

>> Announcer: Ladies and gentlemen, welcome to the 42nd Annual Conference of the Export-Import Bank of the United States. Welcome to the stages EXIM's Executive Vice President and Chief Operating Officer, Jeffrey Goettman.

>> Oh my. Good morning. Welcome, everyone. Thank you, thank you for being with us, Dave. I just wanted to let you know that I'm personally very excited to be here. For those of you who don't know me, some of that excitement might come across in a classic Bjorn Borg style of play, but I do wanna make sure that you know that we are here for getting us reauthorized and getting things started for a great year, this year and next year. This is my... This is my first EXIM Conference. I've been the COO for nine months now, and I'm honored to represent the bank and the talented team at EXIM who are incredibly committed to the mission of growing exports and supporting US jobs. I also wanna reassure everyone that while I'm honored to have this role as acting head of agency, the team and I are doing everything possible to shorten my time in this position. We're working hard to get board members a quorum. We wanna start getting deals and when we return next year, we wanna be talking about a pro-growth, pro-job reauthorization bill for EXIM. You're in for a great two days. We have an exceptional lineup of speakers from the public and private sector. Among the many great speakers, I'm very excited to hear from both sides of the political aisle with Senator Heidi Heitkamp and Representatives Frank Lucas and Gwen Moore. We have members of the financial press speaking with some of the world's most successful business leaders and investors. These include Brendan Bechtel, David Rubenstein, Larry Culp, Glenn Youngkin. Seriously, that's a pretty incredible lineup. Before I make a few remarks, I also wanna recognize a couple of our board nominees who are here to support us: Kimberly Reed And, thank you, Kimberly. And I don't see Judith. Just wanna thank them and thank you for hangin' in there with us, we're gonna get there. So, as I get my political sea legs here at EXIM, I wanna briefly mention a topic of slight interest to the audience, the board and the quorum. So from the perspective of a former private equity investor and now as the bank's COO, I'm optimistic. The recent positive comments from Secretaries Mnuchin and Ross are one reason. But the more important reason is where we fit within the president's agenda. President Trump has said economic security is national security. And I strongly believe EXIM's mission is right down the middle of the fairway with the president's philosophy on America first, trade deficit reduction, export growth and supporting US manufacturing jobs. So let's take a look at where EXIM is today. As you can see from the map, these are representative of MLT transactions that we've done over the last 10 years. Highlighted in blue are the more active areas, and we've been in India, Mexico, Turkey, Saudi Arabia, Australia, Ghana, Kenya, and we've been making an impact around the world. As I've learned on my nine months here at the bank, the global economic competition has been more intense and the use of ECA financing has never been more aggressive. The US is facing short term and long term global economic challenges, and EXIM's mission is more important now than ever. The long term challenge is China. As we know, its plans for the future include controlling critical industries and influencing strategic regions of the world. And they're using ECA financing very effectively to achieve this goal. In fact, if you look at this chart of comparing China financing with the US, you can see over the last 10 years China's growth

has gone exponential and ours has declined significantly. In fact if you do some quick math, they've done more finance in the last two years than we've done in the last 10. From a different competitive perspective, this Mondrian chart that we have, this shows the last three years of financing by the leading ECA countries around the globe. These nine countries represent about 90%, I'm sorry about 85% of global ECA activity. A couple of things of note. First, China's almost half of all ECA financing. Look at the big box. Not too far behind, Japan and Korea are following their lead and are now representing close to 25% of all ECA financing. The European G7 and Canada have also aggressively filled the void that EXIM used to occupy. And their strategy of luring and replacing American supply chains, they've been really effective with that, and they've been really good at what I call chopping off our fingers and toes in the US with their ECA policies. And it's really starting to add up. Finally, you could also know that here we are, the US and we're not even providing as much financing as Italy or France or the UK. But I have another way I like to look at this problem and where we are. This chart shows the number of employees, US employees from the 12 largest US export manufacturers. This represents, these companies represent about 1.3 million jobs across the globe. And what you can see over the last five years is that there's been a decline of 100,000 jobs, US jobs among the largest manufacturers in the US. More importantly, since EXIM began sitting on the sidelines, the number of workers at these companies has dropped 5%. Look at 2015 or 2014 before we went into purgatory, 48%, now down to 42%. We don't think this is a coincidence. When our opponents say things like Boeing, or name that major exporter, they're doing just fine without EXIM. I think they're missing the point. Their stock prices might be doing just fine. But 100,000 American workers are now out of a job. So what should EXIM do in the face of these challenges. From the outside it may look like we're just a duck on the water. You know underneath though, we're paddling furiously to bring EXIM back with a more robust, creative, private sector approach. We need to compete and when we come back, we need to win. And so we focused our efforts around three key actions. Reorganization, glad that wasn't mine, public-private partnerships and technology modernization. The first thing we did was reorganize. We wanna be sharper, faster, more nimble. When I came to EXIM, what I found out was that we're really two banks, two mandates tucked into one. We're a big bank serving global industry leaders including EPCs, manufacturers, logistics. And we're a small bank that does thousands of transactions for small and medium-sized businesses. Both are equally important. To underscore the importance of the small bank, we've set a very aggressive goal. We're gonna try to quadruple the number of EXIM customers over the next four years. We're gonna do this, we're gonna get there to 10,000 customers by creating better relationships with the people in this room, with the lenders, with our brokers, with our rep networks. We're gonna grow because that's critical to the long-term health and stability of EXIM. And what's really interesting is look where we've already been with our small and medium-size businesses. If you look at this map, this shows where we've gone with small businesses over the last 10 years. A lot of activity in Mexico but what's really more interesting to me is we've been everywhere in South America, almost all of Africa, almost everywhere in Asia, a lot of other parts of the world. We're covering that for small businesses. To me it's amazing how EXIM has helped small businesses go where they've never gone before. And we're gonna help them go further. On

the big bank side, we've realigned things by industry sector. This is necessary to better serve our customers, to create more knowledgeable bankers, to underwrite quicker and to be more efficient in our processes. We've also innovated with public-private partnerships. EXIM just completed a one billion dollar risk sharing agreement involving our aircraft portfolio. It's pretty innovative and unique among ECAs where we did, we insured 24 billion dollars' worth of our portfolio. We're gonna be looking for more of these opportunities on a deal-by-deal basis where we engage with private reinsurers and other financial intermediaries to see if we can both risk share and leverage the dollars available that we can provide into the marketplace. And lastly, we've really gotta move with the times. EXIM has a classic and timeless mission but we've gotta embrace, we've gotta be like all of the other financial institutions these days. We've gotta embrace the use of data, data analytics. We've got to have greater use of technology. There's a Fintech, an InsureTech. There's a lot of disintermediation going on in the world right now. And we need to keep up with that because otherwise we're just gonna be too cumbersome to deal with going forward. People have a high level of expectation these days when they're dealing with financial institutions. And we need to meet that baseline. So we're in the process of adapting new tools, to help our exporters get down the road faster and more efficiently. To end here, so over the last 10 years, EXIM has made a difference across the country. This map shows business activity where EXIM played a role, and it shows that we touched businesses in every state. And these companies depend on EXIM to help them grow and by leveling the playing field, we can do that as they compete for deals around the globe. We have a team committed to growing American exports and creating more American jobs here at home. The next couple of days will be exciting. Enjoy the conference and thank you very much for your ongoing support. Appreciate it.