

MINUTE OF UKEF BOARD MEETING – 12 NOVEMBER 2015

Present:	Guy Beringer (Chair)	P Radford	Item 2
	Sir Eric Peacock	J Cross	Item 2 (& 3)
	Amin Mawji	V Agapitou	Item 2 (& 3)
	Louis Taylor	G Welsh	Item 3
	David Havelock	P Walsh	
	Steve Dodgson	A Harris	
	Lucy Wylde	R Morjaria	
	Cameron Fox	I Barnabas	
	Ben Cropper		
	Justin Manson		
	Emily Ashwell		

Apologies: Jane Owen

Secretary: Satnam Singh

1. **Draft Minute of 8 October meeting**

1.1. The draft minute was agreed, with a minor amendment.

2. **Credit Risk Management Policies, Processes and Governance**

2.1. The Board received a comprehensive presentation from the senior management team of the Credit Risk Group, on the policies, processes and governance structures in place and the work that is undertaken when assessing each risk that is presented to the organisation.

2.2. This included a detailed discussion on the role of country risk analysis and credit risk analysis that is completed on the various markets in which UKEF operates.

2.3. Board members were informed that part of the process involves working with a broad range of colleagues across government to gather continually changing information and market intelligence.

2.4. Examples of this were working with UKTI, the Foreign and Commonwealth Office (FCO) and UK Embassies.

2.5. The Board learnt that all the evidence clearly indicated that the department is not risk averse and in reality very little of what is presented to the Credit Committee is ever turned down on pure credit analysis.

2.6. It was agreed that the Board would receive an update at the January 2016 meeting on the pricing policy that is used in the department.

3. Airline Sector Review

3.1. The Board was given an annual update on UKEF's support for the airline sector.

3.2. It was noted that whilst the level of support requested by airlines had fallen, due to the increase of available finance in the commercial markets, previous experience had shown that it is a cyclical business and levels of support could again increase in due course.

3.3. As a result of the fall in traditional support, UKEF remained an innovative Export Credit Agency (ECA), by adapting to market conditions, with recent successes including the Sukuk (Islamic) financing; being the first ECA to offer support in off-shore Chinese Renminbi, and the potential future support for the aerospace supply chain.

3.4. Board members were advised that the UKEF aviation portfolio remained of good credit quality and in all cases secured on assets.

4. Q2 Business Performance Review – Reforecast (C Fox)

4.1. The Board was given a verbal update on the key points from the Quarter 2 (Q2) Business Performance Review (BPR) (Reforecast) that had been circulated to all members prior to the meeting.

5. Any other business

5.1. This was Louis Taylor's first Board meeting as the new CEO of UKEF and he said he was looking forward to his new role and had already been

impressed by the attitudes and capabilities of the people he had so far met around the organisation.

5.2. Emily Ashwell (Shareholder Executive) thanked UKEF staff for the quality of the briefing and analysis she had received on Saudi Arabia.

5.3. Sir Eric Peacock wished to place on record his thanks to UKEF staff for the quality of materials and presentations that had been presented to the Board throughout the course of the year.

Satnam Singh

Chief Executive's Office