



UK Export  
Finance

# Intro to UK Export Finance

and support for Green Finance

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# About UK Export Finance

- **UK government department and world's first export credit agency** with over 100 years' experience
- Reputation as one of the world's most **innovative** and **flexible** ECAs



Provided **£12.3bn of support**  
in 2020-21



# Who are we and what we do...

## Our mission

To ensure that no viable UK export fails for lack of finance or insurance from the private sector, while operating at no net cost to the taxpayer

We help UK exporters:

- **Win contracts** by providing attractive financing terms
- **Fulfil orders** by supporting working capital loans
- **Get paid** by insuring against buyer default

- **£50 billion capacity** to support exports for businesses of all sizes, with **£10 billion** to support customers affected by COVID-19
- Last year, **77% of exporters** benefiting from our support were SMEs
- **£30 billion provided** over the last six years for UK exporters



# Support, not subsidies

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- We operate at **no net cost** to the taxpayer over the long-term.
- We charge a premium for the risks we take.
- We **complement** rather than compete with the private sector.
- We can support exports of services and IP as well as capital goods.
- We need **at least 20% UK content** in a contract's value to provide financing terms for overseas buyers.
- Our statute allows us to **support activities “conducive to” exports**, not just exports – e.g. supply chain, ports, and others to follow.



# HMG Priority: Clean Growth

- UKEF is committed to the renewable energy sector:
  - UKEF provided **£392m** in support for renewable energy projects last year. This year it is expected to be **c.£700m**
- We are actively deepening this commitment, including for emerging technologies such as CCUS and green hydrogen.
  - Promoting **support for clean growth, transition and climate adaptation/resilience technologies** and supporting HMG's Green Finance and Clean Growth strategies
- We have specific financial capacity to promote clean growth and help reach **net-zero** and **maximise the advantages for UK industry from the global shift to clean growth.**
  - In the 2020 Budget, the Chancellor allocated **£2 billion to UKEF's direct lending facility** for clean growth projects





# Financing for UK exports

## Long-term financing and guarantees

Substantial market  
risk appetite

Market Risk Appetite  
for Brazil :

**£3bn - £4bn**

UKEF provides attractive financing terms for overseas buyers of UK goods and services can help exporters **make their offering more competitive.**

Financing provided either via a **bank guarantee**, where UKEF acts as a credit enhancer, or in limited circumstances via **direct lending** with additional capacity (£2bn) for clean growth projects : **UKEF's guarantee to the Bank is 100% for 95% (was 85%) of the contract value where a Sovereign Buyer involved**



RENEWABLE  
ENERGY



TRANSPORT  
INFRASTRUCTURE



AIRPORTS



HEALTHCARE



AGRICULTURE



# Our products

## UKEF support falls broadly into two categories:

<p><u>Export Finance</u> <u>Managers</u></p>	<p>Support for <b>UK exporters</b></p>	<p>Protection against the <b>risk of non-payment</b> by an overseas buyer, help to raise <b>bonds</b> required under the export contract and assistance with <b>working capital requirements</b></p>	<ul style="list-style-type: none"><li>• Export Insurance Policy</li><li>• Bond Insurance Policy</li><li>• Bond Support Scheme</li><li>• Export Working Capital Scheme</li><li>• General Export Facility</li><li>• Overseas Investment Insurance</li><li>• Export Development Guarantee</li></ul>
<p><u>Origination</u></p>	<p>Support for <b>overseas buyers</b></p>	<p>Attractive financing terms for overseas buyers of UK goods and services can help exporters <b>make their offering more competitive</b></p>	<ul style="list-style-type: none"><li>• Buyer Credit Facility</li><li>• Standard Buyer Loan Guarantee</li><li>• Direct Lending Facility</li><li>• Bills and Notes Guarantee</li><li>• Lines of Credit</li></ul>

# UKEF value proposition



**100%  
unconditional  
guarantee**



**Up to 18 years  
repayment**



**60+ local  
currencies**



**Global banking  
relationships**



**Flexible  
transaction  
structures**



**Increased  
support for  
local costs**



**Min. 20% UK  
content**  
goods, services &  
intangibles



**Supplier fair  
matchmaking**







# UK content



## Goods

Produced or processed and modified within the UK and eligible for a UK country of origin certificate



## Services

Cost of any direct employees of UK applicants and of any personnel employed through sub-contracting arrangements with UK sub-contractors



## Intangibles

Intangible assets originating in the UK where no Certificate of Origin is available

