



EXIM FY2019 ANNUAL PERFORMANCE REPORT

(APR)

FY 2019

In accordance with Government Performance and Results Act of 1993 (GPRA), EXIM's Annual Performance Report provides key performance metrics and measures that demonstrate EXIM's accountability to its mission; Support American Jobs by Facilitating U.S. Exports.

Contents

FY 2019 Annual Performance Report Overview 2

Goal One 3

Goal Two 5

Goal Three..... 7

Data Accuracy and Reliability..... 10

FY 2019 Annual Performance Report Overview

FY 2019 Annual Performance Report Overview

The following document is the Export-Import Bank of the United States (EXIM) Government Performance and Review Act (GPRA) Annual Performance Report, based on execution of the second year of EXIM's previous FY 2018-2022 Strategic Plan¹.

The 2018-2022 Strategic Plan identifies three strategic goals that serve as the basis for the FY 2019 annual metrics and targets:

- **Goal 1:** Return EXIM to full operational capacity and regain the long-term confidence of large U.S. exporters to increase American manufacturing production in the years ahead;
- **Goal 2:** Quadruple the number of U.S. small and medium-sized enterprises (SMEs) supported by EXIM;
- **Goal 3:** Prepare EXIM for the dynamic business evolution of export trade credit and the competition resulting from other export credit agencies (ECAs).

The FY2019 Annual Performance Plan was predicated on the assumption that EXIM would have a board quorum that would restore full functionality to the agency by the start of FY2019. Thus, it is important to note that for almost a fifth consecutive fiscal year, EXIM has operated without full functionality. Until June 2019, EXIM was only able to finance transactions valued at less than \$10 million (as most transactions greater than \$10 million required a vote of EXIM's Board of Directors).

For the first part of the fiscal year, EXIM focused internally, improving current customer experience, evolving existing programs, and internally preparing for the new landscape of ECA competition. Once a Board quorum was achieved, EXIM began working through its approximately \$40 billion backlog in the transaction pipeline. EXIM made important changes following the restoration of a Board quorum, and in Q1 2020 was reauthorized for an unprecedented seven years. The reauthorization restores EXIM's ability to function at full capacity.

The agency staff members responsible for performance are as follows:

Chief Management Officer (CMO): Adam Martinez. The CMO provides overall organization management to improve agency performance and achieve the mission and goals of the agency through the use of strategic planning, measurement analyses, and regular review of overall progress.

Performance Improvement Officer (PIO): Michele Kuester, Senior Vice President (SVP), Office of Strategy and Performance. The PIO advises and assists EXIM leadership to ensure that the mission and goals are achieved through strategic and performance planning, measurement, analysis, regular assessment of progress, and use of performance information to improve results.

¹ EXIM's current Strategic Plan, available on the EXIM.gov agency website, was revised for FY 2020 – 2022 and approved by OMB December 2019.

GOAL ONE

Goal One: Return the Bank to full operational capacity and regain the long-term confidence of large U.S. exporters to increase American manufacturing production in the years ahead.

Goal Leader: David Sena, SVP, Office of Board Authorized Finance (OBAF)

The metrics and measures provided in the goal one table reflect EXIM's efforts to rebuild its role as a leader in the global ECA arena and a reliable provider of Medium-Term (MT) and Long-Term (LT) financing.

For 8 months in Fiscal Year 2019, EXIM did not have a quorum in the Board of Directors which limited support to Medium-Term transactions below \$10 million. In June 2019, the Board quorum was reestablished and EXIM returned to full functionality.

U.S. Medium- and Long-Term (MLT) Customers Supported:

Performance Metric Measurement

- As of the end of FY 2019, EXIM was supporting 1,879 current, unique MLT customers, a slight decrease from the 1,947 customers supported in FY 2018.
- This was a net reduction of 68 MLT customers at the end of FY 2019, compared to the count at the end of FY 2018.
- This decline in MLT customer count (despite the growth in new Medium-Term transactions in FY 2019) reflected the impact of EXIM's inability to authorize new Long-Term transactions for the first 8 months of FY 2019, as older Long-Term transactions from previous years are fully repaid.

Accomplishments

- With the quorum to the Board of Directors restored in June 2019, EXIM approved the largest transaction ever supported by the Bank in September 2019. EXIM provided \$5 billion in financing support for an LNG project in Mozambique.
- EXIM increased Medium-Term transactions by 15 percent over the prior year level and nearly doubled MT authorizations over the past two years. The Agency supported 41 new MT customers in FY 2019. EXIM supported \$335 million in new MT transactions compared to \$292 million in FY 2018 and \$172 million in FY 2017. Also, in July 2019, the Bank approved increasing Individual Delegated Authority from \$10 million to \$25 million to enhance our support for MT transactions.

