

**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  
DRURY BUILDINGS, DRURY STREET, DUBLIN 2  
AT 2.00PM ON 6 SEPTEMBER 2017**

**Present:**

Conor O’Kelly                      *Chairperson*  
Nick Ashmore  
Barbara Cotter  
Tom McAleese                      *(Items 1 to 5 only)*  
Rosheen McGuckian  
AJ Noonan  
Richard Pelly  
Eilis Quinlan

**In Attendance:**

Damien Mulholland              *Secretary*  
Carmel Foley                      *Department of Finance*  
John Madigan                      *Head of Marketing*  
Jillian Mahon                      *Head of Funding and Strategic Initiatives*  
Ray Mangan                      *Senior Risk and Finance Manager*  
Suzanne Sweeney                *Head of Lending*  
Paul Christie                      *Lending Manager (Item 9 only)*

**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.

**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 meeting of 14 June had been circulated to the Board in advance of the meeting. **IT WAS RESOLVED** that the minutes be approved and that they be signed by the Chairperson.

With regard to the matters arising from the minutes, the Secretary updated the Board on the SBCI's implementation of the 2016 Code of Practice for the Governance of State Bodies.

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

The Audit and Risk Committee Chairperson presented and summarised the Report of the Committee meeting held on 30 August. He noted that the Committee had reviewed the Risk Register and this was included in the meeting papers.

The Committee Chairperson noted that the Committee had received the report from SBCI Finance on the quantitative impact assessment of moving from IAS 39 (incurred loss model for impairment) to IFRS 9 (expected loss model) under Financial Reporting Standard, FR102. He advised that the Committee accepted the report's recommendation to continue with the existing approach (incurred loss model) but requested that SBCI management include an updated assessment of the expected loss (per the IFRS 9 model) in the annual impairment reviews in order to monitor any material changes.

The Committee Chairperson noted the Committee had received the Annual Compliance Report on the services performed by the NTMA Compliance Unit. It noted the General Data Protection Regulation which would come into effect on 25 May 2018 and had requested an update on the SBCI's implementation of GDPR at its next meeting. It also met privately with the Head of Compliance, NTMA.

The Board reviewed the Report noting the Risk Register.

#### **5. CEO REPORT**

The CEO presented his Report. He updated the Board on the strategic initiatives being developed to address market failures, the active on-lending pipeline and risk-sharing measures were being progressed with relevant Government Departments and EU funding institutions. He noted that final delivery of the Credit Guarantee Scheme 2017 was scheduled for late Q3 2017, and with regard to the Agriculture Cash Flow Support Loan Scheme, the banks had reported that €126m of the €150m scheme had been drawn down by SMEs.

The Board discussed the CEO Report. It noted that a Brexit working capital loan guarantee scheme was being developed with the Department of Business, Enterprise and Innovation, to support SMEs impacted by Brexit. The Board also discussed other strategic initiatives and noted these required further development and market research.

#### **6. THIS ITEM HAS BEEN REDACTED**

#### **7. STAFFING PLAN 2018**

The Senior Risk and Finance Manager presented the draft Staffing Plan 2018.

The Board reviewed the draft Staffing Plan 2018. It noted the planned increase was modest, but as the 2017 headcount was expected to come in under budget, provided room to grow in line with the deployment of key strategic initiatives. **IT WAS RESOLVED** that the Staffing Plan 2018 as presented to the Board be approved.

**8. THIS ITEM HAS BEEN REDACTED**

**9. THIS ITEM HAS BEEN REDACTED**

**10. AOB**

The Secretary advised the Board that an ad hoc meeting would be arranged for early October to consider a proposal on the Brexit working capital loan guarantee. He added that proposed Board dates for 2018 would be issued shortly.

The Secretary noted that it was proposed to carry out the Board's annual evaluation process in October and November with the Board carrying out its performance review at its December meeting.

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

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Barbara Cotter

7 December 2017