# 2024

The Governor and Company of the Bank of Ireland
Annual Report

Bank of Ireland

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These are the consolidated results of The Governor and Company of the Bank of Ireland (the 'Bank') and its subsidiaries (together the 'Group')



The Group's forward-looking statement can be found on page 437.

# Sustainability

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# Sustainability summary SBM-1



*'Given our unique position in the Irish economy, we are playing a pivotal role in helping our customers, colleagues and society address some of the biggest economic, social and environmental challenges facing us today. Our activities also help us support and protect shareholder returns.'*

**Challenging international developments**

In 2024, the world breached the 1.5°C global warming level for the first time, intensifying the focus on climate change, making the need to transition to net zero more urgent than ever. The financial system is evolving from the initial step change of the range of commitments made earlier in the decade to a greater focus on the regulatory agenda and actual impact, irrespective of the ebb and flow of the political narrative. In addition, the interlinkages with nature and biodiversity are emerging themes to be monitored, and social issues are also important. Staying the course on ambitions will mean the differences between institutions and their impact will become more evident for stakeholders, whilst any delays to the transition potentially comes at a steeper future cost for economies and our customers.

**Keeping the focus on delivering impact that matters**

Given our position in the Irish financial system, we have an important role to play in the sustainability agenda and we want this role to be positive, tangible and measurable. Sustainability is one of the Group's core strategic pillars. This was purposefully chosen as we believe that supporting our customers, colleagues and society, while appropriately allocating capital and making investments in capabilities and risk management to help us seize the commercial opportunity will create long-term value for our shareholders. Our 'franchise value' business mindset brings long-term perspectives to our actions. Our focus is on our material Environmental, Social and Governance (ESG) impacts, risks and opportunities aligning to science and best practice and we look at each of the E, S and G factors as inextricably interlinked. This is driving practical sustainability solutions that are making a difference for our stakeholders. Our focus on impact was evident in 2024 from our actions driving the rise in sustainable finance on our balance sheet and new product innovation, our Financial Wellbeing customer propositions, and the uptick in engagement across colleagues.

## Key highlights

**€14.7bn**
**+32% yoy**
Sustainability-related lending

**EcoSaver**
Mortgage launch incentivising energy efficient behaviours

**€1bn**
Loan approvals for new Irish housing

**#1**
bank recognised for Financial Wellbeing among Irish consumers

**48%**
Female senior leadership appointments

**75%,**
**+2 ppts yoy**
Colleague engagement score

# Sustainability summary *(continued)*

Our 'Investing in Tomorrow' Sustainability Strategy has three core pillars, Supporting the Green Transition, Enhancing Financial Wellbeing and Enabling our Colleagues to Thrive:

| Supporting the Green Transition | Enhancing Financial Wellbeing | Enabling Colleagues to Thrive |
|---|---|---|
| Our focus is on working with our customers, colleagues and communities to support the transition to a resilient, net zero economy by 2050, in line with government ambitions and actions. | Our focus is on empowering people with the knowledge and skills needed to make the most of their finances whilst striving to leave no one behind on the journey to financial health. | Our focus is on the creation of an inclusive and supportive workforce that attracts and retains talent, enabling colleagues to develop brilliant careers, supporting them during key life moments and providing a safe and fair place to work that welcomes everyone. |

### Supporting the Green Transition

A white paper published by our Davy Decarbonisation unit 'Investing in Tomorrow: Shaping a Net-Zero Future' estimated c.€129 billion of expenditure will be required by 2030 in order to meet Ireland's Climate Action Plan targets. The investment opportunity across the green transition is substantial.

In 2024, we made significant progress. Our sustainability-related lending to households and businesses grew by 32% to c.€14.7 billion putting us on track to deliver our end 2025 target of c.€15 billion a little earlier than we previously anticipated. Our medium term objective is €30 billion by 2030. We launched our innovative EcoSaver mortgage product in April 2024, incentivising improvements in the energy efficiency of our customers' homes. We also approved €1 billion of loans for new homebuilding in Ireland, contributing to help alleviate a critical social challenge.

Whilst making progress on our sustainable finance trajectory, we must continue to focus intensively on our financed emissions. To ensure our lending portfolios and practices are on a pathway that is aligned with the Paris Agreement goals, we use decarbonisation targets to 2030 approved by the globally recognised Science-Based Targets initiative (SBTi) to track our progress covering all of the Group's operations and 71% of our FY20 baseline loan book.

Our Science-Based Targets (SBTs) are informing our commercial strategy. As at the end of FY24, the carbon emissions intensity for our RoI mortgage portfolio, commercial real estate (CRE) portfolio and our electricity generation project finance portfolio are all progressing towards the 2030 targets. And, we have reached our 2025 target for 25% of our Corporate lending customer base having their own SBTs in place. At Bank of Ireland, we aim to be at the centre of a sustainability ecosystem for this transition through innovative portfolios of sustainable finance products designed to support our customers to take practical actions.

In April 2024, we published our Sustainable Finance Framework disclosing the criteria we are using to classify financial commitments and products as sustainable making the composition of the Sustainable Finance portfolio more transparent. In addition, in 2024, we updated our Climate Action Plan to bring it into alignment with the Corporate Sustainability Reporting Directive (CSRD) requirements on Climate Transition Plans.




### Enhancing Financial Wellbeing

Our Financial Wellbeing strategy is driven by three pillars; fostering financial inclusion; improving financial literacy and capability; and building a more financially resilient and confident Ireland. Our goal is to contribute to the creation of a more financially resilient and confident Ireland by increasing the number of customers who have the resilience to withstand the financial impact of an unexpected day-to-day expense or a major life event. We continue to be the #1 bank recognised for Financial Wellbeing among Irish consumers in 2024[1].

We demonstrated our commitment to improving financial literacy, conducting extensive research in 2024. Ireland's financial literacy score is lower than many of our global peers, with disparities across age groups and gender. These findings highlight the importance of targeted interventions to improve financial literacy and, consequently, overall financial wellbeing. A key financial literacy milestone in 2024 was achieved with over 600,000 primary and secondary school students taking part in Bank of Ireland's financial literacy programmes since 2017.

[1] *Bank of Ireland Brand & Ad Tracking Survey with Ipsos B&A among a nationally representative sample, aged 16+, living in the Republic of Ireland. Respondents are asked to select bank (s) that they feel are associated with the statement 'have a financial wellbeing programme'.*

# Sustainability summary *(continued)*



We also continue to advocate for better fraud protections for consumers and businesses and in 2024 announced an investment of €50 million on customer fraud prevention and protection.

The investment includes €15 million on new fraud prevention technology along with a range of high profile customer awareness campaigns and support for customers that are targeted by fraudsters.

We are one of the founding signatories of the United Nations Principles for Responsible Banking (UNPRB) commitment to Financial Health and Inclusion. In 2023, we along with a small number of banks globally, published our targets to 2030. Our targets are focused on supporting our customers' day-to-day and life event financial resilience. In 2024, we were invited to co-lead the UNPRB Gender Equality working group, which published its guidance to target setting on gender equality in Geneva in December 2024.

In 2024, we expanded our Money Worries hub on the Group's website to give customers resources to support them if they are experiencing financial difficulty. The hub features budgeting tools, helpful tips to cope with financial strain, and resources to build financial literacy. It also features dedicated support paths for customers who may be facing financial difficulty or who have experienced an unexpected life event.

### Enabling Colleagues to Thrive

Our overall ambition is to build a company which welcomes everybody, enables fair progression for all and provides a safe and fair place to work where colleagues can thrive. Our Colleague agenda focuses on three priorities: building a future ready workforce, creating a differentiated colleague experience, and simplifying our ways of working.

Annually, we measure culture embeddedness through Open View, our all-colleague engagement survey, to understand our colleagues' experience. In 2024, our Colleague engagement index increased to 75 % (+2 points).

We have continued to invest in diverse talent. In 2024, our female senior leadership appointments were 48% (46% in 2023) with an ongoing commitment to achieve a 50:50 ratio. In addition, 19% of new joiners self-declared as being from an ethnic minority which is ahead of the 2024 Irish Central Statistics Office data of 7%.

In 2024, a key development for us was the launch of our Neuroinclusion strategy advancing our understanding, enhancing our infrastructure and creating a culture that supports neurodivergent colleagues and candidates. This strategy includes a suite of policies and process improvements to support neurodivergent colleagues with the aim of becoming one of the most neuroinclusive companies on the island of Ireland.

Following a change in government policy in late 2022, we enhanced our reward proposition for colleagues with the reintroduction of the Group's Performance Scheme in 2023 with first awards made in 2024, as well as the introduction of healthcare benefits for all colleagues, where it was not already in place.

By investing in our colleagues personal and professional growth, we enhance individual career trajectories, future-readiness and contribute to the resilience of the organisation. By the end of 2024, 43% of our colleagues had invested in building future ready capabilities through our future skills learning pathways, rising from 34% in 2022. We made changes to our Family Matters policy, to protect maternity leave for any women undergoing treatment for cancer or other serious illness, ensuring we have the right policies in place to support our colleagues, especially when they are facing difficulties life can sometimes bring.

### Looking ahead

While we have made notable progress on our ambitions in 2024, we will continue to embed sustainability further across every area of our business in 2025, and beyond.

At a holistic level, as we enter the final year of our current 2023-25 strategic cycle, a key focus for the Group in the coming 12 months will be a refresh of our overall Group strategy.

# Sustainability summary *(continued)*

This will give us an opportunity to refresh and update sustainability-related targets as we consider the progress of the economies in which we operate and the needs of our customers, coupled with the direction of travel for financial institutions into the areas of nature and biodiversity and social topics.

On Supporting the Green Transition, our long term ambition remains €30 billion by 2030. Reaching this will require further innovative financial solutions for our customers including for corporate and business customers as this is where the bulk of financed emissions on our balance sheet reside.

For customers and colleagues, we will continue to protect their Financial Wellbeing and support them when they need us most or are planning for the future. In addition, as a Group with over €83.4 billion of loans, €104.9 billion of deposits and €54.8 billion of AUM, we have a substantial opportunity to support the medium to longer term financial wellbeing prospects of our customers at every stage of life.

For colleagues, we will continue to focus on developing our internal organisational capabilities and investing in making roles more rewarding and effective, attracting new talent and building a fully inclusive workforce that is reflective of the society we serve. Training and development of all colleagues will continue as the sustainability agenda continues to evolve and grow.

In addition, on other social issues, as part of our 2024 annual reporting, we published our first Human Rights policy which will be implemented across the business in 2025.

Stakeholder engagement will also remain a key focus in the year ahead, including with investors.

**Corporate sustainability reporting directive**

2024 was a watershed year in terms of sustainability reporting across the EU, with the new CSRD coming into force. As a 'first wave' CSRD reporter, the content to follow in the next section represents a step change in the scale of corporate reporting on sustainability-related disclosures by the Group on topics of material interest for our stakeholders.

Elsewhere in 2024, we strengthened our ESG reporting disclosures and improved or maintained our ESG ratings across S&P, Sustainalytics and MSCI. And on the regulatory front, the prior focus on climate is now evolving to also consider non-climate environmental risks as well as social risk considerations.



# Sustainability statement

*This Sustainability statement has been prepared in accordance with Part 28 of the Companies Act 2014. This Sustainability statement is a dedicated section of the Report of the Directors on pages 204 to 205.*

## ESRS 2 General Disclosures



### 1 Basis of Preparation

The CSRD Sustainability statement for the year ended 31 December 2024 has been prepared on a consolidated basis for the Governor and Company of the Bank of Ireland (the 'Bank') and its subsidiaries (together the 'Group'). This is in line with the scope of consolidation used in the Group's financial statements.

CSRD mandates the Group to present a comprehensive perspective on ESG topics, covering both the issues that affect the Group's business and those influenced by the Group's operations, including its entire value chain.

The Double Materiality Assessment (DMA) determines the Group's material impacts, risks, and opportunities (IROs). This assessment not only offers a structure to identify and assess sustainability matters, but also highlights the areas of strategic focus, by identifying the most relevant IROs for the Group across its value chain covering upstream, downstream and own operations and considering all time horizons; short, medium and long-term. The short-term horizon used for the analysis is aligned to Group's strategic financial and planning process, with short-term being defined as zero to three years, which varies from the EFRAG definition of short-term. For medium and long-term, the Group has used EFRAG's definition. See page 15 for details on the Group's value chain. See page 16 for details on the approach taken for the DMA and the results of the assessments.

The DMA helps inform the Group's potential strategic choices and shapes its ESG data collection. The Group aims to support a deeper integration of sustainability across its operations and this includes influencing decision making at every level.

The DMA forms the basis for Group's CSRD disclosure. Policies, actions, targets and metrics[1] to address the material IROs identified as part of the DMA have been disclosed in the respective topical sections. All policies are for the Group. Subsidiaries can adopt the Group policies or adapt the Group policies to reflect their own business model / risk. In most cases, subsidiaries align closely with the Group's requirements but have some deviations recognising slightly different business models. The actions outlined in the disclosures are those that are material for the Group as a whole, and the Group's intention in the short-term is to proceed with a continuation of these actions with periodic reviews as required.

The Group's presentation of sustainability information may be subject to measurement uncertainty due to limitations in methodologies and data, including reliance on third-party data. The Group has used estimates based on recognised frameworks available at this time. The Group will continue to monitor methodologies and data availability, and update as appropriate. See page 64 for further details.

[1] *The Group uses standards ISO 50001, ISO 14001 and ISO 45001 for managing Energy, Environmental and Health and Safety respectively.*

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 2 Governance

### 2.1 The role of the administrative, management and supervisory bodies

**Court oversight of sustainability**

The GovCo Court (the 'Court') is collectively responsible for the long-term sustainable success of the Group and for ensuring there is a strong corporate structure in place, which is aligned with the Group's strategy and purpose. It provides leadership to the Group, setting strategic aims, within the boundaries of the Group's risk appetite and a framework of prudent and effective controls.

This responsibility involves regular communication and collaboration with various committees, including the Group Sustainability Committee (GSC) and Court Risk Committee (CRC), to monitor climate-related risks and progress against commitments such as SBTs and the UNPRB.

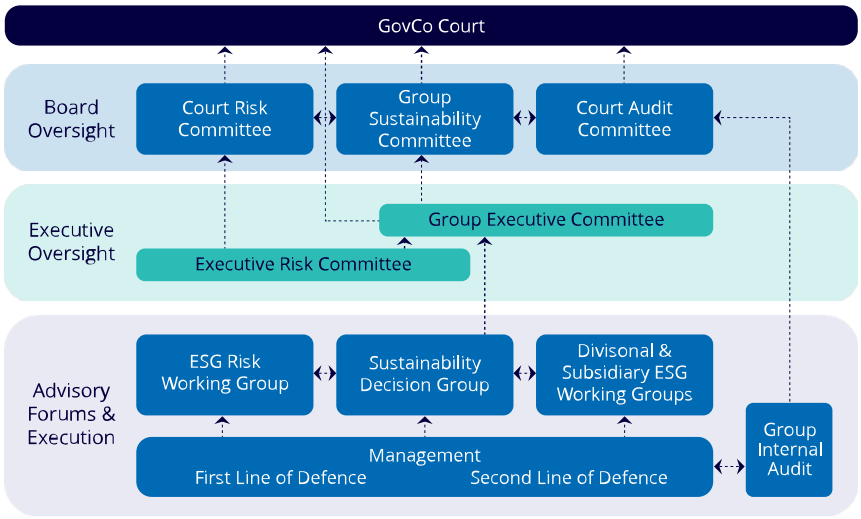
**Group Sustainability Committee**

As outlined in the GSC Terms of Reference (ToR), the committee, on behalf of the Court, is responsible for guiding the development and direction of the Group's Sustainability Strategy, ensuring it aligns with key stakeholder interests and recommending it to the Court for approval. The GSC also manages the execution of the Sustainability Strategy, reviews key sustainability policies, and ensures alignment with the Group's purpose and long-term success and, together with the CRC, oversees related risks, including monitoring the Climate Risk Implementation Plan. The GSC approved the material IROs identified as part of DMA. The GSC oversees progress against ESG targets, review of ESG-related commitments and the publication of the Group's Sustainability Report.

Additionally, it supports the Court Audit Committee (CAC) in maintaining the integrity of CSRD disclosures. Management inform the GSC about the identified IROs.

The GSC met nine times in 2024 to discuss Group sustainability matters including to consider and approve aspects of CSRD implementation, including the DMA, and how the identified material IROs are being managed through policies, actions and targets.

**Sustainability governance framework**




The list of material IROs are outlined in the respective topical sections.

**Court Risk Committee**

On behalf of the Court, the CRC is responsible, jointly with the GSC, for ensuring that ESG risks are integrated into the Risk Management Framework (RMF).

The CRC ToR highlights that the committee's responsibilities, which includes monitoring risk governance and assisting the Court in ensuring that the Group's risks are properly identified, assessed, monitored, reported, and controlled. This also ensures that the strategy is informed by, and aligned with the Group's risk appetite. The CRC makes recommendations to the Court on risk issues, oversees the Group's risk profile, ensures adherence to risk principles, policies, and standards, and approves certain material risk policies. The CRC met twice in 2024 to consider and approve aspects of CSRD implementation, including the DMA, and how the identified material IROs are being managed through policies, actions and targets.

**Court Audit Committee**

On behalf of the Court, the CAC is responsible for monitoring the quality and integrity of the Group's financial statements, including sustainability disclosures (including the review of material IROs identified as part of the DMA). The level of CAC involvement on sustainability related matters has increased over the course of 2024. This is largely driven by the enhanced disclosure requirements under CSRD.

The CAC ToR highlights that the committee ensures the integrity of sustainability reporting by informing the Court about the assurance process and the committee's role in it. They monitor the sustainability reporting process, and make recommendations to enhance compliance with standards. Additionally, they oversee the effectiveness of internal controls and risk management systems related to both financial and sustainability reporting. The CAC met three times in 2024 to consider aspects of CSRD implementation, including the DMA, and how the identified material IROs are being managed through policies, actions and targets.

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 2 Governance *(continued)*

See pages 44 and 58 for details on how the management oversee the setting of the targets and monitor its progress.

**Executive oversight**
The most senior executive committee in the Group, the Group Executive Committee (GEC), acts in an advisory capacity to the Group CEO and assists the CEO in the management and leadership of the Group on a day-to-day basis. The GEC has overarching responsibility for delivery and operationalisation of the Group's Sustainability Strategy, with specific executive responsibility for sustainability delegated to the Chief Sustainability and Investor Relations Officer (CSIRO).

The GEC receives regular updates on the progress against key initiatives from the Sustainability Decision Group (SDG). See below for details on SDG.

The GEC met 3 times in 2024 to consider aspects of CSRD implementation, including the DMA, and how the identified material IROs are being managed through policies, actions and targets.

**Executive Risk Committee**
The Executive Risk Committee (ERC) supports both the GEC and the CRC, in overseeing the material risks of the Group, taking a holistic approach to overseeing the effective management of risk, including ESG risks.

**Advisory forums and execution**
**Sustainability Decision Group**
The SDG brings together senior business and functional management across the Group to enable a coordinated approach to sustainability objectives across the three strategic pillars and to provide a discussion and decision-making forum to deliver on the Group's Sustainability Strategy. The SDG is chaired by the CSIRO and regularly updates the GEC on progress against key initiatives. The SDG is responsible for reviewing, challenging, and recommending sustainability related risk matters to relevant committees. This includes evaluating the progress on the Sustainability Strategy, overseeing the European Central Bank (ECB) Climate Risk Implementation Plan, and supporting the achievement of SBTs. Additionally, the SDG contributes to the development of sustainable finance frameworks and products, and ensures robust sustainability disclosures (including the review of material IROs identified as part of the DMA) and reporting through oversight and challenge.

**First Line of Defence (1LOD)**
The business divisions or functions (Sustainability Team, Group Finance) taking on risk have the primary responsibility for managing the risk generated by their actions and this includes managing ESG factors.

**Second Line of Defence (2LOD)**
2LOD (Business, Strategic and ESG Risk Team and Group Risk) is responsible for making sure that ESG risk factors are considered when executing second line responsibilities as set out in the RMF. This includes consideration as part of policy setting and taking reasonable steps to ensure the Group does not suffer outcomes outside of the Group's risk appetite.

**Third Line of Defence (3LOD)**
3LOD (Group Internal Audit) is responsible for making sure that the first and second lines of defence assess whether all significant risks are identified and appropriately reported by management to the executive and board of management, as well as assessing whether risks are adequately controlled.

**Divisional and Subsidiary ESG Working Groups**
All materially impacted business divisions and businesses have in place dedicated ESG leads and ESG working groups to ensure ESG strategy and operational aspects are integrated into the Group's business model.

**ESG Risk Working Group**
The Group ESG RMF sets out the Group's approach to ESG risk management. Coordinated by Group Risk, the ESG Risk Working Group brings together 2LOD risk management from across the principal risk and sub risk types (with representation from 1LOD Group Sustainability) to ensure there is a coordinated, cohesive and challenging approach to the management of ESG risks within the Group.

