



Investment for International Projects with UK Export Finance

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Ready to offer financial
support for overseas buyers



What is UK Export Finance

UK Capital Investments provides a team of specialist partners with vertical sector financial and banking experience in helping to raise UK Export Finance investment for projects and for companies worldwide.

Typical projects include Airports, Aviation ,Aerospace, Free Zones, Hospitals, Hotels, Marine,, Renewable Energy, Education, Residential, Security, Tall Towers, Space and Technology.

Transaction values 3 Million USD to 800 Million USD.

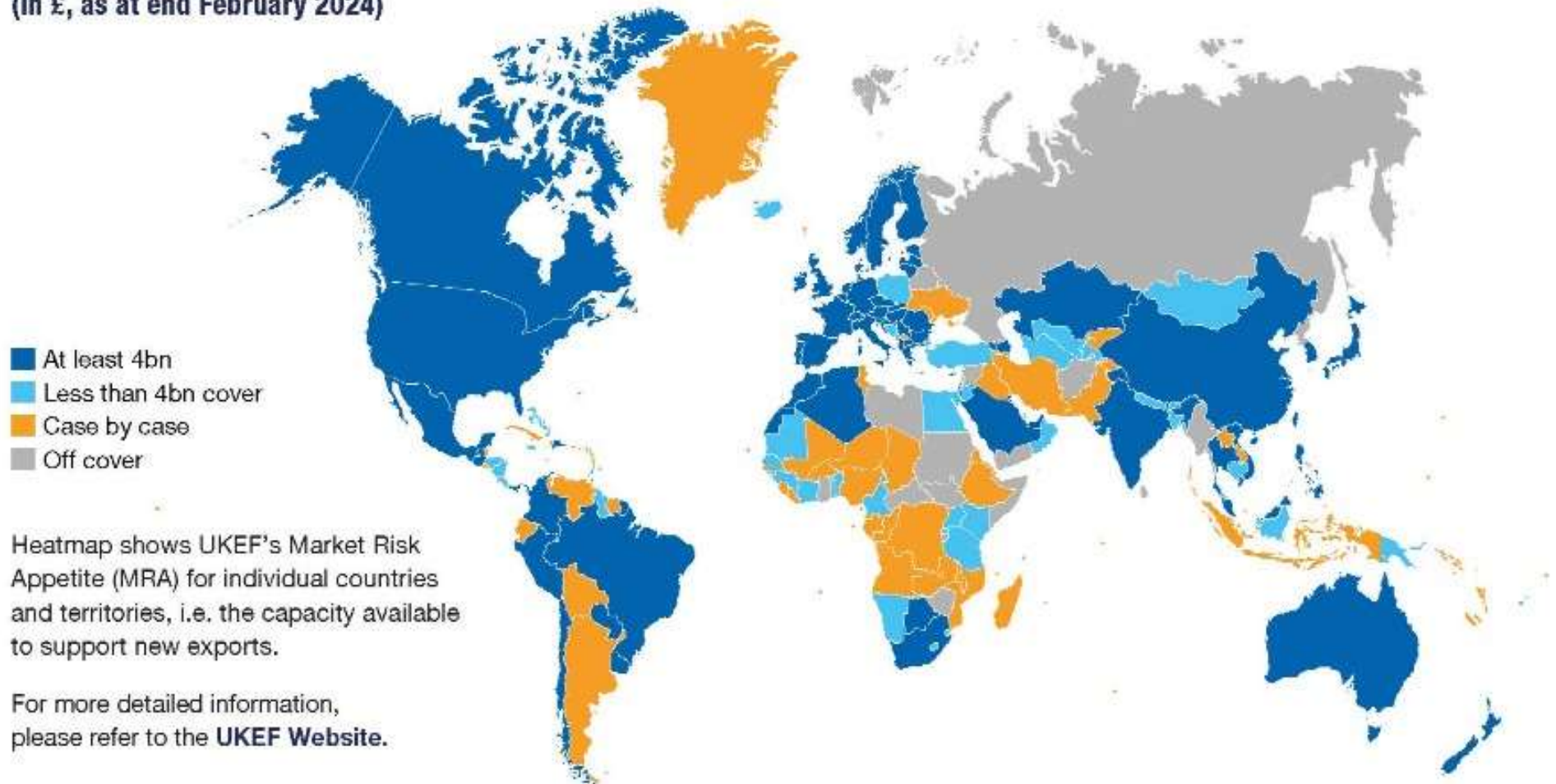
What is UK Export Finance



- The UK's export credit agency (ECA)
- Established 1917 and the oldest ECA in the world
- Operates at no cost to the UK tax payer, but charge a premium that covers the risk and UKEF running costs
- Supports the export of British goods and services
- UK government department working alongside the Department for International Trade, Her Majesty's Treasury and over 70 private lenders and credit insurers
- Provides up to 85% debt funding for development projects

UKEF'S AVAILABLE CAPACITY

UKEF's available capacity to support exports
(in £, as at end February 2024)



Heatmap shows UKEF's Market Risk Appetite (MRA) for individual countries and territories, i.e. the capacity available to support new exports.

For more detailed information, please refer to the [UKEF Website](#).

How UKEF does it!

2023/24 in figures

£8.8 billion financial support issued.

£60 billion capacity to support exports.

336 small to medium-sized enterprises supported.

£51.6 billion maximum annual exposure.

650 exporters supported.

41,000 UK jobs supported.

