

4. DECLARATIONS OF INTEREST

In accordance with section 231 of the Companies Act 2014, and the Constitution of the Company, and, for the purposes of Section 5.8 (ii) of the Code of Practice for the Governance of State Bodies 2016, there were no material interests declared by the directors present at the meeting in the business to be transacted at the meeting which would preclude them from participating in the meeting and forming part of the necessary quorum.

5. CONFIRMATION IN RELATION TO RESERVED MATTERS

The HoL confirmed to the Board that the Executive Management Team of HBFI (“the **“EMT”**”) was satisfied that all reserved matters which require consideration by the Board have been brought to the Board’s attention.

6. MEETING MINUTES AND MATTERS ARISING

The Board NOTED that draft minutes of the meeting of the Board held on the 14 December 2023 had been circulated to the Board members in advance of the meeting and it WAS RESOLVED that the minutes of the meeting be APPROVED.

7. CEO UPDATE

The CEO presented a summary of the key points contained in the paper and provided commentary on the following:

- The 5-year business plan which reflects the the discussions at the strategy day;
- An update on attendance and feedback from the 5-year event noting the positive coverage of the full year business results;
- An update on staff arrangements and results of the employee engagement survey; and
- Business performance and stakeholder engagement.

The Board discussed the matters highlighted by the CEO and provided feedback on the results of the employee engagement survey.

The CEO’s Update was NOTED by the Board.

8. STRATEGY AND FINANCE:

i. Actual performance for 2023 – financial and KPIs

The HoOF joined the meeting and presented this item for noting. She provided a summary of the draft results of the financial performance and the overall performance against the strategic goals/ KPIs for 2023. She commented on the key figures, deviations and performance against forecast.

Following a discussion, the Board NOTED the full year Financial Performance and KPIs for 2023.

ii. Strategic KPIs 2024 and Business Plan

The HoOF presented the strategic KPIs for 2024 and the business plan for approval. She advised that the discussions and feedback at the strategy day have been incorporated and noted that the Department of Finance provided their feedback with nothing material to bring to the attention of the Board. Commenting on the KPIs, the HoOF advised that they reflected the business plan and agreed strategy.

Following questions from the Board, the HoOF and CEO provided further detail on the assumptions made in the budget, and the annual MEOP exercise.

Following a discussion, the Board APPROVED the Strategic KPIs for 2024 and the Business Plan.

iii. Draft Capital Maintenance and Dividend Policy

The HoOF presented the draft Capital Maintenance and Dividend Policy (the “**CMD Policy**”) for consideration noting that the ARC considered the policy at their earlier meeting. She explained that the policy is being presented in draft to obtain feedback prior to seeking approval at the next scheduled Board meeting. She outlined the operation of the policy including the impact and how it will be reflected in the financial statements. She summarised the discussion had at the ARC and the Chair of the ARC confirmed that the Committee was satisfied with the proposed policy noting it was the prudent approach to take. She noted that the draft had also been sent to the Department of Finance for their review.

The Board discussed the proposed approach and provided feedback to the HoOF on the policy. The Board NOTED the draft CMD Policy, and the HoOF left the meeting.

9. RISK

i. Risk Report

The HoCR joined the meeting and presented the Risk Report for noting and advised that the report was reviewed by the ARC. He commented on the changes to the risk profile to reflect the easing in the rate of construction cost inflation and summarised the feedback received from the ARC following the identification of a new emerging risk which will be included in the next quarters Risk Register. **THIS ITEM HAS BEEN REDACTED IN PART.**

Following a discussion on current and emerging risks, the Board NOTED the Risk Report.

ii. Risk Management Plan 2024

The HoCR presented the Risk Management Plan (“**Plan**”) for 2024 for approval and advised that the Plan was reviewed ARC. He outlined the key planned activities for 2024 which will include a further governance review for Q3. He advised that a quarterly report is presented to the ARC to monitor progress against the Plan.

Following a discussion, the Board APPROVED the Plan.

iii. Portfolio Report

The HoCR presented the Portfolio Report for noting and commented on the key trends noting that all loans were performing. He provided further detail on the size of the loan book, level of repayments, the spread of credit grades across the portfolio, and sales performance of units on HBFI funded developments.

Following questions from the Board, the HoCR provided further detail on the increase in the number of social and affordable developments and controls in place for managing concentration risk.

Following a discussion, the Board NOTED the Portfolio Report.

iv. Risk Appetite KPIs

The HoCR presented the Risk Appetite KPIs for noting and advised that there were no material matters to bring to the attention of the Board.

The Board NOTED the Risk Appetite KPIs.

v. Credit Decisions Report

The HoCR provided an overview of the credit decisions made since the last report noting that a loan facility which was declined last August was excluded in previous credit decisions reports to the Board due to a data quality issue which has now been rectified.

The Board NOTED the Credit Decisions Report.

vi. Account Review Schedule

The HoCR presented the schedule and advised the position of the upcoming loan account reviews including when they are expected to be presented to the relevant DA.

The Board NOTED the Account Review Schedule.

10. THIS ITEM HAS BEEN REDACTED IN FULL

11. ANNUAL REVIEW OF THE EFFECTIVENESS OF SYSTEMS OF INTERNAL CONTROL

The HoCR presented the annual review of the effectiveness of the systems of internal control (the "SIC") for approval noting it was reviewed by the ARC. He outlined the changes from the previous year. The HoCR advised that there were no material matters to bring to the attention of the Board.

Following a discussion, the Board APPROVED the review of the SIC noting a minor change to incorporate comments from the ARC meeting.

