

SMALL-BUSINESS REPORT

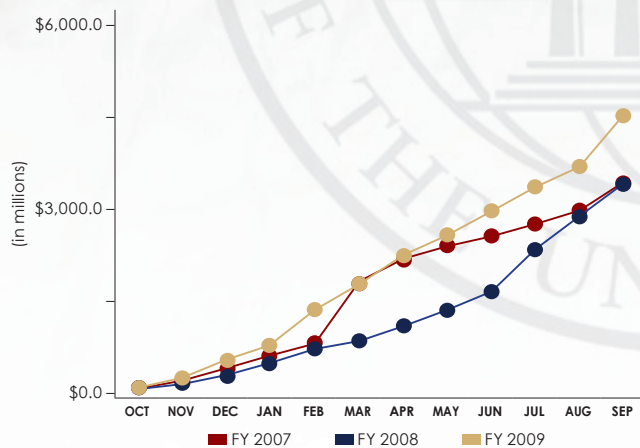
In accordance with Section 8 of the Export-Import Bank Act of 1945, as amended, Ex-Im Bank is reporting the following information regarding its fiscal year 2009 small-business activities.

DIRECT SMALL-BUSINESS SUPPORT

Ex-Im Bank authorized a record \$4.4 billion – nearly 21 percent of total authorizations – in direct support of U.S. small businesses as primary exporters in FY 2009. The Bank approved 2,540 transactions that were made available for the direct benefit of small-business exporters. These transactions represented 88 percent of the total number of transactions approved.

Ex-Im Bank's Export-Credit Insurance Program protects exporters and lenders against the risk of buyer nonpayment for commercial or political reasons and enables exporters to extend credit to their international customers. In FY 2009, Ex-Im Bank authorized a record \$6.5 billion in export-credit insurance, of which small business authorizations totaled \$2.7 billion or 41.4 percent of the dollar volume of these authorizations. The Bank issued 2,052 insurance policies that directly benefited small-business exporters, which represents 91 percent of the total number of insurance policies for the year.

SMALL-BUSINESS AUTHORIZATIONS



Ex-Im Bank's Working Capital Guarantee Program guarantees 90 percent of the outstanding balance of working capital loans to exporters based on inventory and accounts receivable related to exports. In FY 2009, Ex-Im Bank authorized a record \$1.5 billion in working capital guarantees, \$1.2 billion (81 percent) of which supported small businesses.

SMALL-BUSINESS SUPPLIER DATA (INDIRECT SUPPORT)

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

Ex-Im Bank estimates that the total value of the indirect small-business content of transactions supported by the Bank's long-term loan and guarantee authorizations during FY 2009 is \$1.6 billion out of a total estimated export value of \$12.5 billion. This represents nearly 13 percent of the total estimated export value associated with the Bank's long-term financings.

INCREASED LENDER PARTICIPATION

In FY 2009, 11 lenders and 21 brokers serving small businesses were added to the roster of providers of Ex-Im Bank products, including working capital guarantees.

PRODUCT IMPROVEMENTS

Ex-Im Bank reduced the premia on its small-business insurance policies in FY 2009. Small businesses now receive a 15-percent premium-rate reduction on these short-term export-credit insurance policies: the small-business multibuyer policy and the small-business environmental multibuyer policy. These premium-rate reductions, effective October 1, 2008, affect approximately half of all Ex-Im Bank policy holders.

Ex-Im Bank created a \$2.9 billion short-term insurance facility in November 2008 to expedite U.S. exports to Korea by meeting the increased demand to insure U.S. lenders' confirmations of Korean

bank letters of credit. This facility helped U.S. exporters, especially small businesses, continue to sell their products and services to South Korea throughout the economic crisis in FY 2009.

In November 2008, Ex-Im Bank modified its working capital loan guarantee product in several ways to provide increased liquidity to exporters.

The Bank raised from 10 percent to 100 percent the amount of a working capital loan that is eligible for its guarantee for “indirect” exporters, i.e., companies that produce goods or services that are sold to U.S. manufacturers or exporters and are subsequently exported. These suppliers are now eligible to apply directly for Ex-Im Bank-guaranteed working capital loans.

The Bank also offered to consider covering warranty letters of credit up to 20 percent of the loan amount or \$1.5 million, whichever is lower, for a term of 12 months. This was a tripling of the previous ceiling of \$500,000. Exporters using the Bank’s coverage are required to provide only 25 percent in cash collateral instead of the standard 100 percent cash collateral generally required in the private sector.

The Bank offered to consider, on a case-by-case basis, reducing collateral requirements for letters of credit to 10 percent of the face value, down from the Bank’s usual 25 percent requirement and the 100 percent generally required in the private sector.

In June 2009, the Bank combined the aggregate limits of its Super Delegated Authority Program and its “Fast Track” Delegated Authority Program to provide lenders under either program with one overall aggregate limit of \$450 million. This change enables the Bank’s highest-level delegated authority lenders to increase the amount of their working capital funds available for small and medium-sized U.S. businesses.