Competitive ECA Ranking (TXF data):

Performance Metric Measurement

- In FY 2019, EXIM's ECA ranking was 19th and, therefore, did not meet the FY 2019 target of a competitive ECA Ranking.
- The reported ranking is based on TXF survey data conducted between March and May 2019.
- During this time, EXIM was not fully functional due to the lack of a quorum in the Board of Directors which limited the Bank's functionality.
- This ranking reflects an index of ten customer survey responses. EXIM was below average in 9 of the

GOAL ONE

10 categories and was only above average on pricing.

- Not surprisingly given the continued lack of a quorum in the Board of Directors during this time, the lowest rating categories include flexibility, capacity, and product offering.

Accomplishments

- EXIM has established a “Life-Cycle” approach that supports transactions from underwriting through authorization and repayment. EXIM established a more rigorous transaction underwriting process supervised by the Transaction Review Committee to review pre-authorization transactions during the underwriting process. OBAF created a Transaction Pipeline Status report to track transactions during the different stages of the life cycle and permit greater transparency. In FY 2018, EXIM presented 16 transactions through the Committee for internal review and in FY 2019, 31 transactions were presented through the Committee for internal review. This approach establishes a transparent process that increases accountability and ensures sound, well-informed, and objective decisions.
- In FY 2019, EXIM revised the Letters of Interest program to provide customized and enhanced Letters of Interest to our clients. These revisions provided our exporters with the greater tools to win export sales. In FY 2019, EXIM received 169 requests for LIs of which 132 were approved. Of the LIs approved 30 were processed as enhanced LIs. In FY 2019, the turnaround time for LIs was 8 days (on average) compared to 13 days (on average) in FY 2018.
- EXIM reinvigorated the Preliminary Commitment program to provide even greater tools to U.S. exporters to win sales. In August 2019, EXIM supported two Long-Term Preliminary Commitments supporting U.S. exporters seeking exports sales in Iraq and Cameroon.

GOAL TWO

Goal Two: Quadruple the number of U.S. small- and medium-sized enterprise exporters.

Goal Leader: James Burrows, SVP, Office of Small Business (OSB)

The metrics and measures provided in the goal two table provides EXIM's metrics and targets associated with SMEs. As discussed in the Strategic Plan, EXIM is focusing on SME growth that will directly benefit small businesses in the U.S. and support a broader reach across industrial America.

To achieve this goal, EXIM has developed several strategies collectively aimed at attracting and retaining SME customers, growing intermediaries, improving customer experience, and increasing operational efficiency. Furthermore, EXIM is actively tracking its progress towards these initiatives through various analytical reports and dashboards. Specifically, EXIM has provided tracking data for FY 2015 to present for the following three metrics: Retention Rate, U.S. Short-Term Customers Supported, and Intermediaries (see goal two table in the Performance Metrics and Measures section). Further detail on each of these metrics is below:

Retention Rate:

Performance Metric Measurement

- In FY 2019, EXIM retained 83% of its short-term customers from the previous fiscal year. This is lower than the 85 percent target.
- Despite missing the FY 2019 target, EXIM has improved its customer retention year-over-year from FY 2015 to present.

Accomplishments

- During the first 11 months of FY19, Export Credit Insurance's (ECI) customer retention rate was 92%.
- Focused on improving client care and end-to-end customer experience, by maturing its recently-created Customer Care Unit. The unit provides concierge-style service for EXIM ECI's policyholders, to ensure they make full use of their policies, are assigned a broker, and understand how to meet EXIM shipment reporting requirements.
- CCU has proven useful since its inception in late 2018 in turning unutilized policies into actively-shipping policies, along with reconnecting clients with their brokers. During FY19, the CCU team reached out to 500 policy holders. Of those 500, they were able to engage with 200 policy holders. After speaking with the policy holders, 30 reported shipments.

U.S. Short-Term Customers Supported:

Performance Metric Measurement

- In FY 2019, EXIM supported 2,051 short-term customers, below the 3,125 target.
- EXIM's short-term customers supported count has been declining year-over-year since FY 2015. This decline stems primarily from EXIM's 2015 lapse in authority, lack of a Board quorum that lasted until May 2019, and uncertainty regarding EXIM's reauthorization. All of these factors have decreased

GOAL TWO

customer confidence in EXIM's ability to provide the products and services they require for investing the time and resources to work with EXIM.

Accomplishments

- OSB staff presented/attended in excess of 500 outreach events to directly engage with prospective and existing customers and promoted EXIM's service offerings to a vast number of U.S. small businesses.

