

**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  
TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2  
ON 7 MAY 2015**

**PRESENT:** Conor O'Kelly (Chairperson)  
Nick Ashmore  
Barbara Cotter  
Tom McAleese  
Rosheen McGuckian  
Ann Nolan  
AJ Noonan  
Richard Pelly

**APOLOGIES:** Eilis Quinlan

**IN ATTENDANCE:** Jim Deery, SBCI Company Secretary  
Jane Meehan, NTMA Legal Advisor  
Suzanne Sweeney, SBCI Head of Lending  
Jillian Mahon, Head of Funding and Strategic Initiatives  
Ray Mangan, SBCI Senior Risk and Finance Manager (item 8 only)  
  
Breda Macnamara, NTMA Head of Compliance (Item 10 only )  
Lorraine Sibley, NTMA Freedom of Information Manager (Item 10 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 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 OF LAST MEETING**

The minutes of the SBCI Board meeting of 26 March 2015 were agreed and signed.

**4. UPDATE ON ACTION ITEMS**

The Company Secretary briefed the Board on the current status of outstanding actions.

**5. APPOINTMENT OF AUDIT COMMITTEE MEMBERS**

5.1 **IT WAS RESOLVED** that Barbara Cotter, Tom McAleese and Eilis Quinlan be appointed as members of the Audit Committee for a period of three years.

- 5.2 **IT WAS FURTHER RESOLVED** that Tom McAleese be appointed Chairperson of the Audit Committee.

## **6. CEO REPORT**

- 6.1 The Chief Executive Officer (CEO) presented his report to the Board. He briefed the Board on the key business and corporate issues since the last Board meeting on 26 March and the immediate key priorities. The Head of Lending then updated the Board on recent lending activities and the on-lenders pipeline. The Head of Funding and Strategic Initiatives updated the Board on borrowing and treasury activities.
- 6.2 The Board discussed the near term pipeline for non-bank on-lenders and noted that it was important to have such entities in place to provide competition and differentiated product offerings to the SME market.
- 6.3 The Board also discussed the long-term financing requirements for the SBCI in the context of drawing funds early and the timing of the potential drawdowns by the on-lenders which may result in cost of carry implications for the SBCI. The Chief Executive said that he would revert to the Board in early July when there was more visibility on this issue.

## **7. STRATEGY AND STRATEGIC INITIATIVES**

- 7.1 The Chief Executive outlined the proposed process for setting the strategy for the SBCI. He said that the management team would formulate the strategy and discuss with the Board prior to finalisation. The Board had no comments.
- 7.2 The Head of Funding and Strategic Initiatives updated the Board on the SBCI's potential role under the two Action Plan for Jobs actions pertaining to the delivery of an export finance product and alignment of the revised Credit Guarantee Scheme to work with the SBCI.
- 7.3 The Board discussed both initiatives with regard to the SBCI's mandate, its potential role and capacity to deliver. The Board said that ongoing discussions should be maintained with the relevant Government Departments in relation to any potential involvement of the SBCI. The Board requested that it would be updated in relation to the discussions concerning these two initiatives.

## **8. RISK FRAMEWORK AND APPETITE**

- 8.1 The Senior Risk and Finance Manager gave an overview of the Risk Management Framework for discussion by the Board. The Board discussed the document and the following key points were made:
- (a) The draft framework was based on the risk management framework in operation within the NTMA and best practice under the ISO standard for implementing risk management.
  - (b) The Board said that in addition to those risks categorised as 'Red' risks under the impact and probability scoring approach it would be useful to highlight *High Impact Low Probability* risks to ensure adequate management of these specific risks.

8.2 The Audit Committee Chairperson said that the Committee would review the proposed risk management framework and revert to the Board with a proposal concerning the implementation of risk management within the SBCI Board governance structure.

**9. SBCI COMMERCIAL DUE DILIGENCE PANEL**

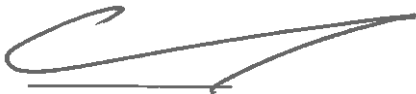
9.1 The Board noted the recent tender process undertaken to create a panel of firms to complete commercial confirmatory due diligence reviews of potential new on-lenders as presented by the Head of Lending.

**10. FREEDOM OF INFORMATION (FOI) BRIEFING**

10.1 The NTMA Head of Compliance and NTMA Freedom of Information Manager briefed the Board on the application of the FOI Act to the SBCI. The Board noted the application of the Freedom of Information (Fol) Act to the SBCI.

**11. A.O.B**

There was no other business.



Conor O'Kelly  
Chairperson

2 July 2015