

Annexes



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Business supported

Export Credits

Exporter/investor	Buyer/airline/ operating lessor/ borrower	Project/goods and services	Product	Maximum liability (£)
Cameroon				
Magil Construction Corporation	Cameroon, Ministry of Economy, Planning and Regional Development	Construction of road	DL Loan (Enhanced)	43,978,359
Magil Construction Corporation	Cameroon, Ministry of Economy, Planning and Regional Development	Construction of road	Buyer Credit Guarantee	80,827,514
China				
Fives Landis Limited	Shiyan Hongzhao Automobile Parts Industry Co Ltd	Supply of advanced machinery	Supplier Credit Finance Guarantee	580,500
Côte d'Ivoire				
Colas Afrique SA	Côte d'Ivoire, Min. of Finance	Construction of road and bridges	Buyer Credit Guarantee	23,443,129
Dints International Limited	Entreprise Multi-services Soro Zie	Supply of heavy equipment, spares and parts	Standard Buyer Loan Guarantee	7,531,499
NMS Infrastructure Limited	Côte d'Ivoire, Min. of Finance	Construction of hospitals	Buyer Credit Guarantee	26,396,353
NMS Infrastructure Limited	Côte d'Ivoire, Min. of Finance	Construction of hospitals	DL Loan (Enhanced)	104,080,990
Dubai				
Airbus S.A.S	Emirates	Airbus aircraft	Asset Based Guarantee	239,589,112
Egypt				
Rolls-Royce PLC	Egyptair Holding Company	Rolls-Royce engines	Asset Based Guarantee	30,065,474
Ethiopia				
Airbus S.A.S	Ethiopian Airlines Group	Airbus aircraft	Asset Based Guarantee	64,037,318

Exporter/investor	Buyer/airline/ operating lessor/ borrower	Project/goods and services	Product	Maximum liability (£)
Ghana				
Acrow Global Limited t/a Mabey Bridge Limited	Ghana, Min. of Finance & Economic Planning	Supply of emergency bridges	Buyer Credit Guarantee	48,883,772
BHM Construction International (UK) Ltd	Ghana, Min. of Finance & Economic Planning	Construction of road	DL Loan (Enhanced)	30,959,477
BHM Construction International (UK) Ltd	Ghana, Min. of Finance & Economic Planning	Construction of road	Buyer Credit Guarantee	45,491,782
Contracta Construction UK Limited	Ghana, Min. of Finance & Economic Planning	Construction of market	Buyer Credit Guarantee	99,918,142
Contracta Construction UK Limited	Ghana, Min. of Finance & Economic Planning	Construction of market	DL Loan (Enhanced)	33,346,120
Powerx Equipment Limited	Bilqis International Limited	Supply of materials handling machinery	Supplier Credit Finance Guarantee	1,390,456
QG Construction UK Limited	Ghana, Min. of Finance & Economic Planning	Construction of road	Buyer Credit Guarantee	31,455,162
QG Construction UK Limited	Ghana, Min. of Finance & Economic Planning	Construction of road	DL Loan (Enhanced)	29,158,775
QG Construction UK Limited	Ghana, Min. of Finance & Economic Planning	Construction of road	Buyer Credit Guarantee	16,040,475
QG Construction UK Limited	Ghana, Min. of Finance & Economic Planning	Construction of road	DL Loan (Enhanced)	15,988,114
Quarry Manufacturing & Supplies Ltd	Reliance Logistics & Construction Ltd	Design and construction of project	Standard Buyer Loan Guarantee	1,314,860
Unatrac	Reliance Logistics & Construction Ltd	Supply of construction equipment	Supplier Credit Finance Guarantee	3,929,410
Tesab Engineering Limited	Reliance Logistics & Construction Ltd	Supply of construction equipment	Standard Buyer Loan Guarantee	932,032
Hong Kong				
Airbus S.A.S	Cathay Pacific Airways Limited	Airbus aircraft	Asset Based Guarantee	70,969,248
Indonesia				
Not disclosed ¹	Not disclosed	Not disclosed	Bond Insurance Policy	7,851,893
Ireland				
Airbus S.A.S	Avolon Holdings Limited	Airbus aircraft	Asset Based Guarantee	33,564,729