See page 9 for more details on how the Court and its Committees oversee material IROs. See page 169 for details on Group's governance structure and the composition. See page 171 for more details on diversity of the Court and its Committees and on the Court members skills and experience.

## 2.2 Sustainability-related skills and expertise

The Group Nomination and Governance Committee (N&G) is responsible, on behalf of the Court, for reviewing the composition of the Court and its Committees, and assessing whether the balance of skills, experience, knowledge and independence is appropriate to enable them to operate effectively on all matters including sustainability.

In 2024, the GSC took part in training to familiarise themselves with the CSRD requirements, the material IROs identified as part of the DMA and the CSRD roadmap for implementation.

'All colleague' training on climate concepts and processes, as well as role specific training on sustainable finance and ESG risk management, supports development of skills and expertise across the Group.

In order to adequately assess ESG risks and opportunities, the Court draws on expertise both internally and externally. The CSIRO updates the GSC and CAC on ESG-related matters, as required.

In support of the Group's Sustainability Strategy and to meet regulator, investor, customer and colleague expectations, the Group has committed to developing a multi-year training plan outlining steps and ambition in terms of sustainability capability development.

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 2 Governance *(continued)*

The framework is based on a tiered curriculum, supported by key enablers and partnerships, to deliver core, foundational sustainability training to all colleagues with more targeted and technical skills development for select groups. The design of the curriculum, content and other critical success factors for the Group's sustainability training are informed by ongoing analysis of industry standards and peer benchmarking to assess the Group's comparative position. Training solutions are tailored across four colleague cohorts at All-Colleague, Divisional, Senior Leadership and Court Level to meet the different training requirements.

See page 33 for further details on the Group's resourcing model and how the Group confirms that it has appropriate skills and expertise to manage and oversee sustainability-related matters.

See page 172 for further details on Education and Development sessions being delivered to the Court and its committees on a continuous basis.

### 2.3 Governance process around management of material IROs

In order to perform a thorough and detailed DMA, the Group engaged with internal subject matter experts with relevant experience, knowledge and expertise in their respective fields.

See page 21 for the final results of the DMA (including the material IROs), as well as the approach considered. The results were jointly approved by the GSC and the CRC in Q3 2024.

See page 9 for further details around Governance structure, how the management is informed of material IROs and the roles and responsibilities of the Court and its committees.

See page 20 for further details on how the Group considers material IROs when overseeing strategy and risk-management process.

Training and a review of skills, knowledge and experience of the Court and its Committees ensures that the required sustainability-related capability to assess the Group's material IROs exists within the Group's management body.

### 2.4 Statement of Due Diligence

The Group has various due diligence processes embedded in the Group's Governance, Strategy and Business Model ensuring that affected stakeholders are engaged to manage the material negative impacts. There were two material negative impacts identified as part of the DMA relating to Climate Change (E1-Impact 4, see page 42 for details) and Digital Banking (Digital Banking-Impact 1, see page 132 for details).

Core elements of due diligence to cater to adverse impacts are highlighted below:

| Core elements of due diligence | Relevant European Sustainability Reporting Standards paragraph | Page number |
|---|---|---|
| **Embedding due diligence in Governance, Strategy and Business Model** | ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3 | 9, 13 |
| **Engaging with affected stakeholders in all key steps of the due diligence** | ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1 | 13, 16 |
| **Identifying and assessing adverse impacts** | ESRS 2 IRO-1, ESRS 2 SBM-3 | 13, 16 |
| **Policies to address those adverse impacts** | ESRS E1-2, Entity Specific Topic (Digital Banking) | 50, 132 |
| **Taking actions to address those adverse impacts** | ESRS E1-2, ESRS E1-3, Entity Specific Topic (Digital Banking) | 57, 133 |
| **Tracking the effectiveness of these efforts** | ESRS E1-4, Entity Specific Topic (Digital Banking) | 57, 134 |

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 2 Governance *(continued)*

### 2.5 Risk management and internal controls over sustainability reporting

The Group's overarching risk strategy is to set and maintain the RMF. This ensures that the Group has clearly identified and classified the risks it faces, set its risk appetite through statements of risk tolerance and quantitative limits. It is through adherence with the risk policy, the Group observes these tolerances and limits as boundaries to its business strategy.

The Group identified the operational risks in respect of sustainability reporting, which were similar to existing risks in the Group's Annual Report. This enabled the Group to leverage the existing suite of controls around the Annual Report and have applied those controls to the CSRD disclosures where appropriate. Each risk identified has been assigned a risk rating in line with the Group's Risk Assessment Matrix.

The Risk and Control Self Assessment (RCSA) is a Group framework for capturing, measuring, and managing operational risk as well as providing a mechanism for consistent identification, monitoring, reviewing, updating, and reporting of risks throughout the Group.

The RCSA allows the Group to be able to report accurately on operational risk across all business units using a common tool to ensure it is better placed to mitigate against risks, control possible future events and proactively respond to issues ensuring sustainable growth across the Group.

The Risk Assessment Matrix is a tool used to calculate the overall risk rating based on the frequency and impact (financial loss, reputational damage etc.) of the risk occurring. The RCSA process is embedded into business processes and, as such, trigger events must be continually monitored, and the process needs to be regularly performed to ensure the RCSA outcome reflects the current risk and control environment.

The Group seeks to ensure effective management of its risks via a 'three lines of defence' approach.

Forums for discussion of RCSA reporting include (but are not limited to):

- business unit team meetings;
- discussions between risk functions and business units through business unit management meetings;
- strategic meetings;
- Divisional Risk Committee (or similar) meetings;
- CRC (or similar) meetings; and
- Court meetings.

A joint meeting of the CRC and GSC committees takes place on a semi-annual basis to review climate risk and other sustainability matters. The Group has identified the following key risks and associated controls, which could potentially result in errors to sustainability disclosures:

| Risks identified | Associated controls |
|---|---|
| **Non Compliance with ESRS:** The risk of inaccurate, incomplete reporting (i.e. the risk that the CSRD disclosures are materially incorrect due to non compliance to ESRS standards resulting in reputational damage and / or statutory impact).<br><br>**Incorrect data capture:** The risk of inaccurate, incomplete reporting (i.e. the risk that the CSRD disclosures are materially incorrect due to incorrect data capture resulting in reputational damage and/or statutory impact).<br><br>**Incorrect stakeholder input:** The risk of inaccurate, incomplete reporting (i.e. the risk that the CSRD disclosures are materially incorrect due to incorrect input from stakeholders, resulting in reputational damage and / or statutory impact). | **Reporting standards and regulatory guidance:** The Group prepares its CSRD disclosures based on the reporting principles set out by European Financial Reporting Advisory Group (EFRAG).<br><br>**Business process controls:** Affirmations from the identified Business owners, who provide the input for disclosures, attesting to the data quality of the information provided.<br><br>**Data management controls:** Review of any manual adjustments, reconciliation of inputs to source. Where assumptions and estimates have been used, this has been documented in detail on page 64.<br><br>**Governance and oversight:** Approval process includes CAC / GSC review and sign off. |

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 3 Strategy, Business Model, Value Chain and Stakeholder Engagement

### 3.1 Group strategy

**The Group Strategy**

The Group Strategy for 2023 to 2025 is guided by the Group's purpose to help customers, colleagues, shareholders and society to thrive. Sustainability is embedded as one of the Group's three core strategic pillars: Sustainable Company, Stronger Relationships and Simpler Business.

Sitting below the Group's Sustainable Company pillar is its 'Investing in Tomorrow' Sustainability Strategy. This is focused on its material ESG impacts and opportunities aligning to science and best practice including the UN Sustainable Development Goals (UN SDGs), the blueprint for a more sustainable future for all.

The Group continues to turn sustainability ambitions into action, delivering practical sustainability solutions that make a difference for customers. See page 9 in the BoIG plc Group Annual Report 2024 for details on the Group's Strategy and see page 4 for details on the Group's Sustainability Strategy.

**Sustainability Strategy aligned to UN SDG's which interconnect broader ESG considerations beyond climate and Net Zero.**

Sustainability Pillars

| Supporting the Green Transition | Enhancing Financial Wellbeing | Helping Colleagues to Thrive |
|---|---|---|
| **Focus areas**<br>We are committed to working with our customers, colleagues and communities to support their transition to a resilient, net zero economy by 2050 in line with government ambitions and actions. | **Focus areas**<br>We are committed to empowering people with the knowledge and skills needed to make the most of their finances while striving to leave no one behind on the journey to financial health. | **Focus areas**<br>We are committed to create an inclusive and supportive workplace for all our colleagues, enabling them to develop brilliant careers, supporting them during key life moments that matter and providing a safe and fair place to work that welcomes everybody. |
| • Science-based targets<br>• Providing sustainable finance<br>• Decarbonise our own operations<br>• Manage climate-related risks<br>• Transparently report our progress | • Fostering financial inclusion<br>• Improving financial literacy and capability<br>• Building a more financially resilient and confident Ireland | • Build a future ready workforce<br>• Create a differentiated colleague experience and workplace<br>• Simplify our ways of working |
| **Relevant UN SDGs** | **Relevant UN SDGs** | **Relevant UN SDGs** |







**Foundation topics**

Our pillars are underpinned by strong foundational topics which guide our commitment to being a sustainable business.

**Social foundation topics**

Community investment | Health & Safety | Sourcing Responsibly | Human Rights

**Governance foundation topics**

Culture | Business Ethics | Cyber Security | Data Protection | Financial Crime

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 3 Strategy, Business Model, Value Chain and Stakeholder Engagement *(continued)*

### 3.2 Business model and product offerings

The Group is one of the largest financial services groups in Ireland and provides a broad range of banking and other financial services.

The Group is at the heart of the movement towards sustainability in Ireland, particularly in supporting the green transition in line with Ireland's Climate Action Plan. The goal is to help customers adapt to this change. A key part of the Group's commitment is to develop financial products that support the transition. This aligns with the Group's commitments under the UNPRB.

The Group's range of sustainable finance products is carefully designed to help customers make real, impactful changes. This includes green mortgages, loans for eco-friendly cars, and business loans for Small and Medium sized Enterprises (SME) and farmers, focusing on renewable energy, capital expenditure, and sustainability-linked lending. See page 44 for further details.

The composition of the Group's €83.4 billion loan portfolio at 31 December 2024 was: Residential Mortgages: €50.5 billion; Non-Property SME and Corporate: €20.4 billion; Property and Construction: €7.4 billion; and Consumer loans: €5.1 billion. The AUM of the Wealth and Insurance division (which includes New Ireland and Davy) was €54.8 billion at 31 December 2024.

See page 169 of the BoIG plc Group Annual Report 2024 for details on significant products and services being offered by the Group. The sustainable products and services offered by the Group are outlined below:

| RoI and UK home buying and everyday banking | RoI business banking (SME) | Corporate banking | New Ireland | Davy |
|---|---|---|---|---|
| Current home buying and everyday banking products:<br>• Mortgages: RoI - EcoSaver, UK - Green New Build, Green Buy to Let<br>• Green Home Improvement Loan<br>• Green motor Loan<br>• Motor financing for Electric Vehicles (EVs) | Current business banking products:<br>• Enviroflex: Sustainability-Linked Agri Lending<br>• Strategic Banking Corporation of Ireland (SBCI) Growth and Sustainability Loan Scheme<br>• Green Business Loan | Current corporate banking products:<br>• Green Capex Loan<br>• Sustainability-Linked Loans<br>• CRE Green Loan<br>• Project Finance<br>• Woodland Nature Credit | New Ireland aims to be a sustainable insurer and a responsible investor and offers a range of investment funds to its clients that promote environmental and / or social characteristics. | Davy offers a range of investment solutions to its wealth clients that are sustainable, and provides specialist sustainability supports to its corporate and institutional clients. |
| Link to the 'Personal Banking Green hub' for the latest product offering. | Link to the 'Business Green hub' for the latest product offering. | Link to the 'Corporate Banking Product and Services hub' for the latest product offering. | Link to the 'New Ireland Sustainable Investing hub' for the latest product offering. | Link to the 'Davy Sustainable Investing hub' for the latest product offering. |

At 31 December 2024, the Group is organised into four trading segments (Retail Ireland, Wealth and Insurance, Retail UK, Corporate and Commercial) and one support division (Group Centre) to effectively serve the Group's customers. See page 169 in the BoIG plc Group Annual Report 2024 for further details on significant trading segments served by the Group as well as the Group's revenue breakdown across these trading segments, consistent with International Financial Reporting Standards (IFRS) 8 reporting.

As a predominantly retail lending bank, 74% of the Group's customer lending is in residential, commercial property and car finance divisions.

See page 46 for breakdown of the Group's exposure in the various sectors, including sectors that contribute highly to climate change.

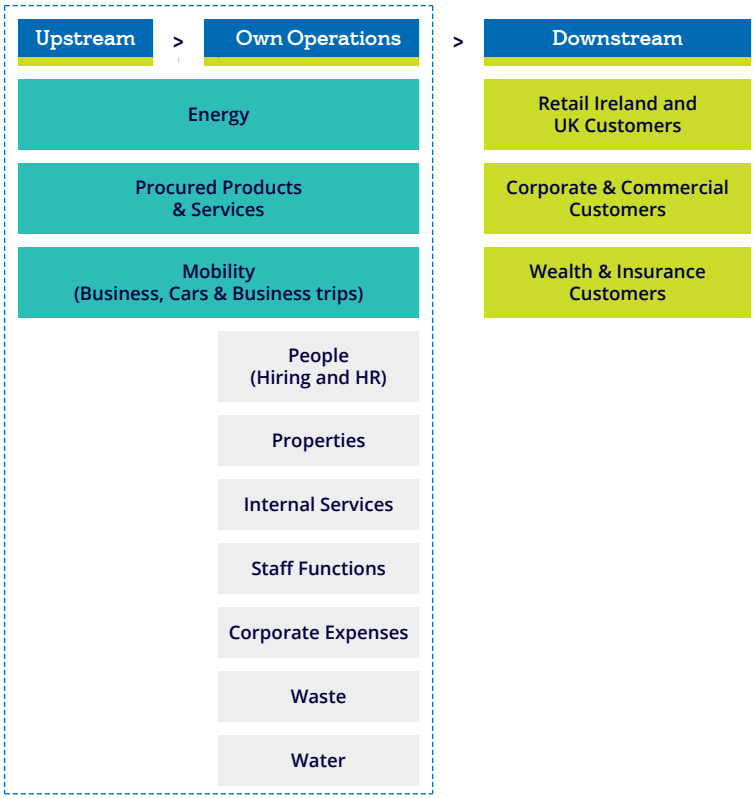
# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 3 Strategy, Business Model, Value Chain and Stakeholder Engagement *(continued)*

### 3.3 Value chain

The concept of the value chain takes into account the entire spectrum of activities, resources, and relationships that are part of the Group's business model and its interaction with the external environment. This includes the Group's internal operations and its interactions with suppliers, partners, and customers. It is a comprehensive view of how the Group operates within its ecosystem:

- an entity is considered downstream from the Group when it receives products or services from the Group, which essentially comprises its Retail Ireland and UK Customers, Corporate and Commercial customers, and the Group's Wealth and Insurance clients and customers;
- an entity is considered upstream from the Group when it provides products or services that are used by the Group, which essentially comprises of the Group's suppliers. This includes, for example, energy providers, logistic providers (for business travel and fleet cars), any services outsourced and any products procured; and
- the Group's own operations comprise the Group's properties, its internal functions and services, the Group's own use of energy, water and waste generated through its own operations in head offices / branches and any other corporate expense that it incurs.




### 3.4 Interests and views of stakeholders

The Group engages regularly with stakeholders through a variety of methods, including surveys, social media, meetings, working groups and more. The outcomes from engagement with different groups of stakeholders are taken into consideration in the Group's Strategy and business model. See page 175 for further details.

To facilitate the Court's understanding of the views of major shareholders, Directors receive an Investor Relations update from management at all scheduled Court meetings. See page 175 for further details.

As part of the DMA, the Group undertook an extensive engagement with internal and external stakeholders. See page 16 for further details.

The Group recognises that its culture is a critical enabler to the successful delivery of its strategy. See page 76 for further details.

The Group respects its colleagues' right to freedom of association and engage with employee representative bodies, trade unions and partners council. The Group frequently consults with employee representatives to provide updates and share information on any relevant matters to the Court and its Committees. See page 88 for further details.

As an institution which is critically important to Ireland's economic progress and prosperity, both as a leading provider of lending to customers, businesses and corporates and as a major employer, the Group will continue to engage with all stakeholders on the future development of the sector. See page 175 for details.

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 3 Strategy, Business Model, Value Chain and Stakeholder Engagement *(continued)*

### 3.5 Employee composition and diversity

The Group's overall I&D ambition is to build a business which welcomes everybody, enables fair progression for all and provides a safe and fair place to work where colleagues can thrive.

The Group believes that appropriate diversity delivers better business outcomes and seeks to have a workplace reflective of society. See page 87 for the breakdown of Group's employee composition.

## 4 Impact, risk and opportunity management

### 4.1 Identification and assessment of material IROs

**Double materiality assessment**

The Group recognises that the DMA is the essential first step towards CSRD compliance. The DMA identifies which sustainability-related matters are material to the organisation and its stakeholders, taking both an impact materiality ('inside-out') and a financial materiality ('outside-in') approach.

This not only determines the scope of the Group's sustainability-related reporting but it also provides indispensable insights for shaping the Group's Sustainability Strategy.

The key steps taken as part of the DMA have been outlined below.

| Identification of relevant sustainability matters and associated IROs > | Stakeholder engagement > | Impact and financial materiality > | Finalise and document > | Governance |
|---|---|---|---|---|
| Understanding the sustainability matters along with associated IROs, that are most relevant for the Group, considering its own operations, upstream and downstream value chain. | Engagement with internal stakeholders (through workshops / questionnaires) and external stakeholders (through surveys / interviews / via proxies) to get their view on the identified sustainability matters and associated IROs. | Conducting a preliminary assessment of the identified IROs using internal and external data. Assessment of the materiality of the identified IROs based on results of the preliminary assessment and discussions with stakeholders. | Finalisation of the list of material topics based on the identified material IROs and documentation of the approach and resultant output, in line with CSRD requirements. | Final results reviewed and approved jointly by GSC and CRC. |

**Identification of relevant sustainability matters and associated IROs**

A comprehensive long list of topics and sub-topics was developed for the DMA from a variety of sources, including topics identified within the ESRSs, topics specific to the Group covered in previous materiality assessments or sustainability reporting and topics from other established standards, such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB). Using this long list of topics, associated IROs were identified, and materiality was assessed covering both lenses (inside-out and outside-in), by engaging with internal and external stakeholders.

During the impact assessment, relevant impacts connected to the Group's value chain (see page 15) were identified. These were classified as negative (negative impacts are those changes that result in a net harm to society, the environment, and / or the economy) or positive impacts (positive impacts are those that results in net benefit to the society, the environment, and / or the economy). In addition, they were categorised into actual or potential impacts.

**Stakeholder engagement**

The Group initially considered a list of stakeholders from a variety of sources[1], and categorised them into two groups - 'Affected stakeholders', or 'Users of the Sustainability Report'. The Group then selected a subset of prioritised external stakeholders from this list considering both:

- the influence that the external stakeholder has on the Group; and
- the influence that the Group has on the external stakeholder.

[1] *e.g. Industry benchmark, GRI standards, stakeholder groups consulted in the past.*

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

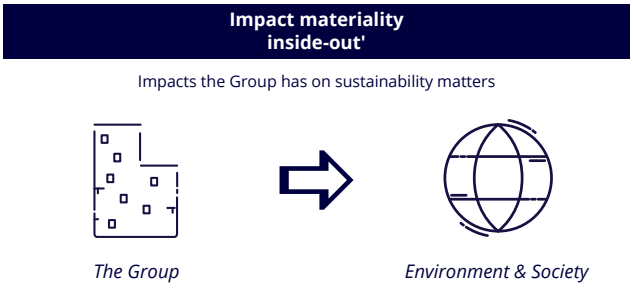
## 4 Impact, risk and opportunity management *(continued)*

These prioritised stakeholder groups[1] were consulted using a variety of engagement approaches, including surveys, interviews, media analysis and through the use of proxies (for regulators and employees).

Surveys requiring representatives to rank the identified ESG matters in order of importance were followed up with an interview per stakeholder group to allow for further discussion on the survey responses. This assessment was used as an additional consideration to aid in the determination of material matters for the Group, as an independent input from stakeholder representatives. Internal stakeholders were consulted via workshops / through questionnaires as part of the impact and financial materiality exercise.

[1] *Investors / shareholders, Regulators, Customers, Suppliers, Employees and Business partners.*

### Impact materiality




The impact materiality assessment was carried out through identifying and analysing the impact areas of the Group's business activities on the economy, environment, and people, including effects on human rights.

