

Government Performance and Review Act (GPRA): Annual Performance Plan/Report (APP/R) and Ex-Im Bank Performance Metrics/Targets

Pursuant to United States Code - Title 31: Money and Finance Sections 1115 and 1116, the attached table serves as Ex-Im Bank's Annual Performance Plan/Report (APP/R). This federal regulation establishes a performance management framework for the federal government and emphasizes key elements of the Administration's approach to improving the effectiveness and efficiency of the government. The performance metrics on the accompanying table provide a snapshot of Ex-Im's performance along three dimensions that map broadly to the Bank's strategic goals as laid out in its Strategic Plan:

- Goal 1: Expand awareness of Ex-Im Bank services through focused business development and effective partnerships;
- Goal 2: Improve the ease of doing business for customers; and
- Goal 3: Create a work environment that fosters high performance and innovation.

Each section of the table contains a set of high level metrics that measure the Bank's performance on these strategic goals. These metrics are intended to provide a glimpse of the long-term, strategic direction of Ex-Im Bank and the broad results of Ex-Im's focused efforts to fulfill its mission. The following narrative provides a brief overview of how these performance metrics map to Ex-Im's Strategic Plan.

Goal 1: Expand awareness of Ex-Im Bank services through focused business development and effective partnerships

The first section of the table looks at the impact of Ex-Im's business development efforts and partnerships by focusing on the level of awareness of Ex-Im services as evidenced by (a) authorizations and (b) partnerships and outreach. The metrics associated with authorizations illustrate how the Bank's business development activity has brought business to Ex-Im over the past three years on both a high level with metrics such as total authorizations and transactions, as well as more specifically with figures on the nine priority markets (objective 1.2—target business development to countries with high potential for U.S. export growth) and the congressionally mandated focus areas of small business, minority and women owned businesses, environmentally beneficial exports, and Sub-Saharan Africa exports. The measures of partnership and outreach look at Ex-Im's progress in building effective partnerships by quantifying the number of lenders and brokers who have done substantial business with Ex-Im as well as the number of new small business exporters (objective 1.1—expand breadth and depth of partnerships to increase reach). Ex-Im has created a dedicated team to focus on renewable energy, and has a business development team that focuses on high potential countries and industry specific opportunities (objective 1.3—build expertise and tailored offerings in industries with high potential for U.S. export growth).

Goal 2: Improve ease of doing business for customers

The second section of the table examines Ex-Im's customer service and transaction processing time with metrics on (a) average cycle time for high volume programs and (b) the percent of deals completed within 30 and 100 days. These metrics capture cycle time efficiencies created by reorganizing internal activities and adding capacity to deal teams (objective 2.1—streamline end-to-end process from application submission to decision). Ex-Im has reviewed program details and risk pricing internally (objective 2.2—optimize product portfolio and risk pricing). To optimize risk pricing, Ex-Im has continued to adjust its reserves based on historical loss rates and increase pricing in target areas to minimize program budget usage. Products and processes demonstrating Ex-Im's efforts to optimize its product portfolio are discussed in the Cross-Cutting Initiatives section.

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

The third section of the table seeks to quantify items contributing to Ex-Im's environment of high performance and innovation by focusing on (a) employee satisfaction and (b) resource utilization. The metrics associated with employee satisfaction show the results of Ex-Im's Annual Employee Survey related to overall job satisfaction. Figures in the resource utilization section detail how Ex-Im has managed its resources and talent. Ex-Im has also revamped its employee performance reviews and goal-writing process to align the Bank's macro-level goals with micro-level activities (objective 3.1—update performance metrics for departments and individuals to reflect overall Bank strategy). Additionally, the Bank has launched a multi-year Total Enterprise Modernization effort to improve its systems and workflow, which will streamline internal processes, simplify customers' interface with the Bank, and greatly improve the information and knowledge flow within the Bank (objective 3.2—enhance knowledge-management processes). The products and processes discussed in the Cross-Cutting Initiatives section are representative of Ex-Im's efforts to institute an innovative, high performance environment.

Cross-Cutting Initiatives

Ex-Im has introduced a variety of processes and program enhancements that improve performance, and introduced products that fill gaps in the market. These innovations represent Ex-Im's efforts to both enhance its product portfolio (an objective of Goal 2: Improve ease of doing business for customers) and promote an atmosphere of innovation (a broad aim of Goal 3: Create an environment that fosters high performance and innovation). A few examples of new products and processes include the following:

- *The bond product/capital market option* taps new funding sources by allowing the guaranteed commercial lender to issue bonds against Ex-Im guaranteed loans; this financing option was revitalized in FY2009 and has grown significantly over the past several years as liquidity in the private lending community has tightened. Ex-Im authorized six capital market transactions worth about \$2.4 billion in authorization

value in FY2009, sixteen worth \$3.6 billion in FY2010, and twenty worth nearly \$7 billion in FY2011.

- *The Supply Chain Finance Guarantee program* was launched in FY2010 to inject liquidity in the marketplace and provide U.S.-based suppliers—particularly small businesses—with access to capital faster and at a lower cost; Ex-Im authorized \$90 million for this program in FY2010 and \$1.1 billion in FY2011.
- *The Express Insurance Policy* streamlines the credit insurance application process for small businesses and aims for a turnaround time of five days. Ex-Im has issued over 230 Express policies since its inception in mid-FY2011.
- *The Global Credit Express Pilot Loan Program* was introduced in FY2012 to deliver small short-term working capital loans directly to creditworthy small business exporters. These firms are unable to obtain commercial loans due to high transaction costs faced by banks in underwriting and servicing them; Ex-Im received five applications for this product in the second quarter of FY2012.
- *The 100 Day Deal List* helps Ex-Im monitor the progress of deals that have been in process for more than 100 days; these deals are examined each week by the Chief Operating Officer to determine what steps need to be taken in order for Ex-Im to complete the transactions.

