

## I. Reporting country information

Reporting Country	UK
Submission Date	August 2015
Reporting Institution (Government Department, ECA)	UK Export Finance (ECGD)

## II. Reporting country legal and policy information

Mandate/Legal status of ECA	Government Department
Officially supported export credit Programs (in the sense of Article 5 of the OECD Arrangement) during reporting period	Buyer Credit Guarantees Direct Lending Supplier Credit Guarantees Exporter Insurance
Annual reports available on reporting year	ECGD's Annual Report and Accounts to the year ending on 31 March 2015 was published on 18 June 2015. The report is available at; <a href="https://www.gov.uk/government/publications/annual-report-and-accounts-2014-to-2015">https://www.gov.uk/government/publications/annual-report-and-accounts-2014-to-2015</a>

## III. Information on the reporting Member State's Export Credit policies:

General presentation of the reporting MS' policies on export credits, including all information that can help the Commission in carrying out its evaluation regarding the compliance of the Export Credit Agencies with EU objectives and obligations (in the sense of Article 3, Annex 1 of EU Regulation1233/2011)	It is ECGD's policy to comply with all International Agreements which apply to the operations of Export Credit Agencies.
<p>Special information on the following policies:</p> <p><u>1) Environment:</u></p> <p>a) Do you apply the OECD Council Recommendation on Common Approaches on Officially Supported Export Credits and Environmental and Social Due Diligence?)</p> <p>b) any other relevant information</p>	<p>a) Yes.</p> <p>b) UKEF has a dedicated team of Environmental, Social, and Human Rights specialists which review all transactions that fall within the ambit of OECD Common Approaches for their environmental, social and Human Rights risks and impacts. UKEF also undertakes post-issue monitoring of supported transactions to ensure ongoing alignment with International Standards</p>

	See pages 28-29 and 50-56 of the Annual Report
<p>2) <i>Human rights:</i></p> <p>a) Do you apply the Human Rights related aspects of the Recommendation on Common Approaches, on Officially Supported Export Credits and Environmental and Social Due Diligence?</p> <p>b) any other relevant information?</p>	<p>a) Yes.</p> <p>b) see reply at 1 b) above</p>
<p>3) <i>Anti-Bribery measures:</i></p> <p>a) Do you apply the OECD Recommendation on Bribery and Officially Supported Export Credits?</p> <p>b) Any other relevant information?</p>	<p>a) Yes.</p> <p>b) Annually ECGD reviews the applications which it receives for support in accordance with its obligations under the OECD Council Recommendation on Bribery and Officially Supported Export Credits, and publishes on its website statistical information about the operation of its anti-bribery policies for the year in question. See page 55-56 of the Annual Report</p>
<p>4) <i>Sustainable Lending Practices:</i></p> <p>a) Do you apply the OECD Principles and Guidelines to Promote Sustainable Lending Practices in the Provision of Official Export Credits to Low Income Countries?</p> <p>b) Any other relevant information?</p>	<p>a) Yes.</p> <p>b) UKEF does not have delegated authority to support exports to countries which fall within the scope of the OECD Lending Principles without the approval of HM Treasury and consulting with the Department for International Development. See page 50 of the Annual Report</p>
5) Other policies	

#### IV. Annual Activity Report data:

Explanatory note:

*"MS shall report, in accordance with their national legislative framework, on assets and liabilities, claims paid and recoveries, new commitments, exposures and premium charges."*

From Regulation 1233/2011, Annex 1.

#### UKEF Accounts

UKEF operates five accounts. Accounts 1, 2, and 3 cover underwriting activities, while account 4 and 5 covers export finance activities, including direct lending.

Account 1 - relates to guarantees and insurance issued for business prior to April 1991 and also insurance issued by the former Insurance Services Group of ECGD (the main part of which was privatised on 1 December 1991) for which ECGD retains contingent liabilities ('Insurance Services Business').

Account 2 - relates to the credit risk arising from products issued for business since April 1991.

Account 3 - relates to guarantees issued for business since April 1991 on the written instruction of Ministers, which UKEF's Accounting Officer advised did not meet normal underwriting criteria. (There is currently no exposure under this account)

Account 4 - relates to the provision of Fixed Rate Export Finance 'FREF', (closed for new business), together with arrangements for reducing the funding cost of FREF loans and for certain interest rate derivative arrangements.

Account 5 – relates to the provision of direct lending (since 2014)

For purpose of completing this return;

Table A combines Account 1, 2 and 3. It also includes export credits with a repayment period below 2 years, and other products where the risk in on the exporter, which are not subject to the OECD Arrangement,

Table B is Account 4 and 5.

<b>A) In case of official support is provided in the form of export credit guarantee or insurance ("pure cover") in the sense of Art 5 a 1) OECD Arrangement:</b>	
Overview of assets (p132)	£ 1,430m
Overview of liabilities (p132)	£1,330m
Aggregate nominal risk exposure (p39) <ul style="list-style-type: none"><li>• 31-3-2015</li></ul>	£18.443bn
a.) nominal risk exposure under insurance and guarantee policies issued (p39) <ul style="list-style-type: none"><li>• 31-3-2015</li></ul>	£18.443bn
b.) nominal risk exposure under promises and notices of cover <ul style="list-style-type: none"><li>• 31-3-2015</li></ul>	Not available
(Net) Premium Income (p117 & p134)	£104m
Recoveries (p31)	Principal £115m Interest £25m
Claims paid (p31)	£6m

<b>B) In case official support is provided in the form of Official Financing Support in the sense of Article 5a2) OECD Arrangement:</b>	
Overview of assets (p132)	£(80m)
Overview of liabilities (p132)	£(160m)
a) nominal value of officially supported loan portfolio (p39) <ul style="list-style-type: none"> <li>31-3-2015</li> </ul>	£ 299m
b) total value of off balance sheet commitments <ul style="list-style-type: none"> <li>31-3-2015</li> </ul>	Nil
Net Interest received (p134)	£7.6m
Net Operating profit (p34)	£7m

## **V. Contingent liabilities**

Where contingent liabilities might arise from officially supported export credit activities, those activities shall be reported: (p168 & p169)	£18.7bn- before reinsurance £13.4bn- net of reinsurance  (Excludes products where the risk is on the exporter. Includes both guarantee and insurance products)
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## **VI. Evaluation and incorporation of environmental risks**

Environmental risks:	In 2014/2015, 10 applications were screened for environmental, social and human rights impacts, and 5 guarantees were issued for which an EHSR impact assessment and/or other ESHR management information was provided  See page 50-56 of the Annual Report for details
a) Number/exposure of transactions Category A	1
b) Number/exposure of transactions Category B	4
How are environmental risks, which can carry other relevant risks, taken into account in the officially supported export credit activities?	UKEF complies with the OECD Common Approaches.