

**HOME BUILDING FINANCE IRELAND (THE “COMPANY”)
MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY (“BOARD”)
DULY CONVENED, CONSTITUTED AND HELD AT 2.00 PM ON
THURSDAY, 23 MAY 2024 AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

Present: Marie Collins Chair
Dara Deering CEO
Claire Solon
Ken Slattery
Grainne Hennessy
Andrew O’Flanagan
Des Carville

Apologies: None

In Attendance: Sean Alger Head of Credit and Risk (HoCR)
Fergus Mangan Head of Lending (HoL)
David O’Doherty Senior Business Development Manager (SBDM)
David Purdue NTMA Chief Economist (CE)
Amelie Maddock NTMA Economist (AM)
Cecilia Fourie Company Secretary (CS)

1. NOTICE AND QUORUM

It was 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, being four directors, was present in accordance with the Company’s Articles of Association (the “Articles”). It was further noted that all the directors present were, pursuant to the Articles, entitled to vote and be counted in the quorum. The meeting then proceeded to business.

2. LIMITATIONS TO THE NUMBER OF DIRECTORSHIPS AND RESIDENCY REQUIREMENTS UNDER THE COMPANIES ACT 2014

It was noted that pursuant to Section 137 of the Companies Act 2014 (as amended) (the “Act”), at least one of the directors of the Company is resident in a Member State of the European Economic Area and that no director present individually held more than twenty-five directorships for the purposes of Section 142 of the Act and was therefore eligible to vote on all board resolutions brought before the meeting.

3. DISQUALIFICATION AND RESTRICTION ORDERS AND UNDERTAKINGS

Those directors present each declared that they were not the subject of any declaration, order or deemed order for disqualification or restriction under the Act including Part 14, Chapters 3 and 4 and had not received any notice under that Part of the Act including any notice concerning a disqualification or restriction undertaking under Part 14, Chapter 5.

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 CS 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 10 April 2024 and the private session of the Board on 10 April 2024 had been circulated to the Board members in advance of the meeting and it WAS RESOLVED that the minutes of the meeting be APPROVED subject to the incorporated of comments.

7. CEO UPDATE

The CEO presented a summary of the key points contained in the paper and advised that these items would be elaborated on by other presenters later in the meeting. **THIS ITEM HAS BEEN REDACTED IN PART.** The CEO confirmed that the Annual Report has been published.

The CEO’s Update was NOTED by the Board.

8. THIS ITEM HAS BEEN REDACTED IN FULL.

9. BUSINESS UPDATE AND MARKET ENGAGEMENT STRATEGY

The SBDM joined the meeting. The HoL presented the business update and summarised the key changes since the last update including an overview of closing and the pipeline.

The SBDM presented the Market Engagement Strategy and summarised the salient changes since the last report. He commented on key areas including stakeholder engagement, participation in working groups for Government housing initiatives, and engagement with approved housing bodies. The SBDM further commented on past and upcoming events and noted that there were four more planned stakeholder events and highlighted that the HBFI would present at the IHBA workshops.

Following questions from the Board, the SBDM provided further detail on the engagement with approved housing bodies, and the location spread for stakeholder events. He added that the feedback on the stakeholder events has been positive, and they are generally well attended.

Following a discussion, the Board NOTED the business update and Market Engagement Strategy. The SBDM and HoL left the meeting.

10. FINANCIAL PERFORMANCE

The CEO presented a summary of the report and advised that a reforecast will be presented in September.

The results to end of March were NOTED by the Board.

11. GEOPOLITICAL RISK AND THE IRISH ECONOMY

The HoCR, the CE, and AM joined the meeting. The CE presented on geopolitical risks and the potential impact on the Irish economy. He provided a summary of the main sources of geopolitical risks and focused on the impact on the housing market as applicable to HBFI. The CE commented on the impact from international relations, globalisation, and trends in de-globalisation. He outlined the potential impact of the identified risks on the Irish economy and on housing demand.

Following questions from the Board, the CE provided commentary on the timeline and potential impact of the upcoming US election, trade routes and level of building supplies imported from China, impact on shipping costs of building material, impact of sanctions on trade and movement of trading to other jurisdictions.

The Board discussed the geopolitical landscape and risk including the potential impact on the housing market and HBFI. The Board NOTED the presentation, and the CE and AM left the meeting.

