EXIM

EXPORT-IMPORT BANK
OF THE UNITED STATES

Reducing Risk. Unleashing Opportunity.

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ANNUAL REPORT 2015

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OF THE UNITED STATES

Reducing Risk. Unleashing Opportunity.

What is EXIM Bank?

Independent Agency

EXIM Bank is an independent, self-sustaining federal agency that operates at no cost to U.S. taxpayers.

Promoting Job Creation

Over the past seven years, EXIM Bank's authorizations supported more than 1.4 million American jobs, including an estimated 109,000 in FY 2015.

Earning Money for Taxpayers

In FY 2015 EXIM Bank generated a surplus of $431.6 million for U.S. taxpayers.

Benefiting Small Businesses

Nearly 90 percent of the number of EXIM Bank's authorizations directly benefited small businesses, not including small businesses that benefited indirectly as suppliers to EXIM's larger customers.

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Cover photo: Acrow Bridge, Parsippany, New Jersey

Featured Success Stories

Mission

The Export-Import Bank of the United States (EXIM or the Bank) is the official export credit agency (ECA) of the United States. EXIM is an independent, self-sustaining federal agency that exists to support American jobs by facilitating the export of U.S. goods and services – at no cost to U.S. taxpayers.

When businesses in the United States or their customers are unable to access export financing from the private sector, EXIM Bank fills in the gap by equipping American businesses with the tools necessary to compete for global sales.

EXIM does this in two principal ways. First, when exporters in the United States or their customers are unable to access export financing from private sources, the Bank equips them with the necessary tools – buyer financing, export credit insurance and access to working capital. Second, when U.S. exporters face foreign competition backed by other governments, EXIM levels the playing field by matching or countering the financing offered by other ECAs.

EXIM Bank assumes credit and country risks that the private sector is unable or unwilling to accept for various reasons such as country or sector caps, political risk, etc. The Bank's charter requires that all transactions it authorizes demonstrate a reasonable assurance of repayment. The Bank consistently maintains a low default rate (reported quarterly to Congress) and closely monitors credit and other risks in its portfolio.

2015 EXIM Leadership Team

Front row, left to right: Angela Mariana Freyre, Claudia Slacik, James Burrows, Erin Gulick, Robert Morin and Michael Cushing.
Second row, left to right: Scott Schloegel, Charles J. Hall, David Sena, Kenneth Tinsley, James Cruse and Bradley Carroll.
For a complete list of EXIM Bank senior leadership, see "Directors and Officers" on page 76.

Reauthorization

In its over 80-year history, the Export-Import Bank of the United States has been reauthorized 18 times with overwhelming bipartisan majorities, including the support of 14 U.S. presidents, both Republicans and Democrats.

EXIM Bank's latest long-term reauthorization is the Export-Import Bank Reform and Reauthorization Act of 2015 (PL 114-94), which was signed into law by President Barack Obama on December 4, 2015. This legislation reauthorized the Bank through September 30, 2019, providing much needed certainty to America's exporters and workers.

EXIM Bank Board of Directors

Left to right: Vice Chair and First Vice President Wanda Felton and Chairman and President Fred P. Hochberg.

FY 2015 Background:

EXIM Bank's previous reauthorization period expired on September 30, 2014. Congress extended the Bank's authority into fiscal year (FY) 2015 for an additional nine months, through June 30, 2015.

On July 1, 2015, EXIM Bank's full authority lapsed. EXIM Bank's board of directors and employees were prohibited from approving any new authorizations, engaging in business development or other prohibited activities. During the lapse period, EXIM Bank continued to monitor and manage its existing portfolio (e.g., processed payments and claims, etc.) and met its continuing legal obligations under the charter.

EXIM Bank is reauthorized through
September 30, 2019.

Chairman's Message

Here at the Export-Import Bank of the United States, our mission is to support exports of U.S.-produced goods and services to create and maintain American jobs in a fiercely competitive global marketplace.

By ensuring that financing doesn't stand in the way of American exporters closing a sale, EXIM has helped ensure that jobs and economic opportunities are created here at home, rather than on the other side of the globe.

But after more than 80 years of operation, the Bank's ability to support new U.S. jobs and provide new financing to customers was abruptly halted on July 1, 2015.

For the first time in our history, Congress allowed EXIM Bank's authority to lapse, meaning that we could not provide any new financing for America's exports.

Thankfully, in early December 2015, a broad bipartisan majority of Congress provided EXIM Bank with a long-term authorization though September 30, 2019. Following the reauthorization, our dedicated trade finance team went back to business, equipping U.S. exporters with the tools they need to tackle new overseas markets.

EFFECT OF THE LAPSE

But make no mistake, the lapse in the Bank's full authority had consequences. In the following pages of the FY 2015 Annual Report, you will read stories of companies that could not close their export deals without EXIM Bank. What you will not read here – and what may never be fully known – is how many American exports did not go forward due to the Bank's inability to support them.

During the time of the lapse, our customers informed us about the competitive disadvantages that they were facing. And we saw the flood of news reports on the related export losses and the decisions by exporters such as General Electric to relocate some of their production to countries where export credit was more accessible. That relocated production represents lost American jobs.

Don't forget, there are more than 80 other export credit agencies around the globe that continued to operate during our lapse of full authority. While EXIM Bank was unable to finance new transactions, they only ramped up their efforts, providing foreign competitors with a big advantage over America's exporters who no longer had adequate access to financing.

When it comes to global trade, if countries can't obtain the financing to buy goods from the United States, they often will purchase them from somewhere else. That's the brutal truth of the competitive global marketplace.

financed an estimated
$17 billion
of U.S. exports in FY 2015

KEEPING AMERICA COMPETITIVE

American exporters and their workers offer many of the world's highest-quality goods and services, but that may not be enough when they are up against government-owned and government-backed competitors. This is why EXIM Bank needs to ensure that there is a level playing field.

Despite the reauthorization challenges this year, that's exactly what the Bank did during the nine operational months of fiscal year 2015 in which we financed an estimated $17 billion of U.S. exports, supported an estimated 109,000 American jobs and generated more than $430 million for U.S. taxpayers after covering all operating costs and setting aside prudent reserves.

We continued our laser focus on small businesses, including those that are minority- and woman-owned. By number of transactions, small business transactions made up nearly 90 percent of EXIM Bank authorizations. By dollar volume, direct small business support accounted for 24.5 percent of EXIM's authorizations. Of the small business dollar volume, minority- and woman-owned business transactions accounted for almost 20 percent of small business authorizations.

And when we look at the estimated dollar value of the exports supported by EXIM Bank, the small business story is even stronger. We estimated that in FY 2015, more than 40 percent of the export value of EXIM-supported transactions directly benefited small business. (See page 7.)

We continued to honor our responsibility to U.S. taxpayers to fulfill our mission of supporting export-related jobs with prudent, responsible risk management. As an independent, self-sustaining agency, EXIM Bank operates at no cost to the American taxpayer – all the while maintaining a default rate of well below one percent (0.235 percent as of September 30, 2015).

With a new long-term reauthorization, we are charging forward to support American businesses. Almost all of EXIM's financings involve commercial banks as either lenders or arrangers, but we level the playing field for exporters to access financing that they can't get in the private sector alone. We enable them to win sales that otherwise would go to their foreign competitors.

Our customers are businesses such as Robbins Sports Surfaces in Cincinnati, Ohio, which uses our insurance to export U.S.-made sports flooring while reducing the risk of foreign buyer nonpayment.

Zeeco Inc. in Broken Arrow, Oklahoma, relies on EXIM Bank to offer competitive terms for its international sales and stay competitive.

Acrow Bridge in Parsippany, New Jersey, was able to arrange long-term financing for customers in sub-Saharan Africa because EXIM guaranteed the loans.

And a clean energy company, ElectraTherm Inc. in Reno, Nevada, is benefiting from EXIM Bank's small business environmental insurance policy and working capital guarantee to grow its exports and jobs.

Small business transactions continued to represent nearly
90 percent
of all EXIM Bank transactions.

GOING FORWARD

Our reauthorization couldn't have happened at a better time for America's exporters. With renewed Trade Promotion Authority and the possibility of the Trans-Pacific Partnership (a 12-country free trade agreement), the United States can significantly expand exports of 'Made in America' goods and services. And EXIM Bank is here to ensure that U.S. exporters of every size can realize those opportunities.

That's our mission; that's our lifeblood. The aim of our 400-plus dedicated employees is to enable our exporters to access new markets and grow American jobs.

We certainly are well-positioned for an exciting 2016.

Sincerely,

Fred P. Hochberg
Chairman and President

EXIM FAST FACTS FY 2015

FY 2015 AUTHORIZATIONS

$12.4b

Export Value	$17.08 billion
Amount Sent to U.S. Treasury	$431.6 million
Jobs Supported	109,000
Small Business	24.5%

Default Rate **0.235%**

Subsidy **$0**

Cost to U.S. Taxpayer **$0**

FY 2015 Highlights

EXIM Bank's full authority to commit new business lapsed on July 1, 2015, and was not restored until December 4, 2015. Accordingly, the Bank's authorizations totals reflect only amounts approved in the first nine months of FY 2015.

KEY FY 2015 HIGHLIGHTS:

TOTAL EXIM BANK FINANCING

- During the nine months of operation with full authority, EXIM Bank approved more than 2,600 authorizations totaling $12.4 billion to support an estimated $17 billion of U.S. exports worldwide.

1.4 Million

In the past seven years, EXIM Bank has helped companies to create or sustain 1.4 million export-related jobs in the United States, including an estimated 109,000 jobs in FY 2015.

SUPPORTING U.S. JOBS

- EXIM's FY 2015 authorizations are supporting approximately 109,000 American jobs. (For a description of EXIM Bank's jobs calculation methodology, see "Management's Discussion and Analysis of Results of Operations and Financial Condition" on page 35.)
- In the past seven years, the Bank has supported more than 1.4 million jobs across the United States.

SUPPORTING SMALL BUSINESS

- In FY 2015, EXIM Bank authorized more than $3 billion – 24.5 percent of total authorizations by dollar volume – in financing and insurance for the direct support of American small business exporters, not including support for small businesses in the supply chains of larger exporters.
- The Bank authorized more than 2,300 small business transactions – nearly 90 percent of the total number of EXIM transactions.
- Authorizations include support for nearly 400 U.S. small businesses that were first-time users of EXIM Bank products.

SUPPORTING MINORITY- AND WOMAN-OWNED BUSINESSES

- EXIM Bank authorized nearly $595 million in FY 2015 to support almost $2 billion of exports — almost 12 percent of total EXIM-supported exports — from nearly 400 minority-and woman-owned businesses.

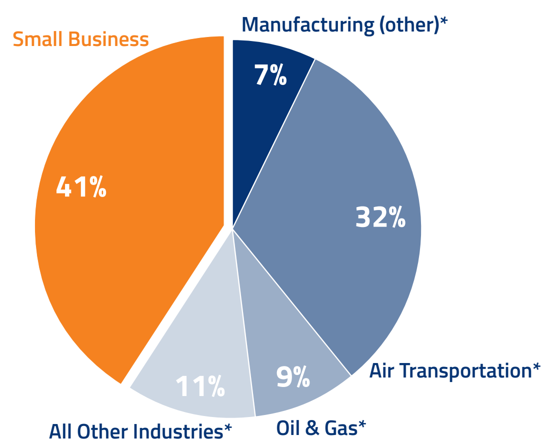
PRUDENT FINANCIAL MANAGEMENT

- At the close of FY 2015, EXIM Bank wired $431.6 million in profit to the U.S. Treasury to support deficit reduction.
- EXIM Bank reports its default rate to Congress on a quarterly basis. As of the fourth quarter of FY 2015 that ended on September 30, 2015, the default rate was 0.235 percent – less than one quarter of one percent and lower than that of most commercial banks.

SECTORS AND MARKETS

- In FY 2015, EXIM Bank authorized $6.5 billion – 52 percent of the Bank's total authorizations – supporting U.S. exports for international infrastructure projects.

FY2015 Export Value Comparison by Small Business and Major Industries



*These categories represent EXIM-supported export value associated with exporters not designated as small businesses.

Empowering American Small Businesses

U.S. job growth is fueled through small businesses that are powering the nation's financial recovery. According to the Small Business Administration, small businesses create two out of three net, new private-sector jobs in the United States and employ half of the American workforce.

EXIM Bank is committed to supporting this vital, innovative business sector that is building the new industries of the 21st century in fields such as clean energy, manufacturing, information technologies and many others.

In FY 2015, prior to the lapse in the agency's full authority, the Bank supported small business job growth by directly equipping these entrepreneurs with the financing that they needed to reach new customers and win sales overseas.

EXIM Bank expanded its small business portfolio and reached new customers through EXIM's Small Business Group and their work with state and local trade organizations, lenders and other partners.

DIRECT SMALL BUSINESS SUPPORT

Prior to the lapse in the Bank's full authority, EXIM Bank authorized more than $3 billion in direct support of small businesses. In the first nine months of FY 2015, the Bank's authorizations were on track with the corresponding period in FY 2014 when we approved $5 billion directly supporting small business.

Although the lapse clearly hampered EXIM Bank's ability to fully support small businesses, the proportion of direct small business support again accounted for the overwhelming majority of the Bank's total transactions.

EXIM approved more than

2,300

small business transactions – nearly 90 percent of the total number of transactions in FY 2015.*

Express Insurance, a short-term product benefiting small businesses, was a success despite the shortened authorization year, with renewals in FY 2015 up 35 percent through June 30 over the same period in FY 2014. Express Insurance features a streamlined application process that provides a policy quote and credit decisions of up to $300,000 within five business days.

SUPPORT FOR MINORITY- AND WOMAN-OWNED BUSINESSES

In the first nine months of FY 2015, EXIM Bank was able to finance nearly $595 million in authorizations to support almost $2 billion of export sales from approximately 400 minority- or woman-owned businesses.

REACHING SMALL BUSINESSES

Prior to the lapse of the Bank's full authority, the EXIM Bank team traveled throughout the country conducting Global Access Forums (town hall-style meetings) and educating small businesses on how to become successful exporters. From the beginning of FY 2015 until the lapse in full authority, the Bank sponsored a total of 15 Global Access Forums and roundtable discussions, bringing the total to 85 events held nationwide since the program began in 2010.

To reach more exporters that have difficulty obtaining the financing they need, EXIM Bank staff also participated in seminars nationwide that were sponsored by women's business centers, small business associations, minority-focused chambers of commerce and other organizations.

Prior to the lapse, EXIM Bank's regional export finance centers, located strategically around the country, focused on educating and assisting small business exporters.

*Of EXIM Bank's small business authorizations, more than half involved amounts under $500,000 and nearly 400 directly benefited first-time users of the Bank's products.

$3b+ DIRECT SMALL BUSINESS SUPPORT

Measured by dollar volume, EXIM Bank's small business authorizations in FY 2015 were more than $3 billion, 24.5 percent of the total dollar volume of overall authorizations — exceeding the congressional mandate.

PRIVATE-SECTOR PARTICIPATION

The United States has the deepest and most sophisticated private-sector financial markets, but small businesses still have difficulty accessing the financing needed to grow their exports sales.

In the first nine months of FY 2015, EXIM Bank leveraged its resources by working with private-sector lenders and other financial and trade institutions. The Bank expanded these partnerships to make its financing products more accessible. For example, by the end of June 2015, approximately 130 lenders were enrolled in EXIM's Working Capital Guarantee Program.

IDENTIFIED INDIRECT SMALL BUSINESS SUPPORT IN LONG-TERM AUTHORIZATIONS

When EXIM Bank authorizes any long-term financing to support U.S. exports from a large company, the Bank also empowers American small businesses to grow their sales as suppliers of the principal exporters.

EXIM Bank is limited in its ability to gather supply-chain data from large U.S. exporters due to trade secrets and other business concerns. However, according to EXIM Bank estimates, its FY 2015 long-term authorizations supported nearly $8 billion of American exports, more than $400 million of which was identified as indirect small business support.

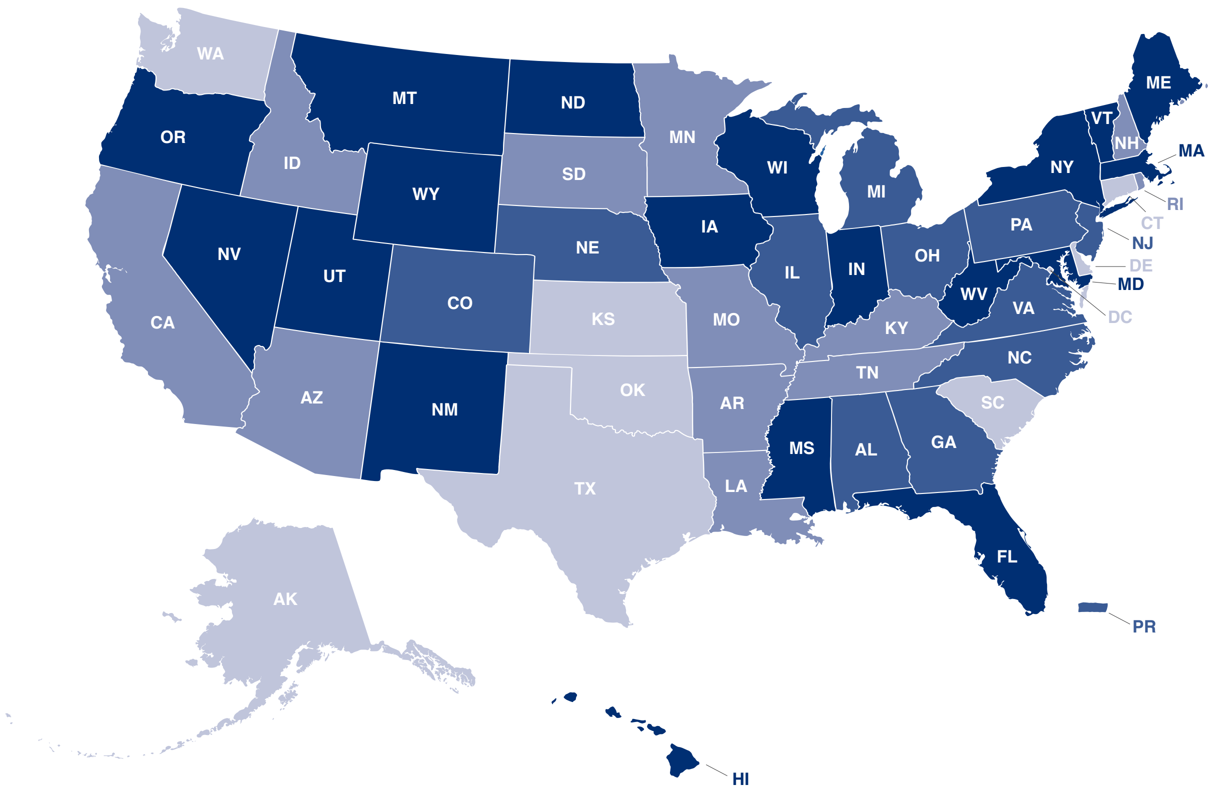
Indirect Small Business Support

Hartzell Propeller Inc. in Piqua, Ohio, has been in business since the dawn of U.S. aviation. This almost 100-year-old company supplies aircraft propellers to major aircraft manufacturers in the United States and abroad. Hartzell Propeller is a part of the supply chain of EXIM Bank customers that manufacture aircraft in Georgia, Texas and other states. Hartzell Propeller has approximately 300 employees at its Ohio headquarters.

"When our customers win, Hartzell Propeller wins. These companies are leaders in the global aviation market, and one-third to one-half of their sales are exported."

— *Joe Brown*
President

Small Business Support By State in FY 2015



SMALL BUSINESS EXPORTS MAKE UP 24 PERCENT OR MORE OF EXIM BANK-SUPPORTED EXPORTS IN MORE THAN 40 STATES.

75% TO 100% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
VT	$54.6 MILLION	100%
MT	$6.3 MILLION	100%
NV	$5.8 MILLION	100%
ME	$4.4 MILLION	100%
HI	$2.8 MILLION	100%
WY	$77,760	100%
UT	$5 MILLION	98%
MD	$157 MILLION	93%
MA	$533.3 MILLION	92%
OR	$97.4 MILLION	92%
IN	$282 MILLION	86%
NM	$6.6 MILLION	84%
MS	$37.2 MILLION	83%
WV	$3.3 MILLION	82%
WI	$253.3 MILLION	81%
FL	$1.1 BILLION	79%
NY	$800.8 MILLION	76%
ND	$4.8 MILLION	76%
IA	$20 MILLION	75%

50% TO 74% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
CO	$20.2 MILLION	71%
PR	$20.8 MILLION	68%
AL	$60.3 MILLION	63%
OH	$290.3 MILLION	62%
MI	$751.7 MILLION	61%
IL	$224.9 MILLION	59%
NJ	$590.6 MILLION	57%
NE	$67.2 MILLION	57%
GA	$760.4 MILLION	54%
NC	$291.9 MILLION	54%
VA	$302.3 MILLION	52%
PA	$502.6 MILLION	50%

25% TO 49% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
MN	$186.7 MILLION	44%
TN	$141.3 MILLION	44%
AZ	$143 MILLION	43%
KY	$104.2 MILLION	42%
NH	$50.5 MILLION	39%
SD	$1.4 MILLION	37%
CA	$2.2 BILLION	35%
MO	$266.9 MILLION	31%
AR	$52.9 MILLION	28%
RI	$42.7 MILLION	28%
LA	$281.6 MILLION	27%
ID	$15 MILLION	27%

0% TO 24% SMALL BUSINESS

STATE	TOTAL EXPORTS	SMALL BUSINESS
TX	$4.6 BILLION	24%
OK	$184.9 MILLION	18%
CT	$433 MILLION	14%
SC	$1.2 BILLION	3%
KS	$386.4 MILLION	3%
DC	$76.3 MILLION	3%
WA	$12.9 BILLION	1%
DE	$29.4 MILLION	0%
AK	$0	0%

Note: Map data shows estimated EXIM Bank-assisted exports per state with percentages of these sales by small businesses. Estimates are based on disbursements of EXIM Bank financing in FY 2015.

Robbins Sports Surfaces Cincinnati, Ohio

Company Products: sports flooring

Export Challenge: limited ability to accept foreign-receivables risk

EXIM Solution: insurance

Results: increase in export-related revenue

Robbins Sport Surfaces, a family-owned business is a supplier of high-performance maple and synthetic sports flooring systems to the National Basketball Association, Women's National Basketball Association, National Collegiate Athletic Association, sports arenas, education and fitness markets. Founded in 1894 and based in Cincinnati, Ohio, the small business employs 205 people in Cincinnati, Ohio; White Lake, Wisconsin; and Ishpeming, Michigan.

To access new markets abroad, Robbins has relied on EXIM Bank's export credit insurance dating back to 2003. EXIM Bank has insured $3.6 million of Robbins's shipments since FY 2007. The company's export sales have jumped from 5 percent to 15 percent of total revenue.

"EXIM Bank has allowed Robbins to do business in markets where we would otherwise not be able to participate. They provided us with the tools to compete and succeed in the international marketplace. With EXIM Bank, Robbins is taking American-made basketball courts to the global sports community."

—Jay Stoehr
President and CEO

Supporting America's Industries

American industries produce goods, technologies and services that are able to compete and win in global markets based on quality, innovation and price. Historically, EXIM Bank has been there when needed to ensure that they can compete on financing as well.

In FY 2015, there were many market forces causing head winds for American exporters of U.S. capital goods, including the retrenchment in the prices of crude oil and other commodities and lower growth prospects in emerging markets.

However, there is some good news: Global credit markets continue to improve.

In 2008, with the onset of the global financial crisis, there was a lack of liquidity that necessitated EXIM Bank's stepping up and filling that gap to support U.S. exports and save American jobs.

Since that time, markets have improved, allowing the Bank to step back as commercial markets have rebounded. For example, EXIM Bank financed a smaller number and percentage of large commercial aircraft in FY 2015 due to greater liquidity in the banking sector.

Even with the return of commercial lending, EXIM Bank continued to play a critical role in meeting the demand for its financing to support American exports, particularly where U.S. exporters faced foreign competition backed by other government ECAs or where private-sector financing was unavailable.

FY 2015 AUTHORIZATIONS* HIGHLIGHTS:

- **Aircraft -** $5.8 billion in long-term authorizations to support the export of American-manufactured large commercial aircraft, business and general-aviation aircraft and helicopters, as well as the export of U.S.-made spare engines.
- **Manufacturing -** $4.5 billion authorized to support exports from U.S. manufacturing industries (excluding aircraft), including $30 million authorized to support U.S. exports related to the textile (mill) industry.
- **Energy -** $1.8 billion authorized to support U.S. exports for international energy development and production projects, including renewable energy production. Included in this total is $121 million authorized to support renewable energy exports, including U.S.-manufactured wind turbines for a project in Vietnam.
- **Services -** $1.1 billion authorized to support an estimated $1.5 billion of U.S. exports of services, including engineering, design, construction, computer software development, publishing, oil and gas drilling, leases, architecture, legal services, financial services, training and consulting. (This aggregate amount includes authorizations also reported under other sectors.) Among these authorizations, $1.0 billion was authorized to support an estimated $1.2 billion of services exports produced by U.S. small businesses.
- **Agriculture -** $271 million authorized to support nearly $900 million of U.S. exports of agricultural goods and services, including commodities, livestock, foodstuffs, agriculture-related aircraft, farm equipment, chemicals, supplies and services. In total, approximately 93 percent of the supported export value in the agricultural sector was shipped from small businesses.

