UK Export Finance

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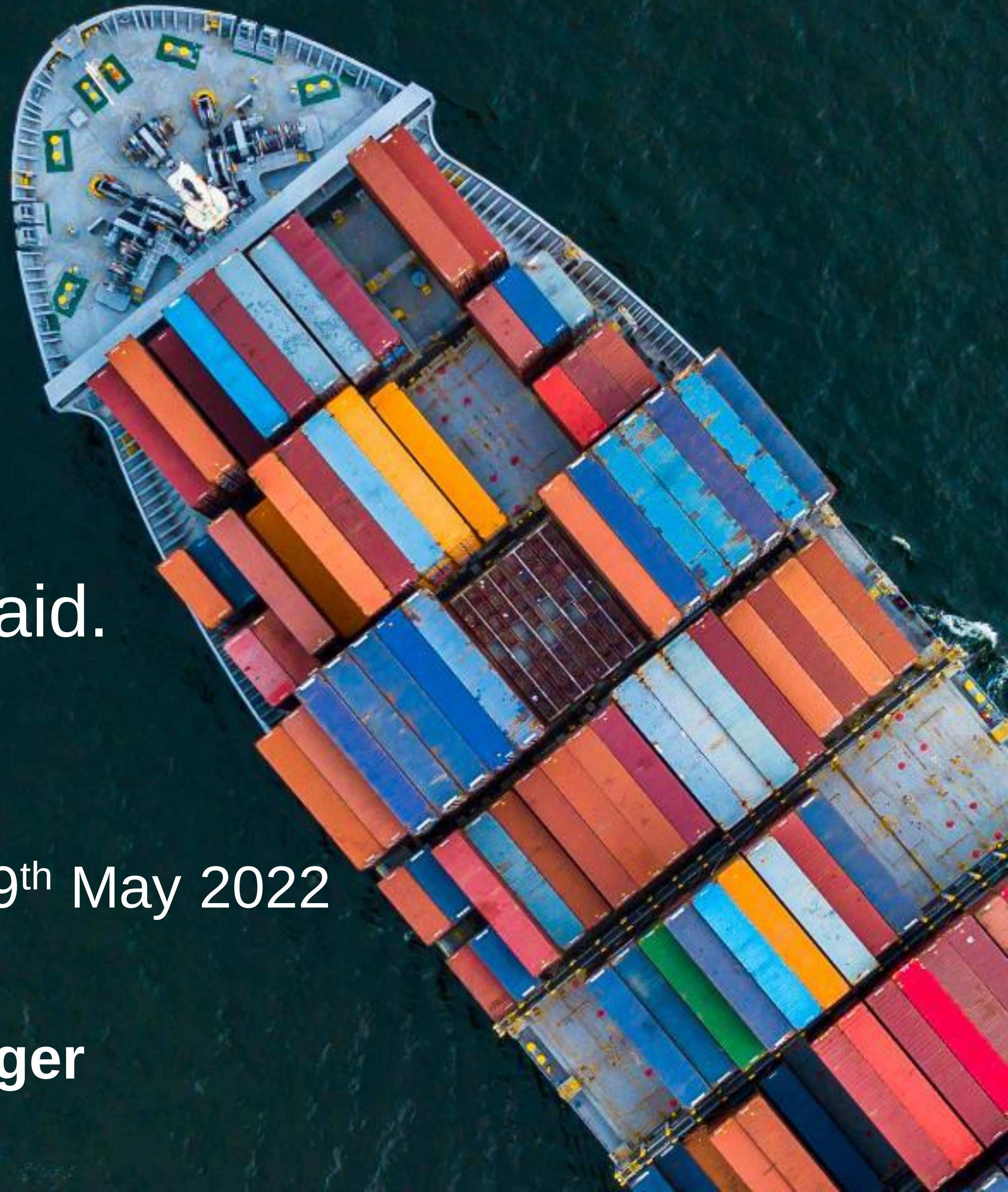
Win contracts. Fulfil orders. Get paid.



Transport Technical Forum – Liverpool 19th May 2022

Kevin Ledwith – Export Finance Manager

About UK Export Finance

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.

The **world's first export credit agency**, established in 1919

- Work with Department for International Trade, Her Majesty's Treasury and over 70 private lenders and credit insurers
- Complement, not compete with the private sector
- We support UK businesses that export – our **tried and tested product range** includes:
  - Export insurance policies
  - Buyer finance
  - Working capital products

In 2020-21:

Provided £12.3bn
in support of UK exports

Directly supported 549 UK businesses
78% were SME’s

Supported an estimated
107,000 UK jobs

Department of International Trade – Support Available to UK Exporting Businesses

National Universal great.gov.uk offer

- Market & industry information
- Guidance and advice
- Digital Services - latest export opportunities and business profiles

Local export support for SMEs (England only)

- International Trade Advisors
- Advice and guidance
- Tailored advice service for SMEs
- Internationalisation Fund
- Export Academy.

Industry specific export support (events)

- Trade fairs and exhibitions
- Webinars and masterclasses
- Virtual events and missions.

E-commerce

- Access to e-commerce advisors
- Information about Online Marketplaces
- Selling online overseas service.