12. RISK

i. Risk Report

The HoCR presented the Risk Report for noting and advised that the report was reviewed by the ARC. **THIS ITEM HAS BEEN REDACTED IN PART.**

The Board reflected on and discussed the risk ratings, controls and residual risks and the HoCR provided a summary of the previous discussion held at the ARC. **THIS ITEM HAS BEEN REDACTED IN PART.**

Following a discussion, the Board NOTED the Risk Report.

ii. 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 LTC weighted average, credit gradings, and unsold units. **THIS ITEM HAS BEEN REDACTED IN PART.**

Following questions from the Board, the HoCR advised that there were still delays experienced by developers on utility connections.

Following a discussion, the Board NOTED the Portfolio Report.

iii. Credit Decisions Report

The HoCR provided an overview of the credit decisions made since the last report.

The Board NOTED the Credit Decisions 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. **THIS ITEM HAS BEEN REDACTED IN PART.**

The Board NOTED the Risk Appetite KPIs.

v. 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.

13. CREDIT ASSESSMENT PROCESS

The HoCR presented this item and explained that it was to address an action from the Board Self-Assessment to remind the Board of the robust process of credit assessment prior to submission to the Delegated Authority. He provided a detailed summary of the relevant policies governing the process and outlined the stages of the process including the challenges and emphasis placed on the risk analysis.

The Board NOTED the Credit Assessment Process.

14. UPDATE FROM THE AUDIT AND RISK COMMITTEE

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 received annual presentations from the Head of Credit and Risk and the Head of Operations and Finance, and the C&AG presented their completion memo and management letter with one low recommendation as previously discussed. He advised that the ARC met privately without management present with the Head of Credit and Risk and the Head of Operations and Finance, and the C&AG separately.

He further summarised the findings on the audit completed by Internal Audit noting there was one low finding. He added that the ARC received a mid-year statutory obligations update and the semi-annual annual MLRO Report. He advised that the ARC approved the scheduled reviews of the Anti-Fraud Policy, the Protected Disclosure Policy, and the Data Protection Policy and Statement.

The Board NOTED the Update.

15. GOVERNANCE:

i. Board Self-Assessment Action – Structure and Frequency of Meetings

The CS presented this item and explained that following an action from the Board Self-Assessment a review of the structure and frequency of scheduled meetings was conducted. She summarised the scope of the review including consideration of the Board and Committees work plans, and requirements under legislation and governance codes. The CS outlined the options as set out in the paper on amending the structure and frequency of scheduled meetings. She advised that the work programmes for the Board and its committees will be completed in the revised structure and confirmed that there would not be a reduction in the time commitment of Board members.

The Board provided feedback on the options and following a discussion AGREED to implementation option 1 as outlined in the paper and NOTED the Board's commitment to meeting on an ad hoc basis as required. The Board requested that the attendance of the subsidiary board be recorded in the Annual Report.

ii. Re-Appointment of member of the HBFIL Board

The CS presented a request to re-appoint members to the Board of HBFIL as outlined in the memo consistent with their appointment to the Board of the Company, for approval. Each board member that stood to be re-appointed recused themselves from voting on their re-appointment.

The Board APPROVED the re-appointment of Marie Collins and Grainne Hennessy to the Board of HBFIL.

iii. Self-Assessment results of the Audit and Risk Committee

The CS presented the results of the ARC's self-assessment and advised that the results were very positive with the majority of members agreeing the ARC was effective. She advised that the ARC discussed the results at their earlier meeting and confirmed that there were no specific actions arising at this time.

The Board NOTED the results of the self-assessment of the ARC.

iv. Annual General Meeting

The CS presented this paper and confirmed that the Company must hold its Annual General Meeting ("AGM") prior to 30 September.

The CS summarised the practicalities including the requirements under the Companies Act 2014, required noticed, attendance and agenda. Following a discussion, the Board RESOLVED to call an AGM and instructed the CS to arrange an in-person AGM and agree the agenda with the Chair and CEO.

v. Constitution Amendment

The CS presented this paper and outlined the two practical amendments proposed to the Constitution including the rationale. She summarised the process noting that Ministerial Consent and shareholder approval is required.

Following a discussion, the Board APPROVED the amendments to the Constitution and instructed the CS to make the required submission for Ministerial Consent and shareholder approval and to file the required forms with the Companies Registration Office.

16. AOB

The Board noted the Shareholder Letter of Expectation for 2024. The Board noted the remaining scheduled meetings for 2024.

There were further no matters to discuss under AOB.

CLOSE

There being no further business the meeting then terminated.

Chairperson