

**Male Unknown Speaker** - Ladies and gentlemen our next panel will be with us in just a moment bring down the music. Ladies and gentlemen Here Come our next panel emerging Trends in export credit perspectives from ECA leaders please welcome our moderator Dan Sheriff, CEO, TXFhe's joined on stage with Anna-Karin Jatko, Director General, Swedish Export Credit Agency.

**Dan Sheriff** - okay uh hi everyone uh thanks for staying with us uh this is the international part of the conference so you might begin to see some uh or hear some strange accents uh it was pretty impressive to see John Yearwood come out into the audience and we were so inspired by that that Anna and Karen and I have decided at the end of this interview we're going to crowd surf into the stage so just watch out that's coming at some point um okay well look without further ado um I'll hand over to you Anna Karin and U maybe you can just tell me a little bit about what exactly EKN the Swedish export credit agency is and what's so good about Sweden right

**Anna Karin** - well um Sweden is a land shaped by trees mountains steel and that's Supreme urea I resource Global Innovation want a new kitchen well go down to Ikea cover your back H&M will fashion a solution for you one to secure some 5G Ericson will Julia oblige want to win the Ridder cup well as of late we've been irritatingly good at golf so we're not going to help you with that one however need a triple a global guarantee to do business with Swedish companies well this is where we myself and IKM step up to the plate uh we cover guarantees to 140 countries annually and we have been in business one year longer than EXIM I'll get back to EXIM later actually.

**Dan Sheriff** - Great no than thank you very much and I say from a from my British point of view as well obviously I'm uh I'm grateful that we're still allowed in the Rider Cup team definitely right uh well look maybe you can tell us I mean we are in um you know some turbulent times at the moment and maybe you can tell us a little bit about the trends you're seeing and how that's impacting the export Finance Market um in particular.

**Anna Karin** - Well I think one Trend we see that in terms of global transition we need Innovation and we see technological risks we see Financial risks and I don't think we've ever seen so many geopolitical and economic risks interacting and one of the many conclusions we have made from that is this is the time where we need more collaboration um a proof of our strong partnership with the US actually in this context is the fact that 20% 25% actually bit be precise of our portfolio is in the United States and has been so quite a while I'm very proud that we have concluded a reins urea NCE agreement with EXIM in June I'm even prouder that I believe that the hard work we put into our collaboration is done will hopefully mean that there will be some very promising green solar Panet development in Africa so I think one thing that we need to be bearing in mind is that this strong collaboration between EXIM and ourselves is a

sign that we need to be working harder together we need to be ensuring a Level Playing Field we need to bear in mind that SMEs really create jobs and that's the same both in the states and in Sweden um I think also we need to remind ourselves that Supply chains have become somewhat more complicated they need to be stabilized and we need to figure out how to ensure that we have those critical minerals and I think these are some of the many areas where ECA collaboration not least our collaboration with EXIM will really come into force.

**Dan Sheriff** - great so that's good and I say you mentioned you mentioned sort of uh African solar and I think we're going to find out a lot more about that tomorrow um so just moving on to the final question for me actually is how do you see you sort of talked a little about ECA working together and specifically with the sort of massive Investments that are needed for the climate transition how do you see that working.

**Anna Karin** - Well I mean these huge deals require exports from a number of countries they require financing from a number of sources I think the International Banks are key players here we don't need to compete with other EAS we need to collaborate because in order to build Transportation infrastructure defense there is enough for everybody to go around really and I think it's worth important to bear in mind that we you know we share the same values we want Innovation to be at the Forefront of our transactions we want climate change to happen and I think there are a number of ECAS not least EXIM where we feel that if we're in this together we'll actually be ensuring that our companies and I mean us companies and Swedish companies can really benefit by the type of financing that EA does offer.

**Dan Sheriff** - Okay brilliant and as a as a point so you Anna Karen might be from Sweden but if she's working with EXIM that means that everyone in this room can work with her so without further Ado uh like i' to give a big round of applause to Anna Karen Jatko CEO of EKN thank you

**Unknown Speaker** - Thanks all right please welcome our next panelists Jussi Haarasilta, Executive Vice President, Finnvera, Hyeon-Seok Cho, Director General, Export Import Bank of Korea, Samir Parkash, Chief Risk Officer, UK Export Finance.

