

## I. Reporting country information

Reporting Country	UK
Submission Date	November 2016
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	UKEF's Annual Report and Accounts to the year ending on 31 March 2016 was published on 11 July 2016. The report contains further information on UK Export Finance and is available at; , <a href="https://www.gov.uk/government/publications/ukef-annual-report-and-accounts-2015-16">https://www.gov.uk/government/publications/ukef-annual-report-and-accounts-2015-16</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 UKEF'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><i>1) Environment:</i></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> <p>See pages 99-101 of the Annual Report</p>
<p><i>2) 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>	a) Yes.

b) Any other relevant information?	b) see reply above
3) <i>Anti-Bribery measures:</i> a) Do you apply the OECD Recommendation on Bribery and Officially Supported Export Credits?  b) Any other relevant information?	a) Yes.  b) Annually UKEF 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 106 of the Annual Report.
4) <i>Sustainable Lending Practices:</i> 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?  b) Any other relevant information?	a) Yes.  b) UKEF does not have delegated authority to support exports to countries which fall within the scope of the OECD Sustainable Lending Principles without the approval of HM Treasury and consulting with the Department for International Development. See page 107 of the Annual Report
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 is 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 (Annual Report and Accounts 2015-16, p163)	£1,096m
Overview of liabilities (Annual Report and Accounts 2015-16, p163, <i>exclude payable to Consolidated Fund</i> )	£898m
Aggregate nominal risk exposure <ul style="list-style-type: none"> <li>31-3-2016</li> </ul>	We do not provide a breakdown by accounts for risk exposure. The total is £22.1n (page 83)
a.) nominal risk exposure under insurance and guarantee policies issued <ul style="list-style-type: none"> <li>31-3-2016</li> </ul>	Not available
b.) nominal risk exposure under promises and notices of cover <ul style="list-style-type: none"> <li>31-3-2016</li> </ul>	Not available
(Net) Premium Income (Annual Report and Accounts, p165)	£73m
Recoveries (Annual Report and Accounts, p171-172)	Principal £133m Interest £28m
Claims paid (Annual Report and Accounts, p171)	£5m
<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 (Annual Report and Accounts 2015-16, p163)	£96m
Overview of liabilities (Annual Report and Accounts, p163, <i>exclude payable to Consolidated Fund</i> )	£7m
a) nominal value of officially supported loan portfolio (Annual Report and Accounts, p56 for Account 5) <ul style="list-style-type: none"> <li>31-3-2016</li> </ul>	£286m of a £3bn scheme limit for Account 5 Account 4 not available.
b) total value of off balance sheet commitments (Annual Report and Accounts, p193) <ul style="list-style-type: none"> <li>31-3-2016</li> </ul>	£217m
Net Interest received (Annual Report and Accounts, p165)	£7m
Net Operating profit (Annual Report and Accounts, p162)	£8m

## V. Contingent liabilities

Where contingent liabilities might arise from officially supported export credit activities, those activities shall be reported: (Annual Report and Accounts, p193)	<p>£17.1bn before reinsurance £11.7bn net of reinsurance</p> <p>(Excludes products where the risk is on the exporter. Includes both guarantee and insurance products)</p>
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## VI. Evaluation and incorporation of environmental risks

Environmental risks:	Page 99 of our annual report contains a three page article on our activity in the field of Environmental, Social and Human Rights due diligence.
a) Number/exposure of transactions Category A	4 <a href="https://www.gov.uk/government/publications/environmental-social-and-human-rights-risk-and-impact-categorisations-2015-16/issued-cases-designated-as-category-a">https://www.gov.uk/government/publications/environmental-social-and-human-rights-risk-and-impact-categorisations-2015-16/issued-cases-designated-as-category-a</a>
b) Number/exposure of transactions Category B	5 <a href="https://www.gov.uk/government/publications/environmental-social-and-human-rights-risk-and-impact-categorisations-2015-16/issued-cases-designated-as-category-b">https://www.gov.uk/government/publications/environmental-social-and-human-rights-risk-and-impact-categorisations-2015-16/issued-cases-designated-as-category-b</a>
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 and in addition joined the Equator Principles on 31 March 2016. Our ESHR policy was updated to reflect this and is available on our website.