

MEETING OF HOME BUILDING FINANCE IRELAND (THE “COMPANY”)

**MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS OF THE
COMPANY (The “Board”)**

**DULY CONVENED, CONSTITUTED AND HELD AT 12 noon on
Wednesday 7th September 2022, by videoconference**

PRESENT Marie Collins (Chairperson)
Andrew O’Flanagan
Dara Deering (CEO)
Des Carville
Ken Slattery
Claire Solon

APOLOGIES Grainne Hennessy

IN ATTENDANCE Sean Alger, Head of Credit and Risk (Agenda items 9 and 10)
Denise Donovan, Head of Operations and Finance (Agenda item 8, 9 10 &
11)
Caroline Ensor, Company Secretary

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 Company Secretary confirmed to the Board that the Executive Management Team of HBFI (“the “EMT”) is 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 10th June 2022 had been circulated to the Board members in advance of the meeting and it WAS RESOLVED that the minutes of the meetings be APPROVED as presented.

The CEO advised that there were no matters arising from the June minutes.

7. **CEO UPDATE**

The CEO updated the Board as follows:

- **THIS ITEM HAS BEEN REDACTED**
- **THIS ITEM HAS BEEN REDACTED**
- The second two-year review by the Department of Finance is expected to commence in Q4 2022.
- Demand for funding was more subdued in Q2 and over the summer period driven by cost increases, supply chain concerns and market uncertainty. **THIS ITEM HAS BEEN PARTIALLY REDACTED**. However, there are some market concerns about what impact increasing interest rates will have on demand and house prices over the medium term. This will remain an area of focus for HBFI in credit assessments.

The CEO advised that a more detailed Business update will be provided at the October in person Board meeting.

THIS ITEM HAS BEEN PARTIALLY REDACTED

The CEO update was NOTED by the Board.

8. **2022 REFORECAST & UPDATE ON STRATEGIC KPIS.**

Denise Donovan, Head of Operations and Finance (“HoOF”) joined the meeting and began with the 2022 Reforecast advising that the 2022 Budget was approved by the Board in December 2021. Management has prepared a reforecast for Board approval based on actual results to the end of June and expectations for the remainder of the year, **THIS ITEM HAS BEEN PARTIALLY REDACTED**. HoOF advised that a full bottom-up review had been completed to determine expected drawdowns and repayments for the remainder of the year and outlined the key changes, including to loan advances, net interest income, net fee income and operating expenses.

THIS ITEM HAS BEEN PARTIALLY REDACTED

The HoOF provided a brief update on progress against KPIs as set by the Board at the start of the year, noting that a further update will be provided at year end. She confirmed that all KPIs are broadly on track **THIS ITEM HAS BEEN PARTIALLY REDACTED**.

It was RESOLVED to APPROVE the 2022 Reforecast and the update on Strategic KPI's was NOTED by the Board.

9. RISK

Sean Alger, Head of Credit and Risk (“**HoCR**”) joined the meeting.

i. **Portfolio Overview Report.**
THIS ITEM HAS BEEN REDACTED

ii. **Credit Decisions Report**

The HoCR stated that he had nothing to call out in relation to this report.

iii. **Account review Schedule**

The HoCR confirmed that the first two reviews, appearing overdue on this report would be heard at the HBFI(L) Credit Committee meeting later today in line with our practice of bringing reviews to the next scheduled meeting.

iv. **Risk Appetite KPIs.**

The HoCR confirmed to the Board that there were no changes to report to the Risk Appetite Key measures **THIS ITEM HAS BEEN PARTIALLY REDACTED**.

v. **EMT Credit Committee Oversight Report.**

The HoCR confirmed that there are no other emerging risks to report to the Board, and the Risk Reports were NOTED by the Board.

10. IMPAIRMENT ASSESSMENT H1 2022

The HoCR presented the Impairment Assessment H1 2022, advising the Board that this assessment had been carried in accordance with the HBFI Impairment Policy and Procedure and considered by the HBFI Audit and Risk Committee (“**ARC**”) at its meeting held on the 5th September and that the ARC has recommended same to the Board of HBFI for Approval.