12. REFINEMENT OF CREDIT PAPERS

The HoCR presented a paper on the refinement of credit papers and explained that this was an action on the Board Implementation Plan. He outlined the drafting and review process of the credit papers and summarised the options considered to refine the papers. He concluded the most practical option was to change the structure of the papers with a view to minimise duplication. He outlined the changes to the format and structure and explained how the refined papers should be read.

Following questions from the Board, the HoCR provided further detail on the process from initial application before a credit paper is presented to the relevant delegated authority.

The Board NOTED the paper.

13. CREDIT AND RISK POLICIES:

The HoCR presented the review of the Risk Management Policy and Framework, Risk Appetite Statement, and Credit Policy and explained that these reviews had been brought forward to address the proposed amendments discussed at the Board Strategy Day in January. The HoCR advised that the ARC has reviewed the Risk Management Policy and Framework, and Risk Appetite Statement which is within the ARC's remit. He provided a summary of the discussion and feedback from the ARC.

i. Risk Management Policy & Framework

The HoCR confirmed that there was no material change proposed to the policy.

Following a discussion, the Board APPROVED the Risk Management Policy and Framework as presented.

ii. Risk Appetite Statement

The HoCR presented the review of the Risk Appetite Statement and outlined the proposed amendments including the impact, monitoring, and reporting.

Following a discussion, the Board APPROVED the Risk Appetite Statement as presented.

iii. Credit Policy

The HoCR presented the review of the Credit Policy and outlined the proposed amendments
THIS ITEM HAS BEEN REDACTED IN PART.

Following a discussion, the Board APPROVED the Credit Policy as presented.

iv. Delegated Authority Policy

The HoCR presented the review of the Delegated Authority Policy (the "**DA Policy**") and explained that the review was brought forward in response to an action arising from a

recent HBFIL Board meeting. He summarised that the only change related to clarification of the DA for changes to peak funding limits.

Following a discussion, the Board APPROVED the DA Policy as presented and the HoCR left the meeting.

14. ARC Report

The Chairperson of the ARC provided a verbal update on the items which were discussed at the meeting of the ARC earlier that day. He advised that the ARC reviewed the first draft of the financial statements and governance section with feedback provided to management. He summarised the presentations made by NTMA Internal Audit noting their annual plan for 2024 and introduction of KPIs for KPMG. He advised that NTMA Compliance provided their annual report and presented an updated on new and emerging statutory obligations. He further confirmed that the annual protected disclosure report was approved with a nil return.

The Board discussed the manner in which protected disclosures can be made and the reminders issued to staff on the procedure.

The Board NOTED the Update.

15. STATUTORY OBLIGATIONS UPDATE – ANNUAL REVIEW

The HoC and SCM joined the meeting. The SCM and HOL jointly presented the annual statutory obligation update and the SCM outlined the coordination role of the Compliance unit, including a summary of the process. The SCM explained that the review, performed by external legal advisers McCann FitzGerald and reviewed by the HBFI legal team provided a summary of new or amended requirements within certain principal Statutory and Governance Obligations.

The HoL provided commentary on the Corporate Sustainability Reporting Directive and outlined previous advice obtained from McCann FitzGerald. The HoL confirmed that HBFI were not in scope and the criteria will be kept under review. She summarised the requirement to disclose certain information as outlined in the Climate Action Plan 2023 in the annual report.

Following a question from the Board, the HoC and SCM referred to the SLA between the NTMA and HBFI, regarding certain of the obligations and also the attestation process, confirmation of which is scheduled for presentation to the ARC at its March meeting. Following a discussion, the Board requested some further information on the review of the related year end assurance process by the ARC as part of their review of the annual report.

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The Board NOTED the annual statutory obligations update.

16. SCHEDULED REVIEW OF THE PA TRANSACTION POLICY FOR MEMBERS OF THE HBFI BOARDS AND COMMITTEES (the “PA POLICY”)

The HoC presented the scheduled review of the PA Policy and provided a summary of the proposed amendments including the rationale. She explained that the majority of the amendments related to the establishment of a restricted securities list.

Following a discussion, the Board APPROVED the PA Policy as presented.

17. GOVERNANCE

The HoL presented the following items on behalf of the CS.

i. Board Implementation Plan

The HoL presented the final update on the Board Implementation Plan and summarised the actions completed.

Following a discussion, the Board AGREED to close the remaining actions on foot of the papers presented on the refinement of the credit papers.

ii. Scheduled Review of EMT Credit Committee Terms of Reference

The HoL presented the scheduled review of the EMT Credit Committee’s Terms of Reference and outlined the approved amendments noting that there were no material changes made.

The Board NOTED the EMT Credit Committee’s Terms of Reference.

iii. Paper on Board Decisions

The HoL presented this paper and advised that in response to an action arising from a recent HBFIL Board meeting, a review was completed on options open to the Board to make decisions other than calling for a meeting. The HoL summarised the options identified including the basis.

Following a discussion, the Board AGREED to further consider passing special written resolutions for non-material matters with the option of any Board Member requesting at any stage that a Board meeting will be called instead.

iv. Board and Committee Self-Assessment Questionnaire

The HoL presented the memorandum on the Board and Committee Self-Assessment Questionnaire for 2023 noting the assessment was an obligation under the Code of Practice for the Governance of State Bodies. She advised that the questionnaire has been updated and summarised the key dates as per the memorandum.

The Board NOTED the memorandum.

18. AOB

There were no matters to discuss under AOB.

CLOSE

There being no further business the meeting then terminated.

Chairperson