841.0	875.8
Payment Certificates	448.5	486.7	593.0	643.6
Claims Payable	12.1	12.1	12.3	12.3

Use of different methods and assumptions could significantly affect these estimates. Accordingly, the net realizable value could be materially different.

19. COMMITMENTS AND CONTINGENCIES

Office Space Lease

Ex-Im Bank's office space is leased primarily from the General Services Administration (GSA) through the Public Buildings Fund. The annual lease amount is determined each year at the discretion of GSA. Lease expenses, included in administrative expenses, were $4.1 million and $4.0 million for fiscal years 2004 and 2003, respectively.

Pending Litigation

As of the end of September 30, 2004, 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 project finance cases, Ex-Im Bank's assistance during the construction period generally is in the form of a direct credit or comprehensive guarantee to the private lender. At the end of the construction period, the borrower in some cases has the opportunity to convert the private-guaranteed financing to an Ex-Im Bank direct loan. As of September 30, 2004, Ex-Im Bank had $1,208.7 million of such contingent loan commitments outstanding.

20. GAAP-TO-GOVERNMENT-GAAP RECONCILIATION

Ex-Im Bank prepares its financial statements in accordance with GAAP. In January 2000, the American Institute for Certified Public Accountants (AICPA) recognized the Federal Accounting Standards Advisory Board (FASAB) as the standard setting body for federal entities. FASAB established generally accepted accounting principles for the preparation of federal agencies' financial statements (government GAAP) which differ in some respects from GAAP.

The manner in which loss reserves are calculated under GAAP differs from the way they are calculated under government GAAP. As detailed in Note 2, Ex-Im Bank's operations are subject to the Credit Reform Act of 1990. Under the Credit Reform Act, the cost of credit risk is defined as the net present value of cash disbursements offset by the net present value of cash receipts, such as fees, premiums, and loan principal and interest. This definition of cost of credit risk is used to determine the level of credit-related loss reserves under government GAAP. However, GAAP generally does not recognize future fees and premiums as an offset to the allowance since to do so would recognize income before it is earned. The difference in treatment of the level of loss reserves between government GAAP and GAAP is reflected in the Government GAAP/GAAP Statement of Financial Position. Under government GAAP guidance, the allowance for loans and subrogated claims receivable is less, the reserve for guarantees and insurance is less, and equity is greater.

The amount of net income reported under government GAAP is also different than net income reported under GAAP. Depending on the level of activity, net income reported on a government GAAP basis may be more or less than net income reported on a GAAP basis.

Ex-Im Bank's Statement of Financial Position is presented in accordance with GAAP for financial reporting purposes. The reconciliation of Ex-Im Bank's Statement of Financial Position prepared in accordance with GAAP to the Statement of Financial Position in accordance with government GAAP and the reconciliation of net income from the accompanying GAAP Statement of Operations to net income in accordance with government GAAP follow:

