

**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 3.00PM ON 4 OCTOBER 2017**

Present:

Conor O’Kelly *Chairperson*
Nick Ashmore
Barbara Cotter
Carmel Foley
Rosheen McGuckian
Richard Pelly
Eilis Quinlan

Apologies:

Tom McAleese
AJ Noonan

In Attendance:

Damien Mulholland *Secretary*
Jillian Mahon *Head of Funding, Risk Sharing and Product Development*
Ray Mangan *Senior Risk and Finance Manager*
Philip O’Sullivan *Senior Legal Advisor, NTMA*
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 circulated to all members entitled to attend the meeting and that a quorum was present. He noted that the primary purpose of the meeting was to consider a Brexit Working Capital Loan Guarantee Scheme. 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 members in the business to be transacted at the meeting.

3. BOARD APPOINTMENT

The Chairperson noted that the Minister for Finance and Public Expenditure and Reform had nominated Ms Carmel Foley, Principal Officer in the Banking Division of the Department of Finance, as a director of the SBCI for a five year term. A copy of the nomination letter from the Minister to the Chairperson had been circulated in the meeting papers.

The Board noted the nomination letter and **RESOLVED** that, as nominated by the Minister for Finance and Public Expenditure and Reform, Carmel Foley be appointed as a director of the SBCI for a five year term with immediate effect.

4. BREXIT WORKING CAPITAL GUARANTEE LOAN SCHEME

The Head of Funding, Risk Sharing and Product Development presented a proposal for a €300m Brexit Working Capital Guarantee Loan Scheme. She noted the details of the Scheme as outlined in the proposal including the loan product and 'Open Call' process, the SBCI's financial commitments, and provision for an InnovFin counter-guarantee facility.

The Board reviewed the proposal. It noted that the purpose of the Scheme was to manage the uncertainty surrounding Brexit by enabling those enterprises impacted by Brexit related issues to have access to sufficient working capital. It also noted that the loan product details and eligibility criteria for enterprises were subject to final agreement by the Department of Business, Enterprise and Innovation and the Department of Agriculture, Food and the Marine. It discussed the SBCI's capital exposure and noted that there was sufficient capital to meet its commitment as set out in the proposal. The Board noted that eligibility checks for enterprises would be performed by the SBCI and the associated operational risks.

The Board noted the timeline for the Scheme launch, and that an 'Open Call' to On-Lenders would be issued in late October/early November and close to expressions of interest at the end of November. Recommendations for On-Lender guarantee facilities following the 'Open Call' process would be brought to the Board thereafter. In this regard the Board requested that recommendations for On-Lender guarantee facilities be reviewed by the Credit Committee in advance. It also requested that the Board be provided with a copy of the 'Open Call' documents when they are issued.

IT WAS RESOLVED

- i) that the SBCI establish, a risk sharing scheme for the purposes of providing working capital support to Brexit affected SMEs in conjunction with the Department of Business, Enterprise and Innovation and the Department of Agriculture, Food and the Marine as set out in the Board paper;
- ii) to delegate to the Chief Executive Officer the power to negotiate such scheme and to approve any contract, document, agreement or other binding arrangement, together with any amendments thereto, conforming in substance to the terms as set out in the Board Paper, with such minor and non-substantive variations as he in his absolute discretion deems necessary or appropriate; and

- iii) to authorise the use of the SBCI's seal where required for the proper execution of any documentation in relation to any of the matters outlined above.

5. AMENDMENT TO THE EIF – COSME AGREEMENT

The Head of Funding, Risk Sharing and Product Development presented a proposal to increase the existing European Investment Fund (EIF) Competitiveness of Small and Medium-sized Enterprises (COSME) programme facility from €40m up to €180m.

The Board noted that the increase to the facility's capacity would be used to support future SBCI risk-sharing initiatives and that conform to EIF criteria under the COSME programme.

IT WAS RESOLVED

- i. that the increase in COSME programme support to the SBCI from €40m up to €180m for the purposes of supporting SBCI risk-sharing initiatives, be approved;
- ii. to delegate to the Chief Executive Officer the power to negotiate and execute any amendments and restatement to the COSME Agreement or other documents connected to the COSME Agreement to give effect to the increased risk commitment, as set out above, by the EIF, together with any amendments thereto, with such minor and non-substantive variations as he in his absolute discretion, deems necessary or appropriate; and
- iii. to authorise the use of the SBCI's seal where required for the proper execution of any contractual documentation in relation to any of the matters outlined above.

6. AOB

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

Barbara Cotter

7 December 2017