- Provides insurance, guarantees and loans, where the private sector will not, backed by the strength of the government's balance sheet.
- Helps companies find support from the private sector, which means that:
 - more UK companies realise their ambitions for international growth
 - more jobs in the UK are supported
 - overall UK exports are higher
- UKEF exists to complement, not compete with, the commercial sector and work with around 100 private credit insurers and lenders. They help to make exports happen which otherwise might not, helping UK exporters and their supply chains grow their business overseas. In this way, they provide security of support through economic cycles and market disruptions.

UK Export Finance Value Proposition



- Financing in a range of 60+ currencies
- Provides up to **85% debt** funding, no equity taken
- **Low interest rates** normally half bank rate
- Repayment terms of **2~10+ years** (up to 18 for renewables)
- Up to **2 years build time** allowed with **no payments**
- Option for **6-month holiday** from commissioning before payments start
- **Minimum** UK content **20%**
- **Maximum** local content **30%** (OCED requirement)

UK Export Finance Options for Development Projects

Option 1,

Which requires the involvement of a local bank to arrange the loan, with UK Government providing a guarantee.

Option 2 ,

With UKEF providing a direct lending facility and the local bank only acting as an agent. The loan is available in 8 currencies (Euro, dollars, pounds, etc), with the interest rates fixed for the term of the loan

Typical Development Business Model



- The asset company is kept completely separately from the operations company.
- The asset company will acquire the UKEF loan with debt repayments paid by this company.
- Funding will be provided from a local in country supporting bank to whom the debt payments will be made. The UK Government will underwrite the loan and therefore there is no risk to the Bank, hence low interest rates.
- The operations company will pay a fixed annual fee to the asset company which will exceed the debt payments made by the asset company.

Credit Risk Assessment



- The organization loaning the funds must be a credible organization with at least 3 years trading history with audited accountants.
- The funding is not suitable for individuals or new companies unless the company is part of a group or has a strong parent company.
- Due diligence including credit risk assessment and an assessment of the Environmental, social and human rights will be carried out.
- Security may be required depending upon the risk.
- Policy cover and market risk appetite varies between countries with details available on the UKEF website

Cost of UKEF Support



- UKEF supports UK exports through the provision of **guarantees** that facilitate loans to overseas buyers to purchase supplies from UK exporters as part of an overall contract package.
- Support by UKEF would be provided by a commercial bank in country, that would benefit from a guarantee of repayment from Her Britannic Majesty's Government through UKEF .
- The **loans Guarantees** (typically 100% and unconditional) commit the full faith and credit of the UK Government.
- For providing support UKEF requires:
 - One-off upfront payment (support fee), separate from interest charged on the loan
 - Can be paid up front or funded from the loan
 - Benchmark rates set by OECD
 - Based on credit risk and length of contract, performance and repayment terms

Frequently Asked Questions - UK Export Finance



1. Q. What is the application process?
 Main steps in the application process are as follows:

Stage 1 (approx 1 month)	Discussion meeting Funding Project brief Applicant	Corporate structure 3 Years account Project details	Internal panel approval
Stage 2 (approx 1 month)	Client meets UKEF with ECP	UKEF provides verbal support	Nominated bank appointed Nominated contractor appointed
Stage 3 (approx 1 month)	Bank application	UKEF application (up to 1,000 pages)	Agree final feasibility study UKEF approval and premium
Stage 4 (approx 1 month)	Bank term sheet provided	Bank term sheet agreed	Contractual documentation Loan drawdown
Stage 5 (approx 2 years)	Loan repayment typical 10 years	Construction completes	

Frequently Asked Questions - UK Export Finance



1. Q. What documents are needed for the initial application?

The following initial documents are needed:

1. Corporate Structure
2. KYC on organisation loaning the funds.
3. One or two page Executive Summary.
4. Conceptual drawing of the project and feasibility report

2. Q. What are the main advantages of UK Export Finance?

1. Very attractive interest rates and long loan repayment periods

3. Q. What are the main conditions of UK Export Finance?

1. A minimum of 20% UK content.
2. A strong balance sheet of the organisation making the application.
3. 15% Cash contribution.
4. Agreement not to exceed 30% of local content.
5. Supporting Bank.

4. Q. Is there a minimum and maximum loan amount?

1. Minimum ideally 5 Million USD. There is no maximum limit although many countries have set maximum limits. These generally are very substantial and well in excess of application amounts.

5. Q. What are the main geographical areas covered?

A1 Middle East, Africa, Far East, Eastern Europe, South America. India.

6. Q. How is the minimum of 20% UK content normally achieved?

1. The normal practice would be to use a UK construction company.

7. Q. Will UK Export Finance cover fit out and equipment costs ?

1. Yes



Frequently Asked Questions - UK Export Finance



8. Q. Can land be treated as a contribution towards the 15% cash contribution required?

1. No. However land can sometimes be treated as security for a short-term loan to cover the 15 percent contribution.

9. Q. How long does the application process take?

1. Typically 4 month to 6 months.

10. Q. How is the funding provided ?

1. Funding is provided by in country bank using normal loan criteria but under written by the UK Government to enable more generous repayment terms and interest rates. Limits the risk of lending by the local bank.

11. Q. Is additional security required?

1. In most cases yes.

12. Q. Is a Feasibility Study required?

1. Yes and to international acceptable standards.

13. Q. What is the most important criteria for obtaining UK Export Finance?

1. The financial strength of the organization loaning the funds.

14. Q. Will funding cover operating capital?

1. No.

115. Q. What measures do you use for avoidance of corruption?

1. It is essential an anti bribery and corruption policy document is signed and submitted.

Thank You
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Projects with UK Export
Finance