*Authorizations reported are only through June 30, 2015, after which EXIM Bank's full authority to commit new business lapsed. Authorizations amounts are not necessarily mutually exclusive by category but indicate overall breakout of financing by industry.

Zeeco Inc. Broken Arrow, Oklahoma

Zeeco Inc., located near Tulsa, Oklahoma, is an innovative company serving the energy industry in the design, engineering and manufacture of next-generation combustion equipment and advanced environmental systems. Founded as a small fabrication facility in 1979, Zeeco began operations with a handful of employees. Today the company has 21 offices and more than 1,300 employees and agents.

Since the company began working with EXIM Bank, it has increased exports and more than doubled its workforce. Zeeco uses EXIM products to offer competitive terms and conditions for its international sales.

Zeeco has achieved a steady growth to expand its global reach significantly into additional countries and new markets. The company has been able to research and develop new products to meet the growing demand for low emission and environmentally conscious combustion equipment.

"Ex-Im Bank has been a great partner in Zeeco's international expansion strategy. The management team and staff have done well to provide a program that is competitive with other export agencies around the globe along with the efficient support of our financial team and private-sector banking partners."

—John McDermott
Chief Financial Officer

Realizing Opportunities in sub-Saharan Africa

Less than 1 percent of U.S. exports are shipped to sub-Saharan Africa. We can do better.

In 1997, Congress added a provision in EXIM Bank's charter requiring the Bank to establish a sub-Saharan Africa advisory committee to provide guidance on how to increase the Bank's support of U.S. exports to promising but challenging markets in the region. Since then, EXIM Bank has assumed a key role in enabling American exporters to tap the export opportunities in sub-Saharan Africa.

Over the past fiscal year, however, the region has struggled under the effects of low commodity prices, weakening currencies and China's slower growth. Nevertheless, it remains home to four of the world's 10 fastest-growing economies.

In FY 2015, the region's economic slowdown, as well as the lapse of EXIM's full authority, led to a drop in EXIM Bank's authorizations. In the previous five years, the Bank approved $6 billion in financing for U.S. exports to sub-Saharan Africa, including a record $2.1 billion in FY 2014. By contrast, the Bank approved $396.5 million for exports to the region in FY 2015.

In spite of these challenges, EXIM Bank continues to provide critical financing unavailable in the private sector for U.S. exporters looking to realize sales and opportunities in this important part of the world.

NOTEWORTHY FY 2015 AUTHORIZATIONS:

- **Zambia/Cameroon:** $123 million supporting exports of modular steel bridges from Acrow Bridge to the governments of Zambia and Cameroon for civil works projects.
- **Cameroon:** $60 million supporting exports of goods and services from Environmental Chemical Corp. in Burlingame, California, and General Electric for a potable water treatment and supply project.
- **Gabon:** $11 million supporting locomotives from Railserv in Atlanta, Georgia, for Gabon's railway system.
- **Liberia:** $2 million in short-term insurance supporting the export of 5,000 metric tons of U.S.-grown wheat from Cargill Inc. in Minneapolis, Minnestota.
- **Angola:** $2 million to support exports of fire trucks from Oshkosh Corp. in Oshkosh, Wisconsin.

WORKING WITH OTHER U.S. GOVERNMENT AGENCIES

EXIM Bank participated in the government-wide campaign Doing Business in Africa, with other U.S. agencies with two goals in mind – to raise awareness among American businesses about the economic potential in sub-Saharan African markets and to empower American businesses to export their products and services to the region. The Bank participated in roundtables with U.S. exporters (including members of African diaspora communities), African buyers and banks. Additionally, EXIM Bank also provided resources to the President's Advisory Council on Doing Business in Africa.

BUILDING RELATIONSHIPS WITH AFRICAN INSTITUTIONS

EXIM Bank is committed to mobilizing capital to develop Africa's infrastructure and maintains strong ties with regional financial institutions across the region, including the African Export-Import Bank (Afreximbank), PTA Bank, the West African Development Bank (BOAD) and commercial banks. At its annual conference in Washington, D.C., in April, the Bank led a roundtable of global financial institutions and African banks to encourage capital investment and support for regional development.

Exports to Ghana

Gulf South Forest Products Inc. in Fort Lauderdale, Florida, used EXIM Bank's insurance in FY 2015 to support more than $1.2 million of its shipments of new lumber, plywood and building products to customers to provide electrification in rural communities in Ghana.

Acrow Bridge Parsippany, New Jersey

Company Products: modular steel bridges

Export Challenge: need for ECA-backed financing

EXIM Solution: loan guarantees for governments of Zambia and Cameroon

Results: 200 Acrow Bridge jobs supported, hundreds more throughout supply chain

In 1951, a small company in Parsippany, New Jersey, began manufacturing modular steel bridges that were first developed during World War II. Today Acrow Bridge continues to provide its bridges for infrastructure solutions, connecting people to schools, hospitals and enhanced economic opportunities. These projects can be constructed in rural communities without the use of heavy equipment.

Acrow Bridge operates in the developing world where there is a severe lack of transportation infrastructure. In 2014, the company had opportunities in two countries in sub-Saharan Africa – Cameroon and Zambia – where its bridges were needed to link commercial routes to underdeveloped areas.

Acrow Bridge turned to EXIM Bank when private financing was unavailable. In October 2014, EXIM Bank guaranteed a $50 million commercial loan to support the export of 55 Acrow bridges to Cameroon. In May 2015, the Bank guaranteed a $73 million loan supporting 144 Acrow bridges to Zambia. Thanks to the availability of EXIM Bank's financing, Acrow Bridge's competitive proposals were chosen over bids submitted by its European and Chinese counterparts in markets where there has been substantial Chinese investment. With these exports, Acrow Bridge has been able to establish a foothold in these markets.

The bridges, built at its manufacturing facility in Milton, Pennsylvania, are expected to support approximately 200 jobs at Acrow Bridge and hundreds more throughout the company's supply chain.

"EXIM Bank has been an indispensable partner in helping us offer the kind of innovative financing required to successfully implement major bridge infrastructure projects across the African continent. Without EXIM Bank's support, these major infrastructure projects simply aren't possible."

—Bill Killeen
President and CEO

Environmental Exports Financing and Stewardship

EXIM Bank is a global leader among financial institutions supporting environmentally beneficial goods and services while maintaining fiscal responsibility.

Since 1992, EXIM Bank has fulfilled a congressional mandate to promote the use of its financing tools for U.S. exports that benefit the environment, including those related to the production of renewable sources of energy.

Global demand for renewable energy is growing, but the availability of long-term financing in the private sector for those projects is often severely limited. That's where EXIM Bank comes in to fill the gap to ensure that American renewable energy companies can stay competitive against their Chinese and European counterparts. These exports support good-paying 21st century jobs.

RENEWABLE ENERGY FINANCING

Since 2009, EXIM Bank significantly increased its support of American exports related to renewable energy production, authorizing an aggregated total of nearly $2 billion in financing for these exports.

The Bank's annual renewable energy authorizations in the past three years were $121 million in the first three quarters of FY 2015, $198 million in FY 2014 and $257 million in FY 2013.

FY 2015 AUTHORIZATIONS:

- $256 million to support $371 million of U.S. exports of environmentally beneficial goods and services. Nearly 48 percent of these authorizations supported renewable energy exports.
- $121 million for renewable energy exports in wind, solar and other industries.
- $92 million for exports for wind energy production, including a wind farm in Vietnam.
- $9.3 million for exports related to energy generation by other renewable technologies including hydroelectric, geothermal and biomass.

ENVIRONMENTAL STEWARDSHIP

In addition to a focus on financing environmentally efficient exports, EXIM Bank is the only ECA to directly provide transparency on greenhouse-gas emissions of the projects financed. reporting the level of CO_2 emissions associated with approved and requested projects in its annual report and on its website, respectively. Tracked projects are those associated with fossil-fuel exploration/production or those in which CO_2 production is expected to exceed more than 25,000 tons per year.

EXIM Bank is the only ECA

to directly provide transparency on greenhouse-gas emissions.

FY 2015 CO_2 EMISSIONS REPORTING

Prior to the lapse in its full authority, EXIM Bank:

- Approved loans, guarantees, working capital guarantees, and new and renewed export credit insurance policies to finance U.S. exports related to foreign energy development, production and transmission. These activities include electric-power generation and transmission, oil- and gas-field exploration, development and production, pipelines and refineries. The estimated export value of these authorizations was approximately $2.37 billion, supporting more than 14,700 U.S. jobs.
- Authorized $96 million for U.S. exports associated with the installation of a natural gas-fired combined-cycle power train at a power plant in Mexico. The Bank estimates that the aggregate amount of CO_2 emissions produced directly by this project will total approximately 2.18 million metric tons per year.
- Authorized $1.5 billion supporting the development of onshore and offshore oil- and gas-field developments in Mexico. The Bank estimates that the aggregate amount of CO_2 emissions produced directly by these projects will total approximately 3.22 million metric tons per year.

ElectraTherm Inc. Reno, Nevada

Company Products: Power+Generator™ converts waste heat into electricity

Export Challenge: insure foreign payments, increase capital

EXIM Solution: small business environmental insurance, working capital loan guarantee

Results: expanding exports and jobs

ElectraTherm Inc. is an innovative American small business that has discovered how to capture the abundant energy resource of waste heat and convert it into a clean source of electricity. With EXIM Bank's support, the company is also turning its technology into expanding international sales.

ElectraTherm's Power+Generator™ machines generate fuel-free, emission-free electricity from low-grade waste heat that is produced by a variety of industrial applications, such as stationary diesel-fueled engines, biomass boilers, wastewater treatment and geothermal energy production.

Using two EXIM Bank products designed for small business, ElectraTherm is increasing its exports. For the past two years, the company has been using the Bank's small business environmental insurance and an EXIM-guaranteed line of credit to insure payment from foreign customers and increase working capital to fulfill export sales orders.

Today, exports account for nearly all of ElectraTherm's growing revenues, which are enabling the company to add to its workforce of nearly 30 full- and part-time employees. With EXIM Bank, ElectraTherm is poised to take its heat-to-power technology to even greater levels.

"EXIM Bank is an invaluable partner for ElectraTherm. We use our EXIM Bank line of credit to fund working capital that we need to fulfill our foreign orders and the Bank's insurance to cover our foreign receivables. We could not obtain commercial financing without EXIM."

—Steve Olson
President and
Chief Financial Officer

FY 2015 Financial Report

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FY 2015 Authorizations

FISCAL YEAR 2015 AUTHORIZATIONS SUMMARY

($ MILLIONS)

	Number of Authorizations		Amount Authorized		Estimated Export Value		Program Budget Used	
Program	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
LOANS								
Long-Term Loans	4	14	$57.7	$1,927.6	$43.2	$1,912.7	$-	$-
Working Capital Loans	37	55	15.0	20.2	64.7	149.8	-	-
Total Loans	**41**	**69**	**72.7**	**1,947.8**	**107.9**	**2,062.5**	**-**	**-**
GUARANTEES								
Long-Term Guarantees	42	51	7,917.3	10,786.7	7,594.7	10,703.4	-	0.2
Medium-Term Guarantees	41	58	149.8	137.5	173.0	154.3	-	1.9
Working Capital Guarantees	261	431	1,001.0	2,389.8	5,909.2	9,351.0	-	-
Total Guarantees	**344**	**540**	**9,068.1**	**13,314.1**	**13,676.8**	**20,208.8**	-	**2.1**
EXPORT CREDIT INSURANCE								
Short-Term	2,216	3,078	3,196.5	5,107.3	3,196.5	5,107.3	-	4.6
Medium-Term	29	59	45.7	98.8	51.7	111.7	-	0.9
Total Insurance	**2,245**	**3,137**	**3,242.2**	**5,206.1**	**3,248.2**	**5,219.0**	-	**5.5**
Modifications								1.1
GRAND TOTAL	**2,630**	**3,746**	**$12,383.0**	**$20,467.9**	**$17,033.0**	**$27,490.2**	-	**$8.7**

FY 2015 SMALL BUSINESS AUTHORIZATIONS

($ MILLIONS)

	Number of Authorizations		Amount Authorized	
	2015	**2014**	**2015**	**2014**
Export Credit Insurance	2,061	2,878	$1,972.9	$2,912.0
Working Capital Loans and Guarantees	260	427	685.5	1,791.7
Guarantees and Direct Loans	21	42	372.2	346.5
GRAND TOTAL	**2,342**	**3,347**	**$3,030.6**	**$5,050.2**

FY 2015 AUTHORIZATIONS BY MARKET
(in dollars)

	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
Albania					$13,488,125.99
Algeria					55,661,175.10
Andorra					55,925.00
Angola					449,947,847.66
Anguilla					303,830.81
Antigua and Barbuda					18,459,731.78
Argentina					618,876,887.58
Armenia					14,701.00
Aruba			$538,650.00	$538,650.00	1,943,249.57
Australia			157,500.00	157,500.00	4,529,317,588.33
Austria					34,385,041.63
Azerbaijan		$211,941,296.00		211,941,296.00	588,618,913.13
Bahamas					8,603,318.81
Bahrain			45,000.00	45,000.00	213,475,520.54
Bangladesh		89,112,285.00		89,112,285.00	523,917,126.96
Barbados			180,000.00	180,000.00	5,135,552.12
Belarus					32,903.00
Belgium			855,000.00	855,000.00	12,738,225.76
Belize					2,912,946.12
Bermuda					964,738.49
Bolivia					3,595,082.19
Bosnia-Herzegovina					17,423,698.62
Botswana					430.00
Brazil		2,867,742.00	30,560,019.61	33,427,761.61	1,579,693,249.53
Brunei					78,645.30
Bulgaria	$4,457,714.00			4,457,714.00	161,461,908.31
Burkina Faso					405,508.25
Burma		10,533,000.00		10,533,000.00	10,533,000.00
Cameroon		110,046,034.00		110,046,034.00	120,491,374.50
Canada		253,996,076.00	6,010,000.00	260,006,076.00	1,521,046,939.05
Cape Verde					458,409.44
Cayman Islands					55,177,089.80
Chile			1,062,000.00	1,062,000.00	1,995,064,394.60
China		1,844,586,516.23	7,047,398.75	1,851,633,914.98	5,844,774,969.70
Colombia			3,701,500.00	3,701,500.00	3,019,701,341.03
Congo					108,304.26
Congo, Democratic Republic					1,399,113.51
Cook Islands					56,668.47
Costa Rica			7,628,502.88	7,628,502.88	99,898,747.92
Côte d'Ivoire					1,897,157.53
Croatia					678,412.66
Cuba					36,266,581.10
Cyprus					5,820,414.54
Czech Republic					23,117,642.64
Denmark			171,000.00	171,000.00	5,903,277.69

FY 2015 AUTHORIZATIONS BY MARKET
(in dollars)

	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
Dominica					809,024.72
Dominican Republic			10,635,879.99	10,635,879.99	376,541,347.42
Ecuador			270,000.00	270,000.00	46,565,077.87
Egypt			742,500.00	742,500.00	251,988,575.53
El Salvador			3,744,250.00	3,744,250.00	25,745,108.97
Equatorial Guinea					7,200,000.00
Estonia					2,578,574.91
Ethiopia					1,732,187,461.39
Fiji					423,470.69
Finland					2,181,923.62
France			7,650,000.00	7,650,000.00	76,366,031.76
French Guiana					28,000.00
French Polynesia					119,858.52
Gabon		10,762,005.00		10,762,005.00	17,815,640.15
Gambia					46,764.00
Georgia					92,728.91
Germany	10,000,000.00		630,000.00	10,630,000.00	1,012,190,928.19
Ghana			2,700,000.00	2,700,000.00	562,710,160.60
Gibraltar					84,220.81
Greece			913,500.00	913,500.00	6,011,933.13
Grenada					3,468,430.20
Guatemala		2,067,462.00	1,957,500.00	4,024,962.00	35,667,218.46
Guyana					681,929.14
Honduras			3,484,000.00	3,484,000.00	190,776,395.16
Hong Kong					2,907,472,739.44
Hungary					45,572,512.98
Iceland					1,438,126.75
India			495,000.00	495,000.00	5,562,786,593.74
Indonesia			900,000.00	900,000.00	2,176,017,152.65
Iraq					989,788.41
Ireland					3,610,935,237.17
Israel		48,591,712.06	1,213,438.50	49,805,150.56	604,344,973.78
Italy			1,840,500.00	1,840,500.00	19,273,996.75
Jamaica		1,371,283.00	2,700,000.00	4,071,283.00	19,556,193.58
Japan			546,400.00	546,400.00	92,499,309.46
Jordan			312,312.50	312,312.50	4,632,180.36
Kazakhstan					590,867,943.37
Kenya			315,000.00	315,000.00	908,100,398.86
Korea, South		984,788,320.00	11,586,520.20	996,374,840.20	4,124,239,499.68
Kuwait					469,149,274.99
Kyrgyzstan					436,093.83
Latvia			4,551.58	$4,551.58	134,450.68
Lebanon			234,000.00	234,000.00	5,848,459.91
Liberia					4,306,944.86
Lithuania					523,742.09

FY 2015 AUTHORIZATIONS BY MARKET
(in dollars)

	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
Luxembourg		170,787,573.00		170,787,573.00	1,559,455,705.85
Macau					52,569.30
Macedonia					11,442.98
Madagascar					79,896.52
Malawi					250.00
Malaysia			360,000.00	360,000.00	10,450,567.48
Maldives					450,999.79
Mali					5,287,072.79
Malta					218,677.64
Mauritania					104,296.05
Mauritius					1,807,748.03
Mexico		1,748,078,157.56	195,351,010.73	1,943,429,168.29	9,411,907,929.58
Monaco					56,351.66
Mongolia	$43,109,433.00			43,109,433.00	429,875,119.54
Montenegro					14,292,021.42
Montserrat					34,620.26
Morocco		228,505,502.00	225,000.00	228,730,502.00	630,435,566.85
Mozambique					439,551.96
Nepal					70,580.90
Netherlands			1,440,000.00	1,440,000.00	710,207,124.14
New Caledonia					$180,342.00
New Zealand			980,000.00	980,000.00	388,493,512.30
Nicaragua					23,462,817.54
Nigeria		26,505,234.00	2,160,000.00	28,665,234.00	159,852,522.86
Norway		296,184,921.57		296,184,921.57	1,199,738,145.90
Oman					20,475,567.70
Pakistan			225,000.00	225,000.00	514,292,912.31
Panama		22,427,378.00	9,045,699.94	31,473,077.94	607,278,531.93
Papua New Guinea					2,595,794,665.11
Paraguay			450,000.00	450,000.00	12,220,146.63
Peru	56,057.00		5,456,576.47	5,512,633.47	393,661,351.62
Philippines			45,000.00	45,000.00	514,656,196.55
Poland					390,414,971.55
Portugal					2,421,680.08
Qatar					603,472,941.48
Romania					17,809,116.62
Russia					1,293,907,460.50
Rwanda					243,800.00
Samoa					24,804.64
San Marino					97,980.79
Saudi Arabia			10,867,500.00	10,867,500.00	6,214,288,102.32
Senegal					8,798,095.45
Serbia					126,898,321.03
Sierra Leone					41,445.95
Singapore			36,000.00	36,000.00	1,335,864,921.44

FY 2015 AUTHORIZATIONS BY MARKET (in dollars)

	LOANS	GUARANTEES	INSURANCE	TOTAL AUTHORIZATIONS	EXPOSURE
Slovak Republic					33,980,923.44
Slovenia					7,673,030.46
Solomon Islands					54,872.12
South Africa		79,932,249.01	990,000.00	80,922,249.01	1,625,904,746.35
Spain		112,860,651.00		112,860,651.00	346,377,524.91
Sri Lanka					75,948,515.71
St. Kitts and Nevis					597,470.07
St. Lucia					612,965.78
St. Vincent and the Grenadines					675,884.68
Sudan					28,246,331.26
Suriname					1,436,657.18
Swaziland					1,870.00
Sweden					6,211,783.04
Switzerland			450,000.00	450,000.00	50,457,873.84
Taiwan					101,585,841.89
Tajikistan					49,000,000.00
Tanzania					8,390,507.26
Thailand					551,786,292.38
Togo					16,612,844.00
Trinidad and Tobago			2,250,000.00	2,250,000.00	92,479,914.08
Tunisia					415,695.79
Turkey		696,438,994.02	8,608,440.00	705,047,434.02	3,861,424,867.38
Turks and Caicos					1,058,694.92
Uganda					1,942,395.84
Ukraine					160,339,538.65
United Arab Emirates		257,296,894.82	1,461,902.00	258,758,796.82	4,668,202,077.74
United Kingdom			451,984.44	451,984.44	3,190,303,420.30
United States	15,001,000.00	$1,000,946,125.30		1,015,947,125.30	4,765,340,735.61
Uruguay					142,552,712.62
Uzbekistan					9,415,266.84
Venezuela					15,157,795.24
Vietnam		664,140,298.23		664,140,298.23	703,220,046.89
Virgin Islands (British)					3,365,845.93
West Indies (British)					269,639.79
West Indies (French)					282,795.51
Zambia		73,043,863.00		73,043,863.00	75,546,077.60
Zimbabwe					69,603.28
Private Export Funding Corp.		120,320,414.66		120,320,414.66	916,345,555.53
Multi-Buyer Insurance - Short Term			2,880,539,232.12	2,890,539,232.12	4,412,434,955.98
Grand Total	**$72,624,204.00**	**$9,068,131,987.46**	**$3,242,225,269.71**	**$12,382,981,461.17**	**$102,210,664,144.44**

FY 2015 LONG-TERM GUARANTEES AND LOANS AUTHORIZATIONS (in dollars)

Country/ Authorization Date	Obligor / Principal Supplier / Primary Guarantor*	Credit Number	Additionality Code	Product or Service	Loans	Guarantees
AZERBAIJAN						
6/18/15	Azerbaijan Airlines The Boeing Co.	088942	1	Commercial Aircraft		$211,941,296
Azerbaijan Total						**$211,941,296**
BANGLADESH						
6/25/15	Biman Bangladesh Airlines Ltd. The Boeing Co.	089020	1	Commercial Aircraft		$89,112,285
Bangladesh Total						**$89,112,285**
BULGARIA						
5/14/2015	Bulgaria Sat AD Space Systems Loral LLC Bulsatcom AD	086418	2	Satellite (Credit Amendment)	$4,457,714	
Bulgaria Total					**$4,457,714**	
CAMEROON						
10/9/14	Ministry of Economy, Planning and Regional Development of the Republic of Cameroon Acrow Corp. of America (Acrow Bridge) Société Générale S.A.	088240	1	Steel Bridge Components and Engineerng Services		$50,075,983
11/13/14	Ministry of Economy, Planning and Regional Development of the Republic of Cameroon Enviromental Chemical Corp.	088021	1	Engineering, Procurement and Contracting Services		59,970,051
Cameroon Total						**$110,046,034**
CANADA						
10/16/14	Air Canada The Boeing Co.	088513	3	Commercial Aircraft		$9,181,928
10/30/14	Air Canada The Boeing Co.	088514	3	Commercial Aircraft		186,919,250
4/16/15	VIH Aviation Group Sikorsky Aircraft Corp.	088940	2	Helicopters		57,894,898
Canada Total						**$253,996,076**
CHINA						
11/6/14	ICBC/Washington Aircraft 2 Co. The Boeing Co.	088819	2	Commercial Aircraft		$216,798,400
11/13/14	China Eastern Airlines Corporation Ltd. The Boeing Co.	088834	3	Commercial Aircraft		870,471,787
12/18/14	ORG International Holdings Ltd. Stolle Machinery Co. LLC ORG Packaging Co. Ltd.	087510	2	Can Dies/Decorator/ Printer/Base Coater		97,101,354
4/20/15	China Eastern Airlines Corporation Ltd. The Boeing Co.	088834	3	Commercial Aircraft		3,000,874
5/21/15	Export-Import Bank of China Tuftco Corp. Ministry of Finance of China	088839	2	Industrial Machinery		23,205,000
5/21/15	Hainan Airlines Co. Ltd. The Boeing Co.	088968	3	Commercial Aircraft		131,518,944
6/11/15	China Southern Airlines The Boeing Co.	088976	1	Commercial Aircraft		430,136,957
China Total						**$1,772,233,316**

FY 2015 LONG-TERM GUARANTEES AND LOANS AUTHORIZATIONS
(in dollars)

Country/ Authorization Date	Obligor / Principal Supplier / Primary Guarantor*	Credit Number	Additionality Code	Product or Service	Loans	Guarantees
GABON						
3/26/15	Societe d'Exploitation du Transgabonais Railserve Inc. Compagnie Miniere de L'Ogooue S.A.	088904	3	Dual Leaf Locomotives		$10,762,005
Gabon Total						**$10,762,005**
GERMANY						
1/7/15	Globalfoundries Inc. (Cayman) Applied Materials Inc. Globalfoundries Singapore Pte. Ltd.	086105	1	Semiconductor Manufacturing (Credit Amendment)	$10,000,000	
Germany Total					**$10,000,000**	
ISRAEL						
2/26/15	El Al Israel Airlines The Boeing Co.	088933	2	Commercial Aircraft		$47,904,520
Israel Total						**$47,904,520**
KOREA, SOUTH						
4/16/15	Korean Air Lines The Boeing Co.	088936	2	Commercial Aircraft		$984,788,320
Korea, South Total						**$984,788,320**
LUXEMBOURG						
6/25/15	Cargolux Airlines International S.A. The Boeing Co.	088734	2	Commercial Aircraft		$170,787,573
Luxembourg Total						**$170,787,573**
MEXICO						
12/18/14	Aerovías de Mexico S.A. de C.V. The Boeing Co.	087967	3	Commercial Aircraft		$195,825,217
6/25/15	Petróleos Mexicanos (Pemex) Diamond Offshore Drilling Services Inc. Pemex Exploración y Producción	088970	3	Rig and Platform Rental and Services		1,300,000,000
6/25/15	Petróleos Mexicanos (Pemex) Various U.S. Small Businesses Pemex Exploración y Producción	088969	3	Oil-field and Gas-field Machinery and Equipment		200,000,000
Mexico Total						**$1,695,825,217**

*Not all guarantors are reported.
**The following were identified as the primary purpose for seeking Bank support:

1. To assume commercial or political risk that exporter or private financial institutions are unwilling or unable to undertake.
2. To overcome maturity or other limitations in private sector export financing.
3. To meet competition from a foreign, officially sponsored, export credit agency.
4. Not identified: insufficient information.