Exporter/investor	Buyer/airline/ operating lessor/ borrower	Project/goods and services	Product	Maximum liability (£)
Lithuania				
L3harris Commercial Training Solutions Limited	Avia Solutions Group	Two B737 Max full flight simulators	Buyer Credit Guarantee	16,075,269
L3harris Commercial Training Solutions Limited	Avia Solutions Group	Eight A320/B737 flight training devices	Buyer Credit Guarantee	12,083,293
Malaysia				
Airbus Group	Measat Satellite Communication Systems SDN BHD	Satellite	Buyer Credit Guarantee	41,869,576
Royal IHC Limited	DNEX (Dagang Nexchange BHD)	Supply of a telecom cable plough	Standard Buyer Loan Guarantee	2,756,755
Netherlands				
Airbus S.A.S	Aercap Holdings N.V.	Airbus aircraft	Asset Based Guarantee	18,726,700
Oman				
BAE Systems (Oman) Limited	Oman, Min. of Finance	Typhoon aircraft maintenance	DL Loan (Enhanced)	122,811,146
Peru				
Dints International Limited	San Martin Contratistas Generales S.A.	Spare parts and components for construction equipment	Supplier Credit Finance Guarantee	1,367,224
Saudi Arabia				
Not disclosed	Not disclosed	Not disclosed	Export Insurance Policy (EXIP)	809,048,089
Senegal				
Naffco Fzco	Senegal, Min. of Finance	Supply of emergency vehicles	Buyer Credit Guarantee	80,333,200
Naffco Fzco	Senegal, Min. of Finance	Supply of emergency vehicles	DL Loan (Enhanced)	42,516,617
Serbia				
Bechtel Enka UK Ltd	Serbia, Min. of Finance	Construction of a smart road	Buyer Credit Guarantee	405,348,227
Spain				
Not disclosed	Not disclosed	Not disclosed	Bond Insurance Policy	2,701,610

Exporter/investor	Buyer/airline/ operating lessor/ borrower	Project/goods and services	Product	Maximum liability (£)
Taiwan				
Ørsted Taiwan	Mercury Taiwan Holdings Limited	WTG installation vessel and offshore cable protection systems	Project Financing Guarantee	211,315,448
Thailand				
Spi Global Play Ltd	Harbor Mall Company Ltd	Soft play equipment	Supplier Credit Finance Guarantee	1,314,586
Trinidad and Tobago				
Man Truck and Bus UK Limited	Ramdass Transport Company Ltd	Supply of trucks, trailers, tyres and spare parts	Supplier Credit Finance Guarantee	578,774
Türkiye				
Airbus S.A.S	Pegasus Hava Taşımacılığı Anonim Şirketi (Pegasus Airlines)	Airbus aircraft	Asset Based Guarantee	9,486,659
Airbus S.A.S	Türk Hava Yolları A O (THY) (Turkish Airlines)	Airbus aircraft	Asset Based Guarantee	36,525,083
Cambridge University Press	Dünya Eko Basım Yayın Ve Dağıtım Tic A.Ş.	Supply of educational materials	Standard Buyer Loan Guarantee	895,149
ERG International UK Ltd	Türkiye, Min. of Finance	Construction of high speed railway	Buyer Credit Guarantee	1,094,760,809
General Electric Company	Kalyon Güneş Enerjisi Üretim Anonim Şirketi	Construction of a solar farm	Project Financing Guarantee	261,172,814
The Boeing Company	Güneş Ekspres Havacılık A.Ş. (SunExpress)	Boeing aircraft	Asset Based Guarantee	175,157,263
Rolls-Royce PLC	Türk Hava Yolları A O (THY) (Turkish Airlines)	Rolls-Royce engines	Buyer Credit Guarantee	21,158,634
Uganda				
Nexus Green Limited	Uganda, Min. of Finance	Solar powered water pumps, modules, cabling, tanks and towers	DL Loan (Enhanced)	82,786,864
Unatrac Limited	Dott Services Ltd	Supply of construction machinery	Supplier Credit Finance Guarantee	2,543,888

