

**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
IN-PERSON AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1
AT 2:00PM ON 20 JUNE 2024**

Present:

Patrick Delaney	<i>Chairperson</i>
June Butler	<i>CEO</i>
Ian Black (until 3:00PM)	
Deirdre Donaghy	
Elaine Hanly	
Marguerite McMahon	
Declan Murray	
Richard Pelly	
Eilis Quinlan	

In Attendance:

Colin Moran	Head of Lending
Margaret Concannon	Head of Risk & Governance
Suzanne Sweeney	Head of Strategy, Finance & Operations
Fiona Collier	Strategy Implementation Manager (Item 5 only)
Shane McCullough	Head of Products, Research & Marketing
Dan Roche	Finance Business Partner (Item 9 only)
Susan Fagan	IT Operations Specialist (Items 4.1 & 10.6 only)
Sinead Flanagan	Senior Compliance Manager/MLRO, NTMA (Item 8 only)
Mark Treanor	Head of ICT Operations, NTMA (Item 10.5 only)
Claire Young	Business Support Specialist
Des O’Connor	Company Secretary

1. NOTICE AND QUORUM

The Chairperson (CP) noted that notice of the meeting and of the nature of the business to be conducted had been circulated to all members of the Board of Directors (the “Board Members”) entitled to attend the meeting, and that a quorum was present.

Ian Black advised that, as the NTMA Town Hall event was due to commence at 3:00pm, he would not be able to attend today’s meeting in full. The Company Secretary (CS) noted that, as the NTMA’s Chief People Officer was also due to attend the NTMA Town Hall event, agenda Item 4.2 “NTMA I&D Steering Committee – Strategy Presentation” would be deferred until the September Board meeting. Finally, the CS advised that agenda Item 8.1 “MLRO Report” would be reviewed out of sequence to enable the Senior Compliance Manager/MLRO, NTMA to attend that NTMA event also.

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 any of the Board Members in the business to be transacted at the meeting.

3. MINUTES AND MATTERS ARISING

3.1 Minutes of Meetings of 18 April 2024 & 24 May 2024

The CS noted that the draft minutes from the Board's meeting on 18 April 2024 and ad hoc meeting on 24 May 2024 had been circulated for review and were before the Board for approval.

IT WAS RESOLVED that the minutes of the meetings held on 18 April 2024 and 24 May 2024 be approved, as presented, and that they be signed by the Chairperson when circumstances permitted.

3.2 Matters Arising

The CS noted that Item 1 from the Board meeting of 22 February 2024, relating to Board training, would be addressed by a Training Plan, to be presented to the September Board meeting, that would also seek to address feedback received from the Board's committees following their respective annual self-evaluation exercises. Based on this plan, the status of this item was updated to "Closed".

The Chair of the Audit and Risk Committee advised that, following referral by the CS, she had recently attended a training day provided by the IPA, which focussed on "OCAG audit insights and ARCs and VFM" and she had found it to be a very informative session.

The CS noted that Items 1 and 2 from the Board meeting of 18 April 2024 had been updated to "Closed" based on the uploading of information to the Board's Resource Center on Diligent.

4. CEO REPORT

THIS ITEM HAS BEEN PARTIALLY REDACTED

The HoPRM advised that development of the SBCI 5-Year Strategy Plan would be undertaken by Grant Thornton, who were selected following a tender process. He confirmed that work has already commenced, and stakeholder engagement will follow with, for example, a workshop planned with the SMT and Managers for end-June. The CEO advised that Grant Thornton will engage with the Board membership and their report will be presented to the September Board meeting. The HoPRM also noted the SBCI's AGM is planned for mid-July (see **Item 11.1** below)

THIS ITEM HAS BEEN PARTIALLY REDACTED

4.1 Hub Update

The IT Operations Specialist (ITOS) presented a video demonstration of the SBCI Hub, from both the Borrowers' and On Lenders' perspectives. She noted that the Hub has issued 9,000 eligibility codes to date, with 7,000 loans proceeding to drawdown. She confirmed that all legacy data (from the SBCI Portal) has now been migrated to the Hub, which created a stronger MI platform. She advised that the SBCI could now deliver a new product on the Hub within 8-12 weeks, depending on complexity, and this is significantly faster than before.

In terms of the 2024 programme, the ITOS advised that priorities included:

- Digitizing the Claims Process journey

- Automating State Aid letters
- Automating Loan Approval, i.e., straight-through processing

THIS ITEM HAS BEEN PARTIALLY REDACTED

The Board thanked the ITOS for her presentation and noted the advantages of the Hub as it has been developed, including greater visibility of loan pricing, identification of loan deterioration profiles and creation of a data warehouse that will become a key asset in the determination of SBCI's future strategy. Finally, the CEO confirmed that today's presentation was for noting only and that a formal business case supporting the proposed budget for ongoing investment in the Hub would be presented to the Board in due course.

4.2 NTMA I & D Steering Committee – Strategy Presentation

This item has been deferred to the September Board meeting.

THIS ITEM HAS BEEN PARTIALLY REDACTED

5. STRATEGY ITEMS

5.1 Strategy Implementation Update 2024

The Strategy Implementation Manager (SIM) presented the Strategy Implementation Update, comprising the Review of H1, 2024 and Priorities for H2, 2024, for noting. Within the Implementation Building Blocks, she drew attention to the development of SBCI's 2025-2030 Strategy (Grant Thornton have been engaged as advisors), employee training in both leadership and ESG, the concluded transition from SBCI's old "Portal" system to the new "Hub" and the Fexco review of SBCI's organisational processes, due to report in the coming weeks. She noted that **THIS ITEM HAS BEEN PARTIALLY REDACTED** one item "Complete External Board Evaluation" is yet to commence but is due for completion in Q4, 2024.