The purpose of impact assessment was to understand how the Group, not only through its own operations, but also through its various downstream exposure, is impacting ESG matters.

The preliminary impact assessment was based on an inherent approach and the initial assessment was conducted by mapping the Group's portfolio to a list of possible material impacts based on the sectors the Group is active in, using data from publicly available databases[1].

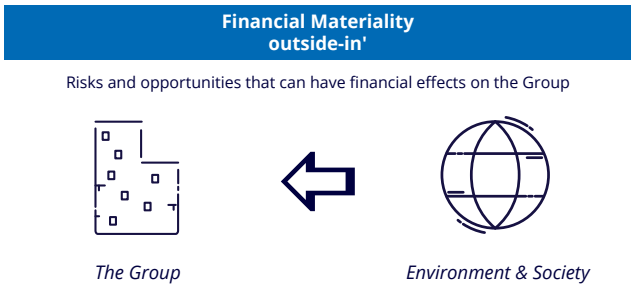
The list of identified impacts was subject to assessment by the Group's subject matter experts. The subject matter experts were allocated to different working groups for E, S and G topics based on their role in the Group and their specific area of expertise.

To ensure all internal experts were aware of the DMA, details in relation to the process to be undertaken, additional information on the DMA and the considerations relevant to the Group's strategy, were shared with the internal experts beforehand.

Each impact related to a sustainability (sub-) topic was scored based on the following criteria, as outlined in ESRS 1:

- **Scale:** How grave the negative impact is or how beneficial the positive impact is for people or the environment.
- **Scope:** How widespread the negative or positive impacts are. In the case of environmental impacts, the scope may be understood as the extent of environmental damage or a geographical perimeter. In the case of impacts on people, the scope may be understood as the number of people adversely affected.
- **Likelihood (only for potential impacts):** How likely is it that the potential impact will materialise i.e. the probability of occurrence.
- **Irremediable character (only for negative impacts):** Whether and to what extent the negative impacts could be remediated (restoring the environment or affected people to their prior state).

### Financial materiality




The purpose of the risk assessment was to understand how ESG issues can have an impact on the Group across its value chain. The Group recognises ESG factors represent a common risk driver across the Group's Principal Risk types.

A combination of quantitative and qualitative approach was used to assess the impact of ESG related risk factors on the Principal Risk types of the Group with reference to the good practices published by ECB and in line with the maturity observed across the market. The preliminary assessment was done on an inherent basis. The approach used in the assessment was in line with the Group's internal processes and prior assessments were leveraged, given the forward looking nature of these risks and consistent degree of impact on the Group's portfolio.

An exposure concentration approach was predominantly leveraged for credit risk by mapping the Group's corporate portfolio to external[2] industry and country scores to get an initial indication of the Group's portfolio that might be materially impacted by ESG related risk factors.

[1] *e.g. Encore, United Nations Environment Programme Finance Initiative (UNEP FI), Carbon Disclosure Project, World Wildlife Fund.*
[2] *e.g. Bloomberg, Encore, Sustainability Accounting Standards Board, Environment Performance Index Yale, Morgan Stanley Capital International.*

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 4 Impact, risk and opportunity management *(continued)*

The results were discussed in workshops separately with 1LOD and 2LOD to incorporate, amongst other things, knowledge of the Group and its business activities, a view on potential impact and probability of occurrence of these risks, as well as prior climate and other risk assessments carried out by the Group.

A qualitative approach was used to consider opinions/views from the Group experts (1LOD and 2LOD separately), on how ESG related risk factors could materialise and have an impact on the Group's other principal risk types (except credit risk).

For the assessment of opportunities, a qualitative approach was used to consider opinions/views from the Group experts via questionnaires / workshops, on how ESG opportunities could materialise for the Group.

Each risk / opportunity related to a sustainability (sub-) topic was assessed / ranked based on the following criteria, as outlined in ESRS 1:

- **Magnitude:** If the risk / opportunity does materialise, how bad will the financial impact be.
- **Likelihood**: How likely is it that the ESG risk aspect / opportunity will materialise i.e. the probability of occurrence.

The scores obtained from the subject matter experts were used to identify the material risks / opportunities as part of the financial materiality assessment, to incorporate knowledge of the Group and its business activities, as well as prior climate and other risk assessments carried out by the Group.

### Finalise and document

A topic was considered to have material impact from an outside-in perspective if it impacts a significant portion of the Group's portfolio and if the impact was considered as being critical for delivering on the Group's strategy and business model. Similarly, it was considered to be material from an inside-out perspective, if it causes a significant impact on ESG issues. Thresholds were selected by the Group subject matter experts to make sure that the Group focuses its reporting on sustainability matters that are material, considering the Group's specifics.

A completeness check was conducted to assess whether items below the threshold should potentially be moved above the threshold based on the results of other assessments such as external engagement (as described earlier) and based on the criticality of the topic in delivering the Group's strategy and sustainable business model.

This list of material topics was used to inform the Group disclosures for 2024 reporting.

### Governance

As part of the DMA, the Group had the following decision making process and controls in place:

- the Group obtained feedback from stakeholders who participated via questionnaires and workshops on the input used for the analysis as well as on the final results of the assessment;
- the Group ensured any manual adjustments were reviewed and data used for initial assessment was reconciled back to the Group's Pillar 3 report;
- the Group considered inputs from stakeholders (both internal and external) to finalise the output of the assessment by ensuring appropriate attendance in workshops and coverage through questionnaires and considering IROs across all aspects of the value chain; and
- the final results were approved jointly by CRC and GSC after being reviewed and challenged by 2LOD.

The DMA resulted in identifying eight 'Material' topics. The details on the associated material IROs are further outlined in the topical sections, while the table below outlines the materiality of sub-topics under each material topic.

### Non-Material topics

The environmental topics ESRS E2 (Pollution), ESRS E3 (Water and Marine resources), ESRS E4 (Biodiversity and Ecosystems) and ESRS E5 (Circular Economy) were assessed as 'Non-Material', through both the financial and impact materiality lens. This is closely aligned with the Group's internal expectations, strategic objectives, industry trends and in particular, with the specifics of the Group's portfolio. However, the Group acknowledges that the integration of these environmental considerations into business practices is evolving and the Group plans to revisit these topics as well as the associated IROs, as part of the annual DMA refresh.

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 4 Impact, risk and opportunity management *(continued)*

| | Material topics | Material sub-topics | I | R | O | Non-material sub-topics |
|---|---|---|---|---|---|---|
| E | ESRS E1 - Climate Change | Climate change adaptation | ✓ | ✓ | ✓ | n/a |
| | | Climate change mitigation | ✓ | ✓ | ✓ | |
| | | Energy | ✓ | ✓ | ✓ | |
| S | ESRS S1 - Own Workforce | Equal treatment and opportunities for all | | | ✓ | Other work-related rights |
| | | Working conditions | ✓ | | | |
| | ESRS S2 - Workers in the value chain | Other work-related rights | ✓ | ✓ | | n/a |
| | | Working conditions | | ✓ | | |
| | | Equal treatment and opportunities for all | | ✓ | | |
| | ESRS S3 - Affected communities | Communities' economic, social and cultural rights | ✓ | ✓ | ✓ | Communities' civil and political rights |
| | | | | | | Particular rights of indigenous communities |
| | ESRS S4 - Consumers and end users | Personal safety of consumers and / or end-user | ✓ | | ✓ | n/a |
| | | Information-related impacts for consumers and / or end-users | | ✓ | ✓ | |
| | | Social inclusion of consumers and / or end-users | | ✓ | | |
| G | ESRS G1 - Business Conduct | Corporate culture | ✓ | ✓ | ✓ | Political engagement and lobbying activities |
| | | Protection of whistle-blowers | ✓ | ✓ | | |
| | | Management of relationships with suppliers including payment practices | ✓ | ✓ | | Animal welfare |
| | | Corruption and bribery | ✓ | | | |
| Entity Specific | Housing | n/a - Entity specific topic | ✓ | ✓ | ✓ | n/a - Entity specific topic |
| | Digital Banking | | ✓ | ✓ | ✓ | |

### 4.2 Interaction of material IROs with strategy and business model

The impact materiality and financial materiality assessments were both carried out across the short, medium and long term time horizons. Short, medium and long-term horizon have respectively been defined as zero to three years, three to five years and five years+, for the purpose of this assessment. This is linked to the Group's strategic, financial and planning processes and aligned to the Group's Sustainability Strategy and targets.

Operational and financial planning is projected over a 1–3 year timeframe. The Group's near-term SBTs and Climate Transition Plan are aligned to 2025 and 2030 measures, and the long-term Net Zero Emissions commitment by 2050.

The assessment illustrated positive impact areas associated with the business and corporate banking activities (downstream) in Ireland and the UK. This included areas such as 'sustainable finance', 'human rights', 'ethical business practices' 'availability, accessibility, affordability, quality of products and services', 'healthy economies', 'socio-economic convergence', 'financial stability and wellbeing'.

As part of this assessment, ESG risk factors were identified to have a material impact on the Group's Principal Risk types. This included credit risk, business and strategic risk, operational risk, conduct risk and regulatory risk.

The identification of material impacts serves as the foundation for the identification of material sustainability opportunities, as they are often a result of these impacts. The Group recognises that dependencies on natural, human and social resources can be a source of financial risks and opportunities. Therefore, the Group considers the effect of such dependencies when assessing risks and opportunities as part of the DMA.

As part of the DMA, connections between IROs were considered during discussions of material IROs. This was conducted alongside the Group's subject matter experts to ensure potential threats were identified and are planned to be mitigated and opportunities for growth and improvement have been leveraged.

The assessment captured significant opportunities for the Group around 'sustainable finance', 'unlocking efficiency through digitalisation and strategic partnerships in banking', 'affordable home ownership' and 'competitive advantage of transparency and fairness in banking'.

Based on the results of the DMA, the ESRS topical standards require disclosures to be made for each material sustainability matter, including the description of material IROs identified, part of the value chain impacted and the expected time-horizon.

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 4 Impact, risk and opportunity management *(continued)*

Policies, actions, targets and metrics to address the material IROs identified as part of the DMA has been disclosed in the respective topical sections. The definition of targets can include a range of metrics to manage the impact, opportunity or risk e.g. business targets, risk metrics, key risk indicators (KRIs).

The Group's focus is on material ESG IROs aligning to science and best practice. The Group acknowledges that addressing the material IROs is imperative to upholding the Group's financial stability and safeguarding its reputation. Mitigating the risks identified in this assessment is critical to avert financial losses, protect the Group's reputation, and ensure compliance with regulations. This also enables the Group to capitalise on identified opportunities that are essential for enhancing the Group's competitiveness, attracting socially responsible investors, and promoting sustainable long-term growth.

The Group recognises that the ESG risks it faces need to be identified, assessed and managed on an ongoing basis to minimise the negative impact on the Group.

In the Group's key planning process, the Internal Capital Adequacy Assessment Process (ICAAP), the potential impact of transition and physical risk drivers is assessed for each key risk type over the short, medium and long-term.

At 31 December 2024, the Group recognised a provision for potential customer redress charges in connection with the Group's UK motor finance business historical commission arrangements (see page 385 for details).

### 4.3 Management of Material IROs

**Management of material risks**

The Group recognises ESG factors continue to be a growing agenda item for financial institutions and stakeholders. ESG risks and opportunities will continue to impact how the Group implements its strategy, business model, customer offering and how it manages risk in the Group.

The Group ESG RMF sets out the Group's approach to ESG risk management. ESG factors represent a common driver across the Group's Principal and Sub risk types. The Group applies a risk lens to ensure that the impact of ESG across the Group's risk types is considered on an ongoing basis and that the aggregate impact arising from ESG risk drivers is given appropriate consideration. While ESG risk management is managed through the Group's Principal and Sub risk types, the Group also has dedicated resources to lead the co-ordination of the Group's approach to ESG risk management, both in 1LOD and in 2LOD.

1LOD has the primary responsibility for managing the risk generated by their actions and this includes managing ESG factors. 2LOD has responsibility for ensuring the ESG risk factors are considered when executing second line responsibilities as set out in the Group RMF. The Group's Risk policies set out the risk mitigation requirements (RMRs) which are designed to ensure the Group has an extremely low probability of having risk outcomes outside of Risk Appetite. The implementation of these policies is monitored by the 2LOD risk owners.

ESG risk is defined in the Group as the risk to the Group that ESG factors could cause a material negative impact on:

- the Group's earnings, capital, franchise value or reputation;
- the Group's regulatory standing;
- the long-term sustainability of its customer's operations and financial wellbeing; and
- the communities and environment in which the Group and its customers operate.

The Group assesses the impact of ESG factors on an ongoing basis. These practices are evolving and continue to be enhanced and embedded in business activities. In parallel with ESG risk identification and assessment activities across the risk types, the Group also carries out material risks assessments annually, across the Group's Principal Risks.

The Group considers the significance of the information in relation to the material sustainability matter. This is considered alongside the capacity of the information to meet the needs of users of the Sustainability Report while disclosing the related policies/actions and targets.

More information on how the Group manages its material risk through policies, actions, internal limits and KRIs are covered under the respective topical sections.

**Management of material impacts and opportunities**

The Group has a set of overarching policies, standards and statements pertaining to sustainability matters. This creates an environment that enables delivery of its Sustainability Strategy whilst supporting management of its material impacts and opportunities. The Group takes actions to adhere to these policies in order to address material impacts and opportunities related to sustainability matters. More information on how the Group manages its material impacts and opportunities through policies, actions and targets are covered under the respective topical sections.

The Group's governance structure (see page 9) ensures that the Court and its committees, consider aspects of CSRD implementation, including the DMA, and how the identified material IROs are being managed through policies, actions and targets on a regular basis.

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## 4 Impact, risk and opportunity management *(continued)*

See the following matrix for the materiality of sub-topics within the eight material topics identified as part of the DMA:

**Material topics (sub-topics) identified as part of the DMA**

| Impact material | Impact and financially material (i.e. material from both inside-out and outside-in perspective) |
|---|---|
| S1 - Working conditions | E1 - Climate change adaptation |
| G1 - Corruption and bribery | E1 - Climate change mitigation |
| | E1 - Energy |
| | S2 - Other work-related rights |
| | S3 - Communities' economic, social and cultural rights |
| | S4 - Personal safety of consumers and / or end-users |
| | G1 - Corporate culture |
| | G1 - Protection of whistleblowers |
| | G1 - Management of relationships with suppliers including |
| | Housing |
| | Digital Banking |

| Non-material | Financially material |
|---|---|
| S1 - Other work-related rights | S1 - Equal treatment and opportunities for all |
| S3 - Communities' civil and political rights | S2 - Working conditions |
| S3 - Particular rights of indigenous communities | S2 - Equal treatment and opportunities for all |
| G1 - Political engagement and lobbying activities | S4 - Information-related impact for consumers and / or end-users |
| G1 - Animal welfare | S4 - Social inclusion of consumers and / or end-users |

Environment | Social | Governance | Entity-specific

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## Appendix A

List of disclosure requirements and related data points in cross-cutting and topical standards that derive from other EU legislation.

| Disclosure requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Applicable for the Group | Relevant page number |
|---|---|---|---|---|---|---|
| ESRS 2 GOV-1 Board gender diversity paragraph 21 (d) | Indicator number 13 of Table #1 of Annex 1 | n/a | Commission Delegated Regulation (EU) 2020/1816 (5), Annex II | n/a | Yes | 172 |
| ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) | n/a | n/a | Delegated Regulation (EU) 2020/1816, Annex II | n/a | Yes | 171 |
| ESRS 2 GOV-4 Statement on due diligence paragraph 30 | Indicator number 10 Table #3 of Annex 1 | n/a | n/a | n/a | Yes | 11 |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i | Indicators number 4 Table #1 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk | Delegated Regulation (EU) 2020/1816, Annex II | n/a | n/a - Group has no direct exposure to fossil fuels in energy and extraction. | n/a |
| ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii | Indicator number 9 Table #2 of Annex 1 | n/a | Delegated Regulation (EU) 2020/1816, Annex II | n/a | Yes | 46 |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii | Indicator number 14 Table #1 of Annex 1 | n/a | Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | n/a | n/a - Group is not active in this sector | n/a |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | n/a | n/a | Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | n/a | n/a - Group is not active in this sector | n/a |
| ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 | n/a | n/a | n/a | Regulation (EU) 2021/1119, Article 2(1) | Yes | 31 |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) | n/a | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2 | n/a | n/a - Group is not excluded from Paris-aligned benchmarking | n/a |

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## Appendix A *(continued)*

| Disclosure requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Applicable for the Group | Relevant Page number |
|---|---|---|---|---|---|---|
| ESRS E1-4 Greenhouse gas (GHG) emission reduction targets paragraph 34 | Indicator number 4 Table #2 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 6 | n/a | Yes | 58 |
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Group is a Financial Institution and does not belong to High climate impact sectors | n/a |
| ESRS E1-5 Energy consumption and mix paragraph 37 | Indicator number 5 Table #1 of Annex 1 | n/a | n/a | n/a | Yes | 71 |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | Indicator number 6 Table #1 of Annex 1 | n/a | n/a | n/a | n/a - Group is a Financial Institution and does not belong to High climate impact sectors | n/a |
| ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 | Indicators number 1 and 2 Table #1 of Annex | Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1) | n/a | Yes | 62 |
| ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55 | Indicators number 3 Table #1 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 8(1) | n/a | Yes | 62 |
| ESRS E1-7 GHG removals and carbon credits paragraph 56 | n/a | n/a | n/a | Regulation (EU) 2021/1119, Article 2(1) | Group does not participate in any carbon removal and carbon credit program | 71 |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | n/a | n/a | Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II | n/a | Yes | 49 |

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## Appendix A *(continued)*

| Disclosure requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Applicable for the Group | Relevant Page number |
|---|---|---|---|---|---|---|
| ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c). | n/a | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk. | n/a | n/a | Yes | 49 |
| ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c). | n/a | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral | Delegated Regulation (EU) 2020/1818, Annex I | n/a | Yes | 47 |
| ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | n/a | Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1 | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS E3-1 Water and marine resources paragraph 9 | Indicator number 7 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS E3-1 Dedicated policy paragraph 13 | Indicator number 8 Table 2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS E3-1 Sustainable oceans and seas paragraph 14 | Indicator number 12 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS E3-4 Total water recycled and reused paragraph 28 (c) | Indicator number 6.2 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29 | Indicator number 6.1 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS 2- SBM 3 - E4 paragraph 16 (a) i | Indicator number 7 Table #1 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## Appendix A *(continued)*

| Disclosure requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Applicable for the Group | Relevant page number |
|---|---|---|---|---|---|---|
| ESRS 2- SBM 3 - E4 paragraph 16 (b) | Indicator number 10 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS 2- SBM 3 - E4 paragraph 16 (c) | Indicator number 14 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) | Indicator number 11 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c) | Indicator number 12 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS E4-2 Policies to address deforestation paragraph 24 (d) | Indicator number 15 Table #2 of Annex 1 | n/a | | n/a | n/a - Not Material for the Group | n/a |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | Indicator number 13 Table #2 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 | Indicator number 9 Table #1 of Annex 1 | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f) | Indicator number 13 Table #3 of Annex I | n/a | n/a | n/a | Yes | 77 |
| ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g) | Indicator number 12 Table #3 of Annex I | n/a | n/a | n/a | Yes | 77 |
| ESRS S1-1 Human rights policy commitments paragraph 20 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I | n/a | n/a | n/a | Yes | 77, 78 |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | n/a | n/a | Delegated Regulation (EU) 2020/1816, Annex II | n/a | Yes | 78 |

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## Appendix A *(continued)*

| Disclosure requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Applicable for the Group | Relevant page number |
|---|---|---|---|---|---|---|
| ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22 | Indicator number 11 Table #3 of Annex I | n/a | n/a | n/a | Yes | 78 |
| ESRS S1-1 Workplace accident prevention policy or management system paragraph 23 | Indicator number 1 Table #3 of Annex I | n/a | n/a | n/a | Yes | 78 |
| ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c) | Indicator number 5 Table #3 of Annex I | n/a | n/a | n/a | Yes | 80 |
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | Indicator number 2 Table #3 of Annex I | n/a | Delegated Regulation (EU) 2020/1816, Annex II | n/a | n/a - Not Material for the Group | n/a |
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) | Indicator number 3 Table #3 of Annex I | n/a | n/a | n/a | n/a - Not Material for the Group | n/a |
| ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) | Indicator number 12 Table #1 of Annex I | n/a | Delegated Regulation (EU) 2020/1816, Annex II | n/a | Yes | 89 |
| ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b) | Indicator number 8 Table #3 of Annex I | n/a | n/a | n/a | Yes | 89 |
| ESRS S1-17 Incidents of discrimination paragraph 103 (a) | Indicator number 7 Table #3 of Annex I | n/a | n/a | n/a | Yes | 89 |
| ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a) | Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I | n/a | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1) | n/a | Yes | 89 |
| ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b) | Indicators number 12 and n. 13 Table #3 of Annex I | n/a | n/a | n/a | Yes | 91 |

