

**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 AT  
TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2  
AT 2.00PM ON 21 FEBRUARY 2019**

**Present:**

Conor O’Kelly, *Chairperson*  
Barbara Cotter  
Nick Ashmore (*Except Item 4.2*)  
Eoin Dorgan  
Tom McAleese  
Rosheen McGuckian (*Items 1 to 4 only*)  
AJ Noonan  
  
Richard Pelly  
Eilis Quinlan

**In Attendance:**

Damien Mulholland	<i>Secretary (Except Item 4.2)</i>
Ray Mangan	<i>Head of Finance, Risk &amp; Operations (Item 4.1 only)</i>
Breda McNamara	<i>Head of Compliance, NTMA (Item 5 only)</i>
Eibhlin O’Donnell	<i>Senior Legal Advisor, NTMA (Item 5 only)</i>

**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. The Chairperson noted that Agenda Item 4.2 would be a non-executive only discussion.

**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 meetings of 6 December 2018 had been circulated to the Board in advance of the meeting. **IT WAS RESOLVED** that the minutes of the meeting be approved and that they be signed by the Chairperson.

## **4. COMMITTEES REPORT**

### **4.1. Audit and Risk Committee Report**

The Audit and Risk Committee Chairperson, Tom McAleese, presented and summarised the report of the Committee meeting held on 13 February. He updated the Board on the Committee's review of the unaudited financial statements for the year ended 31 December 2018, including the Directors' Report. He noted that while the Company had returned a small profit, assets had reduced significantly, however this was due to the current volume of lending. The Committee had also reviewed the draft Governance Statement and Board Members' Report, for inclusion in the Annual Report. He updated the Board on the Committee's own annual performance review, noting the Committee had considered how to ensure that the Risk Appetite Statement and Risk Register were reflected in the Board's strategy discussions. He noted that the Committee had reviewed the effectiveness of Risk and the Internal Auditor and concluded that the functions were operating effectively. He also noted that the Committee had reviewed the Risk Register, noting the main points around strategy and resourcing.

### **4.2. Remuneration Committee Report**

#### **THIS ITEM HAS BEEN REDACTED IN PART**

The Remuneration Committee Chairperson, Rosheen McGuckian, reported on the Remuneration Committee meeting held earlier that day, 21 February. She briefed the Board on the Committee's discussions with regard to the proposed PRP for 2018 including PRP for the Executive Team (excluding the CEO), salary reviews and the CEO's performance review.

**IT WAS FURTHER RESOLVED** that approval of any performance related payment to the CEO in respect of 2018 be delegated to the Remuneration Committee.

On the recommendation of the Remuneration Committee, **IT WAS RESOLVED** that the updated Remuneration Committee Terms of Reference, as presented, be approved.

## **5. STATUTORY OBLIGATIONS UPDATE**

The Head of Compliance and Senior Legal Advisor presented the material statutory obligations relevant to the SBCI, highlighting the key changes since last presented to the Board in December 2018 as set out in the paper. She noted that a management assurance process was in place with regard to compliance with the statutory obligations.

The Head of Compliance advised that further details on the obligations contained in the various pieces of legislation covered in the presentation were available on BoardPad.

The Board noted the update and that each director had been informed of the process for raising any matters of non-compliance.

## **6. BOARD TRAVEL AND EXPENSES POLICY**

The Secretary presented the updated Board Travel and Expenses Policy, and summarised the key updates as set out in the paper.

**IT WAS RESOLVED** that the updated Travel and Expenses Policy for Board and Committee members, as presented, be approved.

## **7. CEO REPORT**

The CEO presented his Report. He briefed the Board on key matters including the deployment of the Brexit Loan Scheme (BLS), the Future Growth Loan Scheme (FGLS), on-lending pipeline, review of the SBCI and its strategy, other strategic initiatives and draft objectives for 2019. He advised that the SBCI's key priorities at present were the deployment of the BLS and the launch of the FGLS. With regard to the BLS, he noted that the SBCI was increasing its marketing and promotion activity in the lead up to the end of March. With regard to the FGLS, he noted applications had been received from five banks, marking a significant step for the SBCI as the addition of non-pillar banks could potentially drive competition on price to the benefit of SMEs. He briefed the Board on the timetable for the FGLS to be operational, noting the end March target date was challenging. He updated the Board with regard to the tender for the external review of the SBCI, noting that Barbara Cotter had agreed to sit on the selection panel. With regard to strategic initiatives, he briefed the Board on the SBCI's potential role in climate action financing as part of the Government's Climate Change Agenda, noting that the SBCI were exploring an energy efficiency retrofit financing product. The SBCI's external legal advisor had confirmed the vires of the SBCI in this space and the Minister for Finance was supportive for the SBCI to proceed.

The Board noted the report. With regard to the on-lender pipeline, the Board noted that a number of proposals would progress to the Credit Committee and Board in the next one to two months. With regard to energy efficiency, the Board discussed the market failure and potential product structure. With regard to the draft organisation objectives for 2019, members were asked to provide any comments they may have by the end of the following week for incorporation into the final document.

## **8. AOB**

The Chairperson briefed the Board on the meeting he and the CEO had had with the Minister for Finance and Public Expenditure and Reform on 15 January 2019. He noted that he had discussed the vacancies on the Board arising in March 2019 including his own term as Chairperson and member of the Board. He informed the Board that the Minister had this week issued nomination letters to himself (for a two year term) and Barbara Cotter, AJ Noonan and Tom McAleese (each for a further five year term) as members of the Board. He noted that the Minister had also indicated his intention to appoint Barbara Cotter as his successor as Chairperson.

The Board welcomed the Ministers nominations and his intention with regard to the appointment of a new Chairperson. **IT WAS RESOLVED** that as nominated by the Minister for Finance and Public Expenditure and Reform, Barbara Cotter, AJ Noonan and Tom McAleese, be reappointed as directors of the SBCI, each for a period of five years, and Conor O'Kelly be reappointed as a director of the SBCI, for a period of two years, each with effect from 12 March 2019.

The Board noted that the Secretary would inform the Minister of the Board's approval of the reappointments in order for the Minister to formally appoint Barbara Cotter as Chairperson.

The Chairperson updated the Board on the four agreed actions arising from the external review. He noted that two of the actions had now been addressed. Of the remaining two actions, it was noted that relevant external industry briefings would be programmed, and that all new credit proposals presented to the Board would detail how the schemes/facilities performance would be measured.

The Secretary informed the Board that an ad hoc meeting would be arranged for end March with regard to the FGLS guarantee proposals. He also noted that the Board meeting on 11 April with regard to the single item agenda, 2018 Annual Report and Financial Statements, would be a telephone with members having the option to attend if they so wish.

There being no further business the Chairperson brought the meeting to a close.

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Barbara Cotter  
Chairperson

12 September 2019