**Dan Sheriff** - Okay so we've uh we've heard from Sweden uh and now we have Korea we have Finland and we have the UK uh all of which are working very closely with USA EXIM as well um so first perhaps uh well I'll start with Samir at the far end just 302 here are UK Expo Finance where does it fit in

**Samir Parkash** - Great thanks Dan and uh good afternoon everyone and firstly thank you to uh the organizers led by chair Lewis for inviting me and UK export Finance to this really uh awesome Gathering of stakeholders from across Finance business the political environment and Industry um UK export finances the oldest export credit

agency in the world we were set up in 1919 and are an independent government Department a ministerial government Department under the Secretary of State for uh trade and business um our mandate is to help UK's exporters in in fulfilling their orders and their commitments to enhancing you know UK's prosperity in global trade so I'll pause there I could go on for a long time then but that's really what we are we're here to serve our customers we partner a lot with US EXIM with many others across the world thank you.

**Dan Sheriff** - Thanks very much Sam and Cho same question for you regarding

**Hyeon-Seok Cho** - Yeah the official name of our bank is the export import Bank of Korea we are one of the ECA of the South Korea our bank was established in 1976 it's less than the 50 years history uh as a major ECA of the uh Korea we support exporters and investors for the foreigners and we work as many as well on the other sources we have a trustee of the concessional loan named economic develop fund and we to supporting that concessional loan and Export credit as well thank you

**Dan Sheriff** - Thanks very much and you Jussi finally Finnvera

**Jussi Haarasilta** - Yeah thank you thank you very much for having me here and inviting to this great event and um Finn Vera is uh the export CR of Finland and we are also a national promotional bank which means that we work with the whole value chain from smallest to large Global exporters both in Finland and abroad

**Dan Sheriff** -okay thank you and you see I'll stay with you actually um can you give me some examples of um particularly how geopolitics um has impacted your business over the last few years and will continue to do so

**Jussi** - yes uh I raised two things the first one is 5G is obviously uh part of critical infrastructure I think we all appreciate kind of the safe and reliable uh Network and Communications it's a very big part of our business uh we are obviously supporting uh transactions where Nokia is delivering uh networks we have seen a good demand over the over the past years on 5G projects and uh ticket the deal sizes have increased and also of course it's clear how the geopolitics have impacted on Telecom Network business and the vendor selection and uh one thing that we what's what has been very important for us is that uh we signed recently uh in in May this year a co-financing agreement with US EXIM which enables us to uh cooperate partner in in in 5G um projects among other things and um then I think the other topic I would like to raise here is a is a critical minerals or raw materials guarantee um I think uh what we have seen is that I mean we are pretty active in in in mining projects and traditionally it has been a lot of how that we have been supporting Phish exports but then we have also a product of raw materials guarantee which purposes to secure the Imports of critical

minerals to finish industry that prod has been there for a long time but during the past few years it has become much more relevant and much more uh demand than earlier

**Dan Sheriff** - okay thank you and actually chair maybe you can sort of follow up from that as well in terms of how geopolitic geopolitics is impacting your business as well

**Hyeon-Seok Cho** - yes I can say that the current but environment uh can optimize at the three world is that one for is the de globalizations and protectionism and the reductions of the crossb trade so recently Korea experienced that like supply chain issue named that the urea solution it's a uh like a LIID to reduce the emissions of the carbonized for the diesel trucks but all of the suddenly that the uh the major exporters of the uh urea stop to export it means that it can threaten to hold the process of the South Korea economy but fortunately rapidly respond to that issue Korea overcome that shortage of the urea solution but that event reminds me of the three essence one is that uh we have to diversify that imported part second one is that we have to seeking for the reliable partners and third one is that if possible we can internalize that our manufacturing process so it will be the same as the many ECA as well so government really wanted to give us some mission to having us more resident on the supply chain that's one and second one is that providing the new loan to the domestic companies to like you EXIM this domestic Finance it will give a uh opportunity to uh enhance and enlarging that capacity of the building as well and third one we find that some at the geopolitical or uh Economic Security issue some countries to set up some special fund named the stabilizations of the uh supply chain that's it the one of the three things I want to mention

**Dan Sheriff** -yeah brilliant thanks and obviously speaking backstage uh you know I know how busy Kim have been already and it just sounds like you're just getting started as well um you care as well just changing tax Samir sort of slightly um Anna Karen mentioned the energy transition a bit, I'm just curious how are you supporting sort of British exporters in particular and other companies' um through the energy transition can you comment a bit on that please

