

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
OF THE
STRATEGIC BANKING CORPORATION OF IRELAND
(THE “COMPANY” OR “SBCI”)

DULY CONVENED, CONSTITUTED AND HELD BY VIDEO AND CONFERENCE CALL AT
TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1
AT 2.00 PM ON 3 JUNE 2021

Present:

Barbara Cotter *Chairperson*
Ian Black
Eilis Quinlan
AJ Noonan
Richard Pelly
Conor O’Kelly
Eoin Dorgan
Tom McAleese
Marguerite McMahon

In Attendance:

Macken McNicholas *Company Secretary*
Rob Quill *Risk & Finance Manager (Items 1 – 8 only)*
Suzanne Sweeney *Head of Lending (Item 5 only)*
John Madigan *Head of Marketing (Item 5 only)*
Deirbhile Brennan *Head of Compliance, FOI and Records Management (Item 6 only)*
Sinead Flanagan *Senior Compliance Manager (Item 6 only)*
Carol Ann McGough *NTMA Head of ICT Cyber Security & Networks (Item 7 only)*

1. NOTICE AND QUORUM

The Chairperson noted that notice of the meeting and of the nature of the business to be conducted had been circulated to all members entitled to attend the meeting and that a quorum was present. The meeting then proceeded to business.

2. DECLARATIONS OF INTEREST

For the purposes of Section 231 of the Companies Act 2014, Section 17 of the Ethics in Public Office Act 1995 and the Constitution of the Company, there were no material interests declared by members in the business to be transacted at the meeting.

3. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meeting of 16 April 2021 and 22 April 2021 were before the Board for approval, which had been circulated to the Board in advance of the meeting.

IT WAS RESOLVED that the minutes of these meetings be approved and that they be signed by the Chairperson when circumstances permitted.

The Company Secretary provided an update on matters arising.

4. AUDIT AND RISK COMMITTEE REPORT

The Chair of the Audit and Risk Committee presented the Audit and Risk Committee Report summarising the Audit and Risk Committee meeting held on 31 May 2021.

He noted that the On-Lender Review for **THIS ITEM HAS BEEN PARTIALLY REDACTED** had concluded and reported “Satisfactory”. He noted that the NTMA Head of ICT Cyber Security & Networks gave an oral update on the current IT Security protocols in place, in light of the recent cyber security attacks on the HSE. He noted the Committee discussed these protocols and were satisfied with the measures in place **THIS ITEM HAS BEEN PARTIALLY REDACTED**

He further advised that the Committee had reviewed and was recommending the Risk Appetite Statement and the Anti-Money Laundering Policy to the Board for approval.

5. CEO REPORT

The Interim CEO presented his Report. He provided an update on SBCI’s key priorities and current workstreams. He provided an update on the Brexit Impact Loan Scheme (BILS), the COVID-19 Credit Guarantee Scheme (CCGS), the Customer Hub and stakeholder engagement. He also provided details with regard to the Risk, Finance and Operations team structure, following the departure of former Head of Risk, Finance & Operations. The interim CEO advised the Board of the opportunity to purchase an additional five shares in the European Investment Fund (EIF). He noted that further consideration would be given and that the Team would revert to the Board with a formal proposal if it was agreed to proceed.

Furthermore, the Head of Lending and the Head of Marketing provided an update to the Board on their respective sections.

5.1. FINANCE REPORT

The Risk & Finance Manager presented the Finance Report for noting. He summarised the key points of the Report to the Board.

6. COMPLIANCE ITEMS

6.1 MONEY LAUNDERING REPORTING OFFICER REPORT (MLRO REPORT)

The Senior Compliance Officer presented her Report to the Board which she advised will now be done semi-annually. She provided a high-level summary of key AML/CFT related activities as set out in the Report.

6.2 AML POLICY REVIEW

The Senior Compliance Officer presented the annual review of the AML Policy and provided a summary of the proposed revisions.

IT WAS RESOLVED that the AML Policy, as presented to the Board, be approved.

7. CYBER SECURITY UPDATE

The Head of ICT Cyber Security & Networks presented an oral update in respect of the recent Cyber attack on the Health Service Executive (HSE) and the actions and mitigants in place within the NTMA to combat the threat of Cyber risk. She highlighted the level of training provided to staff, the use of AI tools, annual audits and regular oversight by IT Security Team to combat threats.

8. RISK ITEMS

8.1 Risk Appetite Statement

The Head of Risk, Finance and Operations presented the Risk Appetite Statement ('RAS') to the Board for approval. He noted there were no material changes proposed to the RAS. He noted the RAS had been reviewed and recommended for approval by the Audit & Risk Committee ('ARC').

IT WAS RESOLVED that the Risk Appetite Statement, as presented to the Board, be approved.

8.2 Credit Risk Policy

The Head of Risk, Finance and Operations presented the annual review of the Credit Risk Policy ('CRP') to the Board for approval. He noted it was the first annual review of the CRP, having been approved by the Board in April 2020. He noted the annual review of the CRP had been reviewed and recommended for approval by the Credit Committee. He updated the Board on the proposed changes to the Policy as set out in the paper. The review cycle was discussed and it was decided by the Board that the policy will remain under annual review.

IT WAS RESOLVED that the Credit Risk Policy, as presented to the Board, be approved.

9. GOVERNANCE ITEMS

9.1 Remuneration Committee Reappointments

The Company Secretary presented the paper which proposed the reappointment of AJ Noonan and Conor O'Kelly to the Remuneration Committee for a further term of three years effective from 8 June 2021.

IT WAS RESOLVED that:

- I. AJ Noonan be reappointed as a member of the Remuneration Committee, for a further term of three years, with effect from 8 June 2021, or until he is no longer a member of the Board;
- II. Conor O'Kelly be reappointed as a member of the Remuneration Committee, for a further term of three years, with effect from 8 June 2021, or until he is no longer a member of the Board.

10. PRIVATE SESSION

The Board met in private session without management present to discuss the recruitment and role of a new Head of Risk.

11. AOB

The Board discussed the recent employee “Pulse Survey” administered by the NTMA which had endeavoured to gauge staff sentiment on a return to working from the office.

Barbara Cotter, Chairperson