We can also work with foreign contractors with UK content in their supply chain



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# UKEF premium

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- UKEF premium is a one-off, upfront payment that can also be financed from the loan itself.
- Separate from interest charged on the loan and is based on:
  - Credit risk
  - Length of contract
  - Performance and repayment terms
- [Premium calculator available for sovereign risk](#)





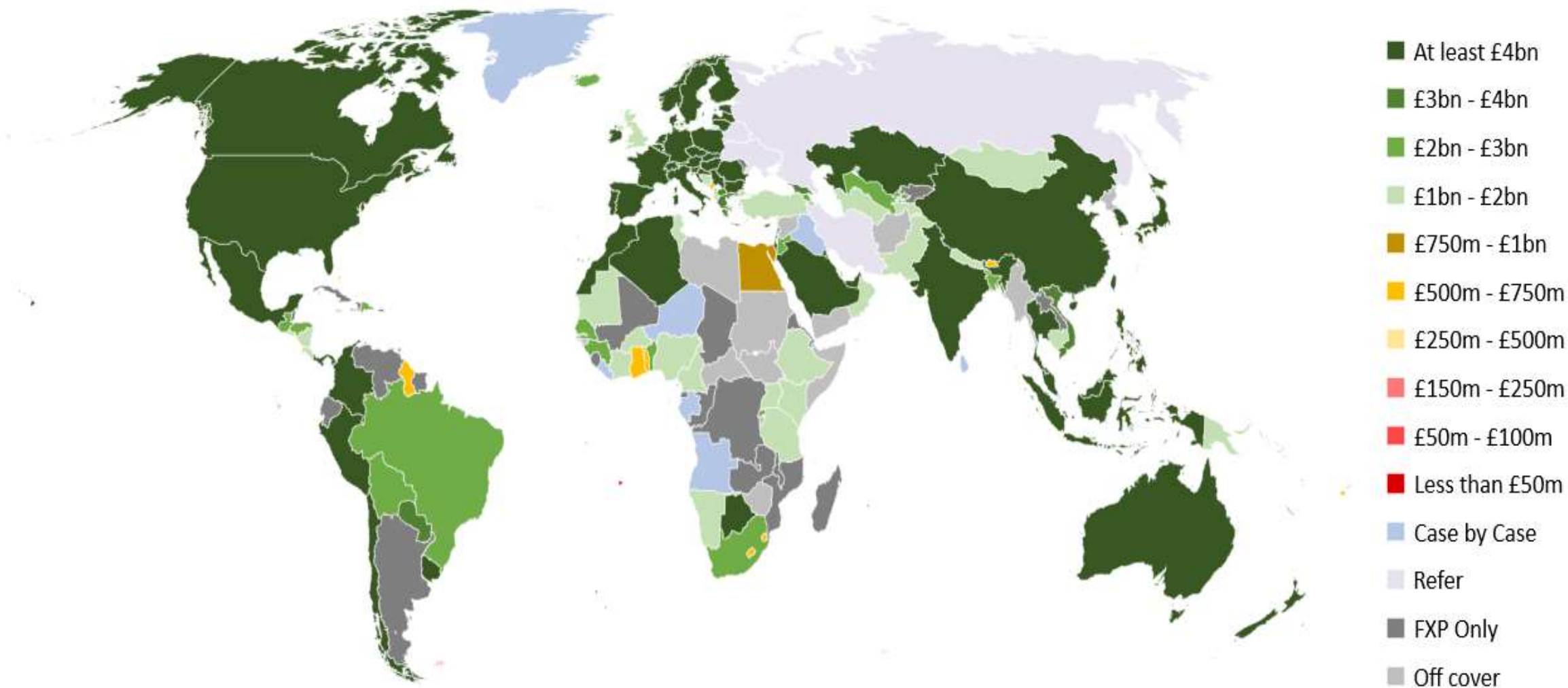
# Support for key international markets

- UKEF can support exports to almost every country around the world and can offer support in over 60 currencies.
- Local currency financing is particularly useful for projects which do not usually generate foreign currency revenue.
- UKEF has country limits for each country that govern the maximum risk exposure we can have for any one market – this is not a target!
- These limits are calculated by taking into account:
  - Country GDP
  - Level of credit risk
  - UKEF maximum exposure limit – currently £5 billion for any one country



# UKEF's Available Capacity to Support Exports

(As at 30 September 2021)





# International network





# UKEF in Clean Growth action

**1. Low emission electric double decker buses in Mexico City. UK Supplier : Alexander Dennis: £44m in local currency financing.**



