

**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 18 APRIL 2024**

**Present:**

Patrick Delaney	<i>Chairperson</i>
June Butler	<i>CEO</i>
Ian Black	
Deirdre Donaghy	
Elaine Hanly	
Marguerite McMahon	
Declan Murray	
Richard Pelly	
Eilis Quinlan	

**In Attendance:**

Suzanne Sweeney	Head of Strategy, Finance & Operations
Dan Roche	Finance Business Partner
Shane McCullough	Interim Head of Products, Research & Marketing
Colin Moran	Head of Lending
James O’Dwyer	Lending Manager (Item 6.2 only)
Laura Kennedy	Assistant Lending Manager (Item 6.2 only)
Shawn Britton	Senior Economist, FDM, NTMA (Item 5.1 only)
Fiona Collier	Strategy Implementation Manager
Robert Quill	Risk Manager
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.

The CP took the opportunity to welcome Elaine Hanly who was attending her first Board meeting following her appointment on 1 March 2024. He also proposed, and all approved, that the Board issue a note of appreciation to the former Chairperson, Barbara Cotter, to acknowledge her significant contribution to the Board and its Committees over many years.

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 meeting of 22 February 2024 (including private session)

The Company Secretary (CS) noted that draft minutes of the meeting of the Board meeting held on 22 February 2024 had been circulated to the Board in advance of the meeting and were before the Board for approval. He noted that edits to sections 4 and 5 of the draft minutes had been applied based on feedback received post-circulation and, therefore, sought Board approval based on these revised minutes, noting a tracked changes version had been shared. He also noted that no amendments had been sought to the draft minutes of the private session that had been circulated and these had already been approved via e-mail.

**IT WAS RESOLVED** that the revised minutes of the meeting held on 22 February 2024 be approved, as presented, and that they be signed by the former Chairperson, who was in place for that meeting, as soon as possible.

### 3.2 Matters Arising

The CS noted that there was one matter arising from the meeting of 22 February 2024 relating to the Board's and its Committees' training requirements based on feedback received during the annual self-evaluation process. He undertook to revert to the Board with an outline training plan, likely to be a mix of in-person and online presentations, and, in the meantime, this item would remain open.

## 4. CEO REPORT

The CEO presented the CEO Report for discussion/noting and advised that the focus for Board discussion would be the status updates re the various SBCI schemes, as the other key items were separate discussion items on the Board agenda.

### **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The Interim Head of Products, Research and Marketing (HoPRM) provided an update re the HEULS, due to launch on 24 April with PTSB being first to market and joint promotion scheduled for the Ideal Home Show at the RDS, Dublin from 26-28 April with PTSB and SEAI. He acknowledged the legal support provided to execute the Data Sharing Agreement with the SEAI and the new creative agency engaged by SBCI to deliver a video and billboard campaign to increase consumer engagement. **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The HoPRM shared an update on SBCI's application to obtain "Implementing Partner" (IP) status from the Commission and outlined the benefit that would flow once approved, i.e., access to 25% of guarantee capacity set aside by the Commission, whereas currently SBCI can only participate in 75% of guarantee capacity approved for NPBI. **THIS ITEM HAS BEEN PARTIALLY REDACTED**

## 5. STRATEGY ITEMS

### 5.1 Economic Update

The Senior Economist, FDM, NTMA (SE) presented a Macroeconomic Update and discussed key economic indicators, including:

- Inflation trends across the US, UK, and Euro areas
- Central banks' interest rate strategies
- Global slowdown in economic activity
- Modest growth in Irish economy
- Monthly Irish economic data mostly trending positive, albeit modestly
- Tightness in the labour market – shortage of skilled staff being the main cause for concern among SMEs
- Declining demand from the SME sector for bank loans
- Irish Consumer appetite for home improvements is strong with 25% planning to borrow from Credit Unions, Banks etc. to meet outlay

The Board noted the recently reported high post-Covid level of household deposits maintained by Irish consumers, some of which will fund planned home improvements. The Board thanked the SE for her presentation and expressed an interest in reviewing the data supporting the presentation if it could be made available. **[Matter Arising]**

## **5.2 2024 Strategy Implementation Plan – Update**

The CEO introduced the update on the 2024 Strategy Implementation Plan, noting the external environment of the recent change of Taoiseach, elections expected in Ireland, the UK, and the US in the short term, and ESRI reporting challenges in terms of housing and infrastructure, as well as labour constraints impacting on green investments. She acknowledged the increase in insolvencies per PWC's insolvency barometer following the expiry of the government's Covid-19 supports, e.g., tax debt warehousing, and expected upward trend in loan defaults and claims. She advised that the three key themes discussed at the recent EIB Group Forum comprised (1) the Green transition, (2) Digitisation and (3) Defence spending (directing resources away from other areas).