(in millions)	SEPTEMBER 30, 2004 GAAP	SEPTEMBER 30, 2004 GOVERNMENT GAAP	SEPTEMBER 30, 2003 GAAP	SEPTEMBER 30, 2003 GOVERNMENT GAAP
ASSETS				
Cash	$5,095.5	$5,095.5	$5,775.6	$5,775.6
Loans Receivable, Net	5,225.4	5,845.8	5,893.0	7,028.1
Receivables from Subrogated Claims, Net	1,272.4	1,887.2	1,504.1	2,086.9
Lease Receivables Consolidated from VIEs, Net	3,815.2	0.0	803.9	0.0
Subsidy Receivable from Program Account	N/A	747.7	N/A	1,037.3
Accrued Interest, Fees Received and Other Assets	145.3	130.3	151.9	147.0
TOTAL ASSETS	**$15,553.8**	**$13,706.5**	**$14,128.5**	**$16,074.9**
LIABILITIES & EQUITY				
Borrowings from the U.S. Treasury	$7,237.2	$7,237.2	$7,280.5	$7,280.5
Payment Certificates	448.5	448.5	593.0	593.0
Borrowings Consolidated from VIEs	4,008.5	0.0	841.0	0.0
Allowance for Guarantees, Insurance and Undisbursed Loans	6,077.7	N/A	7,263.6	N/A
Claims Payable	12.1	12.1	12.3	12.3
Guarantee Loan Liability	N/A	3,071.8	N/A	3,089.6
Liability for Subsidy Related to Undisbursed Loans/Guarantees	N/A	458.9	N/A	804.7
Subsidy Payable to Financing Account, Net	N/A	288.8	N/A	232.5
Amounts Payable to the U.S. Treasury	751.5	1,040.3	1,943.5	2,176.1
Deferred Fees	889.5	0.0	887.1	0.0
Other Liabilities	83.3	68.4	108.3	103.4
Total Liabilities	**19,508.3**	**12,626.0**	**18,929.3**	**14,292.1**
Capital Stock held by the U.S. Treasury	1,000.0	1,000.0	1,000.0	1,000.0
Tied Aid Appropriations	341.7	N/A	342.9	N/A
Credit Appropriations	444.9	N/A	574.9	N/A
Unexpended Appropriations	N/A	1,139.1	N/A	1,624.7
Accumulated Deficit	(5,741.1)	(1,058.6)	(6,718.6)	(841.9)
Total Stockholder's (Deficiency) / Equity	**(3,954.5)**	**1,080.5**	**(4,800.8)**	**1,782.8**
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	**$15,553.8**	**$13,706.5**	**$14,128.5**	**$16,074.9**

Government GAAP /GAAP Statement of Financial Position Reconciliation

The following are the differences between government GAAP and GAAP in the statements above:

Loans Receivable, Net under government GAAP is higher by $620.4 million in fiscal year 2004 and $1,135.1 million in fiscal year 2003. Loan interest and fee income is credited to the loan loss reserve under government GAAP, which results in a lower loss reserve and a larger receivable. Additionally, the methodology for determining the allowance for loan losses under GAAP differs in some respects with the methodology under government GAAP, generally resulting in a lower allowance under government GAAP.

Receivables from Subrogated Claims under government GAAP is higher by $614.8 million in fiscal year 2004 and $582.8 million in fiscal year 2003. Interest income on rescheduled claims is credited to the loss reserve under government GAAP, which results in a lower loss reserve and a larger receivable.

Lease Receivables Consolidated From VIEs, Net, and Borrowings Consolidated From VIEs are recorded under GAAP, which requires consolidation of certain special purpose entities where Ex-Im Bank is providing a guarantee to the lender and is the primary beneficiary. Government GAAP does not require consolidation and the amounts are zero.

Under government GAAP, the Subsidy Receivable from the Program Account of $747.7 million for fiscal year 2004 and $1,037.3 million for fiscal year 2003 is fully offset by the Liability for Subsidy Related to Undisbursed Loans and Guarantees and the Subsidy Payable to the Financing Account, Net. These amounts are payable to and receivable from different Ex-Im Bank accounts at the U.S. Treasury and net to zero. They are not broken out separately under GAAP.

The Allowance for Guarantee, Insurance and Undisbursed Loans shown under GAAP is the equivalent of the Guarantee Loan Liability and the Liability for Subsidy Related to Undisbursed Loans/Guarantees under government GAAP. The government GAAP figure is lower by $2,547.0 million in fiscal year 2004 and $3,369.3 million in fiscal year 2003 because fees are recorded as income when received under government GAAP. Also, the allowance is adjusted for the amounts related to consolidated VIEs under GAAP, no such adjustments is recorded under government GAAP. Additionally, the methodology for determining the allowance under GAAP differs in some respects with the methodology under government GAAP, generally resulting in a smaller allowance under government GAAP.

