

**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, 12 DECEMBER 2024 AT TREASURY DOCK, NORTH WALL QUAY, DUBLIN 1**

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

Apologies: Claire Solon
Grainne Hennessy

In Attendance: Sean Alger Head of Credit and Risk (HoCR)
Fergus Mangan Head of Lending (HoL)
Denise Donavan Head of Operations and Finance (HoOF)
Paula Flinter Head of Legal (HoLg)
John O’Donovan NTMA Deputy Director – ICT (ICTDD)
Sinead Flanagan NTMA Senior Compliance Manager/MLRO (SCoM)
Deirbhile Brennan NTMA Head of Compliance (HoC)
Thomas Kearns Senior Credit Manager (SCM)
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 October 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 minor amendments.

7. CEO UPDATE

The CEO presented a summary of the key points contained in the paper and advised that several items would be elaborated on by other presenters later in the meeting. The CEO provided an update from the recent Remuneration Committee meeting including the transition to future state organisation structure, new appointments, and succession planning. The CEO and the Board discussed recent comments in a news article which mentioned the role of HBFI in the residential finance market and general market feedback. The CEO advised that the speakers for the strategy day have been confirmed and outlined the presentation themes.

In response to a query from the Board, the CEO provided further detail on the new appointments and the general response from the teams on the transition to the future state structure noting it has broadly been positively received.

The CEO’s Update was NOTED by the Board.

8. BUSINESS UPDATE

The HoL joined the meeting and presented the business update. He summarised the key changes including an overview of market trends. The HoL commented on the strength of the pipeline and activity in 2024 noting that activity levels in 2025 were anticipated to revert to more normalised levels. The HoL provided an update the Board on the level of actual completions against the Government's housing targets. He highlighted the general market feedback that there is good availability of debt for viable projects from lenders including HBFI, however equity continues to be a barrier. The HoL provided an overview of the notable stakeholder engagements and summarised the results of the Stakeholder Engagement survey which had largely positive feedback.

The HoL summarised the priorities for 2025 including conversions, the small loan forum, and the strategic review.

Following questions from the Board, the HoL provided detail on the effectiveness of the small loan forum. The Board discussed the drivers of the higher-than-expected activity levels during 2024 which was attributable to commencements submitted prior to levy deadlines. The Board plans to further discuss the market and demand for funding at the strategy day in January.

THIS ITEM HAS BEEN REDACTED IN PART.

Following a discussion, the Board NOTED the Business Update. The HoL left the meeting.

9. SECTION 24 REVIEW SUBMISSION

A draft Section 24 Review was pre circulated to the Board, the HoOF joined the meeting to discuss the draft which is due for submission to the Minister for Finance by Monday, 16 December. The HoOF outlined the feedback received from Board and these were discussed together with the process for the review including the public consultation process, publication of responses and potential recommendations for HBFI.

Following discussion, the Board APPROVED the Section 24 Review Submission subject to the incorporating the comments discussed and any minor amendments prior to its submission.

10. FINANCIAL PERFORMANCE

The HoOF presented a summary of the report. She commented on the results and advised they were materially in line with the reforecast.

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

11. ANNUAL BUDGET

The HoOF presented the annual budget for 2025 for approval noting that the budget reflects the current and anticipated market conditions. She gave an overview of the key assumptions set out in the budget. The HoOF commented on the income, expenses, receivables, and net equity. **THIS ITEM HAS BEEN REDACTED IN PART**

Following a discussion, the Board APPROVED the Budget as presented.

12. STRATEGIC KPIs 2025

The HoOF presented the strategic KPIs for 2025 for approval. The HoOF advised that the KPIs are reflective of the business plan and taking into account the 2025 budget.

The Board discussed whether there was scope to make some KPIs more specific whilst maintaining the balance between commerciality and deliverables and requested the CEO review same and agree any amendments with the Chair. **[AP]**

Following a discussion, the Board APPROVED the Strategic KPIs for 2025 subject to any amendments as agreed between the Chair and CEO.

13. THIS ITEM HAS BEEN REDACTED IN FULL

14. ANNUAL PRESENTATION FROM HEAD OF LEGAL

The HoLg joined the meeting and presented the annual update from the Legal Team. She outlined the key activities including improved templates, stronger engagement with external legal firms (“**ELGT**”), legal workshops, reduction in tendering times, and reduction in time to cash. The HoLg advised **THIS ITEM HAS BEEN REDACTED IN PART** and meetings were set up with panel firms which were attended by a member of the lending team.