Metrics without Targets

Many of the metrics included have associated targets. Some of the metrics, however, do not have associated targets (“n/a” in target column) because of one or more of the following reasons:

- a) While Ex-Im’s efforts may impact these metrics, there are external factors which can have an overwhelming influence on these measures; e.g. the Bank’s administrative budget is appropriated by Congress, and/or
- b) They are derivatives of other measures; e.g. jobs supported are estimated based on authorizations in a given year.

These metrics have been included because they are barometers of Ex-Im’s performance and the external environment, but they do not lend themselves to targets.

Ex-Im Performance Metrics

			FY2009	FY2010	FY2011	FY2011	FY2012	FY2013
			Actual	Actual	Actual	Target	Target	Target
I. Goal 1: Business development and partnerships		Unit of Measure						
a. Authorizations	i. Total Authorizations	\$ millions	\$21,021	\$24,468	\$32,727	n/a	n/a	n/a
	ii. Total Transactions	Number of Transactions	2,891	3,532	3,751	n/a	n/a	n/a
	iii. Small Business	\$ millions	\$4,360	\$5,053	\$6,037	\$6,100	\$6,600	\$8,100
	iv. Minority and Women Owned	"	\$517	\$628	\$720	n/a	n/a	n/a
	v. Renewable Energy ¹	"	\$101	\$332	\$721	\$750	\$850	\$900
	vi. Sub-Saharan Africa	"	\$310	\$812	\$1,381	\$2,150	\$1,600	\$1,600
	vii. Nine Priority Markets ²	"	\$5,030	\$5,210	\$12,336	\$9,490	\$18,500	\$20,500
	viii. Jobs supported ³	Number of Jobs	195,000	227,000	290,000	n/a	n/a	n/a
b. Partnerships and outreach effectiveness	i. Lenders with ≥ 5 authorizations	Number of Partners/Customers	56	69	66	n/a	73	80
	ii. Brokers with ≥ 5 authorizations	"	39	47	45	n/a	50	53
	iii. New small business exporters ^{4,5}	"	583	733	628	900	1,000	1,100

¹Renewable energy transactions represent a subset of environmentally beneficial transactions

²Mexico, Brazil, Colombia, Turkey, India, Indonesia, Vietnam, Nigeria, South Africa

³Derived from authorizations

⁴New to Ex-Im Bank within the last five years

⁵Target set at 5,000 new small business exporters between 2010 and 2015

Ex-Im Performance Metrics

				FY2009	FY2010	FY2011	FY2011	FY2012	FY2013
				Actual	Actual	Actual	Target	Target	Target
II. Goal 2: Customer service and transaction processing time				Unit of Measure					
a.	Average cycle time for high volume programs (new applications only)	i. Short-term multi-buyer, exporter-held insurance (ENV, ENB, ESC)	Average Number of Days to Decision¹ (Total Cases)	23 (1,764)	24 (2,034)	18 (1,464)	21	15	15
		ii. Short-term single-buyer, exporter-held insurance (ESS)	"	30 (169)	32 (360)	17 (616)	21	21	21
		iii. Short-term single-buyer, bank-held insurance (FIBC)	"	82 (139)	50 (179)	40 (62)	45	45	45
		iv. Medium-term credit insurance	"	91 (339)	59 (445)	59 (310)	60	60	60
		v. Medium-term guarantees	"	67 (174)	256 (176)	67 (92)	60	60	60
b.	Days to decision within target	i. Percent of deals completed in ≤ 30 days	Percent	57%	65%	80%	80%	80%	80%
		ii. Percent of deals completed in ≤ 100 days		90%	93%	99%	95%	95%	95%
III. Goal 3: Environment of high performance and innovation									
a.	Employee satisfaction	i. Percent satisfied with job ²	Average Score (Response Rate)	71% (64%)	70% (64%)	65% (47%)	n/a	80% (75%)	80% (75%)
b.	Resource utilization	i. Administrative budget appropriated and utilized	\$ millions	\$82	\$84	\$84	n/a	n/a	n/a
		ii. Ratio of authorization value to administrative budget	--	256	291	391	n/a	n/a	n/a
		iii. Program budget utilized ³	\$ millions	\$37	\$44	\$68	n/a	\$58	\$38
		iv. Claims paid	"	\$56	\$29	\$2	n/a	n/a	n/a
		v. Surplus generated ⁴	"	\$211	\$396	\$617	n/a	n/a	n/a
		vi. Ratio of authorization value per FTE	\$ millions per FTE	\$58	\$66	\$87	n/a	n/a	n/a

¹Average number of days from application to decision

²Average percent of respondents satisfied/very satisfied with their job

³Program budget = sum of all positive subsidy transactions; positive subsidy transactions are those whose fees do not cover expected losses over the life of the loan, with the positive subsidy amount being the difference between the expected losses and fees

⁴Surplus generated = fees generated plus net present value of future interest payments (if any) accruing to Ex-Im less expected losses and administrative budget