

## MINUTE OF MANAGEMENT BOARD MEETING – 25 SEPTEMBER 2013

Present:	Guy Beringer (Chair)	Adam Harris	Item 2
	Jon Harding	Alex Kitchen	Item 2
	Fiona-Jane MacGregor	Paul Walsh	Item 2
	Amin Mawji	Gordon Welsh	Item 2
	Sir Eric Peacock		
	David Godfrey		
	Nigel Addison Smith		
	Steve Dodgson		
	David Havelock		
	Sue Johnson		
	Charles Redfearn		

Secretary: Laurence Lily

### 1. **Draft Minute of 25 July meeting**

1.1. The draft minute was agreed, with minor amendments.

### 2. **Airline Sector Review**

2.1. MB was given an update on UKEF's support for the aerospace industry.

2.2. MB noted that while the number of aircraft supported by UKEF was falling, the premium income generated by its support continued to increase due to changes to the pricing regime agreed as part of the "Aircraft Sector Understanding" between OECD export credit agencies. MB also noted that, while the proportion of Airbus sales supported by UKEF and its French and German counterparts was expected to fall, the effect of this on UKEF business would be partly offset by strong global demand for aircraft leading to rising aircraft sales overall.

2.3. MB noted that through its support for Airbus exports UKEF indirectly supported approximately 3000 companies, many of them SMEs, in the Airbus supply chain. MB felt that the full value of this support was underappreciated and could be more widely communicated by UKEF as part of an ongoing communications strategy. MB also noted that UKEF was exploring ways in which additional support could be provided to companies within the Airbus and Rolls Royce supply chains.

2.4. MB also noted the potential effect on asset prices of new aircraft models, the risk profile of the portfolio, the results of portfolio stress tests and the relative financial health of the industry compared to the past. MB welcomed UKEFs intention to increase the use of funding from the international capital markets.

### **3. Strategic Direction**

3.1. MB discussed the strategic direction of the department in the context of the views of influential stakeholders, and noted the question of whether the Government was prepared to commit to a through-the-cycle ECA model. MB discussed the importance of UKEF communicating on its short-term performance against an agreed set of objectives that were understood by stakeholders. MB agreed that, while a medium-term strategic plan is developed, consistent and regular engagement with stakeholders was required by UKEF to report on developments and its performance, and to better communicate the value of its support.

### **4. EGAC meeting**

4.1. MB noted the meeting of the Export Guarantees Advisory Council that had taken place on 9 September.

**Laurence Lily**  
**Chief Executive's Office**