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Our products

Buyer Finance	Exporter Guarantees	Insurance
Win contracts: attractive financing terms for overseas buyers of UK goods and services can help exporters **make their offering more competitive**	**Fulfil orders:** help companies access the support they need to fulfil a contract, giving them the confidence to **take on more contracts and increase their turnover**	**Get paid:** help companies manage risks in challenging markets, **ensuring that they get paid** even where the private market is not able to offer insurance
• Buyer Credit Facility • Direct Lending • Lines of Credit • Standard Buyer Loan Guarantee • Bills and Notes Guarantee	• Bond Support Scheme • Export Working Capital Scheme • General Export Facility • Export Development Guarantee • Supply Chain Discount Guarantee	• Bond Insurance Policy • Export Insurance Policy • Overseas Investment Insurance

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Buyer Finance

Provides support for attractive long-term financing (2-10+ years) to overseas buyers.

- Enables access to loans of up to 85% of the contract value
- Products:
    - Buyer Credit Facility
    - Direct Lending Facility
    - Line of Credit
    - Standard Buyer Loan Guarantee
    - Bills and Notes Guarantee

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Case study: Kabaale Airport

Product and value: Direct Lending Facility – €270m

UK exporter: Colas UK

Project location: Uganda

Buyer: Ministry of Works and Transport Uganda

Project sponsor: Ministry of Finance Uganda

Notable deal features:

- First major project UKEF supported in Uganda
- Supporting work on the construction of the runway, taxiway, cargo terminal
- Additional financing provided by Standard Chartered – lead arranger of the deal

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Case study: Monorail in Cairo

Product and value: Buyer Credit Facility – £1.7 billion

UK exporter: Alstom (previously Bombardier Transportation)

Project location: Cairo

Project sponsor: Egypt Ministry of Finance

Buyer: Egypt National Authority for Tunnels

Notable deal features:

- Consortium led by Alstom will build two new monorails
- UKEF’s largest infrastructure project
- UK content - Rolling stock, engineering works, operation and maintenance

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Case study: Roadworks in Cameroon

Product and value: Buyer Credit Facility and Direct Lending Facility – £113 million

UK exporter: Various

Project location: Cameroon

Project sponsor: Magil Construction

Notable deal features:

- expansion of the Douala East Entrance Road, which connects the capital in Cameroon with vital trading ports
- deal unlocks millions of pounds worth of business for UK suppliers to install and upgrade new roads

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Supplier Fairs

- Connecting UK businesses with overseas buyers and international projects
- Project information and one-to-one meetings with buyer representatives
- UKEF support available for UK suppliers

Export Working Capital Scheme

Provides a guarantee on a bank loan allowing the unlocking of working capital to cover the cost of delivering the contract.

- Guarantees up to 80% of the lender’s risk
- Useful in circumstances where an exporter:
    - Wins a higher value contract than normal
    - Needs to finance additional contracts
- Accessed through participating banks

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Bond Support Scheme

Partial guarantees to banks for exporter contract bond requirements, freeing up exporter working capital.

- Guarantees up to 80% of the bond value
- No maximum or minimum term
- Often reduces the size of deposit needed to secure the bond
- Bonds supported include bid, advance payment, performance, retention and warranty bonds
- Accessed through participating banks

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Case study: Design and Projects International Ltd

- Contract with Bangkok Mass Transit Authority to supply railway maintenance equipment for Bangkok purple line – deal worth €12 million
- secured advance payment, but buyer required advance payment, performance & warranty bonds
- UKEF provided 80% guarantees for all three bonds, using the Bond Support Scheme
- company maintained control over cashflow, employed more engineers and secured two subsequent contracts with buyer

"In the last few years, UKEF has helped us to secure significant exporting business and double our personnel size. Off the back of this success, we are now setting up an office in Thailand so that we can continue to grow our exporting business and take advantage of the opportunities in the Far East."

Colin Brooks, Managing Director, Design and Projects Int. Limited

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Export Insurance Policy

Cover against non-payment by the buyer, and against not being able to recover costs of performing a contract because of certain events causing its termination.

- Covers up to 95% of the contract value
- Cover against:
  - Insolvency of the buyer
  - Buyer’s failure to pay
  - Political or economic events outside the UK
- Apply by contacting UKEF directly or through a broker

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General Export Facility

Provides partial guarantees to banks to help UK exporters gain access to trade finance facilities.

- Can support bank facilities valued **below £25 million**
- Does not need to be linked to a specific export contract
- Guarantees up to 80% of the lender’s risk
- Maximum repayment terms of up to 5 years
- Accessed directly through participating banks

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Export Development Guarantee

Helps UK exporters access high value loan facilities from commercial lenders for general working capital or capital expenditure.

- Minimum value **£25 million (£100m - £500m expected)**
- Does not need to be linked to a specific export contract
- Available to exporters or companies with an export plan (including inward investors and companies transitioning out of fossil fuels)
- Guarantees up to 80% of the lender’s risk
- Repayment period 5 years, or 10 years for Clean Growth Projects
- Accessed through banks using bespoke terms

Thank you.