

**MINUTES OF AN AD HOC MEETING OF THE  
BOARD OF DIRECTORS OF THE  
STRATEGIC BANKING CORPORATION OF IRELAND  
(THE “COMPANY” OR “SBCI”)  
DULY CONVENED, CONSTITUTED AND HELD ONLINE  
AND IN-PERSON AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1  
AT 10:00AM ON 26 JANUARY 2024**

**Present:**

Barbara Cotter	<i>Chairperson</i>
June Butler	<i>CEO</i>
Eilis Quinlan	
Richard Pelly	
Deirdre Donaghy	
Patrick Delaney	
Declan Murray	

**Apologies:**

Marguerite McMahon  
Ian Black

**In Attendance:**

Margaret Concannon	Head of Risk & Governance
Robert Quill	Risk Manager
Suzanne Sweeney	Head of Strategy, Finance & Operations (Items 5 and 6.1 only)
Shane McCullough	Interim Head of Products, Research & Marketing
Colin Moran	Head of Lending
Andrew Downey	Lending Manager A
Aisling McGovern	Lending Manager B
Des O’Connor	Company Secretary

**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 of the Board of Directors (the “Board Members”) entitled to attend the meeting, and that a quorum was present.

The Chairperson welcomed Patrick Delaney and Declan Murray who were joining their first meeting as Board members since their appointments on 1 January 2024. She noted the apologies received in advance of the meeting from Marguerite McMahon and Ian Black, both of whom had submitted their comments based on the papers already circulated to the Board members, and whose feedback would be discussed at the appropriate points during the meeting.

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

The Chairperson noted that the draft minutes of the meeting of the Board held on 5 December 2023 had been circulated to the Board in advance of the meeting and were before the Board for approval.

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

## 4. LENDING ITEMS

The Chairperson of the Credit Committee noted, particularly for the benefit of the newly appointed Board members, that one of the allocation proposals to be considered by the Board was a new On Lender, **THIS ITEM HAS BEEN PARTIALLY REDACTED**, and normally credit proposals for new On Lenders are reviewed first by the Credit Committee prior to being recommended for presentation to and approval by the Board.

He confirmed that those Board members who were also members of the Credit Committee had been appraised of the background to the **THIS ITEM HAS BEEN PARTIALLY REDACTED** proposal and were satisfied that it be presented directly to the Board for review and approval. He noted that the Credit Committee may continue to have a role in the process as, for example, in the case of a recent Board-approved new On Lender, **THIS ITEM HAS BEEN PARTIALLY REDACTED** a condition of the Board's approval included reversion by the business to the Credit Committee subsequently on certain matters prior to final sanction.

### 4.1 HEULS allocations

The Head of Lending (**HoL**) presented an overview of the Home Energy Upgrade Loan Scheme (**HEULS**) Open Call and Expressions of Interest processes to provide background for the new Board members and reminders for those existing Board members. He outlined the history to the scheme, having been originally developed as a Retrofit Loan Guarantee Scheme and during 2023 was replaced by HEULS with key changes in the form of a 2% subsidy (funded by the Department of Environment Climate and Communications) and increased consumer loan amount threshold from €50,000 to €75,000, which was reflective of the rising costs in the energy efficiency improvement sector.

The HoL advised that the Open Call had resulted in new On Lenders progressing to this stage, **THIS ITEM HAS BEEN PARTIALLY REDACTED**, which were welcome additions aligned with SBCI's strategy to increase competition in the credit market. **THIS ITEM HAS BEEN PARTIALLY REDACTED**.

The Board enquired into other potential On Lenders that may have expressed an interest in HEULS and the HoL confirmed that, for example, **THIS ITEM HAS BEEN PARTIALLY REDACTED**, their lack of personal credit historical data and own "green" products resulted in them not applying for an allocation on this occasion. In other cases **THIS ITEM HAS BEEN PARTIALLY REDACTED** the uncertainty of future demand for HEULS, coupled with muted demand for their existing "green" products led them to hold off on applying for an allocation, however, this may change in the event of second round of allocations in the future. All agreed on the importance of maintaining positive, open relationships

with potential On Lenders that may join HEULS and/or other SBCI-supported schemes, on an ongoing basis.

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

#### **4.3 AIB, BOI & PTSB allocations**

The Lending Manager A presented, for approval, the proposed allocations under the HEULS **THIS ITEM HAS BEEN PARTIALLY REDACTED** all of whom are existing bank On Lenders.