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## Appendix A *(continued)*

| Disclosure requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Applicable for the Group | Relevant page number |
|---|---|---|---|---|---|---|
| ESRS S2-1 Human rights policy commitments paragraph 17 | Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1 | n/a | n/a | n/a | Yes | 93 |
| ESRS S2-1 Policies related to value chain workers paragraph 18 | Indicator number 11 and n. 4 Table #3 of Annex 1 | n/a | n/a | n/a | Yes | 91 |
| ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | Indicator number 10 Table #1 of Annex 1 | n/a | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | n/a | Yes | 92, 94 |
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19 | n/a | n/a | Delegated Regulation (EU) 2020/1816, Annex II | n/a | Yes | 91, 93 |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 | Indicator number 14 Table #3 of Annex 1 | n/a | n/a | n/a | Yes | 92, 93 |
| ESRS S3-1 Human rights policy commitments paragraph 16 | Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1 | n/a | n/a | n/a | Yes | 104 |
| ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17 | Indicator number 10 Table #1 Annex 1 | n/a | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | n/a | Yes | 104 |
| ESRS S3-4 Human rights issues and incidents paragraph 36 | Indicator number 14 Table #3 of Annex 1 | n/a | n/a | n/a | Yes | 99 |

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## Appendix A *(continued)*

| Disclosure requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU Climate Law reference | Applicable for the Group | Relevant page number |
|---|---|---|---|---|---|---|
| ESRS S4-1 Policies related to consumers and end-users paragraph 16 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1 | n/a | n/a | n/a | Yes | 115 |
| ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17 | Indicator number 10 Table #1 of Annex 1 | n/a | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | n/a | Yes | 115 |
| ESRS S4-4 Human rights issues and incidents paragraph 35 | Indicator number 14 Table #3 of Annex 1 | n/a | n/a | n/a | Yes | 107, 108 |
| ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b) | Indicator number 15 Table #3 of Annex 1 | n/a | n/a | n/a | n/a - there is a policy | n/a |
| ESRS G1-1 Protection of whistle-blowers paragraph 10 (d) | Indicator number 6 Table #3 of Annex 1 | n/a | n/a | n/a | n/a - there is a policy | n/a |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | Indicator number 17 Table #3 of Annex 1 | n/a | Delegated Regulation (EU) 2020/1816, Annex II) | n/a | Yes | 121 |
| ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b) | Indicator number 16 Table #3 of Annex 1 | n/a | n/a | n/a | Yes | 121 |

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## Appendix B

Disclosure requirements in ESRS covered by the undertaking's Sustainability statement.

| Topic | DR | Page |
|---|---|---|
| ESRS 2 | BP-1 | 8 |
| ESRS 2 | BP-2 | 8 |
| ESRS 2 | GOV-1 | 9 |
| ESRS 2 | GOV-2 | 9 |
| ESRS 2 | GOV-3 | 235, 238, 240, 242[1] |
| ESRS 2 | GOV-4 | 11 |
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| ESRS E1 | E1.SBM-3 | 38 |
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| ESRS E1 | E1-3 | 57 |
| ESRS E1 | E1-4 | 58 |
| ESRS E1 | E1-5 | 71 |
| ESRS E1 | E1-6 | 64 |
| ESRS E1 | E1-9 | 46 |
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| ESRS S1 | SBM-3 | 19, 76, 81 |
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| ESRS S1 | S1-2 | 80 |
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| ESRS S1 | S1-8 | 88 |

| Topic | DR | Page |
|---|---|---|
| ESRS S1 | S1-9 | 88 |
| ESRS S1 | S1-10 | 89 |
| ESRS S1 | S1-16 | 89 |
| ESRS S1 | S1-17 | 89 |
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| ESRS S4 | S4-2 | 108 |
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[1] *Page reference in the BoIG plc Group Annual Report 2024.*

# Sustainability statement *(ESRS 2 General Disclosures) (continued)*

## Appendix C

Disclosure requirements being covered through incorporation by reference to other sections of the Annual Report.

| Topic | DR | Content | Page reference |
|---|---|---|---|
| ESRS 2 | GOV-1 | Your Court, Court Committees, Court Diversity, skills and experience, the Court's Professional Development and Continuous Education Programme | 164, 169, 171, 172 |
| ESRS 2 | GOV-3 | Remuneration Report | 235, 238, 240, 242[1] |
| ESRS 2 | SBM-1 | Our strategy, Sustainability summary | 9[1], 4 |
| ESRS 2 | SBM-2 | Stakeholder engagement | 175 |
| ESRS 2 | SBM-3 | Current financial effects | 385 |
| ESRS E1 | E1.GOV-3 | Remuneration Report | 240[1] |
| ESRS E1 | E1.IRO-1 | ESG Risk Lens | 296[1] |
| ESRS G1 | G1.GOV-1 | Court Composition and succession | 169 |
| ESRS S1 | S1-6 | Number of staff reported on a Full Time Equivalent (FTE) basis | 324 |
| ESRS S3 | S3-4 | Divisional review - Corporate and Commercial | 169[1] |
| ESRS S4 | S4-4 | Actions focused on S4 Risk-1 | 385 |

[1] *Page reference in the BoIG plc Group Annual Report 2024.*

# Sustainability statement *(continued)*

## ESRS E1 Climate Change



## 1 Transition plan

### 1.1 The Group's Climate Transition Plan

**Introduction**

As a signatory to the UNPRB, the Group has committed to aligning its strategy and practices with the Paris Climate Agreement. The Group's Climate Transition Plan (formerly the Group's Five Point Climate Action Plan) outlines the key role it plays in facilitating Ireland's green transition to a low-carbon economy and its efforts to reduce its own impact on the environment. In 2021, the Group first published its Climate Action Plan (referred to as the Climate Transition Plan from here on), as part of its Sustainability Strategy.

Since launching this strategy, the Group has made significant progress on supporting the move towards a net zero economy. In 2022, the Group became the first Irish bank to have its Science Based Targets on GHG emission reduction validated by the SBTi covering all the Group's operations and 71% of its FY20 baseline loan book. The Group SBTs are classified as 1.5°C aligned by the SBTi and cover Scope 1 and 2 emissions present in our operations and Scope 3 emissions in our downstream value chain[1].

[1] *Coverage excludes Davy from Scope 1 and 2 coverage and Davy and New Ireland from Scope 3 coverage. Within Scope 3 target set, residential and CRE lending targets are <2°c aligned.*



# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 1 Transition plan *(continued)*

The Group has also made significant progress towards achieving its related Sustainable Finance loan targets for customers of c.€15 billion by 2025 and c.€30 billion by 2030.

### Strategy integration of climate transition plan

In March 2023, the refreshed Group Strategy for 2023 to 2025 was launched. The strategy is built on three pillars:

- Supporting the Green Transition;
- Enhancing Financial Wellbeing; and
- Enabling Colleagues to Thrive.

The Green Transition pillar is supported by the Group's Climate Transition Plan, which was published as part of the Group's Sustainability Strategy. This plan addresses the Group's targets, actions and resources for its transition towards a lower-carbon economy.

### Court oversight of the climate transition plan

The Court is collectively responsible for the long-term sustainable success of the Group and for ensuring there is a strong corporate structure in place, which is aligned with the Group's strategy and purpose. On behalf of the Court, the GSC oversees the development and implementation of the Group's Sustainability Strategy and Climate Transition Plan. As part of that role, the GSC oversees progress against Climate transition targets set under the Sustainability Strategy, with any material changes to, or proposed new targets / commitments recommended to the Court for approval.

During 2024, the GSC approved a formal update to the Group's plan, to bring it into alignment with CSRD requirements on Climate Transition Plan.

### Emission reduction targets - SBTs

The Group is committed to working with its customers, colleagues and communities to support their transition to a resilient, low carbon 1.5°C aligned economy by 2050, in line with the Irish and UK governments' ambitions and actions. Having its GHG targets validated to the global SBTi standard reinforces the credibility of the Group's commitment to assisting Ireland in achieving its climate targets. The SBTs guide and measure the impact of the Group's progress towards this objective.

Whilst the Group has different targets by lending portfolio, in setting the targets in the published statement the Group is committed to facilitate the transition to a low carbon 1.5°C aligned economy through its core financing capabilities, enabling customers to reduce their emissions.

The Group has committed to reducing its scope 1, 2 and 3 GHG emissions to meet its stated targets below:

- a 49% reduction in emissions (Scope 1 and 2) by 2030 and Increase sourcing of renewable electricity to 100% by 2025;
- a 48% reduction in Residential mortgage portfolio GHG emissions per square metre by 2030 from a 2020 base year;
- a 56% reduction in CRE portfolio GHG emissions per square metre by 2030 from a 2020 base year; and
- 76% reduction in Electricity generation project finance portfolio GHG emissions per kilowatt hour (kWh) by 2030 from a base 2020 year.

The Group has also committed to achieving:

- 25% of its long-term corporate lending (weighted by financed emissions) setting SBTi validated targets by 2025; and
- 25% of its corporate bond customers (weighted by investment value) setting SBTi validated targets by 2025.

As some of the targets run only till end of 2025, the Group is planning an update to its SBTs in 2025, in preparation for the next 2026 to 2028 Group strategic cycle. This update will be based on the latest SBTi methodology guidelines and will broaden coverage to address business model changes that have occurred since the targets were set.

### Sustainable finance targets

In support of the SBTi-approved emission reduction targets the Group is committed to:

- providing customers with sustainable products and services, such as green residential mortgages, renewable energy project financing and Electric Vehicle (EV) financing, supported by its green bond programme; and
- continuing to develop its suite of green finance products offered to customers.

The Group is taking these actions because it understands the vital role it can play in facilitating the transition to a low-carbon economy. In March 2023, the Group extended its Sustainable Finance lending targets to c.€15 billion by 2025 and c.€30 billion by 2030. As the Group progresses towards these targets, it provides updates to its stakeholders through its standard market disclosures. Sustainable financing and the Group's Sustainable Finance Framework are defined further in page 44 and 53 respectively.

### Net zero in own operations by 2030

While the Group's primary focus in its own operations to date has been on carbon reduction activities, it has been making preparations with respect to carbon offsetting that will be required to achieve its Net Zero in its own operations by 2030 objective. During 2024, it has developed a carbon offsetting policy that will guide Group's action to neutralise residual (5-10%) GHG emissions in its own operations.

### CapEx investments

In support of the Climate Transition Plan, the Group is delivering a series of specific CapEx investments to decarbonise and increase the energy efficiency of the Group's property estate.

The Group has planned investment of €3 million over three years in energy efficiency improvements across a number of sites, including the IT Centre in Cabinteely, to support its target of achieving net zero in own operations by 2030. The Group has implemented a range of initiatives to minimise the environmental impact of its operations, and this latest investment increases renewable energy consumption in its IT Centre, which is both clean and cost effective.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 1 Transition plan *(continued)*

These interventions will ensure that the Group makes further progress on its climate targets, which include making its own operations net zero by 2030.

| €3 million investment in decarbonisation and energy efficiency | |
|---|---|
| **2024**<br>*€0.8 million* | **€0.7 million Heat Pump Installation**<br>*Cabinteely IT Centre*<br><br>**€0.1 million Solar Panel Array Installation**<br>*Cabinteely IT Centre* |
| **2025-26**<br>*€2.2 million* | **€2.2 million dedicated budget for 2025-26 projects**<br>*Projects include Heat Pump installation for Baggot Plaza Head Office.* |

In addition, the Group has invested c.€5.5 million in energy-efficient LED lighting for its branches across Retail RoI and Retail UK to reduce its carbon footprint.

| €5.5 million investment in LED lighting across RoI and UK | |
|---|---|
| **2023-2025**<br>*€5.5 million* | **€4.8 million LED Lighting installation across RoI properties**<br><br>**€0.7 million LED Lighting installation across UK properties** |

The Group intends to capitalise the cost of this planned CapEx to Fixed Assets on the Balance Sheet.

### OpEx investments

OpEx investment in support of the Climate Transition Plan materially relates to the resourcing integrated into the Group's business model. The Group does not consider the planned OpEx to be significant for the Group. The Group continually assesses its resourcing and capability requirements in respect of the implementation of the Climate Transition Plan and flexes its resource base according to the planned level of activity and delivery.

The Group's execution and implementation of the Climate Transition Plan is supported by operational plans that have seen the Group's progress tracked against milestones on a quarterly basis across the 2021 to 2025 period. To meet these objectives on an ongoing basis the Group applies a Hub and Spoke Operating Model for the implementation of the Group's Sustainability Strategy and climate transition plan interventions. This sees central dedicated resources in the Group sustainability function reporting to the CSIRO, with sustainability leads across the divisions.

The Group sustainability function provides strategy governance and implementation oversight, project delivery as well as subject matter expertise on key delivery areas including SBTs, sustainable finance, risk management and reporting. Dedicated sustainability leads are in place within the divisions to ensure divisional level activities are adequately resourced and delivered across product development, training and risk management procedures.

The management of climate risk drivers is integrated into the framework that the Group has in place for its established risk types. See page 296 in the BoIG plc Group Annual Report 2024 for more details on the Group's ESG RMF.

The Group continually updates its resourcing to ensure that the appropriate mix of internal and external resources are deployed to meet the Group's business objectives. Resourcing requirements are quantified on an ongoing basis against delivery plans to meet objectives. Delivery plans draw on central, divisional and external resources as required to ensure the right blend of capabilities is in place for delivery. This ensures that the Group has sufficient ability as well as availability of resource to implement planned actions as part of the Group's climate transition plan.

Where subject matter expertise is not available internally on evolving topics – external resources are onboarded on a specific project basis with knowledge transfer as a key objective. The Group is continuing to build its internal capabilities in response to evolving requirements, with sustainability skills development a focus. See page 172 for more details on sustainability skills within the Group.

### Climate standards implemented

The following key relevant standards and methodologies have been used to ensure GHG emission reduction targets are science based and compatible with limiting global warming to 1.5°C:

- **Partnership for Carbon Accounting Financials (PCAF), the Global GHG Accounting and Reporting Standard for the Financial Industry. First edition. (PCAF Standard):** first published in 2020 which seeks to standardise GHG accounting and reporting for the finance industry.
- **SBTs, Financial Sector SBT Guidance. Version 1.0. (SBTi Finance Guidance):** The SBTi is a partnership between Carbon Disclosure Project (CDP), the United Nations Global Compact, World Resources Institute (WRI) and the World Wildlife Fund (WWF) World Wide Fund for Nature, which provides guidance and validation for GHG emissions target setting.

The SBTi-approved emission reduction targets are gross targets, and do not include GHG removals, carbon credits or avoided emissions as a means of achieving the GHG emission reduction targets (note: the related own operations net zero target allows for up to 10% carbon offsets following at least 90% carbon reduction). Target reductions in carbon emissions are assigned to each asset class / sector in line with the Paris Climate Agreement, similar to reductions governments are setting across sectors.

The target setting approach identifies a baseline at 2020 and:

- 2030 reduction targets based on emissions intensity; or
- 2025 targets based on SBT portfolio coverage.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 1 Transition plan *(continued)*

The Group has used sector specific mandated formulae measuring emissions and set targets under the Sector Decarbonisation Approach (SDA), i.e. a reduction in financed-GHG emissions from a baseline, to measure targets for the following portfolios - Residential mortgages, CRE and electricity generation (project finance).

For both Corporate lending (excluding CRE) and Bank bonds portfolios, the Group has used Portfolio Coverage Approach (PCA), i.e. where the percentage of the portfolio with SBTi-approved reduction targets, must meet a target level of coverage. Lending divisions that are in scope of the SBTs are Retail Ireland, Retail UK and Corporate and Commercial.

### Locked-in GHG emissions

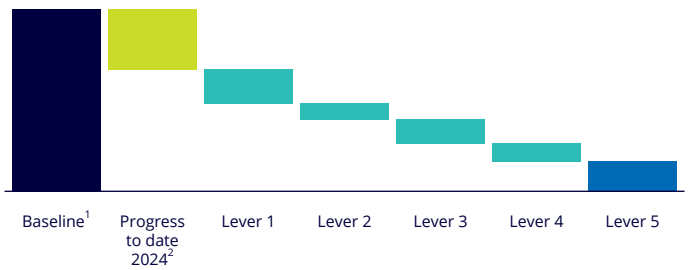
Locked-in GHG emissions can include fossil-fuel powered fleet, infrastructure, facilities or other products with a long life cycle. In terms of the Group's operational emissions, locked in emissions are minimal as the Group's electricity supply is 100% renewables and its car fleet are leased assets which it plans to cycle to EVs as individual leases fall due. It is the Group's target to reduce its operational emissions by at least 90% and neutralise the residual (5-10%) GHG emissions.

The more material emissions associated with the Group's business activities are those in its lending portfolio and its portfolio replenishment will see turnover and decarbonisation of assets in line with its business objectives and SBTs:

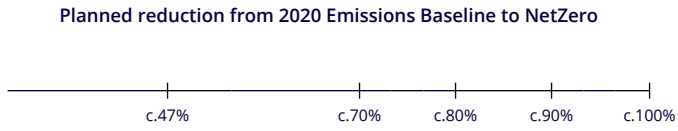
- the Group's commercial lending has an average maturity of c.6 years, with project financing of renewable electricity having a current average maturity of c.10 years. The strategy will be the decarbonisation of the lending portfolio and is supported by controls on the financing of fossil fuel and carbon intensive business activities;
- the Group's mortgage lending portfolio is similarly geared for decarbonisation and the minimisation of locked-in emissions;
- the mortgage portfolio has an SBT to reduce emissions by c.48% by 2030;
- the introduction of the EcoSaver Mortgage product to incentivise energy efficiency and emission reduction on new and existing mortgages; and
- the Group's motor finance portfolios have personal financing terms limited to five years on petrol / diesel cars and the Group expects the portfolio to decarbonise in line with the market adoptions of EVs.