THIS ITEM HAS BEEN REDACTED IN PART. Following a discussion on the time to cash, the Board requested that the HoLg consider whether the improvement could be expressed in a monetary value. **[AP]**

The HoLg also updated on ESG initiatives and advised that the next update to the Climate Action Roadmap was expected in June 2025. **THIS ITEM HAS BEEN REDACTED IN PART.**

The Annual Presentation was NOTED by the Board and the HoLg left the meeting.

15. RISK

i. Market Update Report

The HoCR and SCM joined the meeting. The SCM presented the market update and summarised the key residential market movements and trends as outlined in the paper. The

SCM advised that the majority of market indicators are demonstrative of stabilisation and positive growth. He noted that planning permissions and commencements indicate a year-on-year growth, however strong completion levels are needed in Q4 to match total completions in 2023 as there was a 3.1% decrease in the first three quarters. The SCM commented on sales prices and advised that while prices for both new and second-hand stock continue to grow, the rate of growth was reducing.

Following questions from the Board, the SCM provided further detail on the sales prices and impact of government initiatives for buyers, and potential drivers impacting on sales prices going forward. It was agreed that a separate report will be presented on a quarterly basis in relation to the key market related risks indicators. **[AP]**

The Board NOTED the Market Update Report.

ii. Risk Report

The HoCR presented the Risk Report for noting and advised that it was reviewed by the Audit and Risk Committee (“**ARC**”). The HoCR provided an overview of the risk profile and provided an update on the current status of the top risks. **THIS ITEM HAS BEEN REDACTED IN PART.**

Following a discussion, the Board NOTED the Risk Report.

iii. Portfolio Report

The HoCR presented the Portfolio Report for noting and summarised the key trends confirming that all loans were performing. He commented on the committed value, the LTC and LTV levels, and the credit grading. He also noted the number of uncontracted units under construction as a percentage of total market sales. **THIS ITEM HAS BEEN REDACTED IN PART**

Following a discussion, the Board NOTED the Portfolio Report.

iv. Credit Decisions Report

The HoCR provided an overview of the credit decisions made since the last report. He further provided a summary of the accounts due for review and the relevant delegated authority. The HoCR advised that an enhanced credit decision report will be presented going forward to provide more detailed information following the recent changes to the delegated authority levels.

The Board NOTED the Credit Decisions Report.

v. Risk Appetite KPIs

The HoCR presented the Risk Appetite KPIs for noting, **THIS ITEM HAS BEEN REDACTED IN PART**. The HoCR confirmed that there were no new emerging risks to bring to the attention of the Board.

The Board NOTED the Risk Appetite KPIs.

16. SCHEDULED REVIEW OF THE IMPAIRMENT POLICY

The HoCR presented the scheduled review of the Impairment Policy and advised that there were no proposed amendments. He confirmed that the Impairment Policy was reviewed and recommended for approval by the ARC.

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

17. REPORT ON NTMA POLICIES THAT APPLY TO HBFI

The HoCR presented the annual review of NTMA policies which apply to HBFI, and the Board AGREED to APPROVE the adoption of the listed NTMA policies as applicable to HBFI.

18. AI UPDATE

The HoL, HoLG, HoOF, and the ICTDD joined the meeting. The ICTDD presented an update on artificial intelligence (“AI”) focusing on recent developments, AI adoption, opportunities, challenges, limitation, and outlined considerations for HBFI. He provided an overview of the current guidelines and current use of AI within the NTMA noting generative AI was not used on corporate data. He confirmed that the appropriate governance framework and policies are in place.

In response to a query from the Board, the ICTDD provided further detail on options available to HBFI including the associated risks. Following a discussion, the Board requested that the EMT engage further with the ICTDD on opportunities for HBFI to implement AI where appropriate. **[AP]**

The Board NOTED the AI update and the ICTDD, HoOF, HoL, HoLg, and HoCR left the meeting.

19. 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 the annual presentation from the Head of Lending, the Risk Reports, Internal Audit update and 2025 Plan, and the planning memorandum from the Comptroller and Auditor General. He advised that the ARC approved the Third-Party Risk Policy and approved the AML/CFT Policy and Business Wide Risk Assessment for recommendation to the Board.

The Chairperson of the ARC provided a summary of the quarterly update from Compliance which included an update on the open action to review the insider lists. He advised that the action has been closed following agreement on the list remaining open with periodic reminders issued to staff.

The Board NOTED the Update.

20. SCHEDULED REVIEW OF THE AML/CFT POLICY AND THE AML/CFT BUSINESS WIDE RISK ASSESSMENT

The HoC and SCoM joined the meeting. The SCoM presented the scheduled review of the AML/CFT Policy and the business wide risk assessment ("**BWRA**") for approval. She advised that both documents had been reviewed by HBFI management and NTMA Compliance. The SCoM advised that there were no proposed amendments to the policy.