Amounts Payable to the U.S. Treasury are higher by $288.8 million in fiscal year 2004 and $232.6 million in fiscal year 2003 under government GAAP. The annual subsidy re-estimate calculation is made up of two components, an amount due from the U.S. Treasury for cohorts of loans and guarantees that have increased in risk and an amount payable to the U.S. Treasury for cohorts of loans and guarantees that have decreased in risk. Under GAAP, the two components are netted and shown as Amounts Payable to the U.S. Treasury. Under government GAAP, the amount due to the U.S. Treasury is shown as a payable and the amount due from the U.S. Treasury is recorded as an increase to subsidy expense that is reflected in the Accumulated Deficit. In addition, the net value of credits authorized prior to October 1, 1991, is recorded as a payable to the U.S. Treasury under government GAAP but is reflected in the Accumulated Deficit under GAAP.

Deferred fees are $889.5 million in fiscal year 2004 and $887.1 million in fiscal year 2003 under GAAP and are zero under Government GAAP. Under Government GAAP, guarantee exposure fees are not deferred but are credited directly to the Guarantee Loan Liability. Under GAAP, such fees are deferred for loans and for guarantees.

Under government GAAP, Stockholder's Deficiency is lower by $5,035.0 million in fiscal year 2004 and $6,583.6 in fiscal year 2003 than under GAAP. Lower loss reserves under government GAAP result in less provision expense which results in higher stockholder's equity. Also, under government GAAP, Unexpended Appropriations of $1,139.1 million in fiscal year 2004 and $1,624.7 million in fiscal year 2003 includes both obligated and unobligated balances. Under GAAP, only the obligated portion of unexpended appropriations is reflected in the Accumulated Deficit.

Government GAAP /GAAP Statement of Operations Supplemental Reconciliation

(in millions)	SEPTEMBER 30, 2004	SEPTEMBER 30, 2003
Reported Net Income, GAAP Basis	$2,044.4	$641.4
ADJUSTMENTS TO INCOME:		
Subsidy Appropriation Used	646.4	578.2
Appropriation from Prior-Year Re-estimate	232.6	44.5
Administrative Expense Appropriation Used	71.8	66.5
Total Adjustments to Income	**950.8**	**689.2**
ADJUSTMENTS TO EXPENSE:		
Subsidy Expense	(1,677.2)	1,089.2
Financing Resources Transferred Out	(954.4)	(2,106.8)
Future Funded Expense	(288.8)	(188.0)
Lease Provision	156.3	37.0
Total Adjustments to Expense	**(2,764.1)**	**(1,168.6)**
NET INCOME GOVERNMENT-GAAP BASIS	**$231.1**	**$162.0**

All of the differences in the schedule above result from differences in the treatment of appropriations and re-estimates between government GAAP and GAAP. Under government GAAP, the receipt and use of appropriations for credit activity, administrative expense and re-estimates is reflected in the Statement of Operations. Under GAAP this activity is shown as part of the Statement of Changes in Capital and Accumulated Deficit.

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 accounting principles generally accepted in the United States of America. As explained in more detail in the notes, the financial statements recognize the impact of credit reform legislation on the Bank's commitments. Other financial information related to the Bank included elsewhere in 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.

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

Philip Merrill

Philip Merrill
President and Chairman

James K. Hess
Senior Vice President and Chief Financial Officer

October 29, 2004

DIRECTORS, OFFICERS AND ADVISORY COMMITTEES

DECEMBER 2004

BOARD OF DIRECTORS

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President and Chairman

April H. Foley
First Vice President and
Vice Chair

Max Cleland
Board Member

Linda Conlin
Board Member

J. Joseph Grandmaison
Board Member

Donald L. Evans
U.S. Secretary of Commerce
Board Member, ex officio

Robert B. Zoellick
U.S. Trade Representative
Board Member, ex officio

OFFICERS

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Deputy General Counsel

James C. Cruse
Senior Vice President
Policy

Michael Cushing
Senior Vice President
Resource Management

Michael Discenza
Deputy Chief Financial Officer

Raymond J. Ellis
Vice President
Export Finance Operations

John A. Emens
Vice President and Deputy Head
Export Finance

Michael Forgione
Vice President
International Business Development

Wayne Gardella
Vice President
Domestic Business Development

James K. Hess
Senior Vice President
and Chief Financial Officer

Bruce Hunt
Vice President
Business Initiatives

Michele A. Kuester
Vice President
Planning and International Organizations

James H. Lambright
Executive Vice President

James A. Mahoney, Jr.
Vice President
Engineering and Environment

William Marsteller
Vice President and Chief Economist
Country Risk and Economic Analysis