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

FY 2015 LONG-TERM GUARANTEES AND LOANS AUTHORIZATIONS
(in dollars)

Country/ Authorization Date	Obligor / Principal Supplier / Primary Guarantor*	Credit Number	Additionality Code	Product or Service	Loans	Guarantees
MONGOLIA						
6/29/15	Oyu Tolgoi LLC Komatsu America Corp.	086115	1	Mining Trucks (Credit Amendment)	$43,109,433	
Mongolia Total					**$43,109,433**	
MOROCCO						
12/11/14	Royal Air Maroc The Boeing Co.	088896	3	Commercial Aircraft		$228,505,502
Morocco Total						**$228,505,502**
NIGERIA						
12/18/14	Azikel Air Ltd. Gulfstream Aerospace Corp.	088906	2	Commercial Aircraft		$25,857,234
Nigeria Total						**$25,857,234**
NORWAY						
3/12/15	Norwegian Air Shuttle ASA The Boeing Co.	088925	3	Commercial Aircraft		$296,184,922
Norway Total						**$296,184,922**
PANAMA						
4/2/15	North Pole Investments AgustaWestland Inc. North Pole Investments	088959	2	Helicopters		$22,427,378
Panama Total						**$22,427,378**
PERU						
2/2/15	Parque Eolico Tres Hermanas S.A.C. Siemens Energy Inc.	087793	3	Wind Turbines (Credit Amendment)	$56,057	
Peru Total					**$56,057**	
SOUTH AFRICA						
6/25/15	Comair Limited The Boeing Co.	085158	3	Commercial Aircraft		$79,932,249
South Africa Total						**$79,932,249**
SPAIN						
6/29/15	Abener Energia S.A. Dow Chemical Co. Abengoa S.A.	088924	3	Heat-Transfer Fluid		$17,357,726
6/29/15	Abener Energia S.A. General Electric Power & Water Abengoa S.A.	088991	3	Gas Turbines		95,502,925
Spain Total						**$112,860,651**

FY 2015 LONG-TERM GUARANTEES AND LOANS AUTHORIZATIONS (in dollars)

Country/ Authorization Date	Obligor / Principal Supplier / Primary Guarantor*	Credit Number	Additionality Code	Product or Service	Loans	Guarantees
TURKEY						
2/19/15	Turk Hava Yollari A.O. Various U.S. Small Businesses	088675	3	Commercial Aircraft		$206,284,664
3/26/15	Turk Hava Yollari A.O. The Boeing Co.	088941	3	Commercial Aircraft		144,337,225
6/18/15	Gunes Ekspres Havacilik Anonim Sirketi The Boeing Co.	088967	2	Commercial Aircraft		339,161,331
Turkey Total						**$689,783,220**
UNITED ARAB EMIRATES						
6/25/15	Emirates Airline The Boeing Co.	088934	3	Commercial Aircraft		$257,296,895
United Arab Emirates Total						**$257,296,895**
VIETNAM						
11/6/14	Vietnam Development Bank General Electric Energy Management Ministry of Finance	088627	1	Wind Turbines and Turbine Generator Set Units		$84,914,684
3/26/15	Vietnam Airlines Corp. The Boeing Co. Ministry of Finance	088920	1	Commercial Aircraft		579,225,614
Vietnam Total						**$664,140,298**
ZAMBIA						
5/28/15	Ministry of Finance of Zambia Acrow Corp. of America (Acrow Bridge)	088268	3	Steel Bridge Components and Engineerng Services		$72,632,138
Zambia Total						**$72,632,138**
MISCELLANEOUS						
6/11/15	Private Export Funding Corp.	003048	4	Interest on PEFCO'S Own Debt		$120,320,415
Miscellaneous Total						**$120,320,415**
Grand Total					**$57,623,204**	**$7,917,337,544**

*Not all guarantors are reported.

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

1. To assume commercial or political risk that exporter or private financial institutions are unwilling or unable to undertake.
2. To overcome maturity or other limitations in private sector export financing.
3. To meet competition from a foreign, officially sponsored, export credit agency.
4. Not identified: insufficient information.

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

Management's Discussion and Analysis
of Results of Operations and Financial Condition

EXECUTIVE SUMMARY

The Export-Import Bank of the United States ("EXIM", "EXIM Bank", or "the Bank") is an independent executive agency and a wholly-owned U.S. government corporation. EXIM Bank is the official export credit agency of the United States. Its mission is to support U.S. jobs by facilitating the export of U.S. goods and services. Due to a lapse in its authority, EXIM was open for new transactions only through June 30, 2015.

In the fiscal year ended September 30, 2015 (FY 2015), EXIM Bank authorized $12,383.0 million of loan guarantees, insurance and direct loans in support of an estimated $17,033.0 million of U.S. export sales and of an estimated 109,000 U.S. jobs.

Small business authorizations in FY 2015 totaled $3,030.6 million, representing 24.5 percent of total authorizations. In FY 2015, 2,342 transactions were authorized for the direct benefit of small business exporters, or 89.0 percent of total transactions.

EXIM Bank currently has exposure in 169 countries throughout the world. Total portfolio exposure decreased by 8.7 percent to $102,210.7 million at September 30, 2015, compared to $112,007.8 million at September 30, 2014.

The September 30, 2015 default rate, as reported to Congress, was 0.235 percent. The low default rate is due to the Bank's implementation and culture of comprehensive risk management. EXIM Bank's risk management framework is built on a foundation of effective underwriting in order to satisfy the Bank's congressional mandate that every authorization comes with "a reasonable assurance of repayment." Risk management continues after a transaction is approved with pro-active monitoring efforts to minimize defaults, and aggressively seeking recoveries when necessary.

EXIM Bank reports under the United States generally accepted accounting principles applicable to federal agencies (government GAAP). Under government GAAP standards, EXIM Bank's FY 2015 net excess costs over revenue was $(1,304.1) million or a net revenue of $1,304.1 million. The Statement of Net Cost is designed to present expenditures of funds for programs. Section VII of the MD&A provides additional information on the statement of Net Cost.

In FY 2015, the Bank earned profits after expenses of $431.6 million which was wired to the U.S. Treasury for deficit reduction. Since 1992, EXIM Bank has sent a net $6.9 billion to the U.S. Treasury.

I. GENERAL OVERVIEW

i. Authority, Mission, and Charter

The Export-Import Bank of the United States ("EXIM", "EXIM Bank", or "the Bank") is an independent executive agency and a wholly owned U.S. government corporation that was first organized as a District of Columbia banking corporation in 1934. EXIM Bank is the official export credit agency of the United States. EXIM Bank's operations subsequent to September 30, 1991, are subject to the provisions of the Federal Credit Reform Act (FCRA) of 1990, Public Law (P.L.) 101-508, which became effective October 1, 1991. In accordance with its Charter (12 U.S.C. 635 et seq.), continuation of EXIM Bank's functions in furtherance of its objectives and purposes is subject to periodic extensions granted by Congress. The Export-Import Bank Reauthorization Act of 2012 (P.L.112-122) extended the Bank's authority until September 30, 2014. This date was subsequently extended to June 30, 2015 by P.L. 113-164 of September 19, 2014. The Administration requested a five-year extension of the Bank's full authority under its Charter through FY 2019. However, as of September 30, 2015, such authority had not been extended. During a period of a lapse in full authority, the Bank cannot authorize new financing transactions. However, under the terms of its Charter, the Bank continued to manage and service existing loans, guarantees, and insurance policies and engaged in other permitted functions and activities.

EXIM Bank was reauthorized by Congress on December 4, 2015 for a period through September 30, 2019. In addition, the lapse in full authority did not terminate the Bank or its charter but changed temporarily the mission of the Bank from one based on financing U.S. exports in support of U.S. jobs, to one primarily focused on managing its portfolio to

maturity. The charter of the Bank remained in full force and effect during the lapse in full authority.

The mission of EXIM Bank, assuming full authority, 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 where such support is necessary to level the playing field due to financing provided by foreign governments to their exporters that are in competition for export sales with U.S. exporters. The Bank's Charter requires reasonable assurance of repayment for the transactions the Bank authorizes, and the Bank closely monitors credit and other risks in its portfolio. In pursuit of its mission of supporting U.S. exports, EXIM Bank offers four financial products: loan guarantees, working capital guarantees, direct loans and export credit insurance. All EXIM Bank obligations carry the full faith and credit of the U.S. government.

ii. Strategic Plan and Related Initiatives

The Strategic Plan guides EXIM Bank to more effectively accomplish the mission of the institution, maintain consistency with its Charter, and fulfill congressional mandates. The Strategic Plan, developed in 2009 and updated in 2012, continues to guide efforts at all levels of the organization and is used as a foundation for internal strategic and operational discussions.

The Strategic Plan currently consists of four goals:

Goal 1: Expand awareness of EXIM Bank services through focused business development and effective partnerships

Goal 2: Improve ease of doing business for customers

Goal 3: Create an environment that fosters high performance and innovation

Goal 4: Ensure effective enterprise risk management consistent with the Bank's charter requirements

Although EXIM Bank's FY 2015 authorizations represent only nine months of activity due to the lapse in full authority, EXIM Bank implemented policies and procedures to further fulfill its four strategic goals. These include enhancing small business outreach, reducing cycle time for Bank transactions, increasing training and staff development, and improving risk management efforts.

iii. Product Programs

EXIM Bank products facilitate support for U.S. exports through four major programs: loan guarantees, direct loans, export credit insurance, and working capital guarantees.

Loan Guarantee Program: EXIM Bank loan guarantees cover the repayment risks on the foreign buyer's debt obligations incurred to purchase U.S exports. EXIM Bank guarantees to a commercial 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. EXIM Bank's comprehensive guarantee covers commercial and political risks for up to 85 percent of the U.S. contract value.

Direct Loan Program: When needed or required, EXIM Bank offers fixed-rate loans directly to foreign buyers of U.S. goods and services. EXIM Bank extends to a company's foreign customer a fixed-rate loan covering up to 85 percent of the U.S. contract value. The Bank's direct loans generally carry fixed-interest rate terms under the Arrangement on Guidelines for Officially Supported Export Credits (the Arrangement) negotiated among members of the Organisation for Economic Co- operation and Development (OECD).

Loans and guarantees extended under the medium-term loan program typically have repayment terms of one to seven years, while loans and guarantees extended under the long-term loan program usually have repayment terms in excess of seven years. Short-term financing consists of all transactions with tenors of under one year.

Export Credit Insurance: EXIM Bank's Export Credit Insurance Program supports U.S. exporters selling goods overseas by protecting the businesses against the risk of foreign buyer or other foreign debtor default for political or commercial reasons. This risk protection permits exporters to extend credit to their international customers where otherwise not possible. Insurance policies may apply to shipments to one buyer or many buyers, insure comprehensive credit risks (including both commercial and political) or only political risks, offer either short-term or medium-term coverage, and exist primarily as U.S. dollar transactions, with no foreign currency risk.

Working Capital Guarantee Program (WCGP): Under the WCGP, EXIM 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.

Feedback and Recognition From Customers, Peers, and Other Key Stakeholders - EXIM Bank measures product and service performance in accomplishing mission through feedback and recognition from outside stakeholders. One of the most valuable sources of this feedback is the *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States* (or the "Competitiveness Report"). Currently, there are approximately 85 Export Credit Agencies (ECAs) in the world, all competing for international sales.

Globally, there are approximately

85 ECAs

working to support their exporters in the competition for international sales. EXIM Bank is vital to keep U.S. firms competitive.

The Bank's most recent Competitiveness Report included survey results from exporters, lenders, and other key stakeholders which indicated that the Bank's core business policies and practices were classified as competitive with other officially supported foreign competition, primarily other G7 ECA's. According to the data, EXIM Bank terms, including policy coverage, interest rates, exposure fee rates, and risk premia, consistently matched competitors.

iv. Key Budget and Accounting Requirements

While EXIM looks to further optimize the execution of mission and implementation of its charter, the Bank completely and fully complies by Federal Budget and Governmental Accounting requirements, two of which are discussed below.

Budgeting for New Authorizations Under the Federal Credit Reform Act (FCRA)

Under the FCRA, the U.S. Government budgets for the present value of the estimated cost of credit programs. For EXIM Bank, the cost is determined by analyzing the net present value of expected cash receipts and cash disbursements associated with all credits authorized during the year. Cash receipts typically include fees, loan principal, and loan interest, while cash disbursements typically include loan disbursements and the payment of claims. EXIM Bank collects fees that cover program obligations and administrative costs.

When expected cash disbursements exceed expected cash receipts, there is an expected net outflow of funds, resulting in a "cost" to the Bank. This cost is sometimes referred to as subsidy or program cost. EXIM Bank is required to estimate this cost annually and to seek budget authority from Congress to cover that cost. New loans and guarantees with a program cost cannot be committed unless sufficient program budget authority is available to cover the calculated credit cost. EXIM Bank has devoted extensive time and resources to reduce credit subsidy expenses. Total yearly credit subsidies have decreased from $29.6 million in FY 2009, to $18 thousand in FY 2015.

Prior to FY 2008, the amount of program revenue was not credited or retained by the Bank but instead was transferred to a general fund receipt account at the U.S. Treasury upon disbursement of the underlying credit. In FY 2008, Congress changed the form in which budget authority is provided to the Bank to cover (1) the estimated costs for that portion of new authorizations where fees are insufficient to cover expected losses (subsidy or program cost) and (2) administrative expenses.

At the start of the fiscal year, the U.S. Treasury provides EXIM Bank with an appropriation warrant for program costs as well as administrative expenses. The amount of the warrant is established by spending limits set by Congress. Fees collected during the year that are in excess of expected losses (offsetting collections) are retained by EXIM Bank and used to repay the warrant received at the start of the year. The result is a net appropriation of zero. Therefore, the Bank is self-sustaining for budgetary purposes.

This change occurred as a result of an in-depth analysis of the Bank's historical net default experience in relation to the fees collected on its credit programs. The analysis illustrates that fees collected were not only sufficient to cover credit losses, they were also sufficient to cover administrative costs.

Although EXIM Bank is self-financing, Congress continues its oversight of the Bank's budget, setting annual limits on its use of funds for program administrative expense obligations and other obligations.

Financial Accounting Policy

The accompanying FY 2015 and FY 2014 financial statements have been prepared in accordance with generally accepted accounting principles in the United States applicable to federal agencies. The format of the financial statements and footnotes are in accordance with form and content guidance provided in Circular A-136, *Financial*

Reporting Requirements, revised as of August 4, 2015, issued by the Office of Management and Budget (OMB). Circular A-136 details the financial data required to be disclosed, the assertions and reviews over financial information that must be performed and suggests the presentation of such information.

EXIM Bank follows OMB Circular A-11 *Preparation, Submission, and Execution of the Budget*, as the primary guidance for calculating the program cost associated with the Bank's transactions. In accordance with this guidance, the amount of program cost calculated on the Bank's transactions authorized after FCRA and the associated fees collected equates to the loss allowance on these transactions, and is disclosed as such on the financial statements and related notes.

II. ORGANIZATIONAL STRUCTURE

EXIM Bank's headquarters are located in Washington, D.C. with business development efforts supported through regional offices across the country.

EXIM Bank is divided into the following key functional areas:

Board of Directors: The Board of Directors consists of the President of the Bank, who also serves as the Chairman of the Board of Directors, the First Vice President of the Bank, who serves as Vice Chairman of the Board of Directors, and three additional Directors. All are appointed by the President of the United States with the advice and consent of the Senate. The Board authorizes the Bank's financing either directly or through delegated authority, and has an Audit Committee.

Office of the Chairman: The President of the Bank serves as the Chief Executive Officer of the Bank and Chairman of the Board of Directors. The President represents the Board in its relations with other officers of the Bank, with agencies and departments of the government, and with others having business with the Bank. The President has charge over the management of the Bank. The following officers report directly to the President of the Bank:

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

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

Chief of Staff: The Senior Vice President and Chief of Staff is the principal political, communications and policy advisor to the Chairman and President of the Bank.

Senior Vice President for Small Business: The Charter provides that the head of the office of small business report directly to the President of the Bank.

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

Office of the Chief Financial Officer: The Office of the Chief Financial Officer is responsible for all financial operations of the Bank, including budget formulation and execution, treasury, internal audit, credit accounting and servicing, financial reporting, asset monitoring and management, claims and recoveries, and portfolio review.

Office of the General Counsel: The Office of the General Counsel provides legal counsel to the Bank's Board of Directors, management and staff, and leads the negotiation and legal documentation of Bank transactions. The Office of the General Counsel also ensures compliance with all laws and regulations applicable to the Bank, such as through the administration of ethics training to all Bank employees.

Office of Credit and Risk Management: The Office of Credit and Risk Management (CRM) is responsible for opining upon certain aspects of Bank transactions such as technical feasibility and environmental impact, while also reviewing creditworthiness determinations of the professional underwriting staff. CRM also manages EXIM Bank's risk appetite through credit risk assessment models, developing cover policy recommendations for the Board of Directors and ensuring compliance with the Bank's individual delegated authority.

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

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

Office of the Chief Banking Officer and Export Finance: The Office of the Chief Banking Officer leads the Office of

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

- Trade Finance and Insurance
- Operations and Data Quality
- Transportation
- Structured and Project Finance
- Customer Experience
- Business and Product Development
- Business Credit
- Global Business Development

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

Office of the Chief of Staff: This group provides overall direction and management of the Bank's policies, congressional and intergovernmental affairs, external affairs, reauthorization efforts, Board Member confirmations, and initiation and implementation of long term strategic goals. The following departments and officers are supervised by this office:

Office of Policy and Planning: The Office of Policy and Planning is responsible for Bank policy development and analysis. In addition, the division serves as the Bank's liaison with the OECD, the Berne Union, the International Working Group on Export Credits, and, more generally, the international export credit community.

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

Office of Communications: The Office of Communications is responsible for informational awareness programs, public affairs, and external affairs.

Office of Inspector General: The Office of Inspector General is an independent office within the Bank created by law to conduct and supervise audits, inspections, and investigations relating to the Bank's programs and supporting operations; to detect and prevent waste, fraud and abuse; and to promote economy, efficiency and effectiveness in the administration and management of the Bank's programs.

III. FY 2015 RESULTS

i. Total Authorizations

EXIM Bank's mandate is to provide competitive financing to expand United States exports by either offering financing at rates and terms which are fully competitive with those of other export credit agencies or filling financing gaps when private lenders are unable or unwilling to provide support for U.S. goods and services. In implementing this mandate in nine months of operations, EXIM Bank approved $12,383.0 million in total authorizations in FY 2015. The FY 2015 authorizations supported an estimated U.S. export value, which is the total dollar value of exports related to EXIM Bank's authorized financing, of $17,033.0 million and an estimated 109,000 U.S jobs. See Exhibit 1 for a breakdown of FY 2015 authorizations by term and program.

EXHIBIT 1: FY 2015 AUTHORIZATIONS BY TERM AND PROGRAM

	FY 2015	
(in millions)	Authorized	As percent of total
Long-Term		
Loans	$57.7	0.5%
Guarantees	7,917.3	63.9%
Subtotal, Long-Term	**7,975.0**	**64.4%**
Medium-Term		
Loans	-	-%
Guarantees	149.8	1.2%
Insurance	45.7	0.4%
Subtotal, Medium-Term	**195.5**	**1.6%**
Short-Term		
Working Capital	1,016.0	8.2%
Insurance	3,196.5	25.8%
Subtotal, Short-Term	**4,212.5**	**34.0%**
Total Authorizations	**$12,383.0**	**100.0%**

Long-term transactions: For authorization, long-term transactions require extensive credit assessments performed by subject matter expert underwriters. The

assessments are subsequently moved through multiple levels of internal review and consideration. Evaluations assess key transactional risks such as the borrower's industry, competitive position, operating performance, liquidity position, leverage, ability to service debt obligations, and others. Frequently, credit enhancements are included in the structure of a long term financing (most often in the form of collateral) in order to decrease the risk of a borrower default, but also increase the recovery if defaulted upon. A risk rating is assigned to the transaction based on this evaluation which, in turn, assists in establishing the level of loss reserves the Bank must set aside.

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

ii. Congressional Mandates

In accordance with the EXIM Charter and applicable law, the Bank operates under three congressional mandates. Fiscal year results are fundamental indicators of operational performance under such mandates which are referred to as:

1. The Small Business mandate – the Charter states that not less than 20 percent of the aggregate loan, guarantee, and insurance authority available to the Bank should be made available to finance exports directly by small business concerns (as defined under section 3 of the Small Business Act of 2013).
2. The Environmentally Beneficial Goods and Services mandate – the Charter states that not less than 10 percent of the aggregate loan, guarantee, and insurance authority available to the Bank under this Act should be used for renewable energy technologies or energy efficient technologies (as stated in appropriation language in 2008).
3. The Sub-Saharan Africa mandate – the Charter states the Board of Directors of the Bank shall take measures, consistent with the credit standards otherwise required by law, to promote the expansion of the Bank's financial commitments in sub-Saharan Africa under the loan, guarantee, and insurance programs of the Bank (as created the 1997 reauthorization of the EXIM).

Small Business Mandate

In FY 2015, EXIM Bank exceeded the 20 percent mandate, utilizing of 24.5 percent of aggregate loan, guarantee, and insurance authority to support small business. Small businesses are major creators of jobs in the United States of America. The Bank's mandate from Congress places significant emphasis on supporting small business exports. EXIM Bank's Office of Small Business provides a bank-wide focus on small business support with overall responsibility for expanding and overseeing small business outreach. This group is responsible for helping to provide small businesses with financial assistance to increase export sales and for acting as a liaison with the Small Business Administration and other departments and agencies in the U.S. government in matters affecting small businesses.

EXIM Bank's programs play an important role in providing export finance support to small businesses that have the ability to expand and create American jobs. In 1978, EXIM Bank introduced its first short term export credit insurance policy tailored for small business, In 1985, Congress enacted a 10 percent mandate on small business authorizations, which was increased in 2002 to 20 percent. EXIM Bank continues to innovate, design, and implement programs and policies to meet the needs of the U.S. small business exporter.

FY 2015 Small Business Authorizations

24.5%

of the total value of FY 2015 authorizations benefited small businesses, exceeding the 20 percent congressional mandate

EXIM Bank's objective is to grow small business authorizations in the context of a reasonable assurance of repayment and in response to market demand. Small business authorizations in FY 2015 were $3,030.6 million. In FY 2015, small business authorizations represented 24.5 percent of total authorizations and 40.6 percent of the direct export value we supported. This compares to 24.7 percent

of total authorizations and 39.0 percent of export value in FY 2014. During FY 2015, the number of transactions that were executed for the direct benefit of small business exporters was 2,342 transactions, or 89.0 percent of the total number of transactions, compared to 89.3 percent of the total number of transactions in FY 2014. For FY 2015, EXIM Bank estimates that $384.2 million in indirect small business content was supported through long term financing.

In FY 2015, EXIM Bank authorized $594.7 million, or 4.8 percent of total authorizations, to support exports by small and medium-sized business known to be minority-owned and women-owned, compared to 3.7 percent of total authorizations in FY 2014.