## 1.2 Decarbonisation levers

The Group has defined Decarbonisation levers for its lending book and own operations to demonstrate its commitment to GHG emission reduction and to meet the SBTs. The details of the Decarbonisation levers are described below:

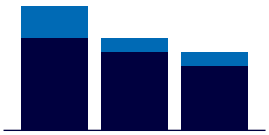
| Levers to achieve Net Zero in own operations by 2030 | Own operations Net Zero Plan |
|---|---|
| **Levers 1 and 2 to achieve 70% reduction**<br>*Building Energy Efficiency:* Replacement of gas boilers with heat pumps and solar panels.<br>*Building Fuel Switching:* Replacing kerosene with hydrogenated vegetable oil (HVO) in legacy heating systems.<br>**Lever 3 to achieve 80% reduction**<br>*Car Fleet Electrification:* Transition of the Group's Car Fleet to electric vehicles over a multi-year period as leases renew over the 2024-2028 period.<br>**Lever 4 to achieve 90% reduction**<br>*Further Efficiencies:* Supported by implementation of new ISO standard to complement existing Energy Management System.<br>**Lever 5 to achieve Net Zero**<br>*Carbon Offsetting:* In line with CSRD guidance, the Group has established Carbon Offsets Policy in FY2024 to source appropriate instruments to offset permittable residual emissions by 2030 (10% of 2020 baseline). |  |

[1] *Baseline Emissions 2020: Scope 1+2 of 6,238 tCO2e (100%).*
[2] *Progress to date 2024: 47% reduction in baseline emissions.*

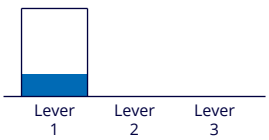


# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 1 Transition plan *(continued)*

| Asset class | Decarbonisation levers | | | |
|---|---|---|---|---|
| **Residential mortgages**<br>*€43.7 billion (52% of lending in 2024)*<br><br>**Science Based Targets**<br>*Reduce GHG emissions 48% per square meter by 2030 from a 2020 base year (emissions intensity of 46 $kgCO_2/m2$).* | **Lever analysis 2020-30 2020 SBT Setting**<br>  <br><br>Key focus for the Group to provide Sustainable Finance support to improve housing stock energy efficiency | **Lever 1- Improving energy efficiency of housing stock**<br><br>■ **Reduction in range of 25%-35%**<br><br>Level of property decarbonisation in the mortgage portfolio in line with increasing energy efficiency in market housing stock. | **Lever 2 - Impact of greening of grid**<br><br>■ **Reduction in range of 5%-15%**<br><br>Decrease of household emissions attributed to the 'greening' of the electricity grid. | **Lever 3 - Impact of the Group portfolio choices**<br><br>■ **Reduction in range of 5%-15%**<br><br>Focus on energy efficiency propositions and shift in mortgage portfolio mix towards RoI jurisdiction where housing stock is expected to decarbonise at quicker rate. |
| **Commercial real estate**<br>*€5.4 billion (6% of lending in 2024)*<br><br>**Science Based Targets**<br>*Reduce GHG emissions 56% per square meter by 2030 from a 2020 base year (emissions intensity of 73 $kgCO_2/m2$).* | **Lever analysis 2020-30 2020 SBT Setting**<br>  <br><br>Key focus for the Group to provide Sustainable Finance support to improve CRE stock energy efficiency | **Lever 1 - Impact of Government led / market driven action to retrofit existing property stock**<br><br>■ **Reduction in range of 25%-35%**<br><br>Level of property decarbonisation in the CRE portfolio in line with increasing energy efficiency in market stock. | **Lever 2 - Impact of greening of grid**<br><br>■ **Reduction in range of 25%-35%**<br><br>Decrease of commercial property emissions attributed to the 'greening' of the electricity grid. | **Lever 3 - New builds in period**<br><br>■ **Reduction in range of 5%-15%**<br><br>Increased proportion of property in the portfolio at 2030 built to energy efficient regulations during 2020-30. |
| **Electricity generation project finance**<br>*€0.3 billion (0.3% of lending in FY24*<br><br>**Science Based Targets**<br>*Reduce GHG emissions 76% per kWh by 2030 from a 2020 base year (emissions intensity of 0.155 $kgCO_2e$/ kWh).* | **Lever Analysis 2020-30 2020 SBT Setting**<br>  <br> | **Lever 1 - Increase level of lending support to renewable energy**<br><br>■ **Reduction to achieve 76% target**<br><br>Key focus for the Group to provide sustainable finance support to renewable energy sector. Build support to the renewables sector up to 2030 through a range of technologies including onshore wind, offshore wind and solar. | | |

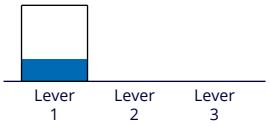
■ Reduction in emissions intensity ■ Emissions intensity post lever impact

| Asset class | Decarbonisation levers | | | |
|---|---|---|---|---|
| **Corporate loan: other long-term debt**<br>*€7.0 billion (8% of lending in FY24)*<br><br>*Science Based Targets*<br>*25% of portfolio by financed emissions setting SBTi validated targets by 2025 from a 2020 base year (portfolio coverage of 0%).* | **Lever Analysis 2020-30 2020 SBT Setting**<br>  <br> | **Lever 1 – Support customers and Government led / market driven action to drive adoption rates of SBTs**<br><br>■ **Increase portfolio coverage to achieve 25% target**<br><br>The Group will proactively engage with its corporate customer base and through industry initiatives to promote adoption of SBTs and to support customer plans through Sustainable Finance products and supports. | | |

■ Portfolio coverage post lever impact

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 1 Transition plan *(continued)*

| Asset class | Decarbonisation levers | |
|---|---|---|
| **Corporate bonds**<br>***€0.8 billion*** *of bonds held in FY24*<br><br>**Science Based Targets**<br>***25%*** *of portfolio by invested value setting SBTi validated targets by 2025 from a 2020 base year (portfolio coverage of 0%).* | **Lever Analysis 2020-30**<br>**2020 SBT setting**<br>  <br> | **Lever 1 – Support customers and Government led / market driven action to drive adoption rates of SBTs**<br><br>■ **Increase portfolio coverage to achieve 25% target**<br><br>The Group will proactively engage and advocate through industry initiatives to promote adoption of SBTs among peer banks. |

■ Portfolio coverage post lever impact

### 1.3 Progress against the plan

The Group discloses its progress against the plan annually. Details on progress against each element of the plan in 2024 is highlighted below:

| Climate Transition Plan | Objective | Key actions and achievements in 2024 | Targeted actions in 2025 |
|---|---|---|---|
| **Science based targets** | ***Target outcome:***<br>Alignment with decarbonisation goals of the Paris Climate Agreement.<br><br>***Success measured by:***<br>Meeting our validated SBTs covering our own operations and 71% of our lending. Targets as compared to baseline has been highlighted in table above. See page 58. | Accelerating progress during 2024 is in line with the Group's expectations:<br>• **Own operations decarbonisation:** By 2024 the Group achieved a 47% reduction[1] in absolute scope 1 and 2 GHG emissions and has sourcing agreements in place for 100% renewable electricity for all our operations as it concludes the year.<br>• **Lending decarbonisation:** reductions in emissions intensity accelerated in 2024 across portfolio.<br>• **Residential mortgages emissions:** were down 14% by end 2024 (down 6% by end 2023).<br>• **Commercial real estate emissions:** were down 28% by end 2024 (down 11% by end 2023).<br>• **Electricity generation project finance emissions:** were down 32% by end 2024 (down 28% by end 2023).<br>• **SBT lending coverage:** 2025 corporate coverage target of 25% now exceeded as large corporate customers continue to adopt SBTs. | To report further progress towards our SBTs as the Group executes its strategy to further decarbonise our customer lending during 2025. See page 34 for planned actions to mitigate climate change and achieve the SBTs as part of the Group's transition plan. |
| **Providing sustainable finance[2]** | ***Target outcome:***<br>Support the delivery of national climate plans in Ireland and the UK.<br><br>***Success measured by:***<br>Meeting our sustainability related finance targets of c.€15 billion by 2025 and c.€30 billion by 2030. | • Sustainability related finance increased by 32% in 2024 from.€11.1 billion to €14.7 billion with the Group on track to meet near-term lending target of €15 billion during 2025.<br>• Significant product innovation with continued expansion of our Sustainable Finance solutions for the key sectors in transition (Property, Agriculture, Business, Transport and Energy) including:<br>– *Property:* The launch of EcoSaver Mortgage which incentivises energy efficiency home improvements through tiered pricing linking the Energy Performance Certificate (EPC) rating to a discount to the mortgage rate. The Group is also partnering on the Home Energy Upgrade Loan Scheme which is a government-backed longer term, lower cost loan scheme, supporting grant-aided energy efficiency upgrades;<br>– *Food-Agri:* Continuing rollout of Enviroflex product to support farmers in implementing sustainable farm practices. Latest co-op partnership now available to two-thirds of all Irish dairy farmers; and<br>– *Business:* The Group is partnering on the Growth and Sustainability Loan Scheme which is a government-backed longer term, lower cost loan scheme, supporting eligible businesses and farmers to invest in climate action and environmental sustainability. | Continue to increase sustainable financing on a linear path towards long-term 2030 strategic target of c.€30 billion. |

[1] *Reduction from 2020 baseline does not include Davy which was acquired by the Group in 2022.*
[2] *See page 53 for more details on the Group's Sustainable Finance Framework and other relevant policies (including the Sector exclusion statement).*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

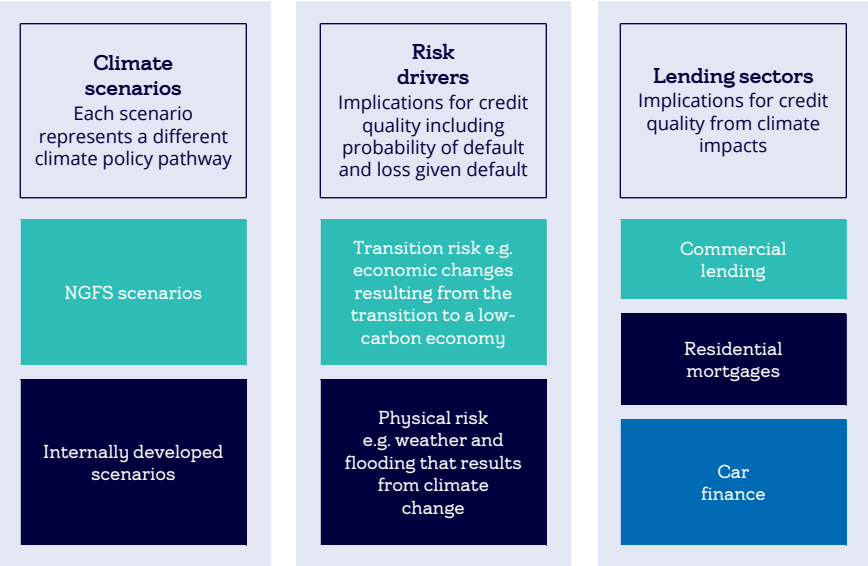
## 1 Transition plan *(continued)*

| Climate Transition Plan | Objective | Key actions and achievements in 2024 | Targeted actions in 2025 |
|---|---|---|---|
| **Decarbonise our own operations** | ***Target outcome:*** Obligation to deliver our products and services in a sustainable manner.<br><br>***Success measured by:*** Make our own operations net zero by 2030. | • Key initiatives to drive energy efficiency and carbon reductions during 2024 and delivered a reduction from 2020 baseline of 5% (c.300 $tCO_2e$) included:<br>– installation in the Cabinteely IT Centre of a new 100 kWp Solar PV renewable electricity system and a new heating system with a 450 kW Electric Heat Pump;<br>– replacing kerosene with hydrotreated vegetable oil;<br>– continued certification of the ISO 50001 Energy Management Standard (EMS) and transition from fossil fuels to electric heating systems in the branch network; and<br>– review conducted across retail/admin sites to optimise efficiencies in use of hot water, air conditioning and heating systems. | Ongoing implementation of decarbonisation initiatives including further heat pump installations and decarbonisation of the Group's car fleet in line with Climate Transition Plan. |
| **Manage climate related risks** | ***Target outcome:*** Build resilience by embedding climate risk impacts in our decision making processes.<br><br>***Success measured by:*** Implementation of ECB's guidance on the management of climate-related and environmental risks. | • Implementation of the Group's multi-year climate action plan to embed climate risk management in line with regulatory guidance.<br>• Embedded climate related impacts into our processes for our own operations, in lending and investment decisions and the advice we give our customers.<br>• The addition of climate risk metrics into the Group's Risk Appetite Framework in support of the Group's decarbonisation targets and to de-risk the lending book, including limits on fossil fuel related activities.<br>• Integration of climate change into the measurement of credit impairment loss allowances. | Build on the infrastructure implemented for climate risk management to continually mature and to address the broader scope of ESG risk management in line with European Banking Authority (EBA) guidelines. |
| **Transparently report our progress** | ***Target outcome:*** Need to report on progress in supporting the green transition to our stakeholders.<br><br>***Success measured by:*** Alignment of our disclosures with expectations of regulators, ESG rating agencies and our shareholders. | • FY23 and FY22 winner of the 'Sustainability ESG reporting (listed entities)' award for our sustainability disclosures by Chartered Accountants Ireland.<br>• Progress reporting ongoing progress against climate targets for decarbonisation and sustainable finance development, supported by the publication of the Group's Sustainable Finance Framework.<br>• Increased disclosure on key climate metrics to include financed emissions in line with Pillar 3 disclosures.<br>• Maturing the reporting framework, with increased level of controls and assurance.<br>• Strengthened alignment of our climate disclosures with expectations of regulators across Ireland and the UK. | Continuous improvement of our climate disclosures to ensure ongoing alignment with the requirements and expectations of our external stakeholders. |

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs

### 2.1 Climate scenario analysis




Supporting the green transition also requires the Group to assess its own resilience to climate change. To address this requirement, the Group has been continually developing its scenario analysis and stress testing capabilities in line with emerging industry methodologies and regulatory guidance. Given the long time horizon associated with climate change, scenario analysis is considered a key tool to inform strategic direction and risk management.

**Critical assumptions**

The Group's starting point for modelling is the climate-related risks are climate scenarios published by the Network of central banks and Supervisors for Greening the Financial System (NGFS). The NGFS has developed the scenarios, each of which reflects a different climate policy pathway to provide a common starting point for the financial sector to analyse physical and transition climate-related risks. During 2023, the Group developed internal scenarios and methodologies to quantify the potential impact of climate-related risks across its commercial and retail customer lending portfolios.

Each scenario has a separate risk driver profile (made up of both physical and transitional risks) that have implications for credit quality, including the probability of default (PD) and loss given default (LGD).

Both the NGFS and internal scenarios consider the macroeconomic implications of the green transition. This includes implications across sensitive industry sectors such as energy, agriculture, transport and manufacturing as well as asset types including property and vehicles. Base-case pathways assume orderly transitions to a more sustainable economic model. They inform and motivate the Group's strategies to support that transition through its:

- sustainable finance and decarbonisation targets aligned to transitional scenario pathways; and
- risk appetite where the Group restricts lending to potentially sensitive sectors which it believes could cause environmental harm at odds to the transition objectives, including fossil fuel sectors.

These scenarios and their associated risk profiles are applied to lending sectors (e.g. commercial lending, residential mortgages and car finance) to understand the implications for credit quality for that sector.

**Resilience analysis (stress testing)**

While the scenarios help guide portfolio steering towards the Group's objectives, we believe it is critical that a range of scenarios is used to examine adverse future pathways. In addition to the base-case scenarios the Group uses adverse climate scenarios in stress testing the resilience of the Group's financial position and business processes to potential negative outcomes arising from climate change. These scenarios consider disruptive transitional policies with downside implications for the broader macroeconomy and the effects of physical climate change impacting on economic activity and asset values. This resilience analysis is used to size the materiality of potential risk events to ensure that the Group has adequate financial resources to absorb potential impacts and to plan the execution of preventative mitigating actions.

To ensure that the Group is prepared for a range of climate change outcomes, the Group has integrated these scenarios into the Group's forward planning processes within the strategic Internal Capital Adequacy and Assessment Process (ICAAP) – see below. Across the range of base and stress scenarios, quantitative data-led analysis of the Group's lending portfolio is used to identify potential areas of risk exposure by using:

- macroeconomic modelling to assess the economic impacts of severe climate change including higher costs and lower output in sectors most sensitive to climate change;
- energy efficiency profiling of the Group's residential and commercial property portfolios to assess the potential for falls in collateral values for less energy efficient properties;

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

- information on vehicles within the Group's motor finance portfolios to assess implications for residual values that may arise due to disruptive shifts from petrol and diesel vehicles to electric vehicles; and
- the potential for physical risk and flood events in its core ROI and UK markets leading to property damage and disruption for businesses. This includes the localised physical risk assessment for properties in RoI and UK that are residential or commercial property collateral for lending exposures. This is further outlined in page 49.

This provides a quantitative basis for assessment of the potential impacts of climate change and informs the Group's assessment of capital requirements and mitigating actions through the Group's Risk Management Framework and the ICAAP.

**Mitigating actions and capital resources**

The ICAAP is a key annual planning process for the Group and facilitates the Court and senior management in identifying, measuring and monitoring the Group's risks and ensures that the Group holds adequate capital to support its risk profile.

The Group has integrated climate into the ICAAP and its broader scenario analysis framework to assess the impacts of climate across all the principal risk types (e.g. credit, business, operational, conduct and regulatory). The potential impact of transition and physical risk drivers is assessed for each key risk type over the short (<3 years), medium (three to five years) and long- term (>5 years). This scenario analysis informs climate risk materiality assessments to quantify the potential impacts that is integrated into the Group's ICAAP. This materiality assessment also informs the focus and priority of management action to mitigate climate risk across the Group's risk types as set out in Section 2.1.2.

The short-term financial impacts of climate change can be mitigated by holding adequate capital buffers and providing for expected credit losses (ECL) through impairment loss allowances.

As the Group's range of models across risk types cannot fully address all emerging climate risk drivers at this time, the Group includes the outcome of the climate risk materiality assessment in its economic capital framework within the ICAAP. It is included as an additional economic capital requirement on top of the capital set aside for the key risk types.

During 2024 the Group has also incorporated climate change into the measurement of credit impairment loss allowances through:

- a climate shock embedded into one of the Downside Scenarios used in the Forward Looking Information used to drive credit impairment loss allowances; and
- a Post Model Adjustment (PMA) informed by analysis of the potential impact of physical and transitional climate-related risks on asset valuations within the Retail Ireland and UK residential mortgage portfolios.

### 2.1.1 Identification and assessment of climate-related risks

Guided by the Group's ESG Risk Management Framework, the Group is progressively embedding climate risk into the Group's key risk processes. The Group continues to improve how the Group assesses climate risk drivers, taking into account potential impacts, its mitigating actions, and next steps for each risk type. The output of the scenario analysis was considered when assessing Risk Materiality under the DMA.

### 2.1.2 Interaction with business model

The Group's assessment of climate risk drivers is informed by the use of climate change scenario analysis. The Group has continued to embed the management of climate risk drivers into its RMF to mitigate the risk that climate change presents to the Group's business strategy. The scenario analysis included in scope the following lending portfolios: Mortgage, CRE and motor finance which is aligned to its business model and its inherent risks.

Through a detailed multi-year implementation plan, the Group has integrated climate risk into its risk management processes informed by ECB-guidance. Execution of the plan has seen the Group progressively aligning to the ECB guidelines, embedding climate risk and ESG considerations in business and risk management processes in line with the Court approved plan.

The subsequent table summarises the current position on the identification, assessment and mitigation of climate-related risks across the Group's Principal risk types. The risks identified as part of the assessment to have 'Moderate' or 'Significant' impact is consistent with material risks[1] identified as part of the DMA. See page 16.

[1] *Impact of Capital adequacy risk has been assessed as the aggregated potential financial impact across each assessed risk type, as part of the DMA. In line with the quantitative Group Climate Risk Assessment, the potential financial impact is expected to be seen in a higher capital impact.*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

| Principal risk types | Impacting climate risk drivers | Climate risk impacts | Quantified Potential Impacts[1] Short | Medium | Long | What are we doing to mitigate climate risk drivers |
|---|---|---|---|---|---|---|
| **Credit risk** | **Transition risk:**<br>• Policy and legal<br>• Technology<br>• Market<br>• Reputation<br><br>**Physical risk:**<br>• Acute<br>• Chronic | • Borrowers' ability to repay if operating in sensitive sectors.<br>• Changes in emission regulation or in user sentiment could affect asset value (Stranded Assets).<br>• Collateral depreciation leading to negative impacts on Loan To Value (LTV) (e.g. flooding, storms).<br>• Borrowers' ability to repay in sectors more sensitive to weather impacts like floods and storms (e.g. agriculture). | ●● | ●●● | ●●● | • Credit Risk policy: ESG risks form part of credit assessment. ESG reporting requirements included in collateral valuation; excluded sectors and risk limits.<br>• Limits and controls: Limits on property energy ratings (CRE / Buy to Let); requirements for flood insurance.<br>• ESG Risk Lending: Fora established in Corporate and Business Banking to assess lending where ESG risk is elevated.<br>• The addition of climate risk metrics into the Group's Risk Appetite Framework to de-risk the lending book, including limits on fossil fuel related activities.<br>• Integration of climate change into the measurement of credit impairment loss allowances. |
| **Business and strategic risk** | **Transition risk:**<br>• Policy and legal<br>• Technology<br>• Market<br>• Reputation<br><br>**Physical risk:**<br>• Acute<br>• Chronic | • Long term franchise impacts if strategic commitments are not achieved and product offering does not adapt to changing market dynamics. | ●● | ●● | ●● | • Group Strategy: Sustainable company is a key strategic pillar underpinned by Group Objectives and Key Results (OKRs) (including risk OKRs).<br>• Business and Strategic Risk policy requires ESG risk factors to be reflected in strategic planning and internal and external business environment assessments. |
| **Operational risk** | **Transition risk:**<br>• Policy and legal<br>• Technology<br>• Market<br>• Reputation<br><br>**Physical risk:**<br>• Acute<br>• Chronic | • Climate driven impacts on operational processes include increasing levels of systems, data, models and sourcing risk to manage.<br>• Extreme floods or storms at multiple locations impacting our Business Continuity Plans with consequent impact to services we provide to clients (e.g. transaction processing).<br>• Potential need to increase resilience of our network, supply chain and production process where offshore operations are more exposed to increasing physical climate risks. | ●● | ●● | ●● | • Climate risk integrated into ICAAP scenario analysis for Operational Risk.<br>• Business Continuity Mission Critical Services Scenario Analysis: climate-related scenario testing carried out.<br>• Third Parties and Outsourcing: ESG (including climate change) is part of supplier due diligence assessment.<br>• Data Risk: Standard Group Data Management control framework applies to climate data.<br>• Model Risk: Climate risk factors to be considered in models including assessing data collection requirements to enable inclusion in models. |

[1] *An estimation of: (i) The time horizon at which each risk is likely to materialise: short-term, within three years; medium-term, between three and five years; or long-term, more than five years. (ii) The relative materiality of each risk: Negligible (-); Low (●); Moderate (●●); Significant (●●●).*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

| Principal risk types | Impacting climate risk drivers | Climate risk impacts | Quantified Potential Impacts[1] Short | Medium | Long | What are we doing to mitigate climate risk drivers |
|---|---|---|---|---|---|---|
| **Conduct risk** | **Transition risk:**<br>• Policy and legal<br>• Reputation<br><br>**Physical risk:**<br>• Acute<br>• Chronic | • Failures in ESG/green product design, market practice or customer engagement could lead to regulatory sanctions and brand damage, if there is a lack of transparency and misleading classification (greenwashing), or if clients suffer an unexpected loss due to climate risks. | ●● | ●● | ●● | • ESG considerations are incorporated in new product approvals and ongoing product lifecycle reviews for all product / service / channel initiatives that are classified or marketed as a Green / ESG proposition to mitigate potential claims of 'Greenwashing'.<br>• The Group Customer Protection Risk policy requires mitigation of greenwashing risk.<br>• All colleague training on climate concepts and processes, as well as role specific training on sustainable finance and ESG risk management. |
| **Regulatory risk** | **Transition risk:**<br>• Policy and legal<br>• Technology<br>• Market<br>• Reputation<br><br>**Physical risk:**<br>• Acute<br>• Chronic | • Failure to implement in a timely manner ongoing changes in climate regulation could affect the Group's profitability through regulatory sanctions.<br>• Potential for regulatory sanctions if physical risks impact our services with consequent impact to services we provide to clients. | ● | ● | ● | • Upstream Regulatory Change Monitoring: Sustainable Finance related regulatory changes are tracked and kept up to date in the Group Upstream Register which notes the Lead Business Owner of each regulatory change and is circulated to relevant Group stakeholders. |
| **Funding and liquidity risk** | n/a | • Group liquidity risk profile does not include instruments where climate concerns may significantly impact funding and liquidity pools. | | | | • Climate risk scenario analysis for funding and liquidity risk integrated into the Group's internal liquidity adequacy assessment process (ILAAP). |
| **Market risk** | n/a | • The material trading instruments in the Group do not include equities and commodities where climate concerns may significantly impact the valuation. | | | | • Policy controls on exposure to climate sensitive traded instruments.<br>• Climate risk scenario analysis for market risk integrated into the Group ICAAP. |
| **Life insurance risk** | n/a | • The potential for climate risk drivers to drive sudden increases in morbidity and mortality risk is assessed as minimal. | | | | • Climate risk scenario analysis for life insurance risk is part of the ORSA (Own Risk and Solvency Assessment) process for the New Ireland entity which manages life insurance risk of the Group. |
| **Capital adequacy risk** | • Aggregate of the risk impacts above. | • The risk of increased capital depletion from the impact of climate risks across the Group's other principal risks. | ●●● | ●●● | ●●● | • Aggregation into ICAAP quantitative Climate Risk Assessment across principal risk types. |

[1] *An estimation of: (i) The time horizon at which each risk is likely to materialise: short-term, within three years; medium-term, between three and five years; or long-term, more than five years. (ii) The relative materiality of each risk: Negligible (-); Low (●); Moderate (●●); Significant (●●●).*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

### 2.2 Processes to identify and assess material climate-related IROs

#### 2.2.1 Material IROs identified as part of DMA

The actual impacts (4), risks (5) and opportunities (5) related to Climate Change have been identified through the DMA and listed in the table below. This included considering impact of both climate-related physical (including acute and chronic hazards) and transition risks (considering factors like policy & legal, technology, market and reputation) in the Group's value chain across the short, medium and long-term time horizon. Scenario analysis, described in the section above, was further considered to inform the results on risk materiality.