Exporter/investor	Buyer/airline/ operating lessor/ borrower	Project/goods and services	Product	Maximum liability (£)
Ukraine				
Central Plains Group Ltd	LLC Central Plains Group	Supply of agricultural equipment	Standard Buyer Loan Guarantee	2,248,115
Prestige Diagnostics UK	Ukraine, Min. of Finance	COVID-19 testing kits	DL Loan (Enhanced)	21,753,243
United Arab Emirates				
AF Construction LLC	Sharjah Environment Co LLC – Bee'ah	Construction of office buildings	DL Loan (Enhanced)	33,623,865
United Kingdom				
British Airways	British Airways	Non-contract specific support	Export Development Guarantee	1,046,964,000
Jaguar Land Rover Automotive PLC	Jaguar Land Rover Automotive PLC	Non-contract specific support	Export Development Guarantee	543,420,312
James Cropper Public Limited Company	James Cropper Public Limited Company	Non-contract specific support	Export Development Guarantee	22,107,456
John Wood Group PLC	John Wood Group PLC	Non-contract specific support	Export Development Guarantee	400,231,976
Mace Finance Limited	Mace Finance Limited	Non-contract specific support	Export Development Guarantee	44,217,105
Megger Group Limited	Megger Group Limited	Non-contract specific support	Export Development Guarantee	116,683,365
NSG UK Enterprises Limited	NSG UK Enterprises Limited	Non-contract specific support	Export Development Guarantee	244,959,619
The Body Shop International Limited	Natura & Co Holdings SA	Non-contract specific support	Export Development Guarantee	85,782,704
United States				
Airbus S.A.S	Delta Airlines	Airbus aircraft	Asset Based Guarantee	54,502,544
GE Caledonian Limited	Atlas Air Worldwide Holdings	Aircraft engine overhauls	Buyer Credit Guarantee	2,785,991

Trade finance and insurance: businesses supported by sector

Product type	No. exporters	SMEs	No. destination Countries	Maximum liability (£)
Administrative and support service activities				
Bond Support	1	1	1	60,776
Export Insurance Policy (EXIP)	1	1	1	1,632,180
Export Working Capital Scheme	1	1	1	759,705
General Export Facility	2	2	n/a	4,240,000
Arts, entertainment and recreation				
Bond Support	1	1	2	1,867,407
EXIP	0	0	0	–
Export Working Capital Scheme	0	0	0	–
General Export Facility	0	0	n/a	–
Construction				
Bond Support	2	2	1	624,959
EXIP	1	1	0	9,082
Export Working Capital Scheme	0	0	0	–
General Export Facility	1	1	n/a	2,000,000.00
Financial and insurance activities				
Bond Support	0	0	0	–
EXIP	1	0	1	26,751,639
Export Working Capital Scheme	0	0	0	–
General Export Facility	2	2	n/a	4,610,581

Product type	No. exporters	SMEs	No. destination Countries	Maximum liability (£)
Information and communication				
Bond Support	1	1	3	1,116,113
EXIP	0	0	0	–
Export Working Capital Scheme	0	0	0	–
General Export Facility	1	1	n/a	1,280,000
Manufacturing				
Bond Support	17	17	24	9,724,097
EXIP	17	13	7	4,199,162
Export Working Capital Scheme	9	8	15	5,675,610
General Export Facility	49	47	n/a	82,344,620
Mining and quarrying				
Bond Support	3	3	0	2,160,666
EXIP	0	0	0	–
Export Working Capital Scheme	0	0	0	–
General Export Facility	1	1	n/a	2,360,000
Other Service activities				
Bond Support	0	0	0	–
EXIP	1	1	1	53,317
Export Working Capital Scheme	0	0	0	–
General Export Facility	2	2	v	4,038,821
Professional, scientific and technical activities				
Bond Support	3	3	1	1,685,646
EXIP	5	5	3	9,606,536
Export Working Capital Scheme	2	2	1	450,800
General Export Facility	15	13	n/a	31,699,177

Product type	No. exporters	SMEs	No. destination Countries	Maximum liability (£)
Transportation and storage				
Bond Support	1	1	2	164,582
EXIP	1	1	1	33,596
Export Working Capital Scheme	0	0	0	–
General Export Facility	2	1	n/a	6,800,000
Water supply, sewerage, waste management and remediation activities				
Bond Support	0	0	0	–
EXIP	0	0	0	–
Export Working Capital Scheme	0	0	0	–
General Export Facility	1	0	n/a	5,000,000
Wholesale and retail trade; repair of motor vehicles and motorcycles				
Bond Support	1	1	0	1,013,985
EXIP	10	10	15	4,532,875
Export Working Capital Scheme	0	0	0	–
General Export Facility	23	23	n/a	33,364,240