40.6%

of total direct export value supported was for small businesses

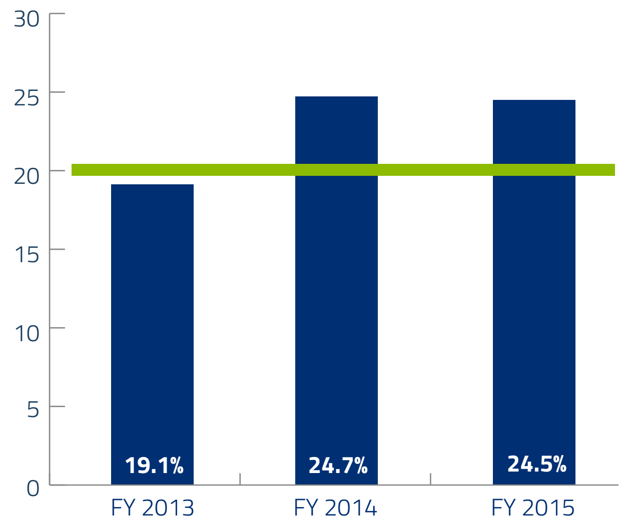
89.0%

of EXIM Bank transactions directly benefited U.S. small business exporters

EXIM Bank offers two products which primarily benefit small businesses: working capital guarantees (including supply-chain finance guarantees) and export credit insurance. In FY 2015 $670.5 million, or 67.0 percent, of total authorizations in the Working Capital Guarantee Program supported small businesses. Of the total authorizations under the export credit insurance program in FY 2015, 61.1 percent, or $1,951.7 million, supported small businesses compared to 57.7 percent in FY 2014.

Exhibit 2 shows the total dollar amount of authorizations for small business exports as a percentage of total authorizations for each year since FY 2013.

EXHIBIT 2: SMALL BUSINESS AUTHORIZATIONS AS PERCENT OF TOTAL DOLLARS AUTHORIZED



Environmentally Beneficial Goods and Services Mandate

EXIM Bank's financing helps mitigate risk for U.S. companies that offer environmentally beneficial goods and services and also offers competitive financing terms to international buyers for the purchase of these U.S. goods and services. EXIM Bank has an active portfolio that includes financing for U.S. exports of:

- Renewable energy equipment
- Wastewater treatment projects
- Air pollution technologies
- Waste management services
- Other various environmental goods and services

EXIM Bank support for U.S. environmental companies ultimately fuels U.S. job creation and the innovative research and development that allow the U.S. environmental industry to remain at the forefront worldwide.

FY 2015 Environmentally Beneficial Authorizations

In FY 2015, EXIM Bank authorizations of environmentally beneficial goods and services totaled $226.6 million. Approximately 1.8 percent of the Bank's FY 2015 authorizations supported environmentally beneficial goods, compared to 1.6 percent in FY 2014. EXIM Bank's total number of renewable energy authorizations, a subset of the Bank's environmentally beneficial authorizations, totaled 20 transactions in FY 2015. In FY 2015, EXIM Bank authorizations which support U.S. renewable energy exports and services totaled $121.5 million.

EXIM Bank's financing is demand driven. Since FY 2009, EXIM Bank has supported $3,438.8 million in environmentally beneficial goods and services.

Sub-Saharan Africa Mandate

EXIM Bank provides U.S. exporters with the financing tools they need to successfully compete for business in Africa. EXIM Bank's products and initiatives help U.S. exporters in all regions of Africa, including high-risk and emerging markets. Pursuant to its Charter, EXIM Bank has established an advisory committee to advise the Board of Directors on the development and implementation of policies and programs designed to support those programs.

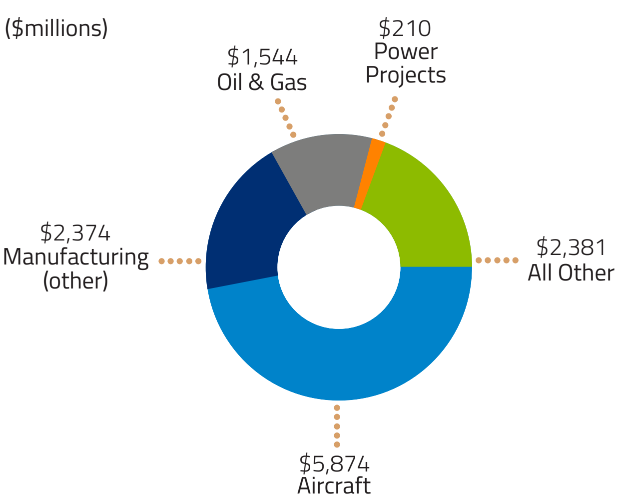
FY 2015 Sub-Saharan Africa Authorizations

Sub-Saharan Africa authorizations represented 142, or 5.4 percent, of EXIM's transactional total in FY 2015 as compared to 5.1 percent in FY 2014. The dollar amount of authorizations represented 3.2 percent of total authorizations, or $396.5 million in FY 2015 as compared to 10.0 percent of total authorizations in FY 2014.

iii. Critical Industries

As part of the Bank's mission to promote U.S. jobs, EXIM Bank has supported key industrial sectors. These sectors include manufacturing, aircraft and avionics, oil-and-gas development, and power generation, including renewable energy. Competitive financing is a necessary component for U.S. exporters to succeed in these sectors abroad, particularly when foreign competitors are backed by financing and other aid from their respective governments. By equipping U.S. businesses with financing tools, EXIM Bank is leveling the playing field for large and small exporters alike.

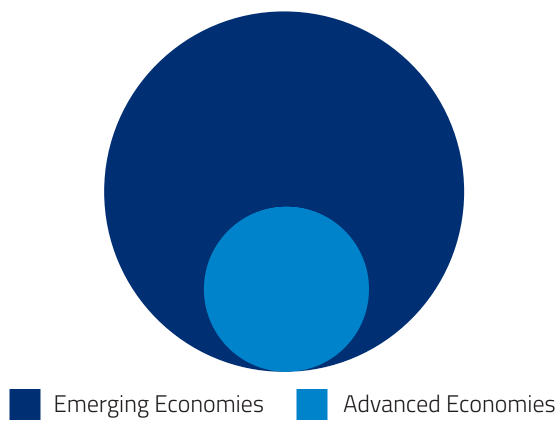
EXHIBIT 3: FY 2015 AUTHORIZATIONS BY CRITICAL INDUSTRY



iv. Emerging Markets

In FY 2015, $8.8 billion (or 71.3 percent) of EXIM Bank's authorizations supported U.S. exports to emerging markets, in comparison to $3.6 billion (or 28.7 percent) authorized for exports to advanced economies, compared to FY 2014, where emerging markets made up 65% of authorizations. The Bank utilizes the International Monetary Fund's country demarcation to differentiate between emerging and advanced economies.

EXHIBIT 4: FY 2015 AUTHORIZATIONS IN EMERGING VERSUS ADVANCED ECONOMIES



v. Jobs Supported and Methodology

In FY 2015, EXIM authorized $12,383.0 million in loans, guarantees, and insurance that supported 109,000 U.S. jobs and an estimated $17,033.0 million in U.S. export sales.

EXIM Bank supports U.S. jobs by facilitating the export of U.S. goods and services, by providing competitive export financing, and ensuring a level playing field for U.S. goods and services in the global marketplace. EXIM Bank's programs offer effective financing support, enabling exporters to win export sales where such support is necessary to match officially supported foreign competition and to fill financing gaps due to the lack of available commercial financing. Exports and the jobs they support are a critical component of the U.S. economy, with exports representing about 12.8 percent of the U.S. gross domestic product as of the first quarter of FY 2015.

EXIM Bank's jobs estimate methodology, reviewed by the Government Accountability Office in 2013, follows the jobs calculation methodology designated by the Trade Promotion Coordinating Committee (TPCC). The methodology uses employment data computed by the Bureau of Labor

Statistics (BLS) to calculate the number of jobs associated with EXIM Bank-supported exports of goods and services.

The Bank uses the latest available domestic employment requirements table (ERT) as computed by the BLS to calculate the number of jobs associated with EXIM Bank supported goods and services. The ERT quantifies the number of direct and indirect production-related jobs associated with a million dollars of final demand for 196 detailed industries.

The ERT is derived from a set of data showing the relationship between industries, known as input-output tables. These tables are based on historical relationships between industry inputs (e.g., labor) and outputs (e.g., goods for consumption). BLS then scales these relationships using estimates about labor productivity (output per person employed) into employment required for one million dollars of output in that industry (jobs ratios). The TPCC designated this basic input-output approach as the standard for U.S. government agencies.

This jobs-calculation methodology has advantages and disadvantages. For example, an advantage is that it is based on the input-output approach commonly used in economic analysis; it captures indirect jobs in the supply chain and can be performed using limited resources. However, important limitations and assumptions also accompany this jobs-calculation methodology. For example, the employment data are a count of jobs that treat full-time, part-time and seasonal jobs equally. In addition, the data assume average industry relationships, but EXIM's clients could be different from the typical firm in the same industry. Further, the underlying approach does not provide information on what would have happened absent EXIM financing, thus preventing EXIM Bank from distinguishing between jobs that were newly created and those that were maintained.

For jobs estimates based on FY 2015 EXIM Bank authorizations, the Bank supports 6,199 jobs per $1 billion of U.S. exports. This figure is a weighted average based on each industry's relative jobs per $1 billion average at time of calculation.

IV. GENERATING REVENUE FOR THE AMERICAN TAXPAYER

EXIM's continued accomplishment of mission has had a secondary, yet very positive, effect for American taxpayers, the generation of revenue. In October 2015, EXIM Bank wired $431.6 million to the U.S. Treasury to be used for deficit reduction—the latest in a long line of surplus revenues. Over the last two decades, EXIM Bank has generated $6.9 billion in revenues for U.S. taxpayers above what the Bank has received after providing for all expenses, loan loss reserves, and administrative costs.

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

$6.9 billion

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

EXIM Bank has been Self-Sustaining since FY 2008

EXIM Bank has been self-sustaining for budgetary purposes since FY 2008. As a result, the Bank does not rely on Congressional appropriation to sustain operations, which is critical in a tight budgetary environment. EXIM Bank's program revenue (i.e., in a given year, fee and interest collections from transactions that exceed the reserve requirements on those transactions) is retained as offsetting collections and used to offset the cost of new obligations in the fiscal year, including prudent reserves to cover future losses as well as all administrative costs. In FY 2015, EXIM Bank collected $548.7 million in offsetting collections, while subsidy and administrative obligations totaled $107.1 million. EXIM Bank's self-sustaining status also complies with the World Trade Organization (WTO) Agreement on Subsidies and Countervailing Measures, an agreement among 161 current member countries. This agreement contains a list of prohibited export subsidies, one of which is official export credit. The relevant guidance for guarantees and insurance is that such programs are prohibited subsidies if the activity is done at premium rates which are inadequate to cover long-term operating costs and losses. Despite EXIM's self-sustaining status, Congress still continues its oversight of the Bank's budget, setting annual limits on the use of funds for program budget and administrative expense obligations. EXIM Bank has also devoted extensive time and resources in exploring ways to reduce credit subsidy expenses. Total yearly credit subsidies have decreased from $29.6 million in FY 2009, to $18 thousand in FY 2015.

Exhibit 5 displays EXIM Bank's sent to taxpayers from offsetting collections, after accounting for administrative expenses and carry-over.

EXHIBIT 5: OFFSETTING COLLECTIONS

Offsetting Collections	$	(548.7)
Administrative Expenses	$	107.1
Carry Over	$	10.0
Generated For Taxpayers	$	431.6

For each dollar of expenses (administrative and program cost), the Bank generated $5.12, in offsetting collections in FY 2015.

V. RISK MANAGEMENT

While providing support to United States exporters is core to the mission of EXIM as an institution, an effective comprehensive risk management framework is a core underlying requisite for the Bank to properly utilize its authority.

Reasonable Assurance of Repayment

EXIM Bank's Charter requires a reasonable assurance of repayment for all credit authorizations in order to ensure that EXIM Bank balances support for U.S. export transactions with protection of taxpayer resources.

The Bank's Board of Directors, or a Bank officer acting pursuant to delegated authority from the Board of Directors, makes the final determination of reasonable assurance of repayment, taking into consideration staff recommendations as well as the environmental impact. Transactions require the approval of the Board of Directors directly or through delegated authority.

Protecting the U.S. Taxpayer

EXIM Bank continues its prudent oversight and due diligence standards to protect taxpayers through its comprehensive risk management framework. This framework starts with effective underwriting to ensure a reasonable assurance of repayment. The Bank's comprehensive risk management includes detailed documentation to ensure the Bank's rights are protected legally and that the transaction is not in violation of U.S. government policy or sanctions, and it continues after a transaction is approved with pro-active monitoring efforts to minimize defaults. The Bank believes that a comprehensive risk management framework with strong emphasis on continuous improvement minimizes claims and defaults. EXIM Bank engages in robust portfolio management, as well as oversight and governance, including the setting aside of adequate loan loss reserves.

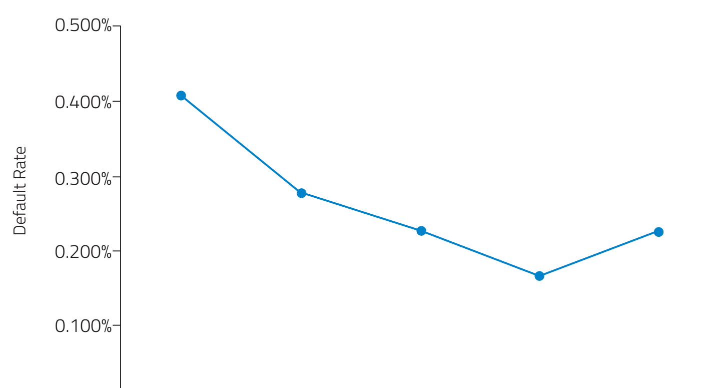
Pursuant to its Charter, EXIM Bank is mandated to report to Congress on a quarterly basis the current default rate on its active portfolio. The September 30, 2015 reported number was 0.235 percent. This rate reflects a "total amount of required payments that are overdue" (claims paid on guarantees and insurance transactions plus loans past due) divided by a "total amount of financing involved" (disbursements). The default rate is the result of the Bank's few defaults coupled with effective portfolio management action on those credits which default.

0.235%
Default Rate

Effectiveness and Efficiency

EXIM Bank uses various measures to assess the relative efficiency and effectiveness of the Bank's programs. EXIM's annual *Report to the U.S. Congress on Export Credit Competition and the Export-Import Bank of the United States* (the "Competitiveness Report") compares the Bank's competitive performance with that of other export credit agencies. When combining the Competitiveness Report with internal efficiency measurements, management can assess the effectiveness of EXIM's operations. Exhibit 6 below shows the trend of EXIM's default rate over the last 5 years.

EXHIBIT 6: DEFAULT RATE (5 YEAR TREND)

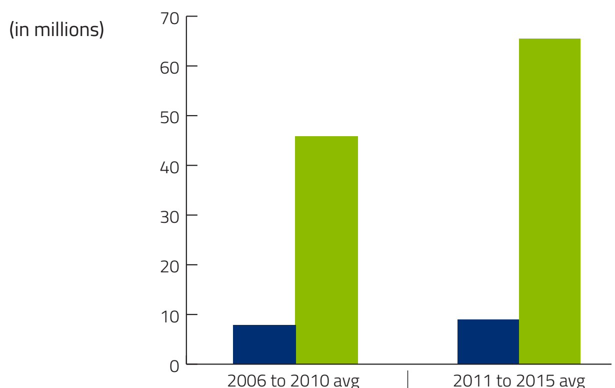


	2011	2012	2013	2014	2015
Default Rate	0.414%	0.287%	0.237%	0.175%	0.235%

The most recent Competitiveness Report (for the year 2014) found that "in terms of the cost of financing, EXIM remains generally competitive compared to other OECD ECAs for 2014." Thus, EXIM is able to effectively and efficiently provide competitively priced financing while still maintaining "self-sustaining" status.

In addition to the Competitiveness Report, EXIM Bank uses various leverage measures to assess efficiency and cost effectiveness. Exhibit 7 examines the trend of authorizations per employee using five-year averages. From fiscal year 2011 to 2015, the Bank averaged $65.5 million in authorizations per employee and 9.0 in authorized transactions per employee. In comparison, fiscal years 2006 through 2010 averaged $45.9 million dollars in authorizations per employee and 7.9 in transactions per employee.

EXHIBIT 7: TREND OF AUTHORIZATIONS PER EMPLOYEE



	2006 to 2010 avg	2011 to 2015 avg
Count Authorized per Employee	7.9	9.0
Dollar Authorized per Employee	$45.9	$65.5

VI. THE PORTFOLIO

An efficient and effective Risk Management framework allows EXIM Bank to recognize long term fluctuations in the external risk environment, and then pivot accordingly. Understanding "how" to pivot, however, requires an understanding of the distinct characteristics of EXIM's exposure around the world. As a result, EXIM management views the portfolio through a variety of different lenses, each lens offering its own narrative, nuance, and interpretation.

i. Perspective-based Analyses

Program, Region, Industry, Obligor Type, and Foreign Currency

For both financial statement and analytical purposes, EXIM Bank defines exposure as the authorized outstanding and undisbursed principal balance of loans, guarantees, and insurance, also including any unrecovered balances of payments made on claims submitted and approved by the Bank. The claims payments are made by EXIM while acting as guarantor or insurer under the export guarantee and insurance programs. Note, exposure does not include accrued interest or transactions pending final approval.

Working capital guarantees may be approved for a single loan or a revolving line of credit, with an availability generally of one year. Guaranteed lenders do not report activity to EXIM, the entire credit is assumed to be "disbursed" when the fee is paid and all proper documentation is received by EXIM. The credit is recorded as repaid in one installment 180 days after the expiry date of the credit unless the Controller's office is notified before that time that a claim has been paid. Under the assumption that the exporter is using the credit up to the end of the expiry period, six months provides sufficient time for the guaranteed lender to report defaults to EXIM Bank in the event that the exporter does not repay the credit. If a claim is paid, the remaining outstanding balance of the credit associated with the claim is reduced to zero. Exposure is then reflected as an unrecovered claim.

Since there is typically a delay in reporting shipments under the insurance program, undisbursed balances remain on the books for 120 days after the expiry date to allow for the posting of shipments that took place within the period covered by the policy but were reported after the expiry date. These unreported shipments pose some liability in the form of claims that have been incurred but not yet reported (IBNR). Leaving the policy open past the expiry date provides a reserve for IBNR.

Program Exposure

EXIM Bank currently has exposure in 169 countries throughout the world totaling $102,210.7 million at September 30, 2015, compared to 178 countries in FY 2014.

From a portfolio perspective, guarantees made up the largest portion (64.5 percent and 61.9 percent) of EXIM Bank's exposure at September 30, 2015, and September 30, 2014, respectively. Exhibit 8 summarizes total EXIM Bank exposure by program and shows each program as a percentage of the total exposure at the end of the respective fiscal year.

EXHIBIT 8: EXPOSURE BY PROGRAM

(in millions)	FY 2015		FY 2014	
	Exposure	Percent of Total	Exposure	Percent of Total
Guarantees	$65,880.2	64.5%	$69,363.2	61.9%
Loans	28,762.6	28.1%	32,654.7	29.2%
Insurance	6,345.6	6.2%	8,770.0	7.8%
Receivables from Subrogated Claims	1,222.3	1.2%	1,219.9	1.1%
Total Exposure	**$102,210.7**	**100.0%**	**$112,007.8**	**100.0%**

Regional Exposure

Exhibit 9 summarizes total EXIM Bank exposure by region. The "Other" region in Exhibit 9 includes undisbursed balances of short-term multi buyer insurance that is not allocated by region until the shipment has taken place. In FY 2015, management elected to reclassify exposure of regional country groupings of its loan, guarantee and insurance portfolio to better align EXIM's reporting with other entities with international exposure such as the World Bank, the United Nations and the U.S Treasury.

EXHIBIT 9: REGIONAL EXPOSURE

(in millions)	FY 2015		FY 2014	
	Exposure	Percent of Total	Exposure	Percent of Total
Asia	$26,130.3	25.7%	$26,836.5	24.0%
Latin America and the Caribbean	18,853.6	18.4%	20,105.7	18.0%
Europe	18,613.4	18.2%	20,130.8	18.0%
Middle-East and North Africa	13,743.4	13.4%	15,825.0	14.1%
Oceania	7,514.4	7.4%	8,258.5	7.4%
North America	7,202.7	7.0%	8,638.1	7.7%
Sub-Saharan Africa	5,740.4	5.6%	6,188.9	5.5%
Other	4,412.5	4.3%	6,024.3	5.4%
Total Exposure	**$102,210.7**	**100.0%**	**$112,007.9**	**100.0%**

Industry Exposure

Exhibit 10 shows exposure by the major industrial sectors in the Bank's portfolio.

EXHIBIT 10: EXPOSURE BY MAJOR INDUSTRIAL SECTOR

(in millions)	FY 2015		FY 2014	
	Exposure	Percent of Total	Exposure	Percent of Total
Air Transportation	$49,031.0	48.0%	$50,668.7	45.2%
Manufacturing (other)	16,323.9	16.0%	19,960.7	17.8%
Oil and Gas	15,965.7	15.6%	16,381.2	14.6%
Power Projects	5,800.7	5.7%	7,325.3	6.5%
All Other	15,089.4	14.8%	17,671.9	15.9%
Total Exposure	**$102,210.7**	**100.0%**	**$112,007.8**	**100.0%**

Obligor Exposure

Of the portfolio at September 30, 2015, 32.9 percent represents credits to public sector obligors or guarantors (7.8 percent to sovereign obligors or guarantors and 25.1 percent to public non-sovereign entities); 67.1 percent represents credits to private sector obligors. Starting in FY 2003 EXIM Bank's portfolio began to shift from primarily sovereign and other public sector borrowers to primarily private sector borrowers. However, this shift has slowed, leveling out in the most recent years. A breakdown of public sector versus private sector exposure is shown in Exhibit 11.

EXHIBIT 11: PUBLIC AND PRIVATE OBLIGORS

Year End	FY 2015	FY 2014
Private Obligors	67.1%	69.3%
Public Obligors	32.9%	30.7%

Foreign Currency Exposure

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

In FY 2015, EXIM Bank approved $1,470.0 million in transactions denominated in a foreign currency, representing 11.9 percent of all new authorizations. In FY 2014, EXIM Bank approved $1,333.6 million in transactions denominated in a foreign currency, representing 6.5 percent of all new

authorizations. Foreign currency transactions are booked in U.S. dollars based on the exchange rate at the time of authorization. The U.S. dollar exposure is adjusted at year end using the latest exchange rates.

At September 30, 2015, EXIM Bank had 91 transactions with outstanding balances denominated in a foreign currency. Using the foreign currency exchange rates at September 30, 2015, EXIM Bank adjusted the dollar amount of the outstanding balances for these transactions. The adjustment was a net decrease in exposure of $863.3 million for a total outstanding exposure balance of $6,341.1 million of foreign currency denominated guarantees, representing 6.2 percent of total Bank exposure. If including undisbursed foreign currency exposure, the percentage rises to 7.5%.

At September 30, 2014, EXIM Bank had 97 transactions with outstanding balances denominated in a foreign currency. Using the foreign currency exchange rates at September 30, 2014, EXIM Bank adjusted the dollar amount of the outstanding balances for these transactions. The adjustment was a net increase in exposure of $163.7 million for a total outstanding balance of $7,329.5 million of foreign currency denominated guarantees, representing 6.5 percent of total Bank exposure.

The level of foreign currency authorizations is attributable in large part to borrowers' desire to borrow funds in the same currency as they earn funds in order to mitigate the risk involved with exchange rate fluctuations. The majority of the foreign currency authorizations support U.S. exports of commercial jet aircraft. Exhibit 12 shows the U.S. dollar value of the Bank's outstanding foreign currency exposure by currency.

EXHIBIT 12: U.S. DOLLAR VALUE OF OUTSTANDING FOREIGN CURRENCY EXPOSURE

(in millions)	FY 2015		FY 2014	
Currency	**Outstanding Balance**	**Percent of Total**	**Outstanding Balance**	**Percent of Total**
Euro	$4,388.0	69.2%	$5,186.6	70.8%
Canadian Dollar	652.7	10.3%	658.6	9.0%
Japanese Yen	510.7	8.1%	537.2	7.3%
Australian Dollar	152.4	2.4%	202.2	2.8%
South African Rand	183.9	2.9%	214.5	2.9%
Mexican Peso	212.0	3.3%	185.8	2.5%
New Zealand Dollar	159.2	2.5%	225.5	3.1%
Korean Won	75.1	1.2%	105.2	1.4%
British Pound	7.1	0.1%	13.9	0.2%
Total	**$6,341.1**	**100.0%**	**$7,329.5**	**100.0%**

ii. Portfolio Loss Reserves & Major Impaired Credits

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

The total allowance for EXIM Bank credits is comprised of an allowance for loss on all credits and defaulted guarantees and insurance policies. A provision is charged to earnings as losses are estimated to have occurred. Write-offs are charged against the allowance when management determines that a loan or claim balance is uncollectable. Subsequent recoveries, if any, are credited to the allowance.