The SCoM, on behalf of the HoOF, outlined the proposed amendments to the BWRA, which were to enhance the wording regarding existing processes and controls. She confirmed that there was no change proposed to individual risk rating or the overall risk rating of low. The SCoM confirmed that the AML/CFT Policy and BRWA was reviewed and recommended for approval by the ARC. The Board requested that the relevant document(s) be updated to reflect that HBFI does not accept crypto currency. **[AP]**

Following a discussion, the Board APPROVED the AML/CFT Policy and BWRA.

21. COMPLIANCE:

i. MLRO Report

The SCoM presented the MLRO Report and provided a summary of same. She highlighted key regulatory updates, oversight, and assurance activities. The SCoM commented on amendments to the AML/CFT Procedure and BRWA following the scheduled reviews. She added that the procedure was available in the Reading Room. The SCoM further commented on the effectiveness of the AML/CFT systems and controls in HBFI and confirmed that no material deficiencies or concerns have been identified based on assurance and monitoring work done across the three lines of defence to bring to the Board's attention.

The Board NOTED the MLRO Report.

ii. Personal Account Transaction Policy – Restricted Securities List

The SCoM presented a request to update the Personal Account Transaction Policy **THIS ITEM HAS BEEN REDACTED IN PART**

The Board APPROVED the update to the Personal Account Transaction Policy to include **THIS ITEM HAS BEEN REDACTED IN PART** to the restricted securities list.

iii. Annual Compliance Training

The HoC and SCoM delivered the annual compliance refresher training focusing on the following matters:

- Confidentiality obligations and noting that they apply in perpetuity;
- HBFI records are subject to FOI;
- the importance of prompt reporting of any data breach to the HBFI Data Protection officer;
- obligations in relation to the ongoing and annual disclosure of interests, conflicts of interest and external roles;
- corruption/lobbying offences, gifts and hospitality and market abuse;
- Anti-money laundering/counter terrorist financing sanctions including the roles and responsibilities of the Board/Committees/HBFI management;
- Market abuse and insider information obligations;
- Summary of current and emerging compliance related risks; and
- Board Code of Conduct.

The Board NOTED the annual compliance training. The HoC and SCoM left the meeting.

22. GOVERNANCE:

i. Scheduled Review of Governance File

The CS presented the scheduled review of the Governance File for approval. She outlined the proposed amendments including the reference to maintaining private session minutes, anonymisation of the self-assessment questionnaire, board induction, and reference to the responsibilities under the Climate Action Roadmap.

The Board APPROVED the Governance File.

ii. Scheduled review of the HBFI(L) Board Terms of Reference

The CS presented the scheduled review of the HBFI(L) Terms of Reference for noting and outlined the approved amendments.

The Board NOTED the HBFI(L) Terms of Reference.

iii. Scheduled review of the Remuneration Committee Terms of Reference

The CS presented the review of the Remuneration Committee's Terms of Reference and advised that there were no proposed amendments. She added that the Remuneration Committee approved the Terms of Reference for recommendation to the Board at its meeting on 4 December.

The Board APPROVED the Remuneration Committee's Terms of Reference as presented.

iv. Scheduled review of the Transaction Document Approval and Execution Policy

The CS presented the scheduled review of this policy and provided a summary of the proposed amendments for approval. She advised that the amendments are to reflect

practice for procurement of external legal services and that authorised signatories are allowed to sign under seal following an update to the Constitution.

The Board APPROVED the Policy as presented.

v. *HBFIL Credit Committee and Remuneration Committee Self-Assessment Results*

The CS presented the self-assessment results of the HBFI(L) Credit Committee and Remuneration Committee. She advised that the results were positive with the majority of members strongly agreeing that the Remuneration Committee was effective and all members agreeing that the HBFI(L) Credit Committee was effective. She advised that there were no specific actions arising at this time.

The Board NOTED the results of the self-assessment of the HBFI(L) Credit Committee and Remuneration Committee.

vi. *Board Self-Assessment Questionnaire*

The CS presented the memorandum on the Board and Committee Self-Assessment Questionnaire for 2024, as well as being good practice it is also an obligation under the Code of Practice for the Governance of State Bodies. She outlined the key dates for completing the assessment and advised that a link will be issued to the questionnaire to ensure complete anonymity.

The Board NOTED the memorandum.

23. AOB

The Board noted the meetings scheduled for 2025.

There were further no matters to discuss under AOB.

CLOSE

There being no further business the meeting then terminated.

Chairperson