The SIM highlighted the milestones achieved during H1, 2024, particularly the launch of the HEULS and additional liquidity facilities approved, and that objectives are broadly on track against key deliverables. She discussed the Priorities for H2, 2024, including new scheme development and design, supported by research, the on-boarding on new On-Lenders, including 8 NBFIs, and the strategy and organisational reviews by Grant Thornton and Fexco, respectively.

The SIM noted the current key risks/challenges included reduced demand for liquidity and delivery of a new SME scheme in 2025, given UCGS due to expire end-2024 and GSLS likely to be fully subscribed by end-2024 also.

6. CREDIT COMMITTEE REPORT

The Chairperson of the Credit Committee (CCC) provided an update following the committee's meeting on 14 June 2024 when annual reviews were approved, within the committee's discretion, for the Metamo group of Credit Unions, Bibby Financial Services (Ireland) Ltd and Capitalflow Group DAC. The CCC noted that, in respect of Metamo, the Dublin-based Savvi Credit Union had performed well and proposed that strategies to enhance the performance of other credit unions generally should be discussed as part of the agenda for the planned Board Strategy Day in September. **[Matter Arising]**

THIS ITEM HAS BEEN PARTIALLY REDACTED

Finally, he confirmed that the committee had agreed to recommend the extension of the annual review of the Credit Risk Policy for 3 months until September 2024 per agenda **Item 11.3** below.

7. AUDIT & RISK COMMITTEE REPORT

The Chairperson of the Audit and Risk Committee (CARC) provided an update following the committee’s meeting on 6 June 2024. She advised that several items, that were presented to the committee for noting or recommendation to the Board, would be discussed in the agenda, namely the MLRO Report (Item 8.1), Treasury Policy (Item 10.1), **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The CARC advised that an update had been provided by NTMA Compliance on general activities, including Compliance training, and no issues had been raised. She advised that both the Protected Disclosures Policy and Data Protection Policy were approved with only minor updates being made. **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The CARC advised that KPMG had completed their second internal audit (IA) of the year on “Product Development and Set up **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The CARC noted that the committee had reviewed the 2024 Risk Management Plan and all activities are on track, **THIS ITEM HAS BEEN PARTIALLY REDACTED**

8. COMPLIANCE ITEMS

8.1 MLRO Report

The Senior Compliance Manager and MLRO, NTMA (SCM) presented the quarterly MLRO Report, for noting, including AML metrics for Q4, 2023 and Q1, 2024 and noted that there were no issues that currently needed to be brought to the Board’s attention. She noted that the updates since the MLRO Report were mostly for information only, except for the AML Policy and Business Risk Assessment which would be presented to the Audit and Risk Committee in October 2024 and then to the Board for approval. She also noted the scheduling of the annual AML Compliance monitoring review for 2024 was due to be agreed.

The SCM advised that an online training provider was due to be confirmed shortly, following a procurement process, and this should roll out in Q3, 2024. She noted that new joiners to SBCI had completed their AML training as part of their induction and they would also receive the online training modules when the new provider is in place.

THIS ITEM HAS BEEN PARTIALLY REDACTED

9. FINANCE ITEMS

THIS ITEM HAS BEEN PARTIALLY REDACTED

10. RISK ITEMS

10.1 Treasury Policy

The HoRG presented the Treasury Policy (previously named the “Liquidity & Market Risk Management Policy”) for approval, following recommendation by the Audit and Risk Committee, noting that the content had been expanded to reflect SBCI’s continued growth. She outlined the key additions to the policy and advised that amendments to the policy had been highlighted in the version circulated to the Board.

The Board provided positive feedback on the updated policy **THIS ITEM HAS BEEN PARTIALLY REDACTED** and that the increased volumes are driven by the number of schemes under management. The Board also confirmed with the HoRG that a delegated authorities matrix applies, based on a panel hierarchy, when approving cash movements.

IT WAS RESOLVED that the Board approve the Treasury Policy, as presented.

THIS ITEM HAS BEEN PARTIALLY REDACTED

11. CONSENT AGENDA

11.1 2024 AGM

The CS advised that the proposed date for the 2024 AGM is 11 July 2024 and that he was awaiting confirmation from DOF that this date was suitable for them as a Proxy would need to attend the meeting on behalf of the Minister. He noted that the Board paper advised that formal Notice of the AGM was to issue on 18 June, to comply with the minimum notice period requirement of 21 days, however, given that DOF are yet to confirm that 11 July is workable, it is likely this requirement will be waived by the Minister, as Shareholder. He outlined the draft agenda for the meeting and proposed attendees who would represent the SBCI, namely the Chairperson, CEO, selected members of the SMT and himself, with the meeting expected to last no more than 1 hour.

11.2 Board Governance File – annual review

The CS presented, for noting, the annual review of the Board Governance File which contained only minor amendments. He drew attention to the appendices to the Board Governance File that had been updated separately since the last annual review and advised that such appendices are updated at different intervals during the year, such that the Board members should always refer to the “Board Directors Information” section of Diligent to access the latest versions of both the Board Governance File and supporting appendices.

11.3 Credit Risk Policy - annual review date extension

The HoRG presented, for approval, a request for a 3-month extension to the annual review of the Credit Risk Policy, as recommended by the Credit Committee at their meeting on 14 June 2024, on the basis that the Risk team has been engaging with SMT, the Lending Team and NTMA Legal to align the Credit Risk Policy and Credit Committee Terms of Reference, and will present both for approval at the September Board meeting.

IT WAS RESOLVED that the Board approve the 3-month extension to the annual review of the Credit Risk Policy, subject to the review being completed and presented to the September 2024 Board meeting.

12. AOB

There being no other business, the Chairperson then brought the meeting to an end.

Patrick Delaney, Chairperson

Date