The LMA provided key updates in respect of each of the On Lenders, as follows:

##### **AIB**

- Recently launched the Ukraine Credit Guarantee Scheme (UCGS) and the Growth and Sustainability Loan Scheme (GSL) - both “Growth” and “Green” elements
- Have allocated further resources to the SBCI-facing team with Ulster Bank staff that transferred to AIB
- Continue to have a strong scheme delivery track record
- Have capacity to absorb large scale projects, including migration of parts of the Ulster Bank book
- Performed satisfactorily per recent audit reports, with improving trend in findings

##### **BOI**

- Were first to market for the GSL but focussed on the “Green” element initially
- Have added to their team that service SBCI operations
- Have absorbed parts of the KBC book, including House Mortgages
- Performed satisfactorily per recent audit reports

##### **PTSB**

- Did not participate in the UCGS or the original Retrofit Scheme due to competing projects
- Have migrated the Lombard element of the Ulster Bank book
- Are recruiting actively to build their business and grow importance in market
- Recently appointed SBCI’s former Head of Products, Research and Marketing as Head of Business Banking
- Due diligence exercise has been satisfactory

**IT WAS RESOLVED** by the Board to approve the allocations to **THIS ITEM HAS BEEN PARTIALLY REDACTED** as presented, including delegation to the SBCI CEO re provisions to adjust initial allocations and award supplementary allocations.

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

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

### **5. STRATEGY, FINANCE & OPERATIONS**

#### **5.1 FEXCO SERVICES AGREEMENT**

The Head of Strategy, Finance and Operations (HoSFO) presented, for approval, a proposal to take up the option to extend, by a further 2 years, the Fexco Services Agreement, which was due to expire in January 2024, having been entered into for an initial 5-year term.

The HoSFO noted that originally the SBCI had engaged Fexco in 2018 to undertake eligibility checks for the Brexit Loan Scheme and future loan products launched by the SBCI. She advised that a tender process was completed in 2019 with Fexco being successful and, at that time, the value of the contract was estimated **THIS ITEM HAS BEEN PARTIALLY REDACTED** and was sanctioned by the CEO and Head of Lending within delegated authority limits.

Since 2019, Fexco has been engaged on all 5 subsequent SBCI schemes and has expanded the range of services provided to SBCI, including survey handling. **THIS ITEM HAS BEEN PARTIALLY REDACTED**

The HoSFO confirmed that SBCI has a very positive relationship with Fexco and is satisfied to support the extension of the agreement for a further 2 years by taking up the option per the 2019 contract with “Fexco Unlimited Company”, **THIS ITEM HAS BEEN PARTIALLY REDACTED**. She acknowledged that, in advance of expiry of this extended agreement, a re-tender process will be actioned.

The Board discussed the calculation basis for FTE allocation and the HoSFO advised that there was an agreed flex in place **THIS ITEM HAS BEEN PARTIALLY REDACTED**, increasing at times in response to volume of requests, e.g., when schemes are launched to the market. The Board acknowledged the positive market view of Fexco as a service provider to SBCI and the NTMA (re Prize Bonds and State Savings), while noting that an “arm’s length” view should always apply to mitigate against any perceived conflicts of interest.

**IT WAS RESOLVED** that the Board approve the 2-year extension of the Fexco Services Agreement and enable SBCI’s execution of the Extension Letter, as presented.

## 6. CONSENT AGENDA

### 6.1 DANSKE BANK ACCOUNT MANDATE

The HoSFO presented, for approval, a proposal to update the account mandate for the SBCI accounts held with Danske Bank, as 3 of the 4 authorised signatories per Danske Bank's records were no longer SBCI staff, and to open additional accounts in the name of SBCI for current and future guarantee schemes. She noted that Danske Bank had provided the wording for a resolution to be passed which would then be certified by the CEO and Company Secretary to proceed with the updated mandate, and that this would support the processing of further amendments to the mandate to reflect SBCI staff changes, without needing to revert to the Board for approval.

**IT WAS RESOLVED** that the Board approve the proposal to update the SBCI account mandate with Danske Bank and open additional SBCI accounts for current and future guarantee schemes, as presented.

### 6.2 APPOINTMENT OF BOARD MEMBER TO AUDIT AND RISK COMMITTEE, AND REMUNERATION COMMITTEE

The Company Secretary presented, for approval, a proposal to appoint Declan Murray to both the Audit and Risk Committee, and the Remuneration Committee, with effect from 1 January 2024 to coincide with his Board member appointment date. Both appointments would apply in accordance with the Terms of Reference for the respective committees and for initial terms of 3 years.

**IT WAS RESOLVED** that the Board approve the appointment of Declan Murray as a member of the Audit and Risk Committee, and as a member of the Remuneration Committee, for a term of 3 years with effect from 1 January 2024.

### 6.3 THIS ITEM HAS BEEN PARTIALLY REDACTED

## 7. AOB

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

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**Barbara Cotter, Chairperson**

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**Date**