**4. Windfarms in Taiwan: £600m for 3 offshore windfarms in Taiwan**



**2. Bee'ah HQ: £31m clean growth loan for 'smart offices' in the UAE**



**5. UKEF backed Export Working Capital and Bond support for UK Company Solar Century for 2 of the largest Solar plants in Spain**

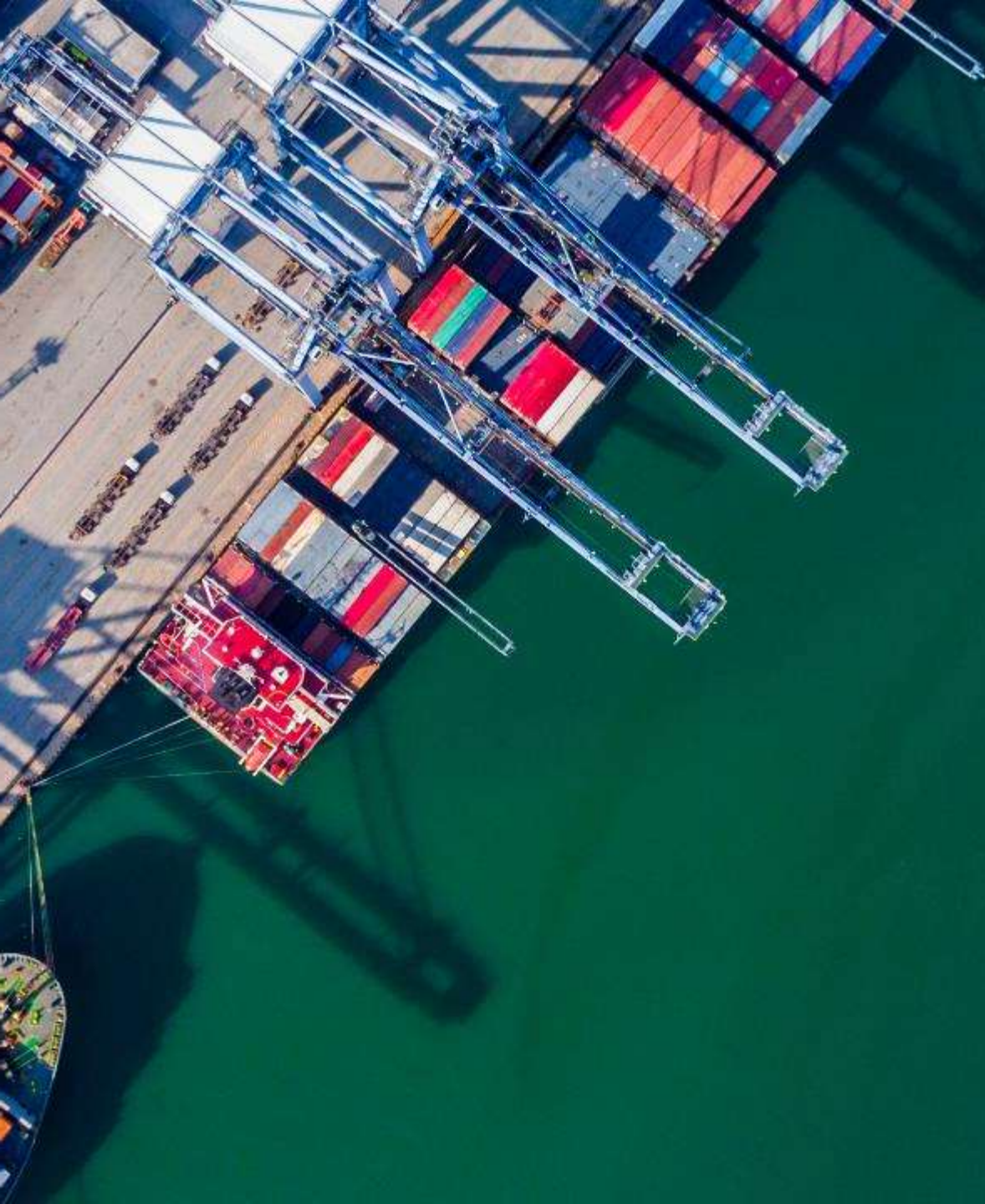


**3. Cairo Monorail: £1.7bn for two new monorails in Cairo, Egypt**



**6. UK Company – NMS Infrastructure Ltd. Contract with MoF, Zambia for Rural Healthcare Clinics and Hospitals: \$291m**





# Thank you

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