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Strategic Banking  
Corporation of Ireland

**STRATEGIC BANKING CORPORATION OF IRELAND  
(THE "COMPANY" or "SBCI")**

**MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF THE COMPANY  
DULY CONVENED, CONSTITUTED AND HELD AT  
THE SHERATON HOTEL, ATHLONE  
AT 10.00AM ON 3 DECEMBER 2015**

**PRESENT:** Conor O'Kelly (Chairperson)  
Nick Ashmore  
Barbara Cotter  
Tom McAleese (Item 4 and Items 6 to 9 only)  
Rosheen McGuckian  
AJ Noonan  
Richard Pelly  
Eilis Quinlan

**APOLOGIES:** Ann Nolan

**IN ATTENDANCE:** Adrian O'Donovan, Secretary  
Jillian Mahon, Head of Funding and Strategic Initiatives  
Ray Mangan, Senior Risk and Finance Manager  
Suzanne Sweeney, Head of Lending

**1. NOTICE AND QUORUM**

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

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES**

The minutes of the meetings of 1 October and 28 October were agreed and signed by the Chairperson.

#### **4. AUDIT AND RISK COMMITTEE REPORT**

The Committee Chairperson, Tom McAleese, reported on the Committee meeting held on 30 November. The Board noted the importance – at both Committee and Board level – of allocating time to review of the first set of SBCI financial statements (to 31 December 2015) to ensure members were satisfied with the format of the financial statements.

##### **4.1 RISK APPETITE STATEMENT REVIEW**

The Senior Risk and Finance Manager presented the SBCI Risk Appetite Statement which had been reviewed and recommended by the Audit and Risk Committee.

The Board reviewed the Risk Appetite Statement. It noted that any credit proposals for bank facilities presented to the Board for approval would include an update on the SBCI's overall exposure to rated banks.

**IT WAS RESOLVED** that the Risk Appetite Statement be approved.

#### **5. CODE OF PRACTICE FOR GOVERNANCE OF STATE BODIES - PROCEDURES**

The Secretary presented additional procedures related to the Code of Practice for the Governance of State Bodies adopted by the Board at its meeting of 1 October on (i) keeping the Minister for Finance advised of matters arising in respect of the SBCI; (ii) seeking of independent professional advice by directors, and (iii) disclosure of interests, in respect of which Board approval was required.

**IT WAS RESOLVED** that the procedures for:

- (a) keeping the Minister advised of matters arising in respect of the SBCI;
- (b) the seeking of independent professional advice by directors; and
- (c) disclosure of interests;

as presented to the Board be approved.

With regard to disclosure of interests requirements, the Secretary noted that, under the Ethics Acts, members' annual statements of interests were furnished to the Standards Commission and to the Board Chairperson. The Board Chairperson was the designated officer of the SBCI for the purpose of the Ethics Acts. However, in the case of the Chairperson, the annual statement of interests was furnished to the nominated member of the Board. It was a matter for the Board to decide who this nominated member should be. **IT WAS RESOLVED** that the Chairperson of the Audit and Risk Committee be the nominated member for this purpose.

#### **6. AGM, ANNUAL REPORT DATE AND MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Secretary updated the Board with regard to a number of items regarding the holding of the SBCI's first AGM, its annual reporting date, and review of its memorandum and articles of association arising from the commencement of the Companies Act 2014.

The Board noted that the second annual return date for the Company was 12 March 2016 and it was proposed to extend the annual return date by filing a B73 form with the March return.

**IT WAS RESOLVED** that the AGM of the Company be held at a suitable date prior to 12 March 2016 and that authority be delegated to the Secretary to set the date, time and place of the meeting, to issue the notice for the AGM and to take any steps required in connection with the AGM.

## **7. CEO REPORT**

The CEO presented his report to the Board. He updated the Board on a range of matters including the volume of loans provided under the on-lending facilities in place, the current status of on-lending facilities that the Board had recently approved but were not yet finalised, the pipeline of upcoming facilities to be brought to the Board and the export finance strategic project.

## **8. COUNCIL OF EUROPE BANK FINANCING PROPOSAL**

The Head of Funding and Strategic Initiatives presented a proposal to borrow funds under a financing facility currently being negotiated with the Council of Europe Development Bank. It was proposed that the Council of Europe Development Bank would fund the SBCI up to €200 million. The proposal would be supported by the provision of a guarantee to the Council of Europe Development Bank from the Minister of Finance.

The Board reviewed the terms of the proposal and noted that it broadened the SBCI's access to sources of international finance and provided it with a more diverse funding base.

### **IT WAS RESOLVED**

- (a) that the borrowing of funds under a financing facility of €200 million with the Council of Europe Development Bank (the "Facility"), be approved, subject to legal review;
- (b) to delegate to the Chief Executive Officer of the SBCI the power to negotiate the Facility conforming in substance to the terms of the term sheet with such minor and non-substantive variations or changes as he in his absolute discretion deems necessary.

## **9. AOB**

The Chairperson said that management had been working on draft Credit Approval Guidelines for consideration by the Board. The draft Guidelines would be circulated to the Board for comment and would be brought as an agenda item to the Board early in 2016.

Conor O'Kelly  
Chairperson

25 February 2016