**Samir** - great thanks for the question Dan so our journey into the energy transition uh space started about two and a half three years back when the UK government instituted the fossil fuel policy wherein new support for fossil fuel projects globally was we were not permitted to do that um that was a bit of a game change for us for us clients are really important we wanted to sort of fill that Gap and the best way we thought was to get into this space which was in any case something which is close to every ECS heart but that that gave us a fresh impetus to do that um what we've done in the space is in in the past two years two and a half years is um some of it is strategic thinking uh with our other colleagues at the other ECAS we've LED um some initiatives one of them being climate resilient debt Clauses for Sovereign lending for instance where um you

know we have partnered and led the floor there the other is in our disclosures you know through the TCFD we are now in our fourth year of disclosure so again we trying to keep our own feet close to the fire and making sure that our transition ourselves into The Greener space is uh has milestones and targets we have got targets now for de carbonization of our portfolio for at least 85% of our portfolio and um also you know we have tried to Coral all our fellow ECAS into the Net Zero Alliance for climate change which is really following from the cop 26 in Glasgow so that's at the Strategic level coming down to where our clients really get impacted we started off with hiring a new team of energy and transition Specialists both in the front office and in our policy and risk teams for instance um we have a 2 billion pound uh direct lending facility ear Mark for uh the purposes of clean and green and again following some pretty strict tonomy there not just sort of the usual which someone could say well is this green washing so that's really it's uh money which we have we marked for that space um we are also in in terms of our pipeline we've said 50% of our business pipeline will be in the clean and green energy space so you I think that's really tangible and we are making a lot of progress in that area I think the final point is around products and we are offering newer products which have got longer tenors and flexible payment terms etc for the products which are in the clean and green space I think ultimately the success of all of what we are doing is based on also the you know making sure other ECAS alongside us are in that same space because in That's The Power of the ECA financing that we really try and complement where other Banks might not have the appetite so I'm going to pause there but also it has wider connotations around energy security um the geopolitics that's been mentioned and also Supply chains so I think h that's it's a really important part of what we're doing there

**Dan Sheriff** - thanks yeah and I actually want to just follow up on a couple of the points you raised uh you mentioned the longer tenors which I assume is in relation to the changes at the OECD level is curious as to have whether I mean those changes came in earlier this year has that sort of manifested in in more applications yet sort of has there been sort of a decent degree of Interest so far.

**Samir** - sure no and it's incumbent on us to let our customers know that we are now open for long longer tenors for instance more flexible repayment terms and that's what our uh front office teams are absolutely doing um that's part of the day job and I think we've already seen new applications coming in have we closed a deal because the you know the modernization was in somewhere in in July but uh definitely and some of these projects do take have a bit of a longer gestation but they are definitely we've seen an uptick already and I think that that's really credit to the ECA overall for agreeing to that modernization uh back in July of this year

**Dan Sheriff** - okay than thank you Jussi the uptick as well uh

**Jussi** - to some extent I would say I mean not to critic and yet the market is still to develop yeah

**Dan Sheriff** - okay and sort of another question just on this issue as well is one of the things we discussed particularly with energy transition is the question of Technology risk and you know who takes the technology risk and you mentioned you've set up a new team of sector experts was that to specifically address that technology risk

**Samir** -yes it's a great question and one which i' profess we don't have a clear answer yet and the reason is because technology is apart from everything else you know is one of the you know the last Frontiers now again uh I'm not a technology expert but we do have people in our teams and the key there then is that we try and partner with other government agencies who are you know we have the UK infrastructure Bank we have the British business bank and we have some other you know areas which who collaborate with us to get that best offering to the client and again it's an it's you know something which we are developing still um have we done a lot in that technology space I'd say at this point of time it's fewer deals than I would have liked to see but it's not for want of not wanting to do it it's just making sure we get the right deals on the table but really important part for us absolutely

**Dan Sheriff** - understood thanks and Cho I I'll return to you now um we've seen in increasing convergence in fact over lunch we had DFC speak but we we've seen increasing convergence between the ECA world and the DFI world and I'm curious from your point of view why you think this is and what it means uh for the Korean sort of offering and