In April 2009, Ex-Im Bank created a \$200 million small-business facility to support exports by U.S. small businesses to Mexico’s oil and-gas company, Petróleos Mexicanos (Pemex), for its development and production projects. The Bank supported exports by 297 small businesses under the facility in FY 2009.

Ex-Im Bank continued to recruit lenders for its Medium-Term Delegated Authority (MTDA) Program established in FY 2008 to increase use of the Bank’s medium-term loan guarantees supporting commercial loans for foreign buyers of U.S. capital goods. The program enables approved lenders to reduce transaction turnaround time and provide additional small-business support. By the end of FY 2009, five lenders had been certified as MTDA lenders.

TECHNOLOGY IMPROVEMENTS

In FY 2009, 72 percent of the Bank’s small-business transactions were submitted through Ex-Im Online, the Bank’s online business system. Ex-Im Online provides exporters, particularly small businesses, with the benefits of electronic application submission, processing and insurance-policy management. The system automates the Bank’s primary transactions processes, including export-credit insurance, export-loan guarantees and electronic claim filing. The system also provides users with online tracking of the status of their applications.

The Bank implemented user-friendly shipment reporting screens in FY 2009. Over 80 percent of small-business shipment reporting was performed online in FY 2009. The system also supports better capturing of and processing of environmentally beneficial and renewable-energy transactions and enhanced overdue reporting to support medium-term loan guarantees, working capital loan guarantees, credit-guarantee facilities, and transportation, structured-finance and long-term transactions.

Ex-Im Online has been instrumental in implementing small-business product improvements. For example, the premium-rate reduction was implemented on time in Ex-Im Online.

In FY 2009, the Bank developed a comprehensive data warehouse and is using business intelligence (BI) tools for tracking metrics and trends. Ad hoc reporting and dashboard capabilities are enhancing the Bank’s understanding of the drivers to improve customer services. A special dashboard was developed to report, in real time as well as “at a Glance” (on a monthly basis), a large number of small-business metrics and to compare them to previous fiscal years. These dashboards provide key per-

formance indicators for monitoring business operations, small-business goals, and geographical and market penetration.

In FY 2009, Ex-Im Bank continued to make available for small businesses useful information on its programs through a Web site supporting the Federal Funding Accountability and Transparency Act (FFATA). FFATA provides a single database accessible through a searchable Web site that permits users to determine the total amount of federal funding awarded to an entity by fiscal year, beginning with data for FY 2007. The majority of Ex-Im Bank loan and guarantees transactions are available through this government-wide search capability.

Ex-Im Bank also participates in the government-wide "Business Gateway" initiative integrating the content and functions of the Web sites of several business-focused agencies (www.business.gov) and the U.S. government export Web site (www.export.gov).

Additionally, the Bank participates in the "One Stop, One Form" registration system, an Internet-based application system for all federal-government export programs, that is coordinated by the Trade Promotion Coordinating Committee (TPCC).

On the Ex-Im Bank Web site, the Bank maintains a Web portal specifically for small businesses: "If You're a Small-Business Exporter..." (www.exim.gov/smallbiz/index.html). This portal provides step-by-step assistance, including an interactive guide and Ex-Im Bank contacts. The Bank continues to expand its Web-based subscription service to provide customers with the ability to obtain up-to-date Bank news.

Ex-Im Bank's regional offices in New York, Florida, Illinois, Texas and California use a hosted customer-relationship management (CRM) tool to track existing Ex-Im Bank customers, prospective customers and business partners such as lenders and brokers providing Ex-Im Bank products. The comprehensive CRM tool enables staff to follow-up on requests and cross-sell Ex-Im Bank products. In FY 2009, the regional staff also received upgrades to desktops, laptops and personal digital assistants (PDAs) as well as deployment of wireless laptop capabilities in each office.

FOCUSED OUTREACH

Ex-Im Bank is committed to providing export financing for socially and economically disadvantaged small businesses, including those that are minority-owned and woman-owned, and small businesses that have fewer than 100 employees.

In FY 2009, Ex-Im Bank authorized \$492.7 million to support exports by U.S. small businesses known to be minority-owned and woman-owned. Included in this total is more than \$224 million in working capital guarantees authorized for these companies – 14.6 percent of total working capital authorizations.

Ex-Im Bank sponsors seminars for small businesses that traditionally have been underserved in trade finance. These half-day programs provide training in use of U.S. government resources to find foreign buyers and trade-finance tools.

The Bank's Office of Small Business staff participated in 84 events sponsored by women-business centers, small-business associations, minority-focused chambers of commerce and other organizations. The Bank's Board of Directors and senior management supported regional office small-business outreach and participated in conferences nationwide.

In FY 2009, Ex-Im Bank continued to work closely with the U.S. Department of Commerce (DOC) and the Office of International Trade of the Small Business Administration (SBA) on small-business outreach. Ex-Im Bank and DOC staff jointly visited prospective small-business exporters and worked together at international-buyer trade shows. Ex-Im Bank, DOC and SBA staff also completed TPCC training and participated in joint planning meetings on interagency strategy.