The Group conducts energy-rating and flood analysis, which was also considered to inform the results of the DMA. See pages 47 and 50 for further details on this.

The subsequent sections in this disclosure provide further detail of the identified Material IROs.

See page 16 for further details on the approach used in the DMA to consider materiality through the dual-lens.

The assessment identified actual positive impact on Climate Change and opportunities around sustainable finance as a result of the Group's operations. The identified transition and physical risks associated with climate change and its impact on the Group's GHG emissions, are being managed by the Group actions under its transition plan, and supported by the Group's ESG RMF. See page 31 for further details on the transition plan and page 294 of the BoIG plc Group Annual Report 2024 for further details on the Group's ESG RMF.

| ID | Material IROs associated with climate change | Time horizon |
|---|---|---|
| E1-Impact 1 | **Actual positive impact *(Downstream):*** The Group offers sustainable financing options which incentivise customers to reduce the emissions produced by their business activities and physical assets. | Short, medium, long-term. |
| E1-Impact 2 | **Actual positive impact *(Downstream):*** By supporting renewable energy projects, the Group can further develop access to clean energy sources, thereby reducing economic reliance on fossil fuels. | Long-term. |
| E1-Impact 3 | **Actual positive impact *(Downstream):*** Due to the Group's loans in sectors with high decarbonisation potential, the Group can support climate change adaptation by financing these sector's transition to a low carbon economy. | Short, medium, long-term. |
| E1-Impact 4 | **Actual negative impact *(Downstream):*** The Group finance sectors that consume large amounts of fossil based energy for manufacturing production processes and transport. | Short, medium, long-term. |
| E1-Opportunity 1 | Financing of investment in new low emission equipment and, infrastructure can potentially lead to increased profits, positive public image, access to government initiatives and sustainable financing opportunities for the Group. | Short, medium, long-term. |
| E1-Opportunity 2 | Financing investments in renewable energy sources can potentially lead to increased income, reputation and franchise benefit for the Group. | Medium, long-term. |
| E1-Opportunity 3 | Financing electric mobility investments can potentially lead to increased EV financing opportunities, increased income, reputation and franchise benefit for the Group. | Short, medium, long-term. |
| E1-Opportunity 4 | Participation in governmental, intergovernmental climate change programmes and initiatives can potentially lead to enhanced public trust, reputation and competitiveness for the Group. | Short, medium, long-term. |
| E1-Opportunity 5 | Financial support of building resilience to extreme weather events can potentially lead to increased customer loyalty, increased income, reduced credit risk and enhanced reputation for the Group. | Medium, long-term. |
| E1-Risk 1 | **Credit risk: Impact of transition and physical risk *(Downstream)***<br>Risks associated with climate change (both physical risks and transition risks) can impact the Group's counterparties negatively and see an increased PD and hence increased credit risk for the bank, for example:<br>• borrowers' ability to repay if operating in sensitive sectors;<br>• changes in emission regulation or in user sentiment could affect asset value (Stranded Assets);<br>• collateral depreciation leading to negative impacts on LTV (e.g. flooding, storms); and<br>• borrowers' ability to repay in sectors more sensitive to weather impacts like floods and storms (e.g. agriculture). | Short, medium, long-term. |

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

| ID | Material IROs associated with climate change | Time horizon |
|---|---|---|
| E1-Risk 2 | **Business and strategic risk: Impact of transition risk *(Own operations)***<br>Failure to consider the risks associated with climate change (both physical risks and transition risks) as part of the Group's strategy and financial plans can negatively impact the Group's strategic and financial outcomes. e.g. not adapting the Group's business model and product offering to mitigate climate change risk. | Short, medium, long-term. |
| E1-Risk 3 | **Conduct risk: Impact of transition risk *(Own operations)***<br>Failure to consider the risks associated with climate change (both physical risks and transition risks) can negatively impact the Group's delivery of product and services to support the management of climate change resulting in poor outcomes for, or harm to customers, clients and markets e.g. lack of transparency in product characteristics and misleading product classification (greenwashing). | Short, medium, long-term. |
| E1-Risk 4 | **Regulatory risk: Impact of transition risk (Own operations)**<br>Failure to implement in a timely manner ongoing changes in climate regulation could affect the Group's reputation and regulatory standing. Also, the potential to affect the Group's regulatory standing, through supervisory measures, if physical risks impact our services with consequent impact to services we provide to clients. | Short, medium, long-term. |
| E1-Risk 5 | **Operational risk: Impact of physical risk (Upstream & own operations)**<br>Increased exposure to operational risks driven by climate change including IT, data, models and sourcing risk. The Group's operational resilience capability should also consider climate change to be able to effectively respond to and recover from climate related events e.g. extreme floods or storms at multiple locations. | Medium, long-term. |

### 2.2.2 Measuring and monitoring of climate related opportunities

The Group recognises that the most significant impact it can have on climate change is through the finance it provides to its customers. The Group's assessments highlight that given the anticipated investment requirements in its key markets, the transition to the 'green economy' could lead to substantial financing opportunities across sectors and business lines.

In November 2023, Davy's Decarbonisation unit's white paper 'Investing in Tomorrow: Shaping a Net-Zero Future' showed that c.€129 billion expenditure is required by 2030 across the key sectors illustrated in order to meet Ireland's Climate Action Plan targets. This shows the investment opportunities that are arising from the transition.

The Group aims to be at the centre of a sustainability support system for the Green Transition which informs its approach to sustainable finance. By providing the right finance in the right place at the right time, it can support innovation and drive scaling. The Group is addressing these opportunities in its business planning and product development.

This focuses on its home and business customers in the sectors transitioning across electricity, transport, buildings, industry and agriculture. The Group expects the commercial realisation of the opportunities to materially increase in the medium to long-term.

See page 16 for more details on the approach used in the DMA to identify and assess opportunities associated with Climate change over short, medium and long term.

**Investment required for Ireland's green transition to 2030**

| Sector | Total €bn | Public €bn | Private €bn | *of which;* Debt €bn | *of which;* Equity €bn |
|---|---|---|---|---|---|
| Electricity | 43.0 | – | 43.0 | 32.0 | 11.0 |
| Transport | 43.0 | 4.0 | 39.0 | 39.0 | – |
| Residential buildings | 23.0 | 13.0 | 10.0 | 10.0 | – |
| Commercial buildings | 13.0 | – | 13.0 | 11.7 | 1.3 |
| Industry | 3.0 | – | 3.0 | 2.7 | 0.3 |
| Agriculture | 4.3 | 1.7 | 2.6 | 2.3 | 0.3 |
| **Total** | **129.3** | **18.7** | **110.6** | **97.7** | **12.9** |

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

### Increasing our sustainable finance products & support

The Group is at the heart of the movement towards sustainability in Ireland, particularly in supporting the green transition in line with Ireland's Climate Action Plan. Its goal is to help its customers adapt to this change. A key part of the Group's commitment is to develop financial products that support the transition. This aligns with its dedication to the UNPRB.

The Group's range of sustainable finance products is carefully designed to help its customers make real, impactful changes. This includes green mortgages, loans for eco-friendly cars, and business loans for SMEs and farmers, focusing on renewable energy, capital expenditure, and sustainability-linked lending.

The Group's approach supports meeting its SBTs by reducing the GHG emissions that its business finances. With this science and policy-based approach, it can focus its resources where it matters to support credible action.

The Group offers a growing portfolio of sustainable financing products and services, including green residential mortgages, renewable energy project financing and EV financing, supported by the Green Bond programme. Through these offerings, the Group seeks to not only align with the national climate action plans in both Ireland and the UK, as well as the Paris Agreement, but also to provide tangible benefits to its customers.

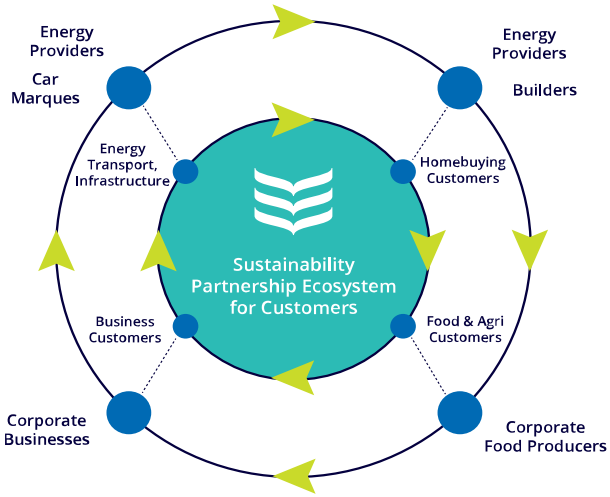
### Sustainable financing

In line with its ambitions, the Group has set targets for sustainable financing: c.€15 billion by 2025 and c.€30 billion by 2030. The Group has made significant strides towards these goals and is on track to meet its €15 billion target in early 2025.

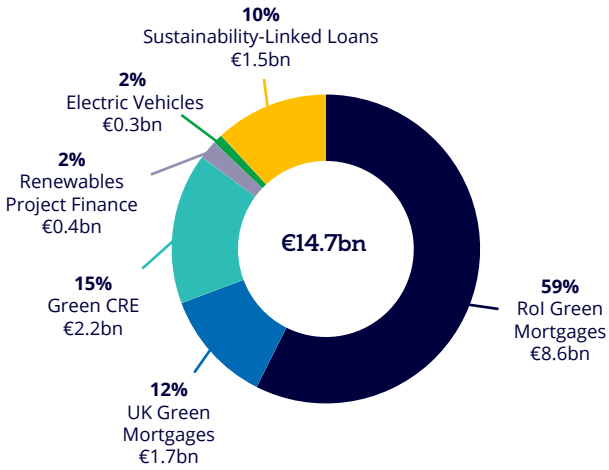
By the end of 2024, its sustainable finance portfolio grew by c.32%, reaching €14.7 billion. This level of lending growth was consistent across lending categories:

- Growth in Green Finance during 2024 was materially driven by RoI Green Mortgages and is supporting the accelerating decarbonisation of this mortgage portfolio;
- Green Finance reporting was extended during FY24 to incorporate lending towards EVs in its UK motor finance business of €0.1 million; and
- Sustainability Linked Finance saw material growth in the year and aligned to increasing adoption of SBT decarbonisation targets among corporate customers. This segment includes an initial tranche of EnviroFlex agri loan drawdown of c.€10 million.

**Sustainability partnership for customers**




**Sustainable Finance**



# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

The Group is constantly developing and expanding its range of Sustainable Finance solutions. We continued to expand our innovative range of Sustainable Finance options for customers with product launches during FY 2024 including the:

- market first EcoSaver Mortgage;
- SEAI Home Energy Upgrade Scheme; and
- SBCI Growth & Sustainability Loan Scheme.

In addition, the Group continued the expansion of its EnviroFlex products so that it is now available to farmers across three quarters of the dairy sector and now the tillage sector. Looking forward, upon reaching the €15 billion target (expected in early 2025), we plan to include the Social Finance category in our Sustainable Finance reporting of progress towards the 2030 target of €30 billion.

### Reporting principles

The Group's Sustainability Strategy was launched in 2021 and was significantly informed by a comprehensive stakeholder engagement exercise, which sought the views of customers, colleagues, suppliers, trade associations and Non-Governmental Organisations (NGOs), among others, through interviews and surveys. A key element of the Strategy was targets for the provision of Sustainable Finance in support of the Green Transition. In early 2023 as part of the overall Group Strategy refresh for the 2023 to 2025 period, the Group sustainable finance loan targets for customers were extended to c.€15 billion by 2025 and c.€30 billion by 2030.

Progress against Sustainable Finance targets are assessed quarterly with RAG status measured against short-term annual targets aligned with the medium and long term targets above. RAG Status is reported to the SDG, GEC, BRC, CSC and the Court.

Lending classified for reporting as Sustainable Finance has to meet the criteria set out in the Group's Sustainable Finance Framework published in April 2024. The gross carrying amount (GCA) outstanding against properties that meet these criteria at FY24 are included in the reporting of Sustainable Finance volumes. Details of the criteria met across the Sustainable Finance lending categories for FY24 are set out below:

### Residential mortgages and CRE

**RoI properties**

- **built <2021:** belonging to the top 15% low carbon buildings in Ireland (a Building Energy Rating (BER) of A or B[1]).
- **built ≥2021:** buildings complying with the Nearly Zero-Energy Buildings (NZEB) standard.

**UK properties**

- UK properties belonging to the top 15% low carbon buildings in the UK (an EPC Rating of A or B).

### Project finance

- Onshore and offshore wind energy generation.

### Car finance

- Zero-emission battery electric vehicles (BEVs).

### Sustainability linked loans

- Loan agreements meeting the Group's requirements on Sustainability-linked Financing and link the interest margin to the improvement of preselected customer key performance indicators (KPIs).

[1] *For mortgages originated since Q1 2024, BER Rating requirement is B2 Rating and above, for loans originated prior to end Q1 2024 BER Rating requirement is B3 Rating and above.The Group's incumbent green finance products and transactions established before inception of this Framework may have definitions that deviate from the eligibility criteria above and are considered as sustainable finance until they are amended or cease to exist.*

| Sustainable finance[1] | 2024 GCA €bn | 2023 GCA €bn | YoY increase %[2] | 2025 target GCA €bn | 2030 target GCA €bn | RAG |
|---|---|---|---|---|---|---|
| Customer lending | 14.7 | 11.1 | 32% | 15.0 | 30.0 | |
| of which: | | | | | | |
| *RoI Green Mortgages* | *8.6* | *6.5* | *33%* | | | |
| *UK Green Mortgages* | *1.7* | *1.3* | *30%* | | | |
| *Green CRE* | *2.2* | *1.7* | *24%* | | | |
| *Renewables Project Finance* | *0.4* | *0.3* | *44%* | | | |
| *RoI Electric Vehicles* | *0.2* | *0.1* | *34%* | | | |
| *UK Electric Vehicles*[3] | *0.1* | | | | | |
| *Sustainability-Linked Loans* | *1.5* | *1.2* | *31%* | | | |

[1] *Sustainable Finance Gross Carrying Amount (GCA) volumes classified in line with Eligibility Criteria set out in the Group's* Sustainable Finance Framework.
[2] *Percentages are based on underlying calculation of amounts, rounded off to one decimal place.*
[3] *UK Electric Vehicles incorporated into Sustainable Finance reporting during FY24.*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

### 2.2.3 Measuring and monitoring of climate related risks

The Group has developed methodologies to allow climate risk to be actively measured and monitored by the Group and to track the effectiveness of policies, in a similar manner to other key risk types:

- the Board Risk Report (BRR) is used by the Court to review and monitor the Group's risk profile across all Principal Risks, compliance with Risk Appetite and Risk Policies. ESG risk in the Group is reported through the BRR on a minimum quarterly basis and is the primary source of reporting for the impact of ESG-related risks on the Group's risk profile; and
- key risk metrics on the lending portfolio are monitored by the GSC on a quarterly basis and are aligned to Pillar 3 ESG reporting to ensure transparency and comparability. These include:
  - exposure to **Transition Climate Risks**;
    - sectoral concentrations; and
    - the energy efficiency profile of property lending portfolios.
  - exposure to **Physical Climate Risks**.

The Group recognises that the climate-related risks it faces need to be identified, assessed and managed on an ongoing basis to minimise negative impacts. The Group assesses the impact of climate change through the Principal Risks the Group manages across its value chain. See page 16 for more details on the approach used in the DMA and as part of scenario analysis, to identify and assess climate -related transition and physical risks in the Group's value chain, over short, medium and long term.

The Group's exposure to these risks is through its business operations, and primarily through its lending portfolio. These climate risks can affect the creditworthiness of its customers and the stability of its lending portfolios, as well as the value of assets in the medium to long term.

In this section the Group covers how it measures and monitors these risks in its lending portfolio (downstream value chain), as well as how the Group tracks them across its risk types.

**Climate related risks in the lending portfolio**

**Transition risk - sectoral concentrations**

The Group monitors sectors that contribute highly to climate change, on a quarterly basis. In assessing the high contributing lending sectors, the Group considers if they are in scope for national decarbonisation plans and are a focus area for SBTs. The Group also considers emissions intensity and scenario analysis when assessing whether the sector is more acutely impacted by climate risk than the overall portfolio. The Group's loan book breakdown below shows the current composition of its commercial loan portfolio and the percentage of lending to sectors. The Group classifies the sectors most sensitive to climate change – in line with EBA Pillar 3 ESG reporting standards. In terms of portfolio mix, the Group has no direct exposure in fossil fuels extraction, in cultivation and production of tobacco, and in financing of controversial weapons. The Group's revenue from manufacture of pesticides and other agrochemical products is not material.

As a predominantly retail lending bank, 74% of its customer lending is in residential and commercial property and car finance. The Group's Sustainability Exclusion List clearly outlines the sectors which the Group does not provide financing for, which include oil and gas exploration, thermal coal mining, and nuclear-based power facilities. This assessment also highlights that the Group's direct exposure to fossil fuels is nil and to commercial lending segments with high emissions is relatively low (with the exception of the agricultural sector, which due to its specific challenges requires broader support in which the Group will play an active role through our sustainable financing options like EnviroFlex). See page 34 for qualitative description of Group's locked-in emissions that would require more support in transition.

