

**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 11.30 am on  
Thursday 23<sup>rd</sup> July 2020 per videoconference due to Covid-19 restrictions.**

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

**APOLOGIES** None

**IN ATTENDANCE** Michael Broderick, Chief Commercial Officer, HBFI.  
Sean Alger, Head of Credit and Risk, HBFI.  
Martin Whelan, Head of Public Affairs and Communications, NTMA (items 1- 8).  
Denise Donovan, Head of Operations and Finance (item 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 Act and the Constitution of the Company, 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. MEETING MINUTES AND MATTERS ARISING**

It was resolved that the minutes of the Board meeting held on 25<sup>th</sup> June 2020 be approved as presented.

#### **6. 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.

#### **7. CEO UPDATE**

The CEO updated the Board as follows:

- i. Active HBFI sites continue to be monitored with no material issues identified to date.
- ii. Employees continue to work for home in line with the government Covid-19 phased re-opening road map. A limited number continue to work in the office which can be flexed to meet business requirements.
- vi. One of the new Business Development Managers will begin with HBFI in early August. A second candidate did not accept the contract role. The role will be re-advertised in September 2020.
- vii. As requested by the Board, the pipeline data, per Annex 2 is now included in the CEO's update.
- viii. The CEO said that the impact on Covid-19 on the construction sector is fluid with two non HBFI funded sites temporarily closed due to instances of Covid-19. Management continue to monitor this situation and acknowledge that it could impact the delivery of units on HBFI funded sites.

The Board commented that this ongoing management is important as the risk is twofold, of construction being halted, and the reputational impact.

The Board raised a number of queries with the CEO following her update.

- She was asked to comment on the figures post the launch of the new products in May 2020. She said that some levelling off was to be expected post product launch. Key initiatives going forward to support the business include the activities of the new Business Development and further webinars for stakeholders.
- She was asked whether the return of employees to work was being driven by the NTMA or is this HBFI led. The CEO responded that she is a member of the NTMA Gold Crisis Management Committee, and the decisions are being guided by public health guidelines. She confirmed there is flexibility for HBFI to minimise any

impact on the business.

- A query was raised on progress with the exploration of a 'green loan' product and the CEO confirmed a draft product has been prepared and this will be brought to the Board in due course.

## **8. STAKEHOLDER ENGAGEMENT AND REPUTATIONAL MANAGEMENT.**

The CEO introduced Martin Whelan, Head of Public Affairs and Communications, NTMA (HoPAC) to the Board. In this presentation, the HoPAC covered areas including Government and Policy changes, the current media environment, and the environment HBFI operates in as a public body including being subject to Parliamentary Questions and requests under Freedom of Information. He said the current approach of engaging directly with stakeholders and the media has served HBFI well.

The new government and the smaller opposition parties were discussed in the context of housing policy, and future initiatives. The HoPAC stated his view that HBFI will be judged in time on the quantum of money out, as opposed to the amount approved, and furthermore the more successful some products are, the more scope that exists for criticism from certain stakeholders.

He summarised that HBFI can only manage, but cannot eliminate reputational risk, and that it is important to differentiate between informed and uninformed commentary. He outlined for the Board a number of recommendations including a programme of continued stakeholder engagement and that that he will continue to provide support to the CEO in this regard.

The Board raised queries on specific reputational risks which the HoPAC discussed further.

The Chair thanked the HoPAC for his presentation to the Board, which she said was timely given the changing environment and HBFI's evolving response to market demand.

The HoPAC left the video conference.

## **9. RISK. THIS ITEM HAS BEEN REDACTED IN PART.**

The Head of Credit and Risk (HoCR) presented the following risk papers to the Board, for noting, bringing the following points to the Board's attention:

- i. Risk Appetite KPIs.**  
The HoCR confirmed no changes to the Risk Appetite KPIs since last presented to the Board.
- ii. Credit Decisions.**
- iii. Account Review Schedule.**  
The HoCR reported that all account reviews are up-to-date.
- iv. Control Attestations Q2, 2020.**  
The HoCR confirmed that the only material amendment to this was the addition of an attestation in respect of Covid-19.

By way of more general risk updates, the HoCR confirmed that no emerging risks have been identified, and furthermore he highlighted the risk that exists due to increased volumes, and the

need to also maintain credit standards which remains a priority.

**10. IMPAIRMENT ASSESSMENT REPORT.  
THIS ITEM HAS BEEN REDACTED IN PART.**

The HoCR presented the Impairment Assessment Report dated June 2020, for approval. The report outlined the approach and the findings of the impairment assessment undertaken in Q2 2020 for the accounts as at 30 June 2020.

In relation to specific provisions, as there were no loans of credit grades 4, 5 or 6 in the relevant period, no specific provision is required.

As regard to collective provisions, based on the approach as outlined in the Impairment Policy and the Watchlist and Impairment Procedure, together with Management Judgement informed by property price movements from the property price register, none is required.

The HoCR confirmed to the Board that this report was considered in detail by the Audit and Risk Committee early that day and is recommended for approval by the Audit & Risk Committee.

It was resolved to Approve the Impairment Assessment Report, June 2020.

**11. AUDIT COMPLETION.  
THIS ITEM HAS BEEN REDACTED IN PART.**

Denise Donovan, Head of Operations and Finance, (HoOF) joined the videoconference to present to the Board the Comptroller and Auditor General Management Letter for the 2019 audit, for Noting.

She brought the Board through the three issues identified:

- i.
- ii. Internal Audit, no internal audit reports completed in HBFI during 2019.
- iii. Committee membership, specifically common membership between the Audit and Risk Committee and the HBFI(L) Credit Committee. The CEO confirmed that this will be reviewed by the Board in November 2020.

The Management Letter including the HBFI responses was Noted by the Board.

The HoOF left the videoconference.

**12. PERSONAL ACCOUNT TRANSACTION POLICY FOR HBFI BOARD AND COMMITTEE MEMBERS.**

The CEO confirmed to the Board that no material changes had been made to this policy since it was last approved by the Board, and that the policy was presented today for a scheduled periodic review.

It was resolved to approve the Personal Account Transaction Policy for HBFI Board and Committee Members.

**13. AOB.**

No matters were raised under AOB.

**CLOSE**

There being no further business the meeting then terminated.

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Chairperson