The allowance for EXIM Bank credits authorized after FCRA equates to the amount of credit loss associated with the applicable credit. EXIM Bank has established cash flow models for expected defaults, fees, and recoveries to estimate the credit loss for allowance purposes. The models incorporate EXIM Bank's actual historical loss and recovery experience. In addition, beginning in FY 2012, based upon industry best practices as well as recent changes to the portfolio, the Bank incorporated qualitative factors into the quantitative methodology to calculate the credit loss allowance.

Due to the fact that financial and economic factors affecting credit repayment prospects change over time, the net estimated credit loss of loans, guarantees, and insurance is re-estimated annually in accordance with OMB guidelines and Statement of Federal Financial Accounting Standards 18, "Amendments to Accounting Standards for Direct Loans and Loan Guarantees." This re-estimate indicates the appropriate level of funds necessary to cover projected future claims. Decreases in estimated credit losses result in excess funds returned to the U.S. Treasury while increases in estimated credit losses are covered by additional appropriations that become automatically available through permanent and indefinite authority, pursuant to the FCRA.

EXIM Bank incorporates a quantitative and qualitative framework to calculate loss reserves. This framework has continuously evolved and been refined over the years. In FY 2015, EXIM Bank updated qualitative adjustments in its loss model, of which a subset are built into the quantitative framework. Those built into the quantitative tframework include factors such as loss curves for sovereign guaranteed transactions and asset backed aircraft. Those not built into the quantitative framework look at minimum levels of expected losses, the global macroeconomic environment, and the recent growth in the Bank's portfolio.

The estimated credit loss of the outstanding balance of loans, guarantees and insurance is re-estimated annually in

accordance with OMB guidelines and SFFAS 18. This re-estimate indicates the appropriate balance necessary in the financing accounts to ensure sufficient funds to pay future estimated claims. EXIM Bank can experience downward re-estimates, sending funds to the U.S. Treasury, or upward re-estimates, receiving funds in the form of appropriation from the U.S. Treasury, which can vary by year. Since the Federal Credit Reform Act of 1990, EXIM Bank has sent over $10.5 billion in net downward re-estimates to the U.S. Treasury.

The re-estimate of the credit loss of the exposure for FY 1992 through FY 2015 commitments calculated at September 30, 2015, indicated that the net amount of $1,280.9 million of excess funds were not needed in the financing accounts. This will be transferred to the U.S. Treasury in FY 2016. The re-estimate of the credit loss of the exposure for FY 1992 through FY 2014 commitments calculated at September 30, 2014, indicated that of the balances in the financing accounts, the net amount of $479.8 million of additional funds were needed in the financing accounts. This amount was received in FY 2015.

EXHIBIT 13: OUTSTANDING EXPOSURE AND ALLOWANCE BY PROGRAM

(in millions)	FY 2015	FY 2014
Outstanding Loans	$22,763.6	$21,560.4
Allowance for Loan Losses	1,529.9	2,409.9
Percent Allowance of Outstanding Balance	**6.7%**	**11.1%**
Outstanding Defaulted Guarantees and Insurance	1,222.3	1,219.9
Allowance for Outstanding Defaulted Guarantees and Insurance	1,052.2	1,014.6
Percent Allowance of Outstanding Balance	**86.1%**	**83.2%**
Outstanding Guarantees & Insurance	61,495.3	63,159.8
Liability for Guarantees & Insurance	1,435.6	1,620.7
Percent Allowance of Outstanding Balance	**2.3%**	**2.6%**

The total allowance for losses at September 30, 2015, for loans, claims, guarantees and insurance commitments is $4,017.7 million, representing 4.7 percent of outstanding exposure of $85,481.2 million (Exhibit 13). This compares to the allowance for losses at September 30, 2014, for loans, claims receivable, guarantees and insurance commitments of $5,045.2 million representing 5.9 percent of outstanding exposure of $85,940.1 million.

The allowances for losses for EXIM Bank credits authorized after FCRA equates to the amount of estimated credit loss associated with the applicable loans, claims, guarantees, and insurance. According to SFFAS 2, Accounting for Direct Loans and Guarantees, direct loans disbursed and outstanding are recognized as assets at the present value of their estimated net cash flows. The difference between the outstanding principal of the loans and the present value of their net cash inflows is recognized as the allowance for credit losses. For guaranteed loans outstanding, the present value of estimate net cash flows of the loan guarantee is recognized as a guaranteed loan liability.

EXIM Bank's credit programs generally have fees and interest rates higher than the expected default and funding costs, resulting in the net present value of cash inflows to be greater than the outstanding principal of the credit. This has caused a slight decrease in the allowance for credit losses as a percent of total credits outstanding.

EXHIBIT 14: LOSS RESERVES AND EXPOSURE SUMMARY

(in millions)	FY 2015	FY 2014
Outstanding Guarantees and Insurance	$61,495.3	$63,159.8
Outstanding Loans	22,763.6	21,560.4
Outstanding Defaulted Guarantees and Insurance	1,222.3	1,219.9
Total Outstanding	**$85,481.2**	**$85,940.1**

Undisbursed Guarantees and Insurance	$10,730.5	$14,973.4
Undisbursed Loans	5,999.0	11,094.3
Total Undisbursed	$16,729.5	$26,067.7
Total Exposure	**$102,210.7**	**$112,007.8**
Weighted-Average Risk Rating of Total Exposure	3.93	3.75
Loss Reserves		
Liability for Guarantees and Insurance	$1,435.6	$1,620.7
Allowance for Loan Losses	1,529.9	2,409.9
Allowance for Defaulted Guarantees and Insurance	1,052.2	1,014.6
Total Reserves	**$4,017.7**	**$5,045.2**
Loss Reserve as Percentage of Outstanding Balance	**4.7%**	**5.9%**
Loss Reserve as Percentage of Total Exposure	3.9%	4.5%

Major Impaired Credits

Impaired Credits are defined as those transactions risk rated as Budget Cost Level ("BCL") 9 to 11 and on the verge of impairment due to political, commercial, operational and/or technical events or situations, and/or Acts of God that have affected the Borrower's ability to service repayment of EXIM Bank credits.

At September 30, 2015, EXIM Bank's aggregate amount of impaired credits exposure was $468.1 million compared to $294.3 million at September 30, 2014.

Paris Club Activities

The Paris Club is a group of 20 permanent member-creditor countries that meet regularly in Paris to discuss and provide debt relief to qualifying debtor countries. The U.S. Treasury and State Department are members of the organization and represent the interests of all U.S. agencies that hold international debt. In both FY 2014 and FY 2015, no countries received Paris Club treatment of debt in the form of principal forgiven.

After over a decade of intermittent discussions, The Paris Club reached an agreement with Argentina in FY 2014 on a plan to clear Argentina's outstanding debt. This agreement was negotiated with Paris Club creditors similar to a traditional Paris Club agreement. Argentina agreed to repay EXIM Bank the full outstanding principal, interest, and late interest of $562.2 million at renegotiated terms. This U.S.-Argentina bilateral agreement entered into force on April 13, 2015.

iii. Portfolio-Risk Rating System and Risk Profile

The Interagency Country Risk Assessment System (ICRAS)

In 1992, OMB established the Interagency Country Risk Assessment System (ICRAS) to provide a framework for uniformly measuring the costs of the U.S. government's international credit programs across the various agencies that administer them. To operate this framework, OMB chairs an interagency working group composed of the agencies with international loan programs, as well as the Departments of State and U.S. Treasury, the Federal Deposit Insurance Corp. and the Federal Reserve Board. In addition, OMB consults annually with the Congressional Budget Office.

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

Risk Ratings

ICRAS rates every country to which U.S. government agencies have outstanding loans or loan guarantees or are anticipating making new credits available. ICRAS rates countries on the basis of economic, political, and social variables. Two risk levels are determined for each country: a sovereign risk level, for lending to the sovereign government, and a non-sovereign risk level, for lending within the private market of that sovereign government. There are 11 sovereign and nine non sovereign risk categories. ICRAS currently has risk ratings for 202 sovereign and 204 non-sovereign markets.

Throughout the rating process analysts use private sector ratings as one of the benchmarks for determining the ICRAS rating in keeping with the principle of congruence to private ratings. When ICRAS ratings significantly deviate from Moody's, S&P's, Fitch IBCA's or OECD ratings, the reasoning is substantiated in an ICRAS paper and is the subject of interagency discussion. This presumption serves as a key reference point throughout the ICRAS process.

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

categories reflecting various degrees of potential or actual payment difficulties.

ICRAS Default Estimates

EXIM Bank has established cash flow models for expected defaults, fees and recoveries to estimate the credit loss for each approved credit. For new authorizations in FY 2015 and FY 2014, the models incorporated EXIM Bank's actual historical loss and recovery experience.

Exposure-Risk Profile

In accordance with the risk rating system detailed above, EXIM Bank classifies credits into 11 risk categories, with level 1 being the lowest risk. EXIM Bank generally does not authorize new credits that would be risk-rated worse than level 8. On this scale, level 3 is approximately equivalent to Standard and Poor's BBB, level 4 approximates BBB-, and level 5 approximates BB. In addition, certain credits and capitalized interest included in gross loans receivable are reserved at 100 percent.

The increase in the new authorization weighted-average risk rating is primarily related to the increase in demand for EXIM Bank supported financing among higher risk-rated obligors. The overall weighted-average risk rating for FY 2015 short-term rated, medium-term, and long-term export credit authorizations was 4.27 compared to a weighted-average risk rating of 4.09 in FY 2014. For FY 2015, 55.0 percent of EXIM Bank's short-term rated, medium-term, and long-term new authorizations were in the level 1 to 4 range (AAA to BBB-) while 45.0 percent were rated level 5 to 8 (BB+ to B-).

Changes in the Portfolio-Risk Level

At September 30, 2015, EXIM Bank had a portfolio exposure of $102,210.7 million of loans, guarantees, insurance and outstanding claims receivable. The risk rating for the outstanding portfolio increased slightly, with the weighted average in FY 2015 at 3.93 as compared to 3.75 in FY 2014. The outstanding portfolio includes new business transactions and the existing portfolio risk-rated at the end of each fiscal year.

VII. FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS

EXIM Bank reports under generally accepted accounting principles in the United States applicable to federal agencies (government GAAP) and in accordance with form and content guidance provided in OMB Circular A-136, Financial Reporting Requirements, revised as of August 4, 2015. Under government GAAP standards, the Bank reported total net excess program revenue over costs of $1,304.1 million for the year ended September 30, 2015 and total net excess program costs over revenue $526.1 million for the year ended September 30, 2014. The Statement of Net Cost does not provide an assessment of EXIM Bank's operational performance. As mentioned, this statement is set up to present expenditures of funds for programs, assuming federal agencies do not earn excess fees or profit. Refer to explanation of Statement of Net Cost in section "Statement of Net Cost" below.

$0 SUBSIDY

EXIM Bank received no subsidy appropriation from Congress in FY 2015.

Although the Bank may, on occasion, receive appropriations when it is determined that additional funds are needed through the credit loss re-estimate of the Bank's existing portfolio, the Bank no longer receives annual appropriations from Congress to cover administrative costs and program costs for new loan, guarantee and insurance authorizations. Instead, the Bank covers these costs from the fees collected on a cash basis (offsetting collections) from the Bank's credit program customers. Fees collected are first used to cover the costs of the Bank's loan, guarantee, and insurance programs by setting aside prudent reserves for credit losses. Fees collected in excess of those set aside for reserves (offsetting collections) are then used to cover administrative and program costs up to limits set by Congress. The disposition of fees collected in excess of amounts set aside for administrative and program costs are determined by the Bank's annual appropriation passed by the U.S. Congress.

In FY 2015, EXIM Bank collected $548.7 million in offsetting collections, of which $107.1 million was used to cover administrative expense obligations, $10.0 million was retained and is available for obligation until September 30, 2018, and $431.6 million was sent to the U.S. Treasury. Program costs of $18 thousand were obligated from available funds carried over from prior years. $30.0 million was sent to the U.S. Treasury in a rescission.

The receipt of appropriations through the re-estimate process and the transfer of excess offsetting collections to the U.S. Treasury are governed by separate processes and different statutory requirements. The credit loss re-estimate applies to the entire portfolio, and, if necessary, funds required for an upward re-estimate are provided by specific appropriations pursuant to the FCRA. New obligations made in the current fiscal year for administrative and program costs are covered by fee collections and the use and restriction of those collections is defined in the Bank's annual appropriations, frequently resulting in the transfer of offsetting collections to the U.S. Treasury.

i. Significant Financial Data

Exhibit 15 presents certain financial data from the Balance Sheets and the Statements of Net Costs. This financial data is highlighted due to a significant change (10 percent or more) and/or significant dollar difference between the applicable periods for FY 2015 and FY 2014. More detailed financial information can be found in the financial statements and notes.

EXHIBIT 15: SIGNIFICANT FINANCIAL DATA

(in millions)	FY 2015	FY 2014
Balance Sheets		
Fund Balance with the U.S. Treasury	$4,892.5	$4,058.6
Receivables from Subrogated Claims, Net	172.1	207.3
Loans Receivable, Net	21,370.9	19,284.4
Borrowings from the U.S. Treasury	22,725.4	21,633.6
Accounts Payable to the U.S. Treasury	1,778.5	1,115.3
Payment Certificates	29.0	21.4
Claims Payable	4.7	2.2
Guaranteed Loan Liability and Insurance	1,435.6	1,620.7
Other Liabilities	269.7	216.2
Cumulative Results of Operations	(994.5)	(2,244.9)
Statements of Net Costs		
Interest Expense	727.1	713.1
Provision for Credit Losses	(756.4)	983.7
Fee & Other Income	478.8	566.6

Balance Sheet

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

In FY 2015, EXIM Bank had a Net Position in the Balance Sheet of $221.7 million. The main variable impacting EXIM's Net Position is the Cumulative Results of Operations, which represent distribution of funds to the U.S. Treasury rather than the results of operational activities. The Federal Credit Reform Act of 1990 requires federal agencies to transfer excess funds to the U.S. Treasury.

Most of EXIM Bank's funds transfers to the U.S. Treasury are in the form of dividends declared and paid, liquidating account transfers, and net re-estimate. Prior to 1992, EXIM Bank declared and paid dividends to the U.S. Treasury that totaled $1.1 billion. Additionally, since Credit Reform Act of 1990, which took effect in 1992, EXIM has sent a net $6.9 billion to the U.S. Treasury, which includes $813 million from its liquidating accounts to the U.S. Treasury and has sent a net total of $11.0 billion in downward re- estimates to the U.S. Treasury.

EXIM has also transferred to the U.S. Treasury $3.1 billion in excess fees (negative subsidy). These dividends and transfers are accounted as a reduction of Cumulative Results of Operations, resulting in the negative Cumulative Results of Operations of $994.5 million.

Fund Balance with the U.S. Treasury: Fund Balance with the U.S. Treasury increased by $833.9 million from $4,058.6 million at September 30, 2014 to $4,892.5 million at September 30, 2015. The change is primarily attributed to approximately $1,647.2 million in loan principal repayments, interest, and guarantees fee collections, $1,091.8 million in net borrowings from the U.S. Treasury. This is offset by $2,386.1 million in direct loan disbursements.

Receivables from Subrogated Claims, Net: Receivables from Subrogated Claims decreased $35.2 million from $207.3 million at September 30, 2014 to $172.1 million at September 30, 2015. The decrease is related to claim recoveries exceeding claim payments.

Loans Receivable, Net: Loans Receivable increased $2,086.5 million from $19,284.4 million at September 30, 2014 to $21,370.9 million at September 30, 2015 primarily as a result of $2,386.1 million in direct loan disbursements, offset by $1,647.2 million of direct loan repayments and a reduction in the allowance for loan losses of $880.0 million.

Borrowings from the U.S. Treasury: Borrowings from the U.S. Treasury increased $1,091.8 million from $21,633.6 million at September 30, 2014 to $22,725.4 million at September 30, 2015. The increase is attributable to additional borrowings used to fund direct loans.

Accounts Payable to the U.S. Treasury: Accounts Payable to Treasury increased $663.2 million from $1,115.3 million at September 30, 2014 to $1,778.5 million as of September 30, 2015. The increase is mostly due to a larger downward re-estimate in fiscal year 2015 from fiscal year 2014.

Payment Certificates: Payment Certificates increased $7.6 million from $21.4 million as of September 30, 2014 to $29.0 million as of September 30, 2015. The increase is due to the issuance of new payment certificates.

Claims Payable: Claims Payable increased $2.5 million from $2.2 million at September 30, 2014 to $4.7 million at September 30, 2015. The balance increased mostly due to new claims received and not yet paid. This is due to claims being received at the end of the year rather than an identifiable trend.

Guaranteed Loan Liability: Guaranteed Loan Liability decreased $185.1 million from $1,620.7 million at September 30, 2014 to $1,435.6 million at September 30, 2015. The change is attributed to changes to the risk profile of the portfolio.

Other Liabilities: Other Liabilities increased $53.5 million from $216.2 million at September 30, 2014 to $269.7 million at September 30, 2015. The change is mostly related to an increase in funds being held for future application.

Cumulative Results of Operations: Cumulative Results of Operations increased $1,250.4 million from a cumulative loss of $2,244.9 million at September 30, 2014 to a cumulative loss of $994.5 million at September 30, 2015. This is mostly a result of the activity from the annual credit loss reserve re-estimate.

Statement of Net Cost

As mentioned, EXIM Bank's Statement of Net Costs follows generally accepted accounting principles in the United States applicable to federal agencies. This government GAAP statement is set up to present expenditures of funds for programs hence the name Net Costs, associated cash flows, and assumes federal agencies do not earn excess fees or profits. EXIM Bank's total net excess program revenue over cost for FY 2015 was $1,304.1 million.

The Statement of Net Cost does not provide an assessment of EXIM Bank's operational performance. Operationally, EXIM Bank collected $548.7 million in offsetting collections after setting funds aside for credit loss reserves. Of these amounts, $431.6 million was sent to the U.S. Treasury. The remaining funds were used to cover administrative and program expenses. The Statement of Net Cost is set up to present expenditures of funds for programs, assuming federal agencies do not earn excess fees or profit.

The excess fees and interest collected by EXIM flow through the Statement of Net Cost. However, they have no impact on the bottom line. All fees, including those in excess of the requirement for loan loss reserves, are fully offset at the Provision for Credit Losses in this statement. This happens whether or not EXIM is collecting excess fees (offsetting collections). Additionally, when these excess fees are sent to the U.S. Treasury, they do not have an impact on the Statement of Net Cost and only flow through the Balance Sheet, through the Cumulative Results of Operations line as discussed above.

Interest Expense: Interest Expense increased by $14.0 million from $713.1 million for the period ended September 30, 2014 to $727.1 million at September 30, 2015. The change relates to increase in FY 2015 borrowings from U.S. Treasury.

Provision for Credit Losses: Provision for Credit Losses decreased $1,740.1 million from a charge of $983.7 million as of September 30, 2014 to credit of $756.4 million at September 30, 2015. The decrease primarily reflects differing portfolio risks over the corresponding time periods.

Fees & Other Income: Fees and Other Income decreased $87.8 million from $566.6 million as of September 30, 2014 to $478.8 million at September 30, 2015. This decrease is due to the lapse in EXIM's authority in the final three months of the fiscal year.

ii. Significant Factors Influencing Financial Results

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

The major risks to the Bank in its credit portfolio are repayment risk and market risk. Other risks the Bank must assess and attempt to minimize are strategic, operational, and legal risk.

Repayment Risk: In fulfilling its mission to support U.S. jobs by facilitating the export of U.S. goods and services, by providing competitive export financing, and ensuring a level playing field for U.S. goods and services in the global marketplace, EXIM Bank must balance the risks associated with assuming credit and country risks that the private sector is unable or unwilling to accept with the requirement of reasonable assurance of repayment for its credit authorizations. Repayment risk is the risk that a borrower will not pay according to the original agreement and the Bank may eventually have to write-off some or the entire obligation. Repayment risk is primarily composed of:

Credit Risk: The risk that an obligor may not have sufficient funds to service its debt or may not be willing to service its debt even if sufficient funds are available.

Country Risk: The risk that payment may not be made to the Bank, its guaranteed lender, or it's insured as a result of expropriation of the obligor's property, war, or inconvertibility of the borrower's currency into U.S. dollars.

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

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

Industry: The risk that events could negatively impact not only one company but many companies simultaneously in the same industry. The Bank's credit exposure is highly concentrated by industry: 79.6 percent of the Bank's credit portfolio is in three industries (air transportation, manufacturing, and oil and gas), with air transportation representing 48.0 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 / Risk Similar Region Concentration: The risk that events could negatively impact not only one country but many countries simultaneously in an entire region. Currently, 62.3 percent of the Bank's credit exposure is concentrated in three separate regions: Asia (25.7 percent), Europe (18.2 percent), and Latin America and the Caribbean (18.4 percent).

Obligor Concentration: The risk stemming from portfolio concentration with one or a few obligors such that a default by one or more of those borrowers will have a disproportionate impact. The Bank's five largest public and private sector obligors make up 19.0 percent of the portfolio.

Foreign Currency Risk: Risk stemming from an appreciation or depreciation in the value of a foreign currency in relation to the U.S. dollar in EXIM Bank transactions denominated in that foreign currency. At the time of authorization, EXIM Bank does not hedge its foreign currency exposure; however, when the Bank pays claims under foreign currency guarantees, the notes are converted from a foreign currency obligation to a U.S. dollar obligation. The obligor must then repay to EXIM Bank the balance in U.S. dollars. This converts the foreign currency loan to a dollar loan at that point, thereby eliminating any further foreign exchange risks. EXIM Bank provides support for guarantees and insurance denominated in certain foreign currencies. The foreign currencies approved for EXIM Bank transactions as of September 30, 2015 are: Australian dollar, Brazilian real, British pound, Canadian dollar, CFA franc, Chinese yuan, Colombian peso, Egyptian pound, euro, Hong Kong dollar, Indian rupee, Indonesian rupiah, Japanese yen, Korean won, Malaysian ringgit, Mexican peso, Moroccan dirham, New Zealand dollar, Norwegian krone, Pakistani rupee, Philippine peso, Polish zloty, Russian ruble, Singapore dollar, South African rand, Swedish krona, Swiss franc, Taiwanese dollar, Thai baht, UAE dirham. At the time of authorization, EXIM Bank records the authorization amount as the U.S. dollar equivalent of the foreign currency obligation based on the exchange rate at that time.

Interest Rate Risk: EXIM Bank makes fixed-rate loan commitments prior to borrowing to fund loans and takes the risk that it will have to borrow the funds at an interest rate greater than the rate charged on the credit. To mitigate the interest rate risk, EXIM charges at least 100 basis points over borrowing costs and generally fixes the interest rates at the time of disbursement.

Operational Risk: Operational risk is the risk of material losses resulting from human error, system deficiencies and control weaknesses. To mitigate the risk of loss stemming from operational dysfunctions EXIM Bank has established a strong internal control environment that is reviewed by an independent internal auditor and has included process documentation, proper supervisory monitoring and technology access/edit controls. In addition, the Bank provides staff with training to reduce operational risk across the organization. EXIM Bank also has an Office of Inspector General that conducts audits, inspections and investigations relating to the Bank's program and support operations.

VIII. OTHER MANAGEMENT INFORMATION

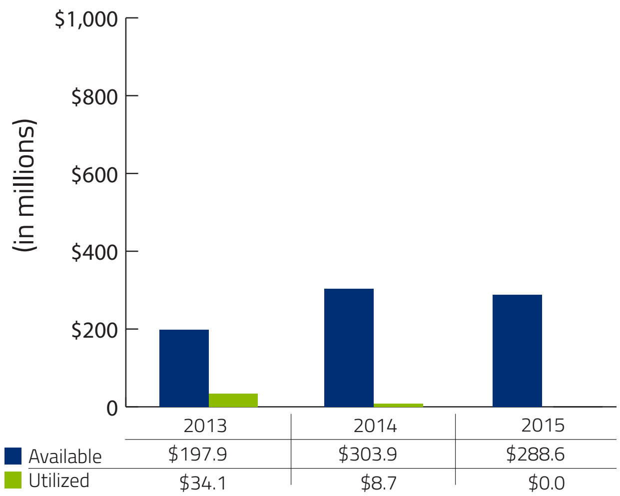
EXIM is subject to an "exposure cap" which acts as an absolute financial limitation on the outstanding aggregate amount of all the Bank's loans, guarantees, and insurance. Under provisions of the Export-Import Bank Act, as amended in FY 2012, the Bank's current exposure cap, also known as its statutory authority, is $140.0 billion. At September 30, 2015, EXIM Bank's statutory authority was obligated as follows:

EXHIBIT 16: STATUTORY LENDING AUTHORITY

(in millions)	Available	Obligated	Balance
Statutory Lending Authority	$140,000.0	$102,210.7	$37,789.3

The amount of program budget available and utilized from 2013 to 2015 is provided in Exhibit 17.