### **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The HoSFO presented the SBCI Strategy 2022-2025, noting the Impact Themes and Key Enablers. She discussed SBCI's current performance under each of the Themes, highlighting those initiatives that were on track, behind or yet to commence. She also commented on the Implementation Building Blocks, noting the increased focus on ESG.

The Strategy Implementation Manager (SIM) shared an update on SBCI's performance against its Strategic KPIs noting that the risk-sharing and liquidity KPIs would be impacted positively via launch of the HEULS **THIS ITEM HAS BEEN PARTIALLY REDACTED** She confirmed that SBCI was on track to deliver a new On Lender in 2024 **THIS ITEM HAS BEEN PARTIALLY REDACTED** and that it was active in the ESG space with additional resources now available to SMEs via links on the SBCI website and mandatory online Climate training being rolled out to all staff over the coming weeks.

The CEO concluded this part of the meeting with a reflection on Q1's highlights in terms of progress against SBCI's main priorities and discussion on planned activities in Q2, including Phase 2 development of the GSLS, on-board of On Lenders and progress on developing a 5-year strategy for 2025-2030.

## **6. LENDING ITEMS**

### **6.1 Credit Committee Report**

The Chairperson of the Credit Committee (CC) provided a report on the committee's meeting held on 10 April. **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The CC advised that the committee had discussed the **THIS ITEM HAS BEEN PARTIALLY REDACTED** proposal in detail, noting feedback received from a committee member who was unable to attend the meeting, and had concluded by seeking clarifications to several points which were since addressed in an Addendum to the original proposal, both of which had been shared with the Board. He noted that the committee were now satisfied to recommend approval to the proposal based on the additional information provided per the Addendum.

**THIS ITEM HAS BEEN PARTIALLY REDACTED**

### **6.2 THIS ITEM HAS BEEN REDACTED IN FULL**

## **7. AUDIT & RISK COMMITTEE REPORT**

The Chairperson of the Audit and Risk Committee (CA) provided a report on the ARC's meeting held on 9 April 2024. She confirmed that the ARC had received an update from the C&AG regarding the 2023 audit, which noted SBCI's cooperation during the audit process and confirmed that it was on track for completion by end-April. **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The CA noted that the ARC approved an updated Data Protection Statement, revised following a comprehensive review undertaken by Matheson and to include language appropriate to "Consumer" borrowers for the first time.

Finally, the CA advised the Head of Operations, ICT, NTMA had presented the Annual ICT Cyber Security Update to the ARC and that ICT had offered to share the same presentation with the Board, which the Board agreed would be welcome and requested that it be scheduled alongside the June Board meeting.

## **8. FINANCE ITEMS**

### **8.1 Finance Report**

**THIS ITEM HAS BEEN REDACTED IN FULL**

## **9. 2023 ANNUAL REPORT & FINANCIAL STATEMENTS**

**THIS ITEM HAS BEEN REDACTED IN FULL**

## **10. CONSENT AGENDA**

### **10.1 Audit & Risk Committee – extension of Chairperson's membership term**

The CS presented, for approval, a proposal to extend the committee membership term of Eilis Quinlan, Chairperson of the Audit and Risk Committee (ARC), as her current term was due to expire on 7 May 2024. He noted that the ARC currently comprised the Chairperson, who had been a committee member since 2015, and two new members who were appointed on 1 January 2024 and 1 March

2024, respectively, and, therefore, from a continuity/succession planning perspective it was prudent to extend the Chairperson’s term for a further, short period to coincide with expiry of her term as a Board member, i.e., until 11 March 2025, albeit outside of the maximum term stated in the ARC’s current Terms of Reference.

**IT WAS RESOLVED** that the Board approve, on an exceptional basis, the extension of the term of appointment of Eilis Quinlan as member and Chairperson of the Audit and Risk Committee, for a further period upon the expiry of her current term on 7 May 2024, to align with the expiry of her term as a member of the Board, i.e., 11 March 2025.

**11. AOB**

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

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**Patrick Delaney, Chairperson**

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**Date**