Sponsorship

Sponsorship in relation to the UK Trade and Export Finance Forum	
Standard Chartered Bank	£40,000
HSBC	£25,000
Santander	£10,000
Lloyds	£15,000
GE Capital	£15,000

Notes

1 Details not disclosed due to reasons of commercial confidentiality.

Sustainability of our estate

UKEF has reported annually on the sustainability of its estate since 2006, to operate the estate efficiently and reduce the environmental impact of operations and their associated costs.

UKEF's estate

UKEF is based at 1 Horse Guards Road (1HGR), London, SW1A 2HQ. UKEF is a minor occupier of 1HGR, accounting for 8.52% of the total internal area. As landlord, the Government Property Agency (GPA) is responsible for the provision of all energy and utility services. GPA follows government procurement best practice in procuring those contracts.

Greening Government Commitments

The Greening Government Commitments (GGC) are the government's commitments to delivering sustainable operations and procurement. They aim to reduce significantly the government's environmental impact by reducing emissions of greenhouse gases, reducing waste, reducing water usage and making procurement more sustainable.

Whilst the impact of the pandemic has lessened in 2021-22 and an increasing number of staff have returned to the office, there is still a significant proportion of staff who continue to operate from home; therefore the impact on building services was significantly reduced.

UKEF is a tenant in a government building, and full details of the 1 Horse Guards Road approach to waste disposal can be found in the Government Property Agency's Annual Report and Accounts.

Summary of performance

Area	2021-22	2020-21	2019-20	2018-19
Estate waste recycled (tonnes)	3.70	1.45	11.81	12.56
% of waste recycled	64.38%	59.77%	59.33%	58.89%
Estate water (m ³)	2437	626	2010	2149

Energy from the estate	2021-22	2020-21	2019-20	2018-19
Electric (kilowatt hours)	468,570	363,785	454,852	451,366
Gas (m ³)	64	29	404	396
Whitehall District Heating system (megawatt hours)	315	126	107	114

	2021-22	2020-21	2019-20	2018-19
Domestic travel (kilograms of CO ₂)	1,104	1,530	18,552	17,890
International (kilograms of CO ₂)	325,304	790	1,062,262	460,800

* The 2019-20 Reporting Accounts for domestic and International flights showed incorrect data. Figures printed for 2019-20 were 2018-19 data. The above table now shows correct data.

The impact of the pandemic is still being felt by UKEF, therefore both international and domestic air travel has been reduced significantly from previous years. Whilst the number of flights has increased in 2021-22, UKEF continued to use Microsoft Teams to facilitate business meetings with domestic and overseas clients.

Waste

UKEF has a target to reduce waste sent to landfill to less than 10% of overall waste, to continue to reduce the amount of waste

generated, and to increase the proportion of waste which is recycled.

UKEF is working with the building landlord and is committed to reducing the amount of waste generated and increasing the proportion which is recycled. UKEF has recycling points located strategically around the office. Furthermore, single-use plastics have been removed from all refreshment areas.

All information technology waste is either recycled or reused through UKEF's contract with the Disposal Services Agency. UKEF continues to improve processes and systems, reducing the amount of paper consumed.

	2021-22	2020-21	2019-20	2018-19
Confidential waste (kilograms)	1,429.49	504.81	3,711.59	4,357.63
Toner recycling (kilograms)	–	–	7.15	24.48
Mixed recycling (kilograms)	808.58	465.17	4,162.11	3,692.10
Compostable waste (kilograms)	38.08	13.44	290.76	–
General non-recycled waste (incinerated) (kilograms)	2,047.79	974.18	8,094.00	8,771.26
Recycled waste (kilograms)	3,700.87	1,447.20	11,810.02	12,563.23

Water

UKEF's water is not measured separately from other tenants and UKEF reports water consumption as being a proportion of the whole building at 1HGR. Again, due to the impact of the pandemic, the number of staff utilizing services in 1HGR was significantly reduced.