EXHIBIT 17: PROGRAM BUDGET AVAILABLE AND UTILIZED



IX. LIMITATIONS OF THE FINANCIAL STATEMENTS

The financial statements have been prepared to report the financial position and results of operations of EXIM Bank, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of EXIM Bank in accordance with government GAAP and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the understanding that they are prepared for a component of the U.S. government, a sovereign entity.

X. REQUIRED SUPPLEMENTARY INFORMATION

i. Disaggregated Statement of Budgetary Resources

Exhibit 18 displays the Disaggregated Statement of Budgetary Resources (SBR). The SBR provides information regarding how budgetary resources were made available, as well as their status at the end of the fiscal period.

ii. Improper Payments Elimination and Recovery Improvement Act (IPERIA)

IPERIA Requirements

The Improper Payments Elimination and Recovery Improvement Act of 2012 (P.L. No. 112-248) requires any "department, agency, or instrumentality in the executive branch of the United States" to review their payment programs to identify the program's susceptibility to "significant improper payments". Improper payments are payments distributed to the wrong entity, in the wrong amount, or for the wrong reason. Agency programs with "significant" improper payments are defined as those with annual improper payments exceeding either (1) 1.5 percent of total dollar value of program payments and $10 million, or, (2) $100 million.

If an agency payment program is found susceptible to significant improper payments, the institution is required to engage in a series of actions, including the requirement to obtain a statistically valid estimate of the annual amount of improper payments, in order to abide by the guidelines described in Appendix C to OMB Circular No. A-123, *Requirement for Effective Estimation and Remediation of Improper Payments*.

EXIM Findings

In accordance with the aforementioned act and its requirements, EXIM Bank reviewed all payment programs for susceptibility of significant improper payments. The payment programs are short term authorizations, medium term authorizations, long term authorizations, and cash control disbursements. The scope of this review analyzed the integrity of payment programs at all applicable points of the payment process, such as origination, disbursement, and review.

EXIM Bank assessed the risk of improper payments associated with these programs and their underlying activities to be low risk. This conclusion was based on a review of activities in all four programs, including: consideration of multiple program and activity- based statistical analyses, the quality of obedience under the nine risk factors listed in OMB Circular No. A-123 Appendix C, the investigation results of the payment processing and internal control environment, the quality of information systems utilized, and assessment of the review and monitoring process. Also, the determination of low risk susceptibility to improper payments occurred only after consideration of EXIM Bank's implementation of the Office of Inspector General's recommendations from their 2014 report. Another consideration included the Bank's ability to apply the standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control Framework.

The Office of the Chief Financial Officer performed audits within the loans, guarantees, insurance, and working capital programs to assess the possibility of ineligible transactions becoming authorized. This analysis further concluded that the risk of significant improper payments at the point origination was considered low.

Management Report on
Financial Statement and Internal Accounting Controls

EXIM Bank's management is responsible for the content and integrity of the financial data included in the Bank's annual report and for ascertaining that this data fairly presents the financial position, results of operations and cash flows of the Bank.

The Bank's operations fall under the provisions of the Federal Credit Reform Act of 1990. This law provides that subsidy calculations must be performed (on a present-value basis) for all new loan, guarantee and insurance commitments, and the resulting cost, if any, must be covered by budget authority provided by Congress. Credits may not be approved if sufficient budget authority is not available.

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America for federal agencies (government GAAP). As explained in more detail in the notes, the financial statements recognize the impact of credit-reform legislation on the Bank's commitments. Other financial information related to the Bank included elsewhere in the report is presented on a basis consistent with the financial statements.

The Bank maintains a system of internal accounting controls that is designed to provide reasonable assurance at reasonable cost that assets are safeguarded and that transactions are processed and properly recorded in accordance with management's authorization, and that the financial statements are accurately prepared. The Bank believes that its system of internal accounting controls appropriately balances the cost/benefit relationship.

EXIM Bank's Board of Directors pursues its responsibility for the Bank's fiancial statements through its Audit Committee. The Audit Committee meets regularly with management and the independent accountants. The independent accountants have direct access to the audit committee to discuss the scope and results of their audit work and their comments on the adequacy of internal accounting controls and the quality of financial reporting.

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

As required by the Federal Information Security Management Act (FISMA), the Bank develops documents and implements an agency-wide program to provide information privacy and security (management, operational and technical security controls) for the information and information systems that support the operations and assets of the agency, including those provided or managed by another agency, contractor, or other source.

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

Fred P. Hochberg
Chairman and President

David M. Sena
Chief Financial Officer

November 12, 2015

Financial Statements

FY 2015 Financial Statements:

Balance Sheets

(in millions)	As of September 30, 2015	As of September 30, 2014
ASSETS		
Intragovernmental		
Fund Balance with the U.S. Treasury (Note 2)	$4,892 .5	$4,058.6
Total Assets - Intragovernmental	**4,892.5**	**4,058.6**
Public		
Loans Receivable, Net (Note 3A)	21,370 .9	19,284.4
Receivables from Subrogated Claims, Net (Note 3E)	172.1	207.3
Other Assets (Note 7)	29.1	28.6
Total Assets - Public	**21,572 .1**	**19,520.3**
Total Assets	**$26,464 .6**	**$23,578.9**
LIABILITIES		
Intragovernmental		
Borrowings from the U.S. Treasury (Note 9)	22,725.4	$21,633.6
Accounts Payable to the U.S. Treasury	1,778.5	1,115.3
Total Liabilities - Intragovernmental	**24,503.9**	**22,748 .9**
Public		
Payment Certificates (Note 9)	29.0	21.4
Claims Payable	4.7	2.2
Guaranteed Loan Liability (Note 3G)	1,435.6	1,620.7
Other Liabilities (Note 10)	269 .7	216.2
Total Liabilities - Public	**1,739.0**	**1,860.5**
Total Liabilities	**$26,242.9**	**$24,609.4**
NET POSITION		
Capital Stock	$1,000 .0	$1,000 .0
Unexpended Appropriations	216.2	214.4
Cumulative Results of Operations	(994.5)	(2,244.9)
Total Net Position	**221.7**	**(1,030.5)**
Total Liabilities and Net Position	**$26,464.6**	**$23,578 .9**

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

Statements of Net Costs

(in millions)	Loans	Guarantees	Insurance	Total
FOR THE YEAR ENDED SEPTEMBER 30, 2015				
Costs				
Interest Expense	$727.1	$ -	$ -	$727.1
Claim Expenses	-	3.0	0.6	3.6
Provision for Credit Losses	(853.1)	200.9	(104.2)	(756.4)
Broker Commissions	-	-	5.2	5.2
Total Costs (Note 13)	**(126.0)**	**203.9**	**(98.4)**	**(20.5)**
Earned Revenue				
Interest Income	(842.2)	(67.6)	-	(909.8)
Fee and Other Income	(47.3)	(431.5)	-	(478.8)
Insurance Premium and Other Income	-	-	(26.9)	(26.9)
Total Earned Revenue (Note 13)	(889.5)	(499.1)	(26.9)	(1,415.5)
Net Excess Program (Revenue) Over Costs	**(1,015.5)**	**(295.2)**	**(125.3)**	**(1,436.0)**
Administrative Costs (Note 3K, 13)				131.9
Total Net Excess Program (Revenue) Over Costs (Note 13)				**($1,304.1)**

(in millions)	Loans	Guarantees	Insurance	Total
FOR THE YEAR ENDED SEPTEMBER 30, 2014				
Costs				
Interest Expense	$713.1	$-	$-	$713.1
Claim Expenses	-	3.1	3.2	6.3
Provision for Credit Losses	748.8	270.3	(35.4)	983.7
Broker Commissions	-	-	5.9	5.9
Total Costs (Note 13)	**1,461.9**	**273.4**	**(26.3)**	**1,709.0**
Earned Revenue				
Interest Income	(615.3)	(79.4)	-	(694.7)
Fee and Other Income	(72.8)	(493.8)	-	(566.6)
Insurance Premium and Other Income	-	-	(36.4)	(36.4)
Total Earned Revenue (Note 13)	(688.1)	(573.2)	(36.4)	(1,297.7)
Total Net Excess Program Costs Over (Revenue)	**773.8**	**(299.8)**	**(62.7)**	**411.3**
Administrative Costs (Note 3K, 13)				114.8
Total Net Excess Program Costs Over (Revenue) (Note 13)				**$526.1**

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

Statements of Changes in Net Position

FOR THE YEAR ENDED SEPTEMBER 30, 2015

(in millions)	Capital Stock	Unexpended Appropriations	Cumulative Results of Operations	Total
Beginning Net Position	$1,000 .0	$214.4	($2,244.9)	($1,030.5)
Budgetary Financing Sources (Uses)				
Appropriations Received - Inspector General	-	5.8	-	5.8
Appropriations Received - Re-estimate	-	1,331.4	-	1,331.4
Cancelled Authority	-	-	-	-
Transfer Out Without Reimbursement	-	-	(1,540.2)	(1,540.2)
Other Adjustments	-	0.8	(0.2)	0.6
Appropriations Used	-	(1,336.2)	1,336.2	-
Offsetting Collections	-	-	146.9	146.9
Other Financing Sources				
Imputed Financing	-	-	3.6	3.6
Total Financing Sources (Uses)	**-**	**1.8**	**(53.7)**	**(51.9)**
Adjusted Net Position	**1,000.0**	**216 .2**	**(2,298 .6)**	**(1,082.4)**
Less: Net Excess of Program (Revenue) Over Cost	**-**	**-**	**(1,304.1)**	**(1,304.1)**
Ending Net Position	**$1,000.0**	**$216.2**	**($994 .5)**	**$221.7**

FOR THE YEAR ENDED SEPTEMBER 30, 2014

(in millions)	Capital Stock	Unexpended Appropriations	Cumulative Results of Operations	Total
Beginning Net Position	$1,000.0	$213.2	($2,330.9)	($1,117.7)
Budgetary Financing Sources (Uses)				
Appropriations Received - Inspector General	-	5.1	-	5.1
Appropriations Received - Re-estimate	-	1,436.0	-	1,436.0
Canceled Authority	-	(0.9)	-	(0.9)
Transfer Out Without Reimbursement	-	-	(958.3)	(958.3)
Other Adjustments	-	0.7	(1.7)	(1.0)
Appropriations Used	-	(1,439.7)	1,439.7	-
Offsetting Collections	-	-	128.6	128.6
Other Financing Sources				
Imputed Financing	-	-	3.8	3.8
Total Financing Sources (Uses)	**-**	**1.2**	**612 .1**	**613.3**
Adjusted Net Position	**1,000.0**	**214.4**	**(1,718.8)**	**(504.4)**
Less: Net Excess of Program Cost Over (Revenue)	**-**	**-**	**526.1**	**526.1**
Ending Net Position	**$1,000.0**	**$214.4**	**($2,244.9)**	**($1,030.5)**

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

Combined Statements of Budgetary Resources

(in millions)	For the Year Ended September 30, 2015 Budgetary	Non-Budgetary Credit Reform Financing Account	Total	For the Year Ended September 30, 2014 Budgetary	Non-Budgetary Credit Reform Financing Account	Total
Budgetary Resources:						
Unobligated Balance Brought Forward, October 1	$534.7	$1,869.7	$2,404.4	$542.8	$2,063.5	$2,606.3
Recoveries of Prior Year Unpaid Obligations	9.7	1,965.4	1,975.1	9.7	715.5	725.2
Borrowing Authority, Net	-	(3,345.5)	(3,345.5)	-	(1,047.8)	(1,047.8)
Appropriations (discretionary and mandatory)	1,307.1	-	1,307.1	1,418.1	-	1,418.1
Spending Authority From Offsetting Collections (discretionary and mandatory)	187.1	4,316.7	4,503.8	162.2	4,184.0	4,346.2
Other Changes in Unobligated Balance	(0.9)	-	(0.9)	(1.6)	-	(1.6)
Total Budgetary Resources (Note 16)	**$2,037.7**	**$4,806.3**	**$6,844.0**	**$2,131.2**	**$5,915.2**	**$8,046.4**
Status of Budgetary Resources:						
Obligations Incurred (Note 16)	$1,480.8	$2,025.4	$3,506.2	$1,596.5	$4,045.5	$5,642.0
Unobligated Balance, End of Year:						
Apportioned	299.7	2,780.9	3,080.6	273.3	1,869.7	2,143.0
Unapportioned	257.2	-	257.2	261.4	-	261.4
Total Unobligated Balance, End of Year (Note 16)	556.9	2,780.9	3,337.8	534.7	1,869.7	2,404.4
Total Status of Budgetary Resources	**$2,037.7**	**$4,806.3**	**$6,844.0**	**$2,131.2**	**$5,915.2**	**$8,046.4**
Change in Obligated Balance:						
Unpaid Obligations , Brought Forward, October 1	$130.6	$12,057.6	$12,188.2	$117.1	$15,753.2	$15,870.3
Obligations Incurred	1,480.8	2,025.4	3,506.2	1,596.5	4,045.5	5,642.0
Outlays (Gross)	(1,474.9)	(4,621.9)	(6,096.8)	(1,573 .3)	(7,025.6)	(8,598.9)
Recoveries of Prior Year Unpaid Obligations	(9.7)	(1,965.4)	(1,975.1)	(9.7)	(715.5)	(725.2)
Unpaid Obligations, End of Year	126.8	7,495.7	7,622.5	130.6	12,057.6	12,188.2
Uncollected Payments:						
Uncollected Payments, Federal Sources Brought Forward, October 1	-	(103.0)	(103.0)	-	(125.6)	(125.6)
Change in Uncollected Payments, Federal Sources	-	(1.6)	(1.6)	-	22.6	22.6
Uncollected Customer Payments From Federal Sources, End of Year	-	(104.6)	(104.6)	-	(103.0)	(103.0)
Memorandum (Non-Add Entries):						
Obligated Balance, Start of Year	130.6	11,954.6	12,085.2	117.1	15,627.6	15,744.7
Obligated Balance, End of Year, Net	**$126.8**	**$7,391.1**	**$7,517.9**	**$130.6**	**$11,954.6**	**$12,085.2**
Budget Authority and Outlays, Net:						
Budget Authority, Gross (discretionary and mandatory)	$1,494.2	$2,859.5	$4,353.7	$1,580.3	$4,184.0	$5,764.3
Actual Offsetting Collections (discretionary and mandatory)	(187.1)	(4,333.9)	(4,521.0)	(217.3)	(4,256.3)	(4,473.6)
Change in Uncollected Customer Payments From Federal Sources (discretionary and mandatory)	-	(1.6)	(1.6)	-	22.6	22.6
Budget Authority, Net (discretionary and mandatory)	**$1,307.1**	**($1,476.0)**	**($168.9)**	**$1,363.0**	**($49.7)**	**$1,313.3**
Outlays, Gross (discretionary and mandatory)	$1,474.9	$4,621.9	$6,096.8	$1,573.3	$7,025.6	$8,598.9
Actual Offsetting Collections (discretionary and mandatory)	(187.1)	(4,333.9)	(4,521.0)	(217.3)	(4,256.3)	(4,473.6)
Outlays, Net (discretionary and mandatory)	**$1,287.8**	**$288.0**	**$1,575.8**	**$1,356.0**	**$2,769.3**	**$4,125.3**

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

Export-Import Bank of the United States

Notes to the Financial Statements

For the Years Ended September 30, 2015 And September 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Enabling Legislation and Mission

The Export-Import Bank of the United States ("EXIM", "EXIM Bank", or "the Bank") is an independent executive agency and a wholly owned U.S. government corporation that was first organized as a District of Columbia banking corporation in 1934. EXIM Bank is the official export credit agency of the United States. EXIM Bank's operations subsequent to September 30, 1991, are subject to the provisions of the Federal Credit Reform Act (FCRA) of 1990, Public Law (P.L.) 101-508, which became effective October 1, 1991. In accordance with its Charter (12 USC 635 et seq.), continuation of EXIM Bank's functions in furtherance of its objectives and purposes is subject to periodic extensions granted by Congress. The Export-Import Bank Reauthorization Act of 2012 (P.L.112-122) extended the Bank's authority until September 30, 2014. This date was subsequently extended to June 30, 2015 by P.L. 113-164 of September 19, 2014. The Administration requested a five-year extension of the Bank's full authority under its Charter through FY 2019. However, as of September 30, 2015, such authority has not been extended. During a period of a lapse in full authority, the Bank cannot authorize new financing transactions. However, under the terms of its Charter, the Bank will continue to manage and service existing loans, guarantees, and insurance policies and engage in other permitted functions and activities.

The various bills introduced in the Senate and the House of Representatives to reauthorize the Bank as well as votes and other actions taken in both Houses of Congress in support thereof, indicates that the Bank will be reauthorized. In addition, the lapse in full authority did not terminate the Bank or its Charter but changed the mission of the Bank from one based on financing U.S. exports in support of U.S. jobs, to one primarily focused on managing its portfolio to maturity. The Charter of the Bank remains in full force and effect.

The mission of EXIM Bank, assuming full authority, 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 where such support is necessary to level the playing field due to financing provided by foreign governments to their exporters that are in competition for export sales with U.S. exporters. The Bank's Charter requires reasonable assurance of repayment for the transactions the Bank authorizes, and the Bank closely monitors credit and other risks in its portfolio. In pursuit of its mission of supporting U.S. exports, EXIM Bank offers four financial products: loan guarantees, working capital guarantees, direct loans and export credit insurance. All EXIM Bank obligations carry the full faith and credit of the U.S. government.

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

Under the Working Capital Guarantee Program, EXIM 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. EXIM Bank's working capital guarantee protects the lender from default by the exporter for 90 percent of the loan principal and interest.

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

Basis of Accounting

EXIM Bank reports under generally accepted accounting principles in the United States applicable to federal agencies (government GAAP). The format of the financial statements and footnotes is in accordance with form and content guidance provided in Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, revised as of August 4, 2015.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and net position and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and costs during the reporting period. The most significant of these estimates are the allowances for losses on loans receivable, subrogated claims receivable, and guarantees and insurance. EXIM Bank uses its historical default and recovery experience to calculate loss estimates. Actual results may differ from those estimates.

Loans Receivables, Net

Loan obligations are carried at principal and interest receivable amounts less an allowance for credit losses.

From time to time, EXIM Bank restructures financial terms because the obligor or country has encountered financial difficulty and EXIM Bank has determined that providing relief in this manner will enhance the ability to collect the loan.

Receivables from Subrogated Claims, Net

Receivables from subrogated claims represent the outstanding balance of payments that were made on claims that were submitted to EXIM Bank in its capacity as guarantor or insurer under EXIM Bank's export guarantee or insurance programs. Receivables from subrogated claims are carried at principal and interest receivable amounts less an allowance for claim losses. Under the subrogation clauses in its guarantee and insurance contracts, EXIM Bank receives all rights, title and interest in all amounts relating to claims paid under insurance policies and guarantees and therefore establishes an asset to reflect such rights.

Accrued Interest

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

Accounting for Capitalized Interest on Rescheduled Loans and Subrogated Claims

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

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

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

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

The allowance for EXIM Bank credit-reform credits represents the amount of estimated credit loss associated with the applicable credit. The credit loss is defined as the net present value of estimated loan, guarantee and insurance defaults less subsequent estimated recoveries. EXIM Bank has established cash-flow models for expected defaults, fees and recoveries to estimate the credit loss for each approved

credit. EXIM Bank uses recent historical loss experience and other factors in developing the expected loss factors.

The net credit loss of credit-reform loans, guarantees and insurance is re-estimated annually in accordance with OMB guidelines and Statement of Federal Financial Accounting Standards (SFFAS) 18, "Amendments to Accounting Standards for Direct Loans and Loan Guarantees." The re-estimates adjust the allowance for credit losses to account for actual activity and changes in the financial and economic factors that affect the repayment prospects over time.

Accounting for Guarantees in a Foreign Currency

EXIM Bank provides guarantees and insurance denominated in certain foreign currencies. The foreign currencies approved for EXIM Bank guarantees as of September 30, 2015, are: Australian dollar, Brazilian real, British pound, Canadian dollar, CFA franc, Chinese yuan, Colombian peso, Egyptian pound, euro, Hong Kong dollar, Indian rupee, Indonesian rupiah, Japanese yen, Korean won, Malaysian ringgit, Mexican peso, Moroccan dirham, New Zealand dollar, Norwegian krone, Pakistani rupee, Philippine peso, Polish zloty, Russian ruble, Singapore dollar, South African rand, Swedish krona, Swiss franc, Taiwanese dollar, Thai baht, United Arab Emirates dirham. At the time of authorization, EXIM Bank records the authorization amount as the U.S.-dollar equivalent of the foreign-currency obligation based on the exchange rate at that time. At the end of each fiscal year, EXIM Bank determines the dollar equivalent of the outstanding balance for each foreign-currency guarantee based on the exchange rate at the end of the year and adjusts the guarantee loan liability accordingly.

Borrowings from the U.S. Treasury

The main source of EXIM Bank's outstanding debt is borrowings from the U.S. Treasury. Borrowings from the U.S. Treasury are used to finance medium-term and long-term loans. These borrowings carry a fixed rate of interest. They are further discussed in Note 9.

Payment Certificates

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

Claims Payable

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

Accounts Payable to the U.S. Treasury

Accounts payable to the U.S. Treasury include the results of the re-estimate of the portfolio's expected losses as required under the Federal Credit Reform Act of 1990 (FCRA). The payable represents funds that are held in credit-reform financing accounts that are determined to be in excess of amounts needed to cover future defaults. The payable also includes expired budget authority no longer available for obligation that will be returned to the U.S. Treasury.

Fees and Premia

EXIM Bank charges a risk-related exposure fee under both the loan and guarantee programs that is collected on each loan disbursement or shipment of goods under the guarantee policy. This fee is amortized over the life of the credit using the effective yield method.

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

Appropriated Capital

Appropriations received by EXIM Bank pursuant to the FCRA are recorded as paid-in- capital. Beginning in FY 2008, fees collected in excess of expected credit losses are used to reimburse the U.S. Treasury for appropriations provided for program and administrative costs, resulting in a net appropriation of zero. Appropriations received are sent to the U.S. Treasury when the period of availability ends.

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

Imputed Financing

A financing source is imputed by EXIM Bank to provide for pension and other retirement benefit expenses recognized by EXIM Bank but financed by the Office of Personnel Management (OPM). EXIM Bank follows OPM guidance released annually when calculating the imputed cost

(OPM Benefits Administration Letter, Number 15-304 dated September 2015).

Liquidating Account Distribution of Income

EXIM Bank maintains a liquidating account which accumulates the repayment on loans and claims issued prior to the FCRA. At the end of each fiscal year, EXIM Bank transfers the cash balance in this account to the U.S. Treasury.

2. FUND BALANCE WITH THE U.S. TREASURY

Fund balances as of September 30, 2015 and September 30, 2014 were as follows:

(in millions)	FY 2015	FY 2014
Revolving Funds	$4,181.0	$3,365.6
General Funds - Unexpended Appropriations	528.1	459.7
General Funds - Offsetting Collections	118.7	207.6
Other Funds - Unallocated Cash	64.7	25.7
Total	**$4,892.5**	**$4,058.6**

Status of Fund Balance with the U.S. Treasury		
Unobligated Balance		
Available	$3,080.6	$2,143.0
Expired	257.2	261.4
Canceled and Unavailable	3.4	1.6
Obligated Balance Not Yet Disbursed	1,486.6	1,626.9
Funds Pending Application	64.7	25.7
Total	**$4,892.5**	**$4,058.6**

Revolving funds are credit-reform financing accounts. Included in the credit-reform financing accounts are disbursed appropriations, exposure fees collected, and interest paid by the U.S. Treasury to EXIM Bank on the balances in the account. These funds are available to cover losses in EXIM Bank's credit programs. Unexpended appropriated funds and unexpended offsetting collections are deposited in a noninterest-bearing account at the U.S. Treasury. These funds are available to EXIM Bank when the credit activity to which they relate takes place or to finance administrative expenses. Upon disbursement of the related loans or shipment of goods under guarantee or insurance policies, the funds become available to either subsidize the related loan disbursement or to be invested in the credit-reform financing accounts to fund the credit costs of the guarantee and insurance policies. Unallocated cash represents collections pending final application to the applicable loan or guarantee.

Unobligated available funds represent unexpired appropriations and offsetting collections and funds held in credit-reform financing accounts for payment of future guaranteed loan defaults. Unobligated expired funds represent appropriations and offsetting collections that are no longer available for new obligations.

Unobligated canceled funds represent appropriations that are no longer available and are returned to the U.S. Treasury in subsequent years. Obligated balance not yet disbursed represents appropriations, offsetting collections, and funds held in the loan financing account awaiting disbursement.

As of September 30, 2015 and September 30, 2014, there were no unreconciled differences between U.S. Treasury records and balances reported on EXIM Bank's general ledger.

