

**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 2.00PM ON 12 APRIL 2017**

Present:

Conor O’Kelly *Chairperson*
Nick Ashmore
Barbara Cotter
Tom McAleese
Rosheen McGuckian
AJ Noonan
Richard Pelly
Eilis Quinlan

Apologies:

Ann Nolan

In Attendance:

Damien Mulholland *Secretary*
Jillian Mahon *Head of Funding and Strategic Initiatives*
Ray Mangan *Senior Risk and Finance Manager*
Philip O’Sullivan *Senior Legal Advisor, NTMA*
Suzanne Sweeney *Head of Lending*
Ian Black *Chief Financial and Operating Officer, NTMA (CFOO) (item 5.1 only)*
Ciara Lehane *Head of Financial Planning, NTMA, (item 5.1 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 Articles of Association of the Company, the directors present each declared that they had no material interest in the business to be transacted at the meeting.

3. MINUTES AND MATTERS ARISING

The Chairperson noted that draft minutes of the meeting of 15 February 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.

There were no matters arising from the minutes.

4. COMMITTEE REPORTS

4.1. Audit and Risk Committee

The Board noted the Report of the Audit and Risk Committee meeting held on 5 April. It noted that the Committee had reviewed the effectiveness of the system of internal financial controls, the financial statements for the year ended 31 December 2016 and the letter of representation and was recommending these to the Board. It noted that these matters would be discussed at Agenda Item 5.1.

The Board noted that the Committee had met with representatives from the C&AG to review the C&AG's Audit findings report. It had also met privately with the C&AG representatives without management present and there were no issues arising from the audit to report to the Board.

4.2. Credit Committee

The Chairperson of the Credit Committee presented the Report of the Committee meeting held on 5 April. He advised that the Committee had reviewed a specification to identify a prospective member of the Committee from within the NTMA, and had agreed a process for recommending a preferred candidate to the Board. The Chairperson noted that the Committee had reviewed a number of credit proposals and annual review papers, and that these matters would be discussed at Agenda Items 6 and 7.

5. ANNUAL REPORT AND FINANCIAL STATEMENTS 2016

5.1. Review of the System of Internal Financial Control, Financial Statements and Letter of Representation to the C&AG

The Senior Risk and Finance Manager presented a paper on the review of the effectiveness of the system on internal financial control. He noted that the Audit and Risk Committee had reviewed and was satisfied as to the effectiveness of the system, and had recommended that the Statement of Internal Financial Control for inclusion in the financial statements.

The Board reviewed the effectiveness of the system of internal financial control and concluded that it was satisfied as to the effectiveness of the system. **IT WAS RESOLVED** that the Statement of Internal Financial Control for inclusion in the financial statements for the year ended 31 December 2016, as presented to the Board, be approved, and signed by the Chairperson.

The CFOO presented the draft financial statements and letter of representation for the year-ended 31 December 2016 noting that they had been reviewed by the Audit and Risk Committee and recommended to the Board.

The Board reviewed the draft financial statements. **IT WAS RESOLVED** that:

- i. the financial statements for the year ended 31 December 2016, together with the Director's Report, as presented to the Board, be approved and signed by any two directors;
- ii. the financial statements, Directors' Report and Auditor's Report be submitted to the sole shareholder; and
- iii. the Company dispense with the requirement to hold the annual general meeting in respect of the year ended 31 December 2016 and pass the appropriate written resolutions in lieu thereof, in accordance with section 175(3) of the Companies Act 2014.

The Board reviewed the draft letter of representation and noted that the Audit and Risk Committee had recommended the letter to the Board. **IT WAS RESOLVED** that the letter of representation, as presented to the Board, be approved and signed by any two directors.

5.2. Annual Report

The Secretary presented the draft annual report for the year ended 31 December 2016.

The Board reviewed the draft annual report. **IT WAS RESOLVED** that the annual report, substantially in the form presented to the Board, be approved, subject to any further non-material changes or necessary changes for post balance sheet events as may be agreed by the Chief Executive Officer.

The Board discussed the potential timing for the annual report launch. The CEO advised that an impact statement, publicising the SBCI's progress to end-December 2016 in relation to SBCI supported loans, SMEs and jobs, would be published at the beginning of May and the annual report at the end of May.

The Board noted the draft letter prepared for the Chairperson's signature in respect of the separate report required under Section 13.1 of the Code of Practice for the Governance of State Bodies.

6. CREDIT PROPOSALS

THIS ITEM HAS BEEN REDACTED

7. Annual Credit Reviews

The Board noted the Bank of Ireland and AIB Annual Credit Review papers.

8. AOB

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

Conor O’Kelly
Chairperson

14 June 2017