**Hyeon-Seok Cho** - I got a chance to look at the global export credit competitiveness uh issued by USX bank and last June and based upon that uh from 2015 to 2020 that over trend of the financial program of ECA and then we found that still export credit and the trade Finance maintain that current volume and but one thing different is that on and the DFI activities steadily continuously increasing from the 2015 to 2022 uh for the cases of the Untitled it remarks about 25% increasing during the last eight years and for the for the DFI activities we can find the 50% of the enhancement on their commitment amount so I think it means that it reflecting a market demand it means that uh there will be some room to work together different type of the institution like MDB ECA DFI and private sectors so we can capitalize on each fund is the Merit and we can using that knowhow for the developing countries and the big size of the infrastructure project as well so I wanted to indicate that we are facing some like the era of the Branded Finance

**Dan Sheriff** - yeah I think that's an important point and look um f final question um for me and this is this is for Jussi first and then and then Samir um I think uh there's a lot of SMEs uh that are uh in this audience and at this conference I think um speaking to US

EXIM Bank yesterday I think sort of a quarter of all employees are directly focused on the SME business so I guess from The Finnish example how do you work specifically with those SMEs to help them to internationalize

**Jussi** - I think I mean for us it's important of course to the Target is to get more explorers to make them grow and when they are ready to internationalize then then they do the first export transactions so it means that in concrete terms we provide uh working capital in Finland we provide uh loans for investments in Finland and then once they are ready to become an exporter then we also provide export credits and for this purpose we have also launched this year a direct uh loan to buyers of finished goods for smaller tickets for tickets up to up to 20 million because there is a market Gap I mean it doesn't necessarily make sense for a commercial Bank to arrange a 10 million or 5 million euro loan but we feel that it's uh it makes sense for us because this might be the key step for a small company to start their exports and then uh on a smaller note we have also this year uh launched a loans for Green Trans transition and digitalization for SMEs in Finland

**Dan Sheriff** - okay all right thank you and Samir over to you

**Samir** - great thanks Dan and I can see we're I'm now living on borrowed time so I'll make this quick but look you know for us SMEs it's not just saying the party line it's important 84% of our client base is SMEs uh in terms of just the client numbers that's grown four times in the past four years and our as compared to our medium and long-term business which has grown twice in the past four years so just it at this rate we expect about 90% of our client base to be SMEs by the end of this decade so that's one just pure statistics we got a very large team focused on SMEs across the UK and we partner with the Department of Business and trade uh which is basically our multiplier effect because they have about five times the number of export Finance managers dotting the countryside I think two three important things one is on products offering to our SMEs and we've got a non-contract specific financing product called the general export facility and that's been really a game changer for us and absolutely Game Changer um and the uptick there has been much more beyond what we had expected the other is trying to make sure our partner banks have the appetite to work with us and sometimes and I I've myself worked in a bank so I know that um Banks not always have the appetite that we would like to see in them uh we're now partnering a lot with non-bank financial institutions across the country to get more SMEs into our um with within our sort of guarantee scheme and um finally is the digital and the digitization of our product so again we've got a couple of you know things like our export Ins urea NCE products are now more digital than they were so it's making it easier for SMEs to access what we have to offer and uh finally is uh Bank delegation we've enhanced the limits there so we don't even see the applications we just straight through process those

up to 10 million pounds so again with all of those ourm uh space has really increased and I think for me that's really important um because that's the heartland of what the econ what drives the economy I mean certainly the big ones do but I think if you don't have the small SMEs the economy would very much Flatline very quickly so I think for us it's really important as a government Department to help the British economy there.

**Dan Sheriff** - Thank you well as a as a small me I agree but yeah well um look I mean yes hopefully this this panel has given you know within a conference that is quite focused on the service that America is Prov providing and the American government is providing to um their exporters this hopefully gives you a bit of an idea of what other countries are doing um ECAS are often similar but also very different and I think with particularly when you sort of bring in the development Finance Community as well that is a real convergence and it's quite an interesting time TXF my company we have data on uh all ECAS we have transaction data on all ECAS and all development Banks as well and it's Market which is it which I heard it described the other day as this is the Golden Age of export Finance which I think is a good a good term to end on and I think I sort of speak for myself and certainly for the four panelists we've had with as well they are working very closely with EXIM and they're here to work with you so I just uh join me giving them a big round of applause to show to see thank you very much.