3. DIRECT LOAN, LOAN GUARANTEES AND EXPORT-CREDIT INSURANCE PROGRAMS, NONFEDERAL BORROWERS

EXIM Bank offers fixed-rate loans directly to foreign buyers of U.S. goods and services. EXIM 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. EXIM Bank's direct loans generally carry the fixed-interest rate permitted for the importing country and term under the "Arrangement on Guidelines for Officially Supported Export Credits" negotiated among members of the OECD (Organisation for Economic Co-operation and Development).

EXIM Bank loan guarantees cover the repayment risks on the foreign buyer's debt obligations incurred to purchase U.S. exports. EXIM 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. EXIM Bank's comprehensive guarantee covers all of the commercial and political risks for 85 percent of the U.S. contract value.

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

Credit Reform

The primary purpose of the FCRA is to measure more accurately the cost of federal credit programs and to place the cost of such credit programs on a basis equivalent with other federal spending.

As part of the FCRA, OMB established the Interagency Country Risk Assessment System (ICRAS) to provide a framework for uniformly measuring country risk for the U.S. government's international credit programs across the various agencies that administer them. The ICRAS methodology determines the risk levels for lending to both sovereign governments and non-sovereign borrowers.

ICRAS rates every country to which U.S. government agencies have outstanding loans or loan guarantees or are anticipating making new credits available. ICRAS rates countries on the basis of economic and political/social variables. There are 11 sovereign and 9 non-sovereign risk categories and each country receives two ratings: a sovereign- risk rating and a private-risk rating. ICRAS currently has risk ratings for 204 sovereign and 202 non-sovereign markets.

FY 2015 and FY 2014 Activity

Beginning in FY 2008, fees collected in excess of expected credit losses (offsetting collections) are used to cover the Bank's administrative costs and credit program needs for providing new direct loans and guarantees.

EXIM Bank received a $5.8 million appropriation in FY 2015 and $5.1 million in FY 2014 for the Office of Inspector General (OIG) administrative costs.

The following table summarizes offsetting collections and appropriations received and used in FY 2015 and in FY 2014:

(in millions)	FY 2015	FY 2014
RECEIVED AND AVAILABLE		
Appropriation from Offsetting Collections for EXIM Bank	$141.9	$152.4
Appropriation from U.S. Treasury for OIG	5.8	5.1
Total Received	**147.7**	**157.5**
Unobligated Balance Carried Over from Prior Year	303.9	302.2
Recission of Unobligated Balances	(30.0)	(23.0)
Cancellations of Prior-Year Obligations	-	8.8
Total Available	**421.6**	**445.5**
OBLIGATED		
For Credit Program Costs Excluding Tied Aid	-	8.7
For Credit-Related Administrative Costs	128.4	131.9
Total Obligated	**128.4**	**140.6**
UNOBLIGATED BALANCE		
Unobligated Balance	293.2	304.9
Unobligated Balance Lapsed	(4.6)	(1.0)
Remaining Balance	**$288.6**	**$303.9**

Of the remaining balance of $288.6 million at September 30, 2015, $27.5 is available until September 30, 2016; $10.7 million is available until September 30, 2017; $10.0 million is available until September 30, 2018, and $240.4 is available until expended and may be used for tied-aid programs or other mandated costs.

New loans, guarantees and insurance result in a program cost (or subsidy cost) when the net present value of expected cash disbursements exceeds expected cash receipts. Cash receipts typically include fees or premia, loan principal and interest, and cash disbursements typically include claim payments and loan disbursements. EXIM Bank uses recent historical loss experience and other factors in developing the expected loss factors.

When the present value of expected cash receipts exceeds the present value of expected cash disbursements, a "negative" credit subsidy (or program revenue) arises.

Starting in FY 2008, EXIM Bank has operated on a self-sustaining basis using program revenue to fund current year administrative expenses and program costs. During FY 2015, EXIM Bank collected $548.7 million of receipts in excess of estimated credit losses. Out of these offsetting collections, $107.1 million was used to fund administrative expenses, $431.6 million was sent to the U.S Treasury, and $10.0 million was retained and is available for obligation until September 30, 2016. During FY 2014, EXIM Bank collected $800.2 million of receipts in excess of estimated credit losses. Out of these offsetting collections, $105.0 million was used to fund administrative expenses, $674.7 million was sent to the U.S. Treasury, $10.5 million was retained and is available until expended for the renovation of EXIM Bank Headquarters and $10.0 million was retained and is available for obligation until September 30, 2015.

Administrative costs are the costs to administer and service EXIM Bank's entire credit portfolio. The program costs are obligated to cover the estimated subsidy costs at the time loans, guarantees and insurance are committed. As the loans are disbursed, or when the insured or guaranteed event has taken place (generally when the related goods are shipped), the obligated amounts are used to cover the estimated subsidy costs related to the disbursements and shipments. The portion of the obligated amounts related to EXIM Bank's lending programs is used to partially fund the loan disbursements, while the portions related to EXIM Bank's guarantee and insurance programs are invested in an interest-bearing account with the U.S. Treasury. Prior to loan disbursement or the insured or guaranteed event, all of the appropriated funds and offsetting collections are held in a non-interest-bearing U.S. Treasury account.

Allowances for Losses

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

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

Non-sovereign obligors are divided into four categories for risk assessment purpose: (1) obligors in workout status; (2) obligors rated by third-party rating agencies, such as, Standard & Poor's and Moody's; (3) obligors not rated but publicly traded on local exchanges; and (4) obligors neither rated nor publicly traded on local exchanges.

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

For pre-credit-reform and nonimpaired loans receivable, EXIM Bank determines the allowance using historical default and recovery rates. The allowance for losses on this exposure is calculated using the credit loss estimate method. This is an estimate of the loss expected due to credit risk and does not include non-credit factors that are included in the fair value method.

Loss reserves on pre-credit-reform impaired credits are determined using the fair value method. Impaired credits are defined as those transactions risk rated from 9 to 11, and on the verge of impairment due to political, commercial, operational and/or technical events or situations, and/or Acts of God that have affected the Borrower's ability to service repayment of EXIM Bank credits.

The allowance for losses for credit-reform loans, guarantees and insurance are determined by the credit loss calculated at authorization and subsequent adjustments made to the allowance as a result of the annual re-estimate.

Re-Estimate on Portfolio Expected Losses

The estimated credit loss of the outstanding balance of loans, guarantees and insurance is re-estimated annually in accordance with OMB guidelines and SFFAS 18. This re-estimate indicates the appropriate balance necessary in the financing accounts to ensure sufficient funds to pay future estimated claims.

EXIM Bank uses recent historical loss experience and other factors in developing the expected loss factors. In the event that the balance in the financing accounts exceeds the re-estimate level, the difference will not be needed to cover future estimated claims and will be returned to the U.S. Treasury. In the event that the balance in the financing accounts is less than the re-estimate level, the FCRA provides that the difference will be transferred to EXIM Bank from a general appropriation account authorized for this purpose.

Every year, EXIM Bank re-evaluates the methods used for calculating the reserves needed to cover expected losses. The Bank uses historical experience to estimate the probability of default as well as the loss given default. The probability of default (PD) is the likelihood that a transaction would go into default where the loss given default (LGD) gives the estimated loss, net of recoveries and expenses, if a default occurred. Multiplying PD times LGD provides expected loss factors across programs and budget cost level (BCL) categories. EXIM Bank uses recent historical loss experience and other factors in developing the expected loss factors.

EXIM Bank incorporates a quantitative and qualitative framework to calculate loss reserves. This framework has continuously evolved and been refined over the years. In FY 2015, EXIM Bank updated qualitative adjustments in its loss model, of which a subset are built into the quantitative framework. Those built into the quantitative framework include factors such as loss curves for sovereign guaranteed transactions and asset backed aircraft. Those not built into the quantitative framework look at minimum levels of expected losses, the global macroeconomic environment, and the recent growth in the Bank's portfolio.

As of September 30, 2015, the credit loss re-estimate of FY 1992 through FY 2015 commitments outstanding balances indicated that there was a net excess of $1,280.9 million in the financing accounts. This downward re-estimate will be transferred to the U.S. Treasury in FY 2016.

As of September 30, 2014, the credit loss re-estimate of FY 1992 through FY 2014 commitments outstanding balances indicated that a net of $479.8 million of additional funds were needed in the financing accounts, mostly to cover funding costs on direct loans, which had exceeded original budgeted estimates. This upward re-estimate was received from the U.S. Treasury in FY 2015.

A. Direct Loans

EXIM Bank's loans receivable, as shown on the Balance Sheets, are net of an allowance for loan losses.

To calculate the allowance for loan losses for direct loans obligated prior to FY 1992, each of the 11 risk levels is identified with a loss percentage to determine the overall allowance for credit losses as described above. In addition, certain credits and capitalized interest included in gross loans receivable are reserved at 100 percent. At September 30, 2015, and September 30, 2014, capitalized interest on credits obligated prior to FY 1992 was $83.0 million, respectively. Further, the total allowance for direct loans obligated prior to FY 1992, including capitalized interest, equaled 29.6 percent and 71.4 percent, respectively, of gross loans and interest receivable.

The allowance for loss calculated for direct loans obligated since the commencement of FY 1992 equals the amount of credit loss incurred to support the loan obligation. The credit loss is the amount of loss estimated to be incurred on the transaction, as previously described. At September 30, 2015, and September 30, 2014, the allowance for loan losses on credit-reform credits equaled 6.3 percent and 10.2 percent, respectively, of the outstanding loans and interest receivable balance.

At September 30, 2015, and September 30, 2014, the allowance for both pre-credit- reform and credit-reform loans equaled 6.7 percent and 11.1 percent, respectively, of the total loans and interest receivable.

The outstanding balances related to rescheduled installments included in loans receivable at September 30, 2015 and September 30, 2014, were $780.7 million and $434.6 million, respectively. EXIM had one rescheduled loan installment from Argentina. In FY 2015, EXIM had a rescheduling of Argentina debt. Argentina agreed to repay EXIM Bank the full outstanding amount of $562.2 million at renegotiated terms. This agreement entered into force on April 13, 2015.

The net balance of loans receivable at September 30, 2015, and September 30, 2014, consists of the following:

FY 2015 (in millions)	Loans Receivable Gross	Interest Receivable	Allowance for Loan Losses	Value of Assets Related to Direct Loans, Net
Loans Obligated Prior to FY 1992	$350.2	$2.6	($104.4)	$248.4
Loans Obligated After FY 1991	22,413.4	134.6	(1,425.5)	21,122.5
Total	**$22,763.6**	**$137.2**	**($1,529.9)**	**$21,370.9**

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

(in millions)	FY 2015	FY 2014
Direct Loans Disbursed During Year (Post-1991)	**$2,386.1**	**$4,513.5**

B. Program Cost and Re-Estimate Expense for Direct Loans by Component

The table below discloses the interest, defaults, fees and re-estimate amounts associated with program cost disbursed in the current fiscal year on loan authorizations made in the current and prior fiscal years and the current year loss re-estimate.

(in millions)	FY 2015	FY 2014
Interest	($232.4)	($462.1)
Defaults	69.4	136.2
Fees and Other Collections	(139.3)	(201.4)
Total Program Cost	**(302.3)**	**(527.3)**
Net Re-estimate – Principal	(652.4)	757.4
Net Re-estimate – Interest	(189.6)	87.1
Total Net Re-estimate	**(842.0)**	**844.5**
Total Direct Loan Program (Cost) and Re-Estimate Expense	**($1,144.3)**	**$317.2**

C. Program Cost Rates for Direct Loans by Program and Component

The program cost rates disclosed below relate to the percentage of program costs on loan authorizations made in the reporting fiscal year. Because these rates only pertain to authorizations from the reporting fiscal year, these rates cannot be applied to loan disbursements in the reporting fiscal year to yield the program cost, which could result from disbursements of loans from both current and prior years.

FY 2015	FY 2015	FY 2014
Interest	(4.3)%	(4.2)%
Defaults	4.7%	5.2%
Fees and Other Collections	(8.1)%	(7.3)%
Total	**(7.7)%**	**(6.3)%**

D. Schedule for Reconciling Direct Loan Allowance Balances

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

(in millions)	FY 2015	FY 2014
Post-1991 Direct Loans		
Beginning Balance of the Allowance Account	$2,168.3	$1,668.6
Current Year Program Cost (see Note 4B for Component Breakdown)	(302.3)	(527.3)
Fees Received	110.0	224.3
Loans Written Off	-	(2.1)
Program-Cost Allowance Amortization	163.6	314.1
Miscellaneous Recoveries and (Costs)	127.9	(353.8)
Ending Balance Before Re-estimate	**2,267.5**	**1,323.8**
Re-estimate	(842.0)	844.5
Ending Balance of the Allowance Account	**$1,425.5**	**$2,168.3**

Program-cost allowance amortization is calculated, as required by SFFAS 18, "Amendments to Accounting Standards for Direct Loans and Loan Guarantees," as the difference between interest revenue and interest expense.

E. Defaulted Guaranteed Loans

The allowance for defaulted guaranteed loans is calculated using the fair-market value method as formerly described. Capitalized interest included in gross defaulted guaranteed loans receivable is reserved at 100 percent. At September 30, 2015 and September 30, 2014, capitalized interest on pre-credit reform defaulted guaranteed loans was $24.4 million. At September 30, 2015 and September 30, 2014, capitalized interest on credit reform defaulted guaranteed loans was $28.0 million and $99.7 million, respectively. The total allowance equaled 85.9 percent and 81.9 percent of gross defaulted guaranteed loans and interest receivable at September 30, 2015, and September 30, 2014, respectively.

FY 2015 (in millions)	Defaulted Guaranteed Loans Receivable, Gross	Interest Receivable	Allowance for Loan Losses	Value of Assets Related to Defaulted Guaranteed Loans, Net
Defaulted Guaranteed Loans				
Obligated Prior to FY 1992	$55.4	$1.5	($29.5)	$27.4
Obligated After FY 1991	1,166.9	0.5	(1,022.7)	$144.7
Total	**$1,222.3**	**$2.0**	**($1,052.2)**	**$172.1**

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

F. Guaranteed Loans and Insurance

EXIM Bank is exposed to credit loss with respect to the amount of outstanding guaranteed loans and insurance policies in the event of nonpayment by obligors under the agreements. The commitments shown below are agreements to lend monies and issue guarantees and insurance as long as there is no violation of the conditions established in the credit agreement.

(in millions)	FY 2015	FY 2014
Gross Outstanding Principal of Guaranteed Loans and Insurance, Face Value	$61,495.3	$63,159.8
Undisbursed Principal of Guaranteed Loans and Insurance, Face Value	10,730.5	14,973.4
Total Principal of Guaranteed Loans and Insurance, Face Value	**$72,225.8**	**$78,133.2**
Amount of Principal That is Guaranteed and Insured by EXIM Bank	$72,225.8	$78,133.2
Gross Amount of Guaranteed Loans and Insurance Disbursed During Year, Face Value	$12,983.7	$18,376.8
Amount of Guaranteed Loans and Insurance Disbursed During Year that is Guaranteed and Insured by EXIM Bank™	$12,983.7	$18,376.8

G. Liability for Loan Guarantees and Insurance

The liability for loan guarantees and insurance balances of $1,435.6 million at September 30, 2015 and $1,620.7 million at September 30, 2014 represent post FY 1991 guarantees and insurance credits.

H. Program Cost and Re-Estimate Expense for Loan Guarantees and Insurance by Component

The table below discloses defaults, fees and re-estimate amounts associated with the program cost disbursed in the current year on loan guarantee and insurance authorizations made in the current and prior fiscal years and the current year loss re-estimate. The total program cost also includes modifications made on these authorizations.

(in millions)	FY 2015	FY 2014
Defaults	$252.9	$693.5
Fees and Other Collections	(477.7)	(944.7)
Total Program Costs	**(224.8)**	**(251.2)**
Net Re-estimate – Principal	(304.1)	(285.3)
Net Re-estimate – Interest	(134.8)	(79.3)
Total Net Re-estimate	**(438.9)**	**(364.6)**
Total Loan Guarantee and Insurance Program Cost and Re-Estimate Expense	**($663.7)**	**($615.8)**

I. Program Cost Rates for Loan Guarantees and Insurance by Component

The program cost rates disclosed below relate to the percent of program costs on loan guarantee and insurance authorizations made in the reporting fiscal year. Because these rates only pertain to authorizations from the reporting fiscal year, these rates cannot be applied to the guarantees of loans disbursed during the reporting fiscal year to yield the program cost, which could result from disbursements of loans from both current and prior years.

	FY 2015	FY 2014
Defaults	8.5%	3.8%
Fees and Other Collections	(5.9)%	(5.5)%
Total	**2.6%**	**(1.7)%**

J. Schedule for Reconciling the Allowance for Loan Guarantee Balances

The table below discloses the components of the allowance for loan guarantees.

(in millions)	FY 2015	FY 2014
Post-1991 Loan Guarantees Beginning Balance of the Allowance Account	$1,620.7	$1,620.8
Current Year Program Cost (See Note 3H for Component Breakdown)	(224.8)	(251.2)
Fees Received	402.6	623.1
Claim Expenses and Write-Offs	(1.3)	(5.3)
Interest Accumulation	58.4	46.4
Other	18.9	(48.5)
Ending Balance Before Re-estimate	**1,874.5**	**1,985.3**
Re-estimate	(438.9)	(364.6)
Ending Balance of the Allowance Account	**$1,435.6**	**$1,620.7**

K. Administrative Costs

All of the Bank's administrative expenses are attributed to the support of the Bank's loan, guarantee and insurance programs. Administrative expenses are not allocated to individual programs.

(in millions)	FY 2015	FY 2014
Total Administrative Expense	$131.9	$114.8

L. Outstanding Exposure and Allowance by Program

(in millions)	FY 2015	FY 2014
Outstanding Loans	$22,763.6	$21,560.4
Allowance for Loan Losses	1,529.9	2,409.9
Percent Allowance of Outstanding Balance	**6.7%**	**11.1%**
Outstanding Defaulted Guarantees and Insurance	1,222.3	1,219.9
Allowance for Outstanding Defaulted Guarantees and Insurance	1,052.2	1,014.6
Percent Allowance of Outstanding Balance	**86.1%**	**83.2%**
Outstanding Guarantees & Insurance	61,495.3	63,159.8
Liability for Guarantees & Insurance	1,435.6	1,620.7
Percent Allowance of Outstanding Balance	**2.3%**	**2.6%**

The allowance for losses for EXIM Bank credits authorized after the FCRA equates to the amount of estimated credit loss associated with the applicable loans, claims, guarantees, and insurance. According to SFFAS 2, Accounting for Direct Loans and Guarantees, direct loans disbursed and outstanding are recognized as assets at the present value of their estimated net cash flows. The difference between the outstanding principal of the loans and the present value of their net cash inflows is recognized as the allowance for credit losses. For guaranteed loans outstanding, the present value of estimated net cash flows of the loan guarantee is recognized as a guaranteed loan liability.

EXIM Bank's credit programs generally have fees and interest rates higher than the expected default and funding costs, resulting in the net present value of cash inflows to be greater than the outstanding principal of the credit.

M. Allowance and Exposure Summary

(in millions)	FY 2015	FY 2014
Pre-Credit-Reform Allowance		
Allowance for Loan Losses	$104.4	$241.6
Allowance for Defaulted Guarantees	29.5	41.7
Total Pre-Credit-Reform Allowance	**133.9**	**283.3**
Credit-Reform Allowance		
Allowance for Loan Losses	1,425.5	2,168.3
Allowance for Defaulted Guarantees and Insurance	1,022.7	972.9
Liability for Loan Guarantees and Insurance	1,435.6	1,620.7
Total Credit-Reform Allowance	**3,883.8**	**4,761.9**
Total Allowance for Loan Losses	1,529.9	2,409.9
Total Allowance for Guarantees and Insurance	2,487.8	2,635.3
Total Allowance	**$4,017.7**	**$5,045.2**
Total Outstanding Balance of Loans, Guarantees and Insurance	$85,481.2	$85,940.1
Percent Allowance to Outstanding Balance	**4.7%**	**5.9%**
Total Exposure	$102,210.7	$112,007.8
Percent Allowance to Exposure	**3.9%**	**4.5%**

4. ACCRUAL OF INTEREST

The weighted-average interest rate on EXIM Bank's loan and rescheduled claim portfolio at September 30, 2015, was 2.69 percent (2.80 percent on performing loans and rescheduled claims). The weighted-average interest rate on EXIM Bank's loan and rescheduled claim portfolio at September 30, 2014, was 2.74 percent (2.79 percent on performing loans and rescheduled claims). Interest income is recognized when collected on nonrescheduled claims.

Generally, the accrual of interest on loans and rescheduled claims is discontinued when the credit is delinquent for more than 90 days. EXIM Bank had a total of $807.9 million and $46.1 million of loans and rescheduled claims, respectively, in nonaccrual status at September 30, 2015. EXIM Bank had $350.3 million and $37.1 million of loans and rescheduled claims, respectively, in nonaccrual status at September 30, 2014. Had these credits been in accrual status, interest income would have been $37.9 million higher as of September 30, 2015 (amount is net of interest received of $10.7 million), and $20.1 million higher in FY 2014 (amount is net of interest received of $0.1 million).

5. STATUTORY LIMITATIONS ON LENDING AUTHORITY

Under its charter, EXIM Bank's statutory authority was $140.0 billion in FY 2015 and FY 2014, of loans, guarantees and insurance exposure at any one time. At September 30, 2015, and September 30, 2014, EXIM Bank's statutory authority used was as follows:

(in millions)	FY 2015	FY 2014
Outstanding Guarantees	$59,810.1	$60,905.9
Outstanding Loans	22,763.6	21,560.4
Outstanding Insurance	1,685.2	2,253.9
Outstanding Claims	1,222.3	1,219.9
Total Outstanding	**85,481.2**	**85,940.1**
Undisbursed Loans	5,999.0	11,094.3
Undisbursed Guarantees	6,070.1	8,457.3
Undisbursed Insurance	4,660.4	6,516.1
Total Undisbursed	**16,729.5**	**26,067.7**
Total Exposure	**$102,210.7**	**$112,007.8**

Transactions can be committed only to the extent that budget authority is available to cover program costs. For FY 2015 and FY 2014, 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 EXIM Bank's charter was not exceeded.

During FY 2015, EXIM Bank committed $72.6 million for direct loans, $12,310.6 million for guarantees and insurance, using no budget authority and no tied-aid funds. During FY 2014, EXIM Bank committed $1,927.6 million for direct

loans, $18,540.3 million for guarantees and insurance, using $8.7 million of budget authority and no tied-aid funds.

EXIM Bank has authorized guarantee transactions denominated in a foreign currency during FY 2015 totaling $1,470.0 million, and authorized $1,333.6 million during FY 2014, as calculated at the exchange rate at the time of authorization. EXIM Bank adjusts the allowance for all transactions denominated in a foreign currency using the various foreign-currency exchange rates at the end of the fiscal year.

For financial statement purposes, EXIM Bank defines exposure as the authorized outstanding and undisbursed principal balance of loans, guarantees, and insurance. It also includes the unrecovered balance of payments made on claims that were submitted to EXIM in its capacity as guarantor or insurer under the export guarantee and insurance programs. Exposure does not include accrued interest or transactions pending final approval. This corresponds to the way activity is charged against the Bank's overall $140.0 billion lending limit imposed by Section 6(a)(2) of EXIM Bank's charter.

Working capital guarantees may be approved for a single loan or a revolving line of credit, with an availability generally of one year. Guaranteed lenders do not report activity to EXIM Bank, the entire credit is assumed to be "disbursed" when the fee is paid to the Bank. The credit is recorded as repaid in one installment 180 days after the expiry date of the credit unless the Controller's office is notified before that time that a claim has been paid. Under the assumption that the exporter is using the credit up to the end of the expiry period, six months provides sufficient time for the guaranteed lender to report defaults to EXIM Bank in the event that the exporter does not repay the credit. If a claim is paid, the remaining outstanding balance of the credit associated with the claim is reduced to zero. Exposure is then reflected as an unrecovered claim.

Since there is typically a delay in reporting shipments under the insurance program, undisbursed balances remain on the books for 120 days after the expiry date to allow for the posting of shipments that took place within the period covered by the policy but were reported after the expiry date. These unreported shipments pose some liability in the form of claims that have been incurred but not yet reported (IBNR). Leaving the policy open past the expiry date provides a reserve for IBNR.

6. PORTFOLIO ANALYSIS

EXIM Bank support is available to U.S. businesses exporting to countries around the world. The Bank's portfolio is concentrated more heavily in some regions, industries and obligors than others. In reviewing each transaction, EXIM Bank considers the option of using various credit enhancements to support its standard for a reasonable assurance of repayment. Various types of collateral, including liens on commercial aircraft, may or may not be appropriate or available in support of a credit.

The volatility in commodity prices, the fluctuation in currency exchange rates, and the tightening of credit markets may have an impact on a borrower's ability to service their obligations. EXIM Bank proactively monitors the portfolio to prevent defaults and to make appropriate rating and loss reserve adjustments as necessary.