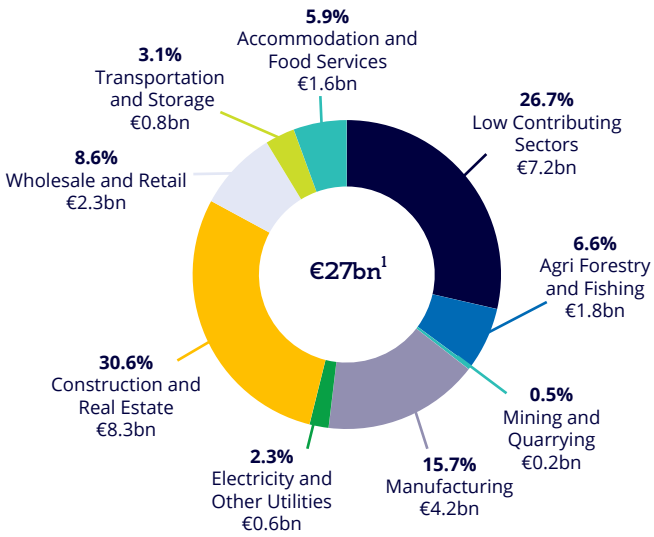
# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

| Sectoral concentrations key risk indicators | 2024 Gross Carrying Amount €bn | 2024 % Total | YoY Change |
|---|---|---|---|
| Exposure to high contributing sectors[1] | 19.8 | 73% | ▲2% |
| Exposure to top 20 global emitters[2] | – | – | – |
| Direct fossil fuel exposure[3] | – | – | – |
| Indirect fossil fuel exposure[4] | 0.2 | 1% | – |

[1] *Denotes exposure to commercial lending sectors that highly contribute to climate change as classified in Pillar 3 Reporting. The €27 billion in the pie chart denotes the total 2024 exposure to commercial lending (non-financial counterparties).*
[2] *Denotes exposure to companies listed among the top 20 most carbon intensive firms globally.*
[3] *Denotes exposure classified in the following Pillar 3 Reporting sub-sectors in Mining and Quarrying: B.05 - Mining of coal and lignite; B.06 - Extraction of crude petroleum (oil) and natural gas.*
[4] *Denotes exposure classified in Pillar 3 to counterparties with revenue from non-direct fossil fuel activities (logistics and supply chain) – denoted in Pillar 3 as Excluded from EU Paris-aligned Benchmarks.*

### Commercial lending exposure to sectors that contribute to climate change




### Reporting principle

The above risk metric was calculated in accordance with Pillar 3 (Article 449a CRR) detailed quantitative disclosures per prescribed requirements. Preparation of this metric is consistent with the basis of preparation provided in the following templates:

- template 1: Banking book- Climate change transition risk.
- template 4: Exposures to top 20 carbon-intensive firms.

### Transition Risk - Energy efficiency of property lending portfolios

The Group is committed as part of its sustainability ambitions, to support its customers to increase their residential energy efficiency whilst encouraging the purchase of energy efficient properties. Energy efficiency is represented by EPC ratings, with 'A' indicating the best and 'G' the worst in terms of energy efficiency.

The charts to the right summarise the energy efficiency of the Group's residential and commercial property portfolios in RoI and the UK, based on a combination of actual and estimated EPC ratings. Currently, c.44% of our RoI mortgage portfolio corresponds to properties in the 'A' to 'B' EPC categories, up 3% year on year, reflecting better EPC ratings in new lending and improvements on existing lending as EPC ratings are updated.

In the UK, c.13% of properties in its mortgage are 'A' or 'B' rated, up 4% year on year, reflecting better EPC ratings in new lending and improvements on existing lending as EPC ratings are updated.

### Energy efficiency of property lending portfolios (2024)



# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

The EPC profiles and pace of improvement reflect the differences in housing stocks across the two jurisdictions. The EPC profile of the Group's commercial property portfolio has also improved year on year reflecting progress made in its lending strategies to decarbonise its property lending portfolios.

### EPC data coverage

**RoI mortgages – exposure collateralised by residential immovable property GCA of €34.6 billion**

- 2024 saw system implementation of BER data capture (Building Energy Ratings – the Irish equivalent of EPC) and the launch of EcoSaver which incentives customers to provide EPC ratings for properties. These actions have seen substantial progress on increasing EPC data coverage on the portfolio during 2024, ending FY24 at 14% from 0% end FY23.
- For the residual RoI located properties, BER / EPC ratings are representatively estimated using the national database maintained by the Sustainable Energy Authority of Ireland (SEAI) on domestic properties with recorded energy ratings has been used to provide an estimated view on the energy rating profile of RoI lending collateralised by residential property, based on key explanatory factors (namely year of build, property type and location).

**UK mortgages – exposure collateralised by residential immovable property GCA of €16.1 billion**

- For UK mortgages, the Group has processes for the collection of EPC data in place since 2020, and EPC data coverage continues to improve year on year as the portfolio updates. For this December 2024 disclosure, 85% of the EPC data for the stock of UK mortgages is based on specific EPC labels. Coverage is up 5% year on year driven by higher coverage levels on new lending versus existing loans.
- For the residual UK located properties, EPC ratings have been estimated based on key explanatory factors (namely year of build, property type and location).

**Commercial real estate – exposure collateralised by commercial immovable property GCA of €9.6 billion**

- During 2023, the Group developed data capture capabilities within its CRE lending business to progressively expand and enhance the collection of data based on specific EPC certificates. Data collection is being progressed in phases and this has seen coverage of the portfolio where specific EPC ratings are available at c.30% in 2024. Increases in coverage are expected as the data is captured through the credit cycle both at loan origination and the annual credit review stage.
- For the residual properties, national EPC ratings data on non-domestic properties is used to estimate the energy rating profile for those properties based on property type.

### Lending exposure to physical climate risks

Physical risks are risks related to potential financial implications from physical phenomena and associated climate trends which disrupt operations, supply value chains or damage property. These include acute risks that may arise as a result of increased severity of extreme weather events (such as floods, storms, fires, heatwaves or droughts) and chronic risks that include longer term trends in climate patterns (such as chronic weather patterns, rising mean temperatures and sea level rises).

The drivers considered in the scenario analysis for physical risk are acute hazards (e.g. floods, storms, heatwaves, wildfires) and chronic hazards (e.g. temperature, precipitation, sea levels). These scenarios and their associated risk profiles can then be applied to lending sectors to understand the implications for credit quality for that sector. The Group also identifies, measures and monitors the potential financial impacts emerging from physical climate risk on the RoI, UK Mortgages and CRE portfolio from physical flood, risk. For this purpose, the Group has acquired data from Moody's to assess physical risks, also used by the ECB to provide physical risk assessments for the 2022 ECB Climate Stress Test.

The Group has developed capabilities for assessing its exposure to physical risk parameters using data from Moody's to assess physical risks, at a Nomenclature of territorial units for statistics[1] (NUTS) 3 regional level across six sub-types of acute and chronic physical risk.

The data provided by Moody's provides coverage at a NUTS 3 level across six sub-types of physical risk that have been categorised into acute and physical risk categories as follows:

| Acute physical risks | Chronic physical risks |
|---|---|
| • Floods | • Heat Stress |
| • Storms | • Sea Level Risk |
| • Wildfire | • Water Stress |

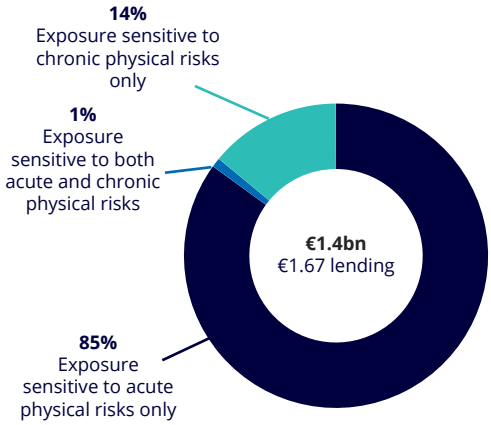
For exposures collateralised by immovable property (residential and commercial), in line with ECB guidance the collateral location is used to assign exposures to the NUTS 3 regions level to assess the exposure to physical risk. Where the lending is not collateralised, the country of risk is used. If any of the six physical risks are classed as 'Highly Exposed' for that region, the exposure is classed as Sensitive to Impact from chronic and acute Physical Risks based on the categorisation of the risk factors above.

[1] *The Nomenclature of territorial units for statistics is a geographical nomenclature subdividing the economic territory of the EU into regions at three different levels (NUTS 1, 2 and 3 respectively, moving from larger to smaller territorial units). See the flood risk map on page 50 for a visual representation of the NUTS3 regions.*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

### Exposures sensitive to climate change: physical risk




| | Exposure sensitive to physical risks (€m) | | | As a % of total exposure[1] | YoY change[2] |
|---|---|---|---|---|---|
| **Group Total** | 1,200 | 198 | 13 | 1.67% | 0.00% |
| **UK Mortgages** | 386 | 194 | 13 | 3.69% | ▲0.02% |
| **RoI Mortgages** | 442 | | | 1.28% | ▲0.03% |
| **Commercial** | 372 | 4 | | 1.35% | ▼0.08% |

Acute only | Chronic only | Both

[1] *Group total exposure is total gross carrying amounts for loans and advances to customers at amortised cost.*
[2] *Material driver of YoY change is increase in coverage of flood risk assessment across CRE portfolio.*

As an additional lens to identify exposure sensitive to physical risks a more property specific physical risk assessment has been undertaken for properties in RoI and the UK that are residential or commercial property collateral for lending exposures. The locations of these properties have been geocoded for flood risk assessment. Using latitude and longitude, properties are matched to building and street based on address data available. The map below represents the proportion of RoI and UK properties at high risk of flood as a percentage of the Group's mortgage lending under a forward looking climate scenario. The locations of these properties have been geo-coded for flood risk assessment using data and modelling from JBA Flood Risk Management, a leading provider of climate flood modelling in the Irish and UK market. The JBA flood model for RoI and UK includes river (fluvial), surface water (pluvial) and coastal flood risk. It assigns flood risk per property based on the potential flood damage to the property dependent on the type, frequency and depth of flooding modelled. The scoring ranges from 0 to 53, with 0 being lowest and 53 being the highest risk. The flood scores are projected forward based on the RCP 8.5 Pathway[3] where emissions continue to rise throughout the 21st century and global temperatures increase by 2100 by 3.2 to 5.4 degrees. Properties classified at high risk of flooding are:

- properties in RoI with a score of 31 and above by 2050 on an undefended basis[4]; and
- properties in the UK with a probability of a flood event occurring by 2030 of >5%[5].

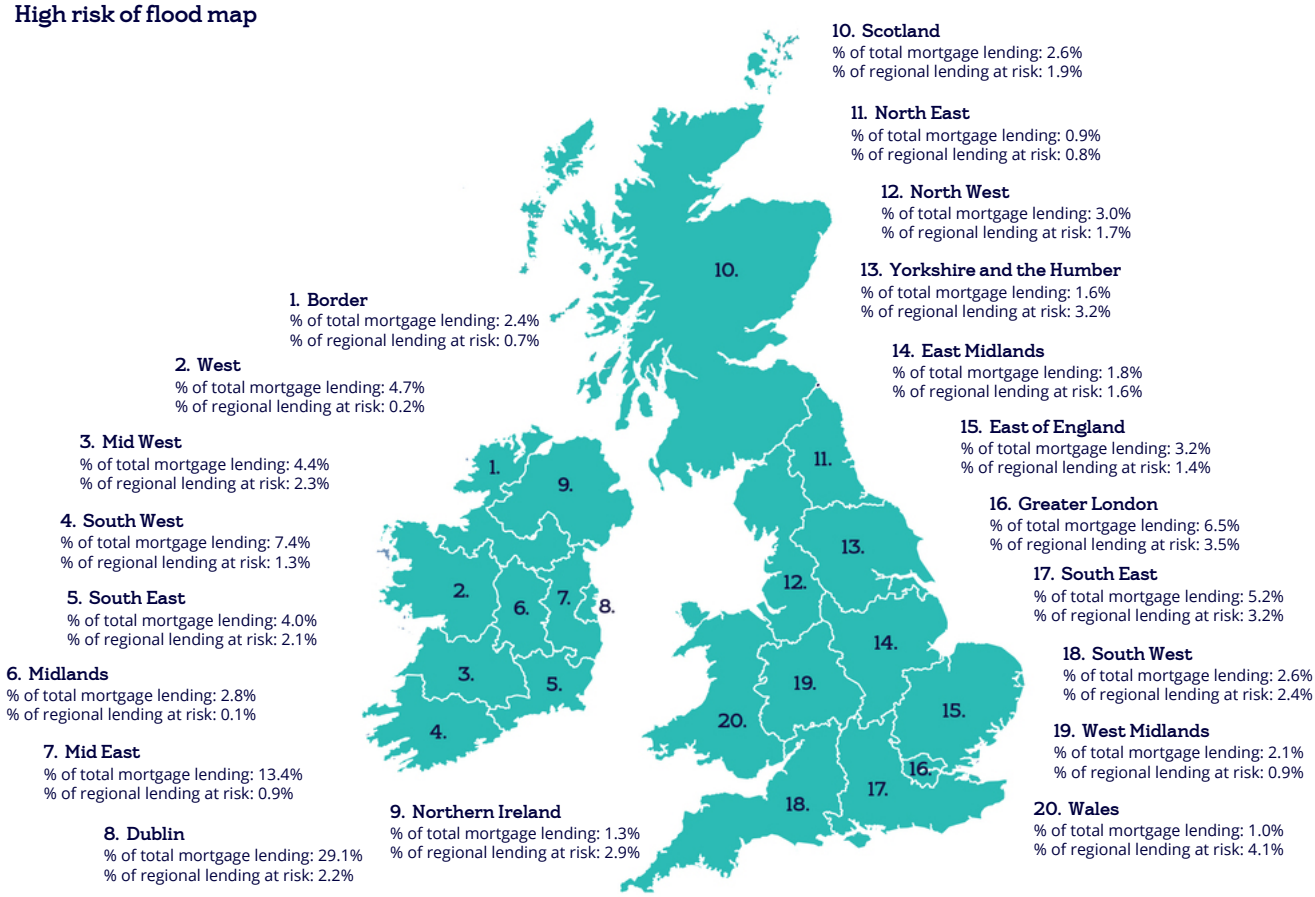
[3] *Representative Concentration Pathways for greenhouse gas concentration trajectories adopted by the IPCC (Intergovernmental Panel on Climate Change). The pathways describe different climate futures, all of which are considered possible depending on the volume of GHGs emitted in the years to come.*
[4] *Previous reporting of flood risk in ROI did not take into account mitigating flood defences, Flood defence data is now being integrated on new properties and reflected in the reported ROI data.*
[5] *Probability based on projected JBA Flood Scores.*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

Guided by the Group's ESG Risk Management Framework, the Group is progressively embedding climate risk into the Group's key risk processes. The Group continues to improve how the Group assesses climate risk drivers taking into account potential impacts, our mitigating actions, and next steps for each risk type. See page 38 for details on the scenario analysis conducted by the Group and the resultant output.

**High risk of flood map**




### 2.2.4 Measuring and monitoring of climate related impacts

**Overview**

The UNPRB impact assessment identifies both the positive and negative impacts of the Group's products and services on society and the environment, in its primary geographies of Ireland and the UK, covering consumer banking and corporate and commercial banking.

**Scope**

In 2024, the Group updated its impact assessment using version 3 of the UNEP FI Portfolio Impact Analysis Tool for Banks. The scope of the Group's impact analysis covered its €81 billion loan portfolio, as of December 2023.

**Results**

The assessment showed that positive impact areas associated with the business and corporate banking activities in Ireland and the UK include 'Availability, accessibility, affordability, quality of resources & services', 'Healthy economies' and 'Livelihood', and negative impact areas include 'Circularity' and 'Climate Stability'.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 2 Climate-related IROs *(continued)*

With regard to the Group's consumer banking activities in Ireland and the UK, the assessment showed that it has positive impacts in the areas of 'Availability, accessibility, affordability, quality of resources & services' and 'Socio-economic convergence', and negative impacts in the areas of 'Circularity', 'Climate Stability' and 'Availability, accessibility, affordability, quality of resources & services'.

As 'Climate Stability' has again been identified as one of the key negative impacts and it a priority area in the Group's main geographies, it has been chosen as one of the Group's significant impact areas and is the primary focus of the Group's 'Supporting the Green Transition' pillar as part of its Sustainability Strategy.

Given that 'Finance' is a significant impact area in consumer banking, the Group has chosen it as its second significant impact area. It correlates with financial health and inclusion which forms a key element of the Group's Sustainability Strategy under the 'Enhancing Financial Wellbeing' strategic pillar.

The results of this assessment were consistent to the results of the Group's DMA. The Group plans to refresh its impact assessment in early 2025 based on 31 December 2024 data. See page 16 for more details on the approach used in the DMA to identify and assess impact of Climate change on the Group's operations over short, medium and long term.

## 3 Policies related to climate change

ESG factors, including climate change (Physical and Transition risk), represent a common risk driver across the Group's Principal Risks and Sub Risks. The Group ESG RMF sets out the Group's approach to ESG risk management.

The Group applies a risk lens to ensure that the impact of ESG across the Group's risk types is considered on an ongoing basis and that the aggregate impact arising from ESG risk drivers is given appropriate consideration. While ESG risk management is managed through the Group's Principal and Sub risk types, the Group has dedicated resources to lead the co-ordination of the Group's approach to ESG risk management, both in 1LOD and in 2LOD.

These policies cover all aspects of Climate Change including Climate Change Mitigation and Climate Change Adaptation by addressing physical and transition risks that the Group faces over the different time horizons.

The requirements of the key mitigants set out in the risk policies are tracked using internal risk limits or KRIs such as sector concentration in case of transition risks. See page 46 for more details.

The Group has also committed to aligning with a number of mandatory and voluntary frameworks specifically related to sustainability acknowledging that participation in governmental, intergovernmental climate change programmes, initiatives can potentially lead to enhanced public trust, reputation and competitiveness for the Group. (E1-Opportunity 4).

The Group's policies and frameworks that cover the Material IROs pertaining to Climate Change are highlighted in the table below. These policies and frameworks apply to:

- all banking businesses of the Group and all its subsidiaries; and
- all employees and workers[1] of any banking business within the Group.

The IROs related to Climate Change have been identified through the DMA which is described in page 16.

[1] *'Employees' means permanent employees and fixed term employees of all in scope entities. 'Workers' means contingency workers (also referred to as agency workers) and secondees to all in scope entities from a third party irrespective of their location, function, grade or standing.*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 3 Policies related to climate change *(continued)*

| Overarching commitments | External standards | | Internal / Group policies and frameworks |
|---|---|---|---|
| | Mandatory | Voluntary | |
| **Overarching Sustainability Strategy** | n/a | • UN Principles for Responsible Banking (UNPRB)<br>• UN Principles for Responsible Investing<br>• UNPRB Commitment to Financial Health and Inclusion<br>• Business in the Community Ireland's Low Carbon Pledge and Elevate Pledge | • Invest in Tomorrow Sustainability Strategy 2022-25 |
| **Science based targets** | n/a | • Science Based Targets Initiative (SBTi) Framework<br>• Partnership for Carbon Accounting Financials (PCAF) | • Climate Transition plan |
| **Sustainable finance** | n/a | • Loan Market Association<br>• Green Loan Principles<br>• Social Loan Principles<br>• Sustainability-Linked Loan Principles<br>• International Capital Markets Association<br>• Green Bond Principles | • Sustainable Finance Framework<br>• Green Bond Framework |
| **Own operations** | n/a | • ISO 50001 Energy Management System<br>• ISO 14001 | • Group Environmental policy<br>• Group Energy policy<br>• Code of Supplier Responsibility |
| **ESG risk management** | • ECB Climate and Environmental Risk Guidelines | n/a | **ESG risk**<br>• ESG RMF<br><br>**Credit risk**<br>• Group Credit Risk policy<br>• Responsible and Sustainable Business (RSB) Sector statement<br>• Group Property Collateral Valuation policy<br><br>**Business & strategic risk**<br>• Group Business and Strategic Risk policy<br><br>**Operational risk**<br>• Group Operational Resilience policy<br>• Group Third Party Risk Management and Outsourcing policy<br>• Group Financial and Regulatory Reporting Risk policy<br>• Group Operational Risk Information Technology Risk policy<br>• Group Data Risk policy<br><br>**Conduct risk**<br>• Group Customer Protection Risk policy<br><br>**Regulatory risk**<br>• Group Regulatory Risk policy |
| **Climate reporting** | • CSRD<br>• EU Taxonomy<br>• EBA Sustainable Finance Pillar 3 ESG Disclosures | • CDP<br>• UNPRB<br>• UN Principles for Responsible Investing | n/a |

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 3 Policies related to climate change *(continued)*



### Policies related to climate change

A description of the frameworks and policies that cater for Climate Change Material IROs are highlighted below. Beyond these the Group has various other overarching policies that are published on the Group's website. The Group has risk mitigating factors as part of the policies highlighted below to address issues of Climate Change Adaptation, Climate Change Mitigation and energy.