Intermediaries:

Performance Metric Measurement

- In FY 2019, EXIM engaged with a total of 129 intermediaries. This is below the 144 aggregate target.
- Despite missing the FY 2019 target, EXIM has increased/sustained its number of active intermediaries since FY 2016.
- EXIM saw an increase in all three intermediary groups—brokers, lenders, and Regional Export Promotion Program (REPP) organizations.

Accomplishments

- Expanded REPP partnerships to ensure EXIM has a regional presence in each State.

GOAL THREE

Goal Three: Prepare EXIM for the dynamic business evolution of export trade credit and the competition resulting from other export credit agencies.

Goal Leader: Michele Kuester, SVP, Office of Strategy and Performance (OSP)

The metrics and measures provided in the goal three table reflect EXIM’s focus on developing its staff and internal capabilities. As discussed in the Strategic Plan, EXIM is supporting this goal through several strategies aimed at developing critical skills, increasing accountability, and improving employee engagement. EXIM has a number of ongoing initiatives that support achievement of this goal, including the Excellence in Government (EIG) fellows program.

EXIM identified and baselined critical skill area gaps in FY 2018 and reporting on the number/percentage of current employees deployed in critical skill areas started in FY 2019 on the Annual Performance Report.

Critical-skill employees:

Performance Metric Measurement

- Progress was measured on this objective using EXIM’s established the metric “number of employees deployed in critical skill areas”. That metric was baselined in FY 2018 as 54% of employees deployed in critical skill areas and has increased 1% over the course of FY2019.
- EXIM experienced higher than normal attrition in critical skill areas (ex. Loan Officers) over the course of FY2019. The majority of those positions were not backfilled until June 2019, when a Board quorum was reestablished.

Accomplishments

- EXIM tracked an updated list of seven critical skill areas² aligned with the current agency Strategic Goals.
- Provided with increased training budgets, Senior Vice Presidents (SVP’s) worked with their offices to identify the top 3 critical skills necessary for their functions and the creation of training/development plans for obtaining/evolving, implementing, and maintaining the identified critical skills. This effort is aimed at contributing to growth in EXIM’s overall critical skills count and developing staff’s ability to adapt to new ways of doing business.

Consistency of employee performance reviews:

Performance Metric Measurement

- EXIM’s review of year-end performance ratings finalized and approved during FY 2019 measured 82% of supervisors making meaningful distinctions between fully effective, excellent performer, and top

² The list of critical skill areas defined for FY 2018-2019 include Financial Analysis/Systems, Data Analytics/Management, Customer Experience, Digital Marketing Optimization, Quality Management, Self-Management/Continually Learning, and Process Improvement.

GOAL THREE

performer ratings.

- This means that EXIM came close to, but did not achieve, the target of 95% for this metric. The FY 2019 result for this metric provides an 8% increase from the 2018 baseline and reflects that EXIM is putting more focus on improving performance evaluations.

Accomplishments

- EXIM provided tools, ongoing input, and additional performance management training to support managers in preparing for and identifying meaningful performance distinctions.
- EXIM senior management analyzed the performance ratings from FY2018 and developed a common definition of the distinctions between fully effective, excellent performer, and top performer ratings. Based on that common definition, senior management worked with their direct reports to set clearer performance goals and thus encourage meaningful distinctions.

Alignment of senior-manager performance goals:

Performance Metric Measurement

- 89% of GS-15s and above had two goals tied to agency goals which did not meet the target of 100%.
- This result reflects a 24% marked improvement from 2018 and supports the direction of EXIM's efforts toward more meaningful goal-setting in FY 2020.

Accomplishments

- The pay and leave flexibility associated with the Senior Leadership (SL) designation allow for the recruitment and retention of key managerial talent – which is necessary to prepare EXIM to meet the new competitive landscape of Export Credit Agencies. EXIM's Human Capital division undertook an SL policy and re-certification process to streamline and clarify language when possible, as well as strengthen and add transparency around SL processes, such as selection, goal setting, and performance requirements. EXIM's SL Certification was approved the week of December 16th, 2019 and a new SL policy was created to better align with government-wide Senior Executive Service (SES) criteria.
- EXIM SL's attended an Office of Personnel Management (OPM) class on writing performance goals and were provided with one-on-one guidance and feedback on their created performance goals. This effort was made to better ensure that all SL goals were aligned with the administration's Strategic Plan goals and that measurable results could be obtained at the end of the performance cycle.
- Significantly, EXIM hired a Chief Management Officer (CMO), in lieu of having a Chief Operating Officer. The CMO is a career position whose role provides continuity across changes in administration and support Agency performance growth and transformation toward the attainment of the Strategic goals. As the CMO position is career, they will be here for the long haul, which is crucial for long-term transformation.