Energy from the estate	2021-22	2020-21	2019-20	2018-19
Electricity (kilowatt hours)	468,570	363,785	454,852	451,366
Gas (m ³)	64	29	404	396
Whitehall District Heating system (megawatt hours)	315	126	107	114
Water (m ³)	2,437	626	2,010	2,149

Sustainable procurement

UKEF uses existing framework agreements which have been centrally procured through Crown Commercial Services. Additionally, UKEF's key facilities management suppliers have sustainable objectives and environmental policies in place, committing them to sustainable provision.

Biodiversity and natural environment

UKEF's London office has no access to or control over external land. Therefore, UKEF does not have a biodiversity plan.

Notes:

- ▶ All 1HGR utility payments (including water, waste and energy) are included in the set annual lease payments. The figures used above have been apportioned to departmental costs based on floor occupancy of 8.52%.
- ▶ Business travel gross emissions do not include journeys made by bus or taxi.

UKEF core tables

Total resource and capital spending for UKEF

The tables on the following pages provide a summary of the department's expenditure outturn for 2017-18 through to 2021-22, along with the planned expenditure for 2022-23 to 2024-25. The outturn and planned expenditure is recorded on the same basis as the information on financial performance in the Statement of Parliamentary Supply beginning on page 153. They represent the spending incurred by UKEF in meeting its objectives, detailed in the Performance section beginning on page 10.

Resource

£'000	Plans		Outturn					
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Resource DEL (Admin & Prog)								
A. Export Credits Guaranteed and Investments	91,225	90,925	91,037	66,262	48,745	41,320	37,565	33,623
Resource AME								
B. Export Credits			196,160	(237,240)	118,815	(135,012)	(74,420)	(24,519)
C. Fixed Rate Export Finance Assistance			173	(39)	(27)	(267)	(290)	(621)
D. Loans & Interest Equalisation			(28)	(107)	(240)	(493)	(799)	(1,694)
E. Direct Lending			521,086	(86,579)	99,171	(81,972)	(53,484)	22,215
Total			717,391	(323,965)	217,719	(217,744)	(128,993)	(4,619)

Capital

£'000	Plans		Outturn					
	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
Capital DEL								
A. Export Credits Guaranteed and Investments	1,310	2,040	3,716	1,413	784	135	79	671
Capital AME								
E. Direct Lending			2,098,953	457,131	1,109,370	307,710	426,448	167,736

Note: AME budgets for years beyond 2022-23 are not available, as these will be agreed as part of the annual Supply Estimates process.

Resource DEL (RDEL)

For UKEF, RDEL represents the administrative cost associated with running the department (known as Administration and Programme DEL). Resource DEL has gradually increased over the preceding 5 years with a step increase seen from 2020-21 onwards primarily due to staffing costs, IT and project costs and overseas export managers cost. The increase in staff numbers is to enable business growth, which has been matched by an ambitious IT strategy from 2020-21 onwards. A network of overseas export managers was established in 2020-21 to give the department further reach outside of the UK and to allow presence in key markets. Resource DEL outturn and plans are shown on a gross basis to allow better transparency and visibility of how the spend evolved over the period. Supply Estimates, however, show Resource DEL on the net basis. Resource DEL Admin is fully offset with AME income generated by the department.

Capital DEL (CDEL)

For UKEF, CDEL typically represents the purchase of IT hardware, but can include software purchases. In 2021-22 this also includes cost in relation to an office refurbishment to support UKEF's Smarter Working Programme. The increase in Capital DEL expenditure budgeted for 2022-23 is a result of UKEF's Financial Reporting Changes programme, which will update and replace systems and processes to allow adoption of two new accounting standards, IFRS 9 and IFRS 17.

Resource AME (RAME)

For UKEF, RAME this represents the expenditure on underwriting and export finance activities, including income received while supporting the exporters. Both are expected to fluctuate significantly owing to the nature of the business activity, as well as the impact of foreign exchange movements. RAME is shown on a net basis. As per the arrangement with HM Treasury, RAME income is used to

offset UKEF operating costs (RDEL). In 2020-21 expenditure on Export Credits and Direct Lending increased significantly due to a rise in demand for UKEF support and an increase in unrecoverable claims and impairments as a result of volatility and uncertainty in the market, particularly in response to COVID-19. Foreign exchange loss also contributed to the overall net expenditure in 2020-21.