Richard Maxwell
Vice President
Trade Finance and Insurance

John A. McAdams
Senior Vice President
Credit and Risk Management

Alice McNutt Miller
Vice President
Asset Management

Jeffrey L. Miller
Senior Vice President and Head
Export Finance

Thomas C. Montgomery
Senior Vice President
Congressional Affairs

Robert Morin
Vice President
Transportation

Barbara O'Boyle
Vice President
Structured Finance

Peter B. Saba
Chief Operating Officer
Senior Vice President
Legal Affairs and General Counsel

Lorrie A. Secrest
Senior Vice President
Communications

Kenneth M. Tinsley
Vice President
Credit Underwriting

Fernanda Young
Chief Information Officer

Sam Zytcer
Director
Office of Small Business

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Executive Director
Port Authority of Houston
Houston, Texas
Representing Commerce

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Chairman
Bryant Christie Inc. (BCI)
Seattle, Wash.
Representing Agriculture

Stephen G. Canton
Chairman and Chief Executive Officer
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Washington, D.C.
Representing Services

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Managing Director and Global Manager
Structured Trade Finance, Investment
Banking
Citigroup Global Markets Inc.
New York, N.Y.
Representing Finance

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President
Orgil International Greenhouses Corp.
San Diego, Calif.
Representing Small Business

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Co-anchor of Wall $treet Week
with Fortune
Maryland Public Television
Owings Mills, Md.
Representing Finance

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Senior Vice President
and Group Head
Global Services and Strategic Partners
PNC Bank
Philadelphia, Pa.
Representing Finance

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Director, International Affairs
International Association of Machinists
and Aerospace Workers
Upper Marlboro, Md.
Representing Labor

Thea Lee
Assistant Director
International Economics
Public Policy Department
AFL-CIO
Washington, D.C.
Representing Labor

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Chief Financial Officer
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Miami, Fla.
Representing Small Business

Lino J. Piedra
Executive Vice President
Griesinger Associates Inc.
Washington, D.C.
Representing Services

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State of Maryland
Annapolis, Md.
Representing State Government

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Managing Director and President
Trade Source International
Pasadena, Calif.
Representing Finance

Daniel H. Walters
Manager, Global Accounts
Caterpillar Financial Services Corp.
Nashville, Tenn.
Representing Production

Diane M. Willkens
President, Chief Executive Officer
and Founder
Development Finance International Inc.
Bethesda, Md.
Representing Small Business/Services

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South Pasadena, Calif.
Representing Commerce

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Senior Vice President
The Louis Berger Group Inc.
Washington, D.C.
Representing Commerce

Jonathan J. Cook
Director
Credit Operations
ABRO Industries Inc.
South Bend, Ind.
Representing Small Business

Anita Henri
Vice President and General Counsel
Corporate Council on Africa
Washington, D.C.
Representing Commerce

David R. Kuntarich
Vice President, Operations
Team Leader, Africa Team
Member, Board of Directors
PS International Ltd.
Chapel Hill, N.C.
Representing Small Business

Bunmi Olugbekan
Head, Credit and Marketing
United Bank for Africa
New York, N.Y.
Representing Banking/Trade Finance

Lamine Savadogo
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Marison Energy Systems
Cambridge, Mass.
Representing Commerce

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President
Hoffman International Inc.
Piscataway, N.J.
Representing Small Business

Jack Webb
Chairman and President
Jack M. Webb & Associates
Houston, Texas
Representing Commerce