In FY 2015, management elected to reclassify exposure of regional country groupings of its loan, guarantee and insurance portfolio to better align EXIM's reporting with other entities with international exposure such as the World Bank, the United Nations and the U.S Treasury. Results of prior periods have been reclassified to conform to the current year presentation.

The following tables summarize total exposure by geographic region as of September 30, 2015 and September 30, 2014:

2015 (in millions)

Region	Amount	Percentage
Asia	$26,130.3	25.7%
Latin America and the Caribbean	18,853.6	18.4%
Europe	18,613.4	18.2%
Middle-East and North Africa	13,743.4	13.4%
Oceania	7,514.4	7.4%
North America	7,202.7	7.0%
Sub-Saharan Africa	5,740.4	5.6%
Other	4,412.5	4.3%
Total Exposure	**$102,210.7**	**100.0%**

2014 (in millions)

Region	Amount	Percentage
Asia	$26,836.5	24.0%
Europe	20,130.8	18.0%
Latin America and the Caribbean	20,105.7	18.0%
Middle-East and North Africa	15,825.0	14.1%
North America	8,638.1	7.7%
Oceania	8,258.5	7.4%
Sub-Saharan Africa	6,024.3	5.4%
Other	6,188.9	5.4%
Total Exposure	**$112,007.8**	**100.0%**

The following tables summarize the total exposure by industry as of September 30, 2015 and September 30, 2014:

2015 (in millions)

Industry	Amount	Percentage
Air Transportation	$49,031.0	48.0%
Manufacturing (other)	16,323.9	16.0%
Oil & Gas	15,965.7	15.6%
Power Projects	5,800.7	5.7%
All Other	15,089.4	14.7%
	$102,210.7	**100.0%**

2014 (in millions)

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

The following tables summarize the five largest public and private obligors at September 30, 2015 and September 30, 2014:

2015 (in millions)

Obligor	Amount	Percentage
Pemex	$6,754.4	6.6%
Sadara Chemical Company	4,180.0	4.1%
Korean Air Lines	3,110.0	3.0%
Australia Pacific LNG Csg Processing Pty Ltd	2,865.5	2.8%
Papua New Guinea LNG Global Comp.	2,594.9	2.5%
All Other	82,705.9	81.0%
	$102,210.7	**100.0%**

2014 (in millions)

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

The following tables summarize total exposure by country as of September 30, 2015 and September 30, 2014:

2015 (in millions)

Country	Amount	Percentage
Mexico	$9,411.9	9.2%
Saudi Arabia	6,214.3	6.1%
India	5,844.8	5.7%
China	5,562.8	5.4%
United Arab Emirates	4,668.2	4.6%
All Other	70,508.7	69.0%
	$102,210.7	**100.0%**

2014 (in millions)

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

Loans Outstanding and Undisbursed:

2015 (in millions)

Country	Amount	Percentage
Saudi Arabia	$5,708.5	19.6%
Australia	3,639.6	13.0%
United Kingdom	3,120.1	10.8%
Colombia	2,415.5	8.3%
All Other	13,878.9	48.3%
Total	**$28,762.6**	**100.0%**

2014 (in millions)

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

Subrogated Claims:

2015 (in millions)		
Country	**Amount**	**Percentage**
Mexico	$276.1	22.6%
Indonesia	128.8	10.5%
Kazakhstan	96.2	7.9%
Brazil	70.3	5.8%
All Other	650.9	53.2%
Total	**$1,222.3**	**100.0%**

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

Guarantees and Insurance:

2015 (in millions)		
Country	**Amount**	**Percentage**
Mexico	$8,072.6	11.2%
China	5,709.0	7.9%
United States	4,485.1	6.2%
United Arab Emirates	4,152.3	5.7%
All Other	49,806.8	69.0%
Total	**$72,225.8**	**100.0%**

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

7. OTHER ASSETS

(in millions)	FY 2015	FY 2014
Fee Receivables	$28.6	$27.7
Other	0.5	0.9
Total Other Assets	**$29.1**	**$28.6**

Commitment fees are charged on the undisbursed, unexpired balance of loans and certain guarantees. The Other category includes miscellaneous receivables, including assets acquired through claims recovery.

8. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities not covered by budgetary resources are included in Other Liabilities on the Balance Sheet as follows:

EXIM Bank's liability to employees for accrued unfunded annual leave, included in Other Liabilities on the Balance Sheets, was $4.5 million as of September 30, 2015 and $4.4 million as of September 30, 2014. The liability will be paid from future administrative expense budget authority.

9. DEBT

EXIM Bank's outstanding borrowings come from two sources: direct borrowing from the U.S. Treasury, and the assumption of repayment obligations of defaulted guarantees under EXIM Bank's guarantee program via payment certificates.

EXIM Bank's total debt at September 30, 2015, and September 30, 2014, is as follows:

(in millions)	FY 2015	FY 2014
U.S. Treasury Debt		
Beginning Balance	$21,633.6	$18,101.8
New Borrowings	2,548.9	4,273.4
Repayments	(1,457.1)	(741.6)
Ending Balance	**$22,725.4**	**$21,633.6**
Debt Held by the Public		
Beginning Balance	$21.4	$33.1
New Borrowings	18.2	0.2
Repayments	(10.6)	(11.9)
Ending Balance	$29.0	$21.4
Total Debt	**$22,754.4**	**$21,655.0**

EXIM Bank had $22,725.4 million of borrowings outstanding with the U.S. Treasury at September 30, 2015, and $21,633.6 million at September 30, 2014, with a weighted-average interest rate of 3.11 percent at September 30, 2015, and 3.22 percent at September 30, 2014.

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 EXIM Bank through the re-estimation process for this purpose. The full amount of the borrowings is expected to be repaid by FY 2033.

Payment certificates are issued by EXIM Bank in exchange

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

Outstanding payment certificates at September 30, 2015, and September 30, 2014, were $29.0 million, and $21.4 million, respectively. Maturities of payment certificates at September 30, 2015, are as follows:

(in millions) Fiscal Year	Amount
2016	$6.4
2017	6.9
2018	-
2019	-
2020	15.7
Total	**$29.0**

The weighted-average interest rate on EXIM Bank's outstanding payment certificates at September 30, 2015, and September 30, 2014, was 3.65 percent and 3.54 percent, respectively.

10. OTHER LIABILITIES

(in millions)	FY 2015	FY 2014
Current		
Funds Held Pending Application	$100.4	$24.3
Administrative Expenses Payable	12.9	9.7
Miscellaneous Accrued Payables	1.3	1.6
Non-Current		
Deferred Revenue	155.1	180.6
Total Other Liabilities	**$269.7**	**$216.2**

As of September 30, 2015 and September 30, 2014, $155.1 million and $180.6 million respectively represent deferred revenue in the form of offsetting collections which are available to cover administrative expenses and program costs.

11. LEASES

EXIM Bank's office space is leased from the General Services Administration through the Public Buildings Fund. Lease expenses, included in Administrative Costs on the Statements of Net Costs, were $7.7 million in FY 2015 and $6.3 million in FY 2014. EXIM headquarters lease will be up for renewal in 2018. Both leases are cancellable. Future payments under the two leases are as follows:

(in millions) Fiscal Year	Amount
2016	$8.8
2017	8.8
2018	8.8
2019	1.9
2020	1.6
Total	**$29.9**

12. COMMITMENTS AND CONTINGENCIES

Pending Litigation

As of September 30, 2015, EXIM 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 there is a remote likelihood that these claims will result in a future outflow or other sacrifice of resources to such an extent that they would materially affect the financial position or results of operations of EXIM Bank.

13. DISCLOSURES RELATED TO THE STATEMENTS OF NET COSTS

EXIM Bank's Statements of Net Costs list the costs and revenues associated with each of the Bank's lines of business, namely the loan, guarantee and insurance programs.

Intragovernmental costs include interest expense paid to the U.S. Treasury related to borrowings associated with the funding of credit-reform direct loans and administrative costs paid to other government agencies. Intragovernmental revenues represent interest from the U.S. Treasury on cash balances in the credit-reform financing accounts.

Public costs represent costs which the Bank incurs to support the business programs. These costs are comprised primarily of the provision for loss on the loan and guarantee portfolio, and administrative costs paid to the public. Public revenue represents income items which are generated as a result of operating the loan, guarantee and insurance programs. This revenue primarily relates to the fee and interest income on the outstanding credits.

Public Costs and Public Revenue

(in millions)

For the Year Ended September 30, 2015	Loans	Guarantees	Insurance	Administrative Expenses	Total
Intragovernmental Costs	$727.1	$ -	$ -	$8.3	$735.4
Public Costs	(853.1)	203.9	(98.4)	123.6	(624.0)
Total Costs	**(126.0)**	**203.9**	**(98.4)**	**131.9**	**111.4**
Intragovernmental Revenue	(115.5)	(58.4)	(1.6)	-	(175.5)
Public Revenue	(774.0)	(440.7)	(25.3)	-	(1,240.0)
Total Revenue	**(889.5)**	**(499.1)**	**(26.9)**	**-**	**(1,415.5)**
Net Excess of Program (Revenue) Over Costs					**($1,304.1)**

For the Year Ended September 30, 2014	Loans	Guarantees	Insurance	Administrative Expenses	Total
Intragovernmental Costs	$712.9	$ -	$ -	$6.8	$719.7
Public Costs	749.0	273.4	(26.3)	108.0	1,104.1
Total Costs	**1,461.9**	**273.4**	**(26.3)**	**114.8**	**1,823.8**
Intragovernmental Revenue	(117.2)	(44.7)	(1.8)	-	(163.7)
Public Revenue	(570.9)	(528.5)	(34.6)	-	(1,134.0)
Total Revenue	**(688.1)**	**(573.2)**	**(36.4)**	**-**	**(1,297.7)**
Net Excess of Program Costs Over (Revenue)					**$526.1**

14. DISCLOSURES RELATED TO THE COMBINED STATEMENTS OF BUDGETARY RESOURCES

Combined Statements of Budgetary Resources disclose total budgetary resources available to the Bank and the status of such resources at September 30, 2015 and September 30, 2014. Activity impacting budget totals of the overall U.S. government budget is recorded in EXIM Bank's Combined Statements of Budgetary Resources budgetary accounts. Activity which does not impact budget totals is recorded in EXIM Bank's Combined Statements of Budgetary Resources nonbudgetary accounts. As of September 30, 2015 and September 30, 2014, the Bank's resources in budgetary accounts totaled $2,037.7 million and $2,131.2 million respectively. As of September 30, 2015 and September 30, 2014, the Bank's resources in nonbudgetary accounts totaled $4,806.3 million, and $5,915.2 million respectively.

Adjustments to Beginning Balance of Budgetary Resources

EXIM Bank made no adjustments to the beginning budgetary resources during the years ended September 30, 2015, and September 30, 2014.

Apportionment Categories of Obligations Incurred

EXIM Bank funds are apportioned in Category B, which restricts the use of funds by program. The amount of Category B apportionments that were obligated in FY 2015 and FY 2014 totaled $3,506.2 million and $5,642.0 million, respectively.

Permanent Indefinite Appropriations

The FCRA requires an annual re-estimate of the credit loss allowance. In the event that there is an increase in estimated defaults, there is permanent and indefinite budget authority available for this purpose. The FY 2014 upward re-estimate received from the U.S. Treasury in FY 2015 was $1,331.3 million; while the downward re-estimate sent to the U.S. Treasury was $852.7 million. The FY 2013 upward re-estimate received from the U.S. Treasury in FY 2014 was $1,436.0 million; while the downward re-estimate sent to the U.S. Treasury was $943.5 million.

(in millions)	For the Year Ended September 30, 2015	For the Year Ended September 30, 2014
RESOURCES USED TO FINANCE ACTIVITIES		
Budgetary Resources Obligated		
Obligations Incurred	$3,506.2	$5,642.0
Less: Spending Authority from Offsetting Collections and Recoveries	6,478.9	5,071.4
Net Obligations	(2,972.7)	570.6
Other Resources		
Imputed Financing from Costs Absorbed by Others	3.5	3.8
Total Resources Used To Finance Activities	**$(2,969.2)**	**$574.4**
Resources Used To Finance Items Not Part of Net Cost of Operations		
Change in Budgetary Resources Obligated for Goods, Services, and Benefits Ordered but Not Yet Provided	$4,565.7	$3,687.1
Resources That Fund Expenses in Prior Periods	(1,332.0)	(1,435.9)
Budgetary Offsetting Collections and Receipts That Do Not Affect Net Cost of Operations		
Credit-Program Collections	3,119.7	3,266.0
Resources That Finance the Acquisition of Assets	(3,890.4)	(6,296.0)
Total Resources That Do Not Finance Net Cost of Operations	2,463.0	(778.8)
Total Resources Used To Finance the Net Cost of Operations	**$(506.2)**	**$(204.4)**
COMPONENTS OF THE NET COST OF OPERATIONS THAT WILL NOT REQUIRE OR GENERATE RESOURCES IN THE CURRENT PERIOD		
Components Requiring or Generating Resources in Future Periods		
Allowance Amortization	$655.8	$510.5
Provision for Loss - Pre-Credit-Reform Credits	(130.0)	21.3
Downward Re-estimate of Credit-Losses	(1,539.7)	(902.0)
Upward Re-estimate of Credit-Losses	239.9	1,332.0
Change in Receivablesf	(32.0)	(165.6)
Change in Payables	8.1	(13.5)
Total Components Requiring or Generating Resources in Future Periods	**$(797.9)**	**$782.7**
COMPONENTS NOT REQUIRING OR GENERATING RESOURCES		
Deferral Adjustments	$ -	$(52.2)
Total Components Not Requiring or Generating Resources	**$ -**	**$(52.2)**
Total Components of Net Cost of Operations That Will Not Require or Generate Resources in the Current Period	**($797.9)**	**$730.5**
Net Excess Program (Revenue) Over Costs	**($1,304.1)**	**$526.1**

Available Borrowing Authority and Terms of Borrowing

EXIM Bank in part relies on borrowings from the U.S. Treasury to help fund the Bank's loan program. U.S. Treasury borrowings are repaid primarily with the repayments of medium-term and long-term loans. To the extent repayments on the underlying loans, combined with commitment and exposure fees and interest earnings received on the loans, are not sufficient to repay the borrowings, permanent and indefinite appropriated funds are available to EXIM Bank through the re-estimation process for this purpose. The full amount of the borrowings is expected to be repaid by FY 2033.

For FY 2015 EXIM Bank had a net decrease in overall borrowing authority of $3,345.5 while in FY 2014 EXIM Bank had a net decrease in overall borrowing authority of $1,047.8 million.

Unobligated Balances

Unobligated balances at September 30, 2015 totaled $3,337.8 million. Of the $3,337.8 million, $288.6 million is available to cover program costs for new credits, $2,780.9 million represents the amount in the loan, guarantee and insurance financing accounts that is available to cover future defaults, and $257.2 million is unavailable for new obligations.

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

Differences between Combined Statements of Budgetary Resources and Budget of U.S. Government

There are no differences between the budgetary resources shown on the Combined Statements of Budgetary Resources and the Budget of the U.S. Government.

15. RECONCILIATION OF NET COST OF OPERATIONS TO BUDGET

The following schedule reconciles the Net Cost of Operations to the Bank's budgetary and financial accounting. The reconciliation illustrates the relationship between net obligations derived from EXIM Bank's budgetary accounts and the net cost of operations derived from EXIM Bank's proprietary accounts by identifying and explaining key differences between the two numbers.

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-rate and variable-rate loans to foreign borrowers to purchase U.S. made equipment when such loans are not available from traditional private sector lenders on competitive terms. EXIM Bank's credit and guarantee agreement with PEFCO extends through December 31, 2020. Through its contractual agreements with PEFCO, EXIM 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 EXIM Bank which provide that EXIM 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 $12,633.6 million at September 30, 2015 ($11,690.3 million related to export loans and $943.3 million related to secured debt obligations) and $10,027.1 million at September 30, 2014 ($9,072.5 million related to export loans and $954.7 million related to secured debt obligations), are included by EXIM Bank in the total for guarantee, insurance and undisbursed loans and the allowance related to these transactions is included in the Guaranteed Loan Liability on the Balance Sheets. EXIM Bank received fees totaling $34.2 million in FY 2015 ($33.9 million related to export loans and $0.3 million related to secured debt obligations) and $39.1 million in FY 2014 ($38.8 million related to export loans and $0.3 million related to secured debt obligations) for the agreements, which are included in Fee and Other Revenue on the Statements of Net Costs.

EXIM Bank has significant transactions with the U.S. Treasury such as borrowings, borrowings repayments, interest income on financing accounts, interest expense on borrowings. The U.S. Treasury, although not exercising control over EXIM Bank, holds the capital stock of EXIM Bank creating a related-party relationship between EXIM Bank and the U.S. Treasury.

17. CONTRIBUTIONS TO EMPLOYEE RETIREMENT SYSTEMS

All of EXIM Bank's employees whose appointments have federal status are covered by either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS).

In FY 2015 and FY 2014, EXIM Bank withheld 7.0 percent of CSRS employees' gross earnings. EXIM 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, EXIM Bank withheld 0.8 percent of employees' gross earnings. EXIM Bank's contribution was 11.2 percent of employees' gross earnings in FY 2015 and FY 2014. This sum was transferred to the FERS fund from which the employee group will receive retirement benefits. An additional 6.2 percent of gross earnings, after pre-tax deductions are withheld up to the 2015 and 2014 limit of $118,500 and $117,000, respectively; that sum plus matching contributions by EXIM Bank are sent to the Social Security System from which the FERS employee group will receive Social Security benefits.

FERS and CSRS employees may elect to participate in the Thrift Savings Plan (TSP). CSRS and FERS employees may contribute up to $18,000 of gross earnings. In addition, FERS employees receive an automatic 1 percent contribution from EXIM Bank. Amounts withheld for FERS employees are matched by EXIM Bank up to 4 percent for a maximum EXIM Bank contribution to the TSP of 5 percent.

Total EXIM Bank (employer) matching contributions to the TSP, CSRS and FERS for all employees, included in Administrative Costs in the Statements of Net Costs, were approximately $8.0 million in FY 2015 and $6.6 million in FY 2014. Although EXIM Bank funds a portion of pension benefits under the CSRS and FERS relating to its employees and makes the necessary payroll withholdings for them, it has no liability for future payments to employees under these programs and does not account for the assets of the CSRS and FERS, nor does it have actuarial data with respect to accumulated plan benefits or the unfunded pension liability relative to its employees. These amounts are reported by the OPM for the Retirement Systems and are not allocated to the individual employers. The excess of total pension expense over the amount contributed by EXIM Bank and its employees represents the amount of pension expense which must be financed directly by OPM. EXIM Bank recognizes an imputed cost and an imputed financing source, calculated using cost factors supplied by OPM, equal to the excess amount.

OPM also accounts for the health and life insurance programs for current and retired civilian federal employees. Similar to the accounting treatment afforded the retirement programs, the actuarial data related to the health and life insurance programs is maintained by OPM and is not available on an individual-employer basis. EXIM Bank recognizes an imputed cost and an imputed financing source for the future cost of these other retirement benefits (ORB) at the time the employee's services are rendered. This ORB expense is calculated using cost factors supplied by OPM and must be financed by OPM.

Independent Auditors' Report

To the Audit Committee, the Board of Directors,
and the Inspector General of the
Export-Import Bank of the United States:

We have audited the accompanying financial statements of the Export-Import Bank of the United States ("Ex-Im Bank" or the "Bank"), which comprise the balance sheets as of September 30, 2015 and 2014, and the related statements of net costs and changes in net position and the combined statements of budgetary resources for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget Bulletin No. 15- 02, *Audit Requirements for Federal Financial Statements.* Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ex-Im Bank as of September 30, 2015 and 2014, and its net costs of operations and changes in net position, and combined budgetary resources for the years then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As discussed in Note 1 to the financial statements, the Export-Import Bank Reauthorization Act of 2012 (P.L.112-122) extended the Bank's authority until September 30, 2014. This date was subsequently extended to June 30, 2015, by P.L. 113-164 on September 19, 2014. The administration has requested a five-year extension of the Bank's full authority under its Charter through FY 2019. However, as of September 30, 2015, such authority had not been extended. During a period of a lapse in full authority, the Bank cannot authorize new financing transactions. Under the terms of its Charter, the Bank will continue to manage and service existing loans, guarantees, and insurance policies and engage in other permitted functions and activities.

The various bills introduced in the Senate and the House of Representatives to reauthorize the Bank as well as votes and other actions taken in both Houses of Congress in support thereof, indicates that the Bank will be reauthorized.

OTHER MATTERS

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2015, on our consideration of Ex-Im Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ex-Im Bank's internal control over financial reporting and compliance.

Deloitte + Touche LLP

November 12, 2015

Independent Auditors’ Report

Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**To the Audit Committee, the Board of Directors,
and the Inspector General of the
Export-Import Bank of the United States:**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statements*, the financial statements of the Export-Import Bank of the United States ("Ex-Im Bank" or the "Bank") as of and for the year ended September 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated November 12, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ex-Im Bank's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ex-Im Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of Ex-Im Bank's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ex-Im Bank's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 15-02.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Ex-Im Bank's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 15-02, in considering Ex-Im Bank's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Deloitte + Touche LLP

November 12, 2015

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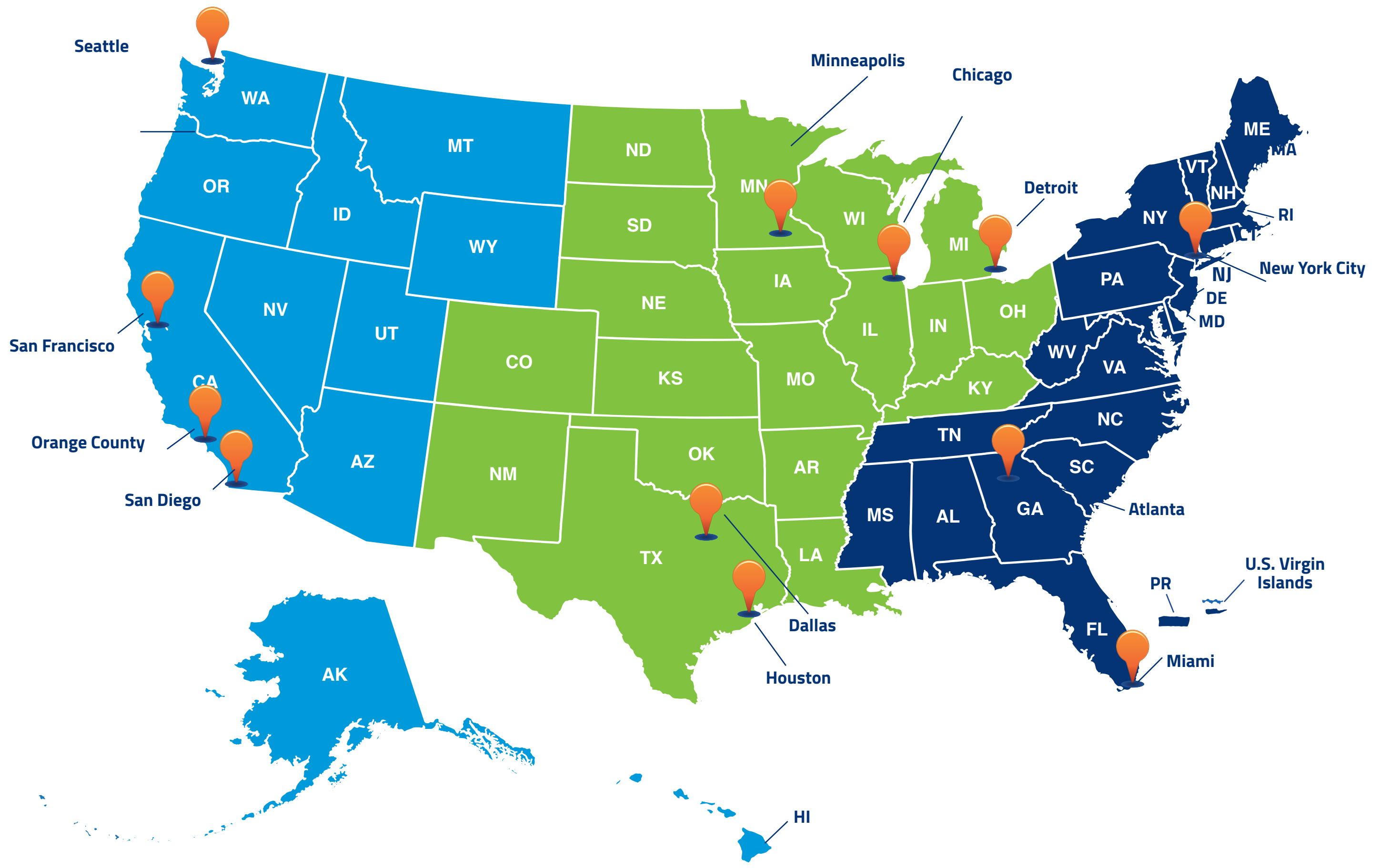
EXIM Bank Regional Export Finance Centers



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