Capital AME (CAME)

For UKEF, CAME represents lending activity. In the March 2020 Budget, UKEF was allocated an additional £2 billion for Direct Lending in 2020-21 and 2021-22 to support clean growth projects as part of the UK's transition to a low carbon economy. 2020-21 outturn was significantly higher than previous years largely because of a £700 million BAE Systems Qatar deal drawing. Capital AME is shown net of loan repayments.

Glossary

Term	Description
Active portfolio management (APM)	Work to reduce concentrations of risk in the portfolio to decrease the chance of losses, and/or free up headroom to support more business. APM is currently focussed on buying case-by-case reinsurance from the private market where value for money is achieved.
Amount at risk (AAR)	AAR is equivalent to the accounting term 'contingent liability'. This represents the unexpired portion of the total risks supported by UKEF, essentially amounts still owed to banks or exporters where UKEF could face a claim. AAR would normally be less than maximum liability by the amount of expired risk. It is the measurement of exposure for issued business.
Below minimum risk standard limit	The total exposure limit agreed with HM Treasury that sets the total amount UKEF can commit to for corporate risk obligors below a minimum rating. The limit is set at £5 billion.
Bond insurance policy (BIP)	Insurance cover for the unfair calling of bonds (except tender bonds) or for the fair calling of bonds caused by certain political events.
Bond support scheme (BSS)	A scheme under which UKEF provides guarantees to lenders in respect of bonds related to UK exports. Where a lender issues a contract bond (or procures its issue by an overseas lender) in respect of a UK export contract, we can typically guarantee 80% of the value of the bond.
Buyer credit (BC)	A finance facility in which, normally, a guarantee is given by UKEF to lenders supplying finance to an overseas borrower buying UK goods/services.
Claims	Amounts paid out by UKEF under guarantees or insurance where there has been a default and UKEF is required to honour its obligations to the bank/insured party.
Commercial Interest Reference Rate (CIRR)	The minimum interest rate UKEF charges for direct loans, in accordance with the OECD Arrangement on Officially Supported Export Credits.
Commitment	A case not yet the subject of an issued guarantee, but for which UKEF has agreed the terms of its support and provided its commitment to the bank/exporter. Cases at this stage are included in UKEF's portfolio as the department has agreed to accept the risk.
Common Approaches	The rules agreed at the OECD for ECA due diligence in regards to environmental, social and human rights aspects of projects supported.
Concentration	This typically refers to either sector or regional concentration in the risk portfolio, indicating where UKEF has a greater proportion of its exposure.
Corporate (risk)	These are risks on commercial trading and financial institutions which are capable of being put into liquidation or receivership.

Term	Description
Counterparty	UKEF refers to other entities who have a relationship with the department, but are not the key source of risk on transactions, as a counterparty. Examples include ECAs who provide reinsurance, or agent banks providing loans which UKEF supports.
Country limit	The maximum amount of cover available for a particular country as agreed under the exposure management framework.
Credit period	The period over which a loan is repaid by the borrower, or for insurance products, the period for contractual payment by the buyer.
Credit quality	This typically refers to the level of default risk of an entity or the portfolio. For example, it can be measured by the proportion of investment grade rated (low risk) obligors versus non-investment grade rated (high risk) obligors.
Direct lending (DL)	Under the Direct Lending Facility, UKEF provides loans within an overall limit of £8 billion to overseas buyers, allowing them to finance the purchase of capital goods and/or services from UK exporters. Of that limit, £2 billion has been allocated to support clean growth projects and £1 billion for defence transactions.
Effective business	Business where UKEF has provided a guarantee or insurance, received premium and all other conditions have been satisfied so that UKEF is on risk.
Expected loss (EL)	How much UKEF estimates it should lose. For cases, the statistical estimate of the most likely financial outcome on a case, based on the likelihood of default and estimates of recoveries; and for the whole portfolio, the sum of the individual transaction expected losses, representing the mean of the loss distribution.
Export credit agency (ECA)	Most developed and emerging economies have an ECA. Although structure and organisation differs, they all exist to promote exports by providing insurance, reinsurance and guarantees to exporters and banks on behalf of the state. Many ECAs have reinsurance arrangements with each other (see reinsurance).
Export Development Guarantee (EDG)	A guarantee of up to 80% to support working capital facilities, which are not tied to specific export contracts but instead support a company's general export business activities or investment requirements in support of exports. Minimum loan size of £25 million.
Export insurance policy (EXIP)	An insurance facility provided by UKEF to exporters that covers them against the risk of not being paid under their export contract. Cover can be provided for both cash and credit payment terms.
Export working capital scheme (EWCS)	A scheme provided by UKEF to help UK exporters gain access to working capital finance (both pre- and post-shipment) in respect of specific export contracts. Under the scheme, UKEF provides guarantees to lenders to cover the credit risks associated with export working capital facilities. We can guarantee up to 80% of the loan.