Federal Employee Viewpoint Survey Employee Engagement Index (EEI):

Performance Metric Measurement

- Although we experienced marked improvement from last year, EXIM's 2019 EEI results, per the

GOAL THREE

Partnership for Public Service came to 59% which did not meet the target of 73%.

- Small Federal agencies overall also declined on average by two points in FY 2019 to 67% on the EEI; however, EXIM's larger decrease reflects agency-specific challenges.
- The biggest factors in the decrease, uncertainty of Agency reauthorization and appointment of a Board quorum, was partially mitigated in June 2019 with the return of the Board quorum and EXIM's 7-year reauthorization in December 2019, which enables EXIM's ability to function at full capacity.

Accomplishments

- EXIM recorded the highest response rate in our history at 81%, representing 45% increase over last year's response rate of 56%.
- Each of the 3 key indices OPM uses to measure organizational health within the EVS (Employee Engagement Index, New IQ Index and the Global Satisfaction Index), increased this year.
- EXIM's SVPs that led offices engaged in several initiatives to improve employee morale and increase the EEI rating. Firstly, using the office-level FEVs data and results provided, SVP's worked to identify the top 3 areas of improvement. Once the analysis was completed, SVP's took targeted actions to address the top issues in their specific offices.
- The agency has been in an overall downtrend since 2016 with 77% of survey items decreasing over that period. Despite an expected decline in scores, the overwhelming majority of survey items (83%) showed improvement from 2018. As a comparison, in 2018, 93% of all survey items decreased.

Performance Metrics and Measures

Data Accuracy and Reliability

The metrics provided in the accompanying table provide a framework that measures the outcome of EXIM’s efforts toward our three strategic goals. Data used to verify and validate measured values in the accompanying table comes from EXIM’s management reporting system. It is designed to capture disparate data across the institution and transform it into useful management information. Most of the data is used to underwrite, authorize, and monitor the transactions EXIM supports and, as such, is subject to a rigorous review process performed by the underwriter, an underwriting manager, management, and other EXIM offices, including the Office of the Chief Financial Officer.

EXIM has a high level of confidence in the quality of its performance data.

GOAL 1: REGAIN THE LONG-TERM CONFIDENCE OF LARGE U.S. EXPORTERS AND RETURN THE BANK TO FULL OPERATIONAL CAPACITY						
Goal Leader: David Sena						
I. Goal One Metrics	Measurement	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual
a. Competitive ECA Ranking	TXF ranking of EXIM versus all global ECAs	--	4 th	5 th	below 17 th	18 th ³
b. U.S. Medium- and Long-Term Customers Supported:	# of unique Medium- and Long-Term customers supported as of end of fiscal year and % growth	2,801	2,386	2,240	1,947	1,879

³ MIGA (Multilateral Investment Guarantee Agency) is not an Export Credit Agency and has been excluded from the total ranking for purposes of this report.

Performance Metrics and Measures

GOAL 2: QUADRUPLE THE NUMBER OF U.S. SMALL AND MEDIUM ENTERPRISE (SME) EXPORTERS						
Goal Leader: James Burrows						
II. Goal Two Metrics	Measurement	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual
a. Retention rate	% of unique Short-Term*	65%	74%	75%	80%	83%
b. Short-term customers supported	# of unique Short-Term (Insurance and Working-Capital) customers supported as of end of fiscal year	3,113	2,650	2,533	2,252	2,051
c. Intermediaries	# of intermediaries	--	111	119	120	129

*(Insurance and Working-Capital) customers retained from previous fiscal year, excluding unused policies (new or renewal authorization recorded on any Short-Term product)

Performance Metrics and Measures

GOAL 3: PREPARE EXIM FOR THE DYNAMIC BUSINESS EVOLUTION OF EXPORT TRADE CREDIT						
Goal Leader: Michele Kuester						
III. Goal Three Metrics	Measurement	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual
a. Critical Skills⁴	# of employees deployed in critical skill areas and % growth	--	--	--	201	189
b. Consistency of employee performance reviews and feedback⁵	% of supervisors making meaningful distinctions between fully effective, excellent performer, and top performer ratings	--	--	--	74%	82%
c. Performance goal alignment⁶	% of GS-15s and above with at least two goals tied to agency goals	--	--	--	65%	89%
d. Employee engagement	% positive response on Federal Employee Viewpoint Survey Employee Engagement	68%	64%	63%	55%	59%

⁴ Historical data is currently unavailable. FY 2018 numbers based on 373 total employees, FY2019 numbers based on 342 total employees.

⁵ Historical data is unavailable.

⁶ Historical data is unavailable.