THIS ITEM HAS BEEN PARTIALLY REDACTED

It was RESOLVED to APPROVE the Impairment Assessment for H1 2022. The HoCR left the meeting.

11. INTERIM FINANCIAL STATEMENTS

The HoOF presented the Interim Financial Statements for 2022.

She advised the Board that these financial statements had been considered by the HBFI Audit and Risk Committee (“ARC”) at its meeting held on the 5th September and that the ARC has recommended same to the Board of HBFI for approval.

THIS ITEM HAS BEEN PARTIALLY REDACTED

She advised the Board of a change requested by the ARC to Note 6 to reflect that HBFI does carry out an impairment assessment twice annually.

It was RESOLVED to APPROVE the Interim Financial Statements for 2022 and the HoOF left the meeting.

12. REPORT FROM THE ARC COMMITTEE

Ken Slattery, Chairperson of the ARC provided a verbal update to the Board in relation to the meeting of that Committee held on the 5th September 2022. He confirmed that both the Impairment Assessment for H1 2022 and the Interim Financial Statements, as just approved by the Board were considered (and recommended or approval by the Board) and also a comparison of KPMG audit fees as against non-audit fees and that no issues arose in respect of same.

The update from the Audit and Risk Committee’s last meeting was NOTED by the Board.

13. APPOINTMENT OF COMPANY SECRETARY

The Board NOTED that Caroline Ensor was to shortly leave HBFI, that her last day in the organisation would be Friday 16th September 2022, and that a letter of resignation as Company Secretary from Caroline Ensor to HBFI would be furnished to the Chairperson of the Board prior to her departure. The Board was advised that the position of Company Secretary had been filled and that the new Company Secretary would commence in HBFI in late November. In the meantime, IT WAS RESOLVED THAT Paula Flinter be appointed as Company Secretary on an interim basis with effect from Monday 19th September 2022, replacing Caroline Ensor as Company Secretary from that date.

IT WAS NOTED THAT Paula Flinter was to be also appointed as Company Secretary of Home Building Finance Ireland (Lending) DAC at a meeting of that Board to be held later the same day.

IT WAS UNANIMOUSLY RESOLVED that Paula Flinter, as incoming Company Secretary be and is hereby authorised and directed to make all necessary and appropriate entries in the books and registers of the Company and to arrange for all necessary forms and documents in connection with the matters referred above to be completed and filed as required, and it was NOTED that Paula Flinter would attend to the filing of the B10 in respect of her appointment as Company Secretary.

The Board thanked the outgoing Company Secretary.

14. PROTECTED DISCLOSURES BRIEFING

The Company Secretary presented an update in relation to Protected Disclosure legislation prepared by NTMA Compliance, and this update was NOTED by the Board. It was agreed that

depending on when the update to the HBFI Protected Disclosure Policy is required, it would be presented to the Board in October, or indeed could be approved by the Board by e-mail if required prior to that Board Meeting.

15. AOB

The Company Secretary raised three matters under AOB:

- i. She advised that going forward, and to ensure continuity post her departure, that Company Secretarial related communications would issue from a new e-mail address (company secretary@hbf.ie) and she asked the Board to keep an eye out for commutations from that e-mail address.
- ii. The Company Secretary advised that she would be issuing cancellations for the Board and ARC meetings in diaries for the remainder of 2022, and that new invites would then immediately reissue from the Company Secretary e-mail address, allow them be managed by Paula Flinter, and in due course the replacement Company Secretary, for those same dates.
- iii. Finally, the Company Secretary advised the Board that proposed dates for Board and ARC meetings in 2023 had been discussed with the Chairs of the Board and of the ARC, and that meeting invites for 2023 will issue shortly. The Chairperson requested that if anyone has a difficulty with any of these dates, that they revert to the Company Secretary as soon as possible.

CLOSE

There being no further business the meeting was closed.

Chairperson