Term	Description
Exposure	A generic term referring to the value of the risks UKEF is holding. For pre-issue business this is measured by maximum liability and for issued business this is measured by amount at risk. Exposure can be net of reinsurance and some measures of exposure also include claims.
Exposure management framework (EMF)	A framework for setting prudent restrictions on the concentrations in the portfolio. For country limits, this is based on a matrix and limits are determined by the size of the economy and the country's expected loss. For sectors, regions and obligors, this is based on the percentage of the portfolio attributed to that slice of risk.
Facility	The name given to each individual provision of support by UKEF.
General Export Facility	A scheme under which UKEF provides guarantees to lenders where finance is not tied to specific export contracts, covering a range of facility types to support a company's general export business activities. Facility types can include trade loans and bonds. Designed with SMEs in mind, the guarantee covers up to 80% of the value of the facility and is made available via UKEF's streamlined digital application process.
Horizon of risk	The total period of time where UKEF is on cover. For credit transactions, this includes both the pre-credit (or drawdown) period and the repayment period.
Introductions to other sources of support	A referral from UKEF, usually through its Export Finance Managers, to other third-party sources of support.
Loss given default (LGD)	An estimate of the loss to UKEF at the time of default (also known as loss coefficient). The recovery rate is the inverse of this statistical estimate. The LGD is used with the probability of default to determine the expected loss.
Market risk appetite (MRA)	The level of potential new business that UKEF can underwrite in a specific country calculated by subtracting existing business (on a weighted basis) from the total agreed country limit.
Maximum commitment	The maximum amount of exposure that the UKEF portfolio can reach under the HM Treasury Consent, currently £50 billion. This does not include TCRF exposure.
Maximum liability (ML)	The measurement of exposure for pre-issue business. Maximum liability is the maximum value of the amount of claims payable under a particular UKEF product, including any interest.
OECD	The organisation of nation states known as the Organization for Economic Co-operation and Development.
OECD Arrangement	The OECD Arrangement on Guidelines for Officially Supported Export Credits, sometimes referred to as "the Consensus" or "the Arrangement". This limits competition on export credits among members of the OECD when providing official support for export credits of 2 years or more. The Arrangement covers all officially supported export credits except those for agricultural produce and military equipment. Aircraft, ships, nuclear power plants, water and renewable energy projects are subject to separate sector understandings.

Term	Description
Overseas investment insurance (OII)	Insurance cover provided to a UK investor for up to 15 years against political risks in respect of a new investment overseas. It may also be available to UK banks in respect of overseas lending, whether or not it is in connection with a UK investment or export. The risk covered by this product is that certain events (war, expropriation, restriction on remittances) mean the investor suffers a loss on their investment. It does not cover the commercial risk of the investment being unprofitable.
Paris Club	An informal group of official creditors whose role is to find coordinated and sustainable solutions to payment difficulties experienced by debtor countries. Debts from sovereigns are handled by the Paris Club.
Persistence of default	A factor considered in UKEF's country risk assessments. This is an estimate of the number of years during which a country is expected to remain in default, before being able to resume some form of debt service. Used in conjunction with sovereign risk rating and loss coefficient to determine expected loss rate.
Premium income issued, or premium issued	The total amount of premium that UKEF will theoretically receive over the lifetime of the insurance or guarantee policy. Like maximum liability, this is fixed in time in its original currency, when the policy is issued, but its sterling value can then vary with foreign exchange movements. This includes premium for all products, and is the value we use in the financial objectives we set for our premium policy, pricing adequacy index and premium-to-risk ratio.
Premium earned	Based on accounting standards (see note 1 of the Financial Statements). This does not include premium from direct lending, which is amortised as interest income, and uses an exchange rate fixed at the point when premium is received (rather than month-end rates, as for premium income issued).
Premium-to-risk ratio (PRR)	Assesses the extent to which UKEF premium income on new cases is sufficient to cover the risks associated with those cases. The risks are measured as both the expected loss and a charge on unexpected loss. PRR can be calculated for individual cases, and the PRR for new business in each year is a financial objective. PRR is an in-year measure, with a target ratio of premium: expected loss (plus charge on unexpected loss) of 1.35.
Pricing adequacy index (PAI)	Assesses the extent to which UKEF premium income is sufficient to cover both risks and costs. PAI is measured over a 3-year rolling period, and has a target that the ratio of net earned premium to risks and costs should always be greater than 1. Risks are defined, as in the premium-to-risk ratio, as expected loss and a charge on unexpected loss, and costs are UKEF's admin costs.
Private market assist	A private market assist is when UKEF engagement has had a material contribution to an export receiving support from the private sector.
Probability of default	A statistical measure of the likelihood of an entity or transaction defaulting on debt obligations. Letter ratings correspond to a specific estimate of probability of default based on historical data of the outcomes for each letter rating.
Project finance	Transactions which are dependent on generating sufficient revenue from a project to service debt, once commissioned.

Term	Description
Provisions or provisioning	Amounts which are set aside within UKEF's trading accounts to allow for non-recovery of claims already paid and of claims to be paid in the future.
Public (risk)	Risk that is assessed to be with an entity linked to the government, but which does not benefit from full state support or a guarantee (for example, a local municipality or a state utility).
Recoveries	Amounts that UKEF has been able to get back after paying a claim (e.g. through restructuring, sale of assets, etc).
Reinsurance	UKEF shares risk by reinsuring it with other partners in 2 main ways: sharing a proportion of transaction with other ECAs based on the amount of content produced in that country (ECA reinsurance); or purchasing reinsurance directly from the private sector to reduce risk concentrations (see active portfolio management).
Risk appetite limit (RAL)	A risk weighted cap on the maximum amount of risk that UKEF can take on. Calculated as the 99.1 percentile of the portfolio loss distribution (see loss distribution), with a maximum of £5 billion.
Run-off	UKEF's risk decreases as loan repayments are made or insurance risks expire. The way in which the amounts at risk reduce is called the run-off.
Short-term	UKEF's short-term products are: bond support guarantees, export working capital scheme guarantees, the General Export Facility and export insurance policies under 2 years.
Sovereign (risk)	Risks considered as being effectively upon the state itself.
Standard Buyer Loan Guarantee (SBLG)	A finance facility in which a guarantee is given by UKEF to lenders supplying finance to an overseas borrower buying UK goods/services. This product is typically used for deals below £30 million.
Stress testing	A form of scenario analysis where one considers the potential adverse impact of theoretical changes in the state of the world. UKEF carries out portfolio stress testing semi-annually, based on a number of defined stresses and scenarios.
Supplier Credit Finance Facility (SCF)	A finance facility in which a guarantee is given by UKEF to lenders supplying finance to an overseas borrower buying UK goods/services. This product is typically used for deals below £30 million and is used to guarantee Bills of Exchange or Promissory Notes issued by the borrower.
Supply Chain Discount Guarantee (SCD)	A guarantee of up to 80% provided by UKEF to a lender to support a supply chain finance facility provided by the lender to an exporter. Suppliers can draw on the facility to discount approved invoices; the exporter then makes payment to the lender at the face value of the invoice at maturity. UKEF covers the risk of the exporter failing to repay the lender.
Unexpected loss	Measures statistical losses above expected loss to a certain degree of confidence. UKEF uses 99.1%.
Ultimate obligor	The final source of repayment risk. In some transactions, a number of entities might be responsible for ensuring there is no default, but the ultimate obligor is the key entity for determining the riskiness of the structure.