| Name of the policy | Key content | Approval and review process | Material IRO addressed |
|---|---|---|---|
| **Science Based Targets** | | | |
| **Climate Transition Plan** | • The Group's Climate Transition Plan is a core component of the Group's Sustainability Strategy. It outlines its planned actions to achieve its SBTs across its own operations and its lending portfolios. Along with the planned actions, the plan highlights planned CapEx to implement these actions and explains the Group's strategy for locked-in emissions. | • The Climate Transition Plan is reviewed and approved by the GSC. | E1-Opportunity 1, E1-Opportunity 2, E1-Opportunity 3, E1-Risk 1, E1-Risk 2, E1-Risk 3, E1-Risk 4 |
| **Sustainable Finance** | | | |
| **Sustainable Finance Framework** | • The Group's Sustainable Finance Framework outlines its approach to sustainable financing, providing transparency and clear criteria for classifying financial commitments and products as sustainable.<br>• The framework aligns with global standards and principles on sustainable finance. The Group defines our Sustainable Finance as all financial products and services that we provide, that support positive environmental and/or social purposes and contribute to achieving the goals of the Paris Agreement and the UN SDGs.<br>• The framework discloses the criteria used to classify financial commitments and products as sustainable, ensuring stakeholders understand the composition of the Group's Sustainable Finance portfolio. | • The Sustainable Finance Framework is reviewed and approved by the SDG on a minimum biennial basis. | E1-Impact 1, E1-Impact 2, E1-Impact 3, E1-Opportunity 1, E1-Opportunity 2, E1-Opportunity 3, E1-Opportunity 5 |
| **Green Bond Framework** | • This Framework defines the loans or investments eligible to be financed and / or refinanced by the proceeds of Green Bonds issued by the Group or any of its subsidiaries.<br>• The Framework also outlines the process used to identify, select and report on eligible loans and projects and how the proceeds are managed prior to allocation.<br>• Green Bonds issued under this Framework will only reference Use of Proceeds categories that are aligned to the Green Bond Principles. | • The Green Bond Framework is reviewed and approved by the SDG on a minimum biennial basis. | E1-Impact 1, E1-Impact 2, E1-Impact 3, E1-Opportunity 1, E1-Opportunity 2, E1-Opportunity 3, E1-Opportunity 5 |

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 3 Policies related to climate change *(continued)*

| Name of the policy | Key content | Approval and review process | Material IRO addressed |
|---|---|---|---|
| **Own operations** | | | |
| **Group Environmental policy** | • The Group's Environmental policy guides the identification, control and reduction of significant environmental impacts associated with our own operations (across energy, water and paper consumption, waste management and suppliers). | • These policies are approved by the Group CEO and is reviewed annually as part of certification of the ISO 50001 Energy Management System and ISO 14001 Environmental Management System (EMS). | E1-Risk 2, E1-Risk 3, E1-Risk 4. E1-Risk 5 |
| **Group Energy policy** | • The Group's Energy policy guides our approach to improving our energy performance, decarbonising our own operations and reducing our dependence on the use of fossil fuels in all operational areas. | | |
| **Code of Supplier responsibility** | • The Group's Code of Supplier Responsibility sets out expectations for suppliers to:<br>– have an Environmental Sustainability policy;<br>– actively engage in pollution prevention measures;<br>– comply with all relevant environmental legislation;<br>– demonstrate a proven record in Environmental Management for their operation; and<br>– in addition, suppliers are encouraged to obtain ISO 14001 and ISO 50001 certifications. | • The Code is regularly reviewed and approved by the Outsourcing and Material Supplier Review Committee. | |
| **Climate Risk Management** | | | |
| **ESG Risk Management**<br>ESG factors represent a common risk driver across the Group's Principal and Sub risk types. The Group applies a risk lens to ensure that the impact of ESG is considered on an ongoing basis and that the aggregate impact arising from ESG risk drivers is given appropriate consideration. | | | |
| **ESG RMF** | • The Group ESG RMF sets out:<br>– the definition of ESG risk and the approach to the management of ESG risk factors in the Group, including clear roles and accountabilities for the management of risk across the Group;<br>– the process for identifying and assessing ESG risks in the Group;<br>– the approach to ESG risk in risk policies and setting risk appetite/risk metrics;<br>– the requirement for the use of stress testing and scenario analysis to support ESG risk management;<br>– risk monitoring and reporting requirements for ESG risk factors; and<br>– governance mechanisms by which ESG risk oversight is exercised, and risk decisions taken. | • The ESG RMF is reviewed and approved by the ERC on a minimum annual basis.<br>• The ESG Risk Management Framework is owned by the Chief Operating Officer, Office of Chief Group Risk Officer, Group Risk. | E1_Risk 1, E1_Risk_2, E1_Risk_3, E1_Risk 4, E1_Risk 5 |
| **Group Credit Risk policy** | • The objective of the Group Credit Risk policy is to meet the legitimate credit needs of our customers, and the markets and communities in which the Group operates. The Group does this by serving its customers through delivering appropriate credit decisions that underpin the development of profitable customer relationships.<br>• ESG factors are included as part of risk mitigation measures such as credit approvals and assessments, loan origination standards, external valuation standards and country risk limit management. | • The Credit Risk policy is approved by the Group Court annually.<br>• The Credit Risk policy is owned by the Group Chief Credit Officer. | E1_Risk 1 |
| **RSB Sector Statement** | • The Group's RSB Sector Statement sets out the Group's risk appetite for lending to potentially sensitive sectors which cause environmental and/or social harm to society and our communities.<br>• Applying to lending arrangements within the Corporate Banking and Business Banking businesses, the Group has no appetite to provide financing to customers who are deemed to engage in the defined list of excluded business activities.<br>• The Sector Statement also identifies sectors that are considered to be exposed to heightened ESG risk. Credit proposals in these sectors are subject to an enhanced screening process. | • Group Credit Risk Committee (GCRC) approves the RSB Sector Statement. The Statement is subject to annual review and approval by the second line Credit Risk function. | E1-Impact 4, E1-Risk 1 |

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 3 Policies related to climate change *(continued)*

| Name of the policy | Key content | Approval and review process | Material IRO addressed |
|---|---|---|---|
| **Group Property Collateral Valuation policy** | • The Group Property Collateral Valuations policy (and related Guidelines) require that market valuations should take into account ESG factors and EPC Energy Ratings).<br>• Valuer Letter of Instruction provides a detailed report template to valuers, each including an ESG section. ESG factors should include, but are not limited to;<br>– the Energy Efficiency rating of the building;<br>– natural environmental constraints – potential risks such as flooding, ground instability etc; and<br>– non-natural constraints – potential risks such as land contamination and/or hazardous substances on site. | • The policy is subject to annual review and approval by Group GCRC.<br>• The implementation of the Group Property Collateral Valuation policy and the associated Group Property Collateral Valuation Guidelines was monitored by Credit Policy & Impairment Oversight (CPIO) and CPIO continue to oversee this policy. | E1-Risk 1 |
| **Group Business and Strategic Risk policy** | • The policy details the requirements to mitigate the risk of the Group not achieving its agreed strategic and business goals.<br>• This includes requirement that ESG factors are considered as part of the development of the Group Strategic Plan Development; and in assessments of the internal and external environment for new and additional ESG related risks that could impact on Strategy and Business plan delivery (e.g. greenwashing event, failure to materially meet carbon reduction targets). | • The policy is approved by the Group CRC and owned by the Head of Business, Strategic and ESG Risk, Group Risk.<br>• The policy is reviewed and approved by the Chief Operating Officer, Group Risk, annually, and tri-annually by the CRC. | E1-Risk 2, E1-Risk 3 |
| **Group Customer Protection Risk policy** | Customer engagement / complaints / error and remediation risk:<br>• This policy establishes the Group-wide approach to Customer Protection risk management;<br>• The purpose of this policy is to establish the minimum mitigating requirements to be implemented by the Business in order to mitigate the risk; and<br>• ESG factors are included as part of risk mitigation measures such as while documenting process for the review and approval of different customer communications.<br>Product design and delivery risk:<br>• This policy addresses product design and delivery risk and also sets out the minimum mitigation requirements for when the Group:<br>– introduces new products and services;<br>– amends products or services; and<br>– withdraws products or services.<br>• ESG factors are included as part of risk mitigation measures such as in, consideration of impact of ESG factors in all new product approvals and in product lifecycle reviews. | • The policy is approved by the CRC and owned by the Group Chief Compliance Officer (GCCO).<br>• The policy is reviewed by the GCCO annually and tri-annually by the CRC. | E1-Risk 2, E1-Risk 3 |
| **Group Regulatory Risk policy** | • This policy outlines the Group's policy with respect to regulatory risk and sets out the framework within which the Group manages this risk. It addresses financial services regulatory change relating to conduct of business compliance, prudential compliance and financial crime and the Group's interaction with its financial service regulators.<br>• ESG risk factors are managed as part of Regulatory Risk including in policies, risk appetite, risk monitoring and reporting. | • The policy is approved by the CRC and owned by the GCCO.<br>• The policy is reviewed by the GCCO annually and tri-annually by the CRC. | E1-Risk 4 |

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 3 Policies related to climate change *(continued)*

| Name of the policy | Key content | Approval and review process | Material IRO addressed |
|---|---|---|---|
| **Group Third Party Risk Management (TPRM) and Outsourcing policy** | • This policy details the minimum risk mitigating requirements relating to TPRM and Outsourcing risk to which the Group is exposed.<br>• The policy requires 1LOD Group Procurement to establish and maintain a mandatory Onboarding Due Diligence Process for new outsourcing providers that is applied Group-wide. Criteria and/or factors to mitigate and measure ESG risks which may follow from the TPRM and Outsourcing or sub-outsourcing to Supplier is considered as part of the due diligence. This includes potential physical and transitions risks of climate change, and potential reputational and / or litigation risks arising from ESG related events. It also outlines the risk mitigation requirements for effective risk-based management of third-party and outsourced arrangements to mitigate the risk of business disruption, adverse impact, reputational damage and / or losses arising from onboarding unsuitable suppliers, failing to perform adequate due diligence, and / or failing to understand and effectively manage existing relationships with internal or external service providers.<br>• For suppliers where ESG is considered a material risk, appropriate ESG related metrics and tolerance levels are set. | • The policy is approved by the Group Court and owned by Group Head of Operational Risk.<br>• The policy is reviewed and approved annually by the Group Court. | E1-Risk 4, E1-Risk 5 |

| Name of the policy | Key content | Approval and review process | Material IRO addressed |
|---|---|---|---|
| **Group Financial and Regulatory Reporting Risk policy** | • The purpose of this policy is to provide requirement with regards to the production, review, and governance of financial and risk reporting, including regulatory, statutory, financial and internal reports, to be presented to the Court and Senior Management of GovCo, and the Boards and Senior Management of the Group's subsidiaries, as well as to regulatory authorities.<br>• ESG risk factors are considered when assessing ESG driven reporting risks. This involves clearly interpreting regulatory and business requirements related to ESG reporting, as well as articulating assumptions and implementing mitigants, such as quality controls, to ensure the accuracy and completeness of the report. | • The policy is approved by the Group CRC and owned by Group Head of Operational Risk.<br>• The policy is reviewed by the Group Head of Operational Risk annually and tri-annually by CRC. | E1-Risk 4 |
| **Group Operational Resilience policy** | • The purpose of the policy is to set out the minimum requirements that the Group must have in place to ensure that the Group is able to withstand and recover from operational disruptions to its Business Services and ensuring it is able to stay within its stated Impact Tolerances for its most Important Business Services in the event of a severe but plausible disruption to its operations.<br>• ESG factors are included as part of mitigation measures such as in defining criteria for Impact Tolerances and Business Impacts, in conducting the scenario identification exercise. | • The policy is approved by the Group CRC, and owned by Group Head of Operational Risk.<br>• The policy is reviewed tri-annually by CRC. | E1-Risk 5 |
| **Group Operational Risk Information Technology Risk policy** | • It is recognised that IT is a critical tool to support the management and mitigation of ESG risks.<br>• The policy sets out specific ESG Risk remediation measures including considering ESG factors while outlining the process of hardware/ infrastructure acquisition, maintenance and disposal.<br>• The policy also mandates annual risk assessment, including scenario analysis, to identify vulnerabilities to service continuity management. The risk assessment should consider amongst other factors, potential threats to the IT environment as a result of ESG risk factors. This could include natural disasters, cyber-attacks, power failures, or human errors.<br>• ESG factors must be considered in the management and delivery of IT Services by the Group and third-party providers when assessing service provision, relevant risks, issues and events. | • The policy is approved by the Group Court Risk Committee, and owned by Group Head of Operational Risk.<br>• The policy is reviewed by the Group Head of Operational Risk annually and tri-annually by CRC. | E1-Risk 5 |

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 3 Policies related to climate change *(continued)*

| Name of the policy | Key content | Approval and review process | Material IRO addressed |
|---|---|---|---|
| **Group Data Risk policy** | • The Data Risk policy defines minimum standards to minimise and mitigate the risks related to data through the effective implementation of sound data management practices, and it sets out the requirements of colleagues to achieve these standards.<br>• The requirements set out in this policy include roles and responsibilities with respect to ensuring that insights and information yielded from data can be trusted, and that data is: fit for purpose for its defined business process, understood and used correctly, available to those that need it, and stored, archived, and destroyed in line with business, legal, regulatory, and legislative guidelines.<br>• Scope:<br>– all categories and types of data; and<br>– data received from and distributed to third parties and / or sub-parties and dictates that appropriate clauses must be built into service-level /contractual agreements. | • The document is owned by the Group Head of Data Risk and is subject to review and approval by the CRC on an annual basis.<br>• The Group monitors compliance with the Data Risk policy to ensure its requirements are being met and reports on compliance to the CRC. The Head of Data Risk in Group Operational Risk cascades the requirements of this policy via the appropriate Data and Risk Management Forums. | E1-Risk 5 |

The Group recognises the interdependency between impacts on people and the environment, as well as the risks and opportunities they present. As such, the Group has implemented policies that cover several material sustainability matters, including matters addressed by more than one topical ESRS. The above policies address more than one sustainability matter and are reported / cross referenced in the relevant topical sections.

## 4 Actions and resources in relation to climate change

The actions taken by the Group with respect to the climate change mitigation are driven by the twin targets underpinning the Group's Climate Transition Plan:

- the decarbonisation of the Group's lending portfolio and its own operations; and
- the provision of Sustainable Finance to support the transition of the broader economy.

The Group has planned future actions and CapEx required to implement the actions, including consideration of the capability and availability of resources to implement the planned actions, as part of the Group's Transition Plan. See page 31 for further details.

In addition to these actions, the Group has taken several actions to mitigate identified material risks in its portfolio and its own operations across its established risk types. See page 39 for details around climate risk mitigation measures adopted by the Group across the different risk types.

The Group's climate change adaptation actions primarily relate to the assets and activities the Group finances through loans to its customers. For example, within its credit management processes the Group assesses at both a portfolio and a customer level the transition risks associated with changes in legislation, market conditions, technology and investment requirements as well as the exposure to the physical risks of climate change.

Climate challenges may potentially impact the earnings capacity and creditworthiness of a business or on asset values. Therefore, the Group assesses the potential impact of climate change adaptation in its customer engagements and in its own assessments of the resilience of its balance sheet and operations. Its adaptation actions include:

- provision of sustainable financing products (including Sustainability Linked Loans) and of general insurance products to our customers to support the adaptation of business models and assets to changing conditions;
- flood insurance is a requirement for property lending and collateral valuation policy requires assessment of physical risks;
- physical and transition risks related to climate change are also an element of the Group's credit policy for assessing credit risk, both in relation to the individual customer, but also at portfolio level;
- physical risks associated with climate change are considered in commercial credit risk assessment together with other credit factors;
- quarterly reporting to executive and Court level committees of the physical risk exposure metrics in Section 2 to inform risk management actions;
- from an operational perspective the Group has taken adaptation measures by installing flood defence systems on a number of the exposed sites and by scenario testing operational resilience under changing climate conditions; and
- scenario analysis of physical risk impacts across the key risk types to inform capital planning in the ICAAP process.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets

### 5.1 Targets related to climate change

In order to manage material climate-related IROs, the Group has set SBTi validated Scope 1, 2 and 3 targets. The base year for reduction targets is 2020. See page 31 for more details on the Group's transition plan.

The progress towards SBTs is regarded as a key metric in providing evidence of the Group's progress in decarbonising its own operations and its business. The baseline used for SBTi target setting covers c.71% of the lending portfolio as of FY 2020, thus covering the core business of the Group.

In line with the Group's ambitions, the Group has set targets for sustainable financing. See page 44 for details on Group's sustainable finance targets. The Group's Sustainability Strategy was launched in 2021 and was significantly informed by a comprehensive stakeholder engagement exercise, which sought the views of customers, colleagues, suppliers, trade associations and NGOs, among others, through interviews and surveys. A key element of the Strategy was the implementation of SBTs to provide independent verification for the credibility of the Group's decarbonisation targets. The Court approved the Group's SBTs which were subsequently validated by the SBTi in 2022. Progress against individual portfolio paths to targets are assessed quarterly with RAG status measured based on alignment with the linear path to the long term target which is in line with SBTi and industry practice. RAG Status is reported to the SDG, GEC, CRC, GSC and Court.

| SBT Categories | Actual GHG emissions | | | SBT vs. baseline | Progress to date from baseline | SBT required progress by 2024 | RAG status | Progress to date from 2023 | Annual % target reduction[6] |
|---|---|---|---|---|---|---|---|---|---|
| | Baseline 2020 | 2023 | 2024 | | | | | | |
| **Own operations** | | | | | | | | | |
| **Absolute GHG emissions** | Actual GHG emissions | | | Target | | | | | |
| Own operations[1] (covering all of scope 1 and scope 2 emissions) | 6,238t$CO_2$ | 3,625t$CO_2$ | 3,324t$CO_2$ | 49% reduction by 2030 | ▼47% | ▼35% | | ▼5% | ▼5% |
| **Lending portfolios** | | | | | | | | | |
| **Lending portfolios sector decarbonisation approach** | Actual GHG emissions intensity | | | Target | | | | | |
| Residential property[2] | 46kg$CO_2$/$m^2$ | 43kg$CO_2$/$m^2$ | 40kg$CO_2$/$m^2$ | 48% reduction by 2030 | ▼14% | ▼19% | | ▼8% | ▼5% |
| Commercial real estate | 73kg$CO_2$/$m^2$ | 65kg$CO_2$/$m^2$ | 53kg$CO_2$/$m^2$ | 56% reduction by 2030 | ▼28% | ▼22% | | ▼17% | ▼6% |
| Electricity generation - project finance | 0.155kg$CO_2$e/kWh | 0.110kg$CO_2$e/kWh | 0.106kg$CO_2$e/kWh | 76% reduction by 2030[3] | ▼32% | ▼30% | | ▼4% | ▼8% |
| **Portfolio coverage approach** | Actual SBT portfolio coverage | | | Target | | | | | |
| Corporate loans | – | 23% | 28% | 25% coverage by 2025[4] | ▲28% | ▲20% | | ▲5% | ▲5% |
| Corporate bonds | – | 7% | 6% | 25% coverage by 2025[5] | ▲6% | ▲20% | | ▼1% | ▲5% |

[1] *Does not include Davy that was acquired by the Group in 2022. As at 31 December 2024, all electricity energy supply is renewable.*
[2] *Does not include residential mortgages acquired from KBCI in 2023. Emissions reduction in FY24: Overall Portfolio (down14% vs pathway of 19%); for RoI Mortgages (down 21%); for UK Mortgages (down 3%).*
[3] *Target reduction updated to 76% following approval by SBTi in 2024.*
[4] *Defined as 25% of Corporate Lending Customers with validated SBTs (weighted by company emissions).*
[5] *Defined as 25% of Corporate Bond Customers with validated SBTs (weighted by investment value).*
[6] *Average annual emission reduction calculated as (1- (emissions in target year/emissions in target base year))/(target year - base year).*

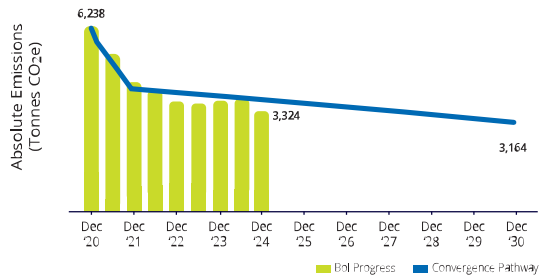
# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

### Own operations

RAG Status

Convergence pathway SBTi 1.5°C[1]




Notes
- Progress achieved by 2024 (from a 2020 baseline) has reduced absolute emissions from own operations by c.47% (from 6,238 to 3,324 tCO2e).
- In addition, Group's annual sourcing of renewable electricity is at 100% at the end of FY24 against target of 100% by 2025.
- This progress supports our broader objective of net zero emissions by 2030 and the Climate Transition Plan sets out the actions planned to achieve this Science Based Target in the short term and the NetZero objective in the longer term.

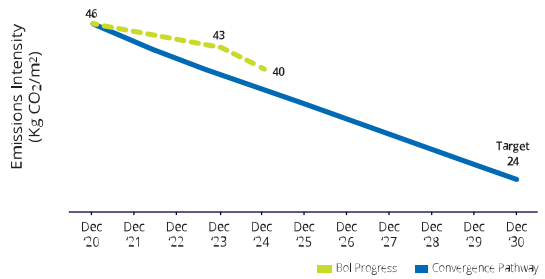
[1] *SBTi pathway designed to facilitate limiting warming to 1.5 degrees Celsius above pre-industrial levels.*

### Residential properties

PCAF Score: 3.7

RAG Status

Convergence pathway ETP B2DS[2]




Notes
- The residential property category is seeing the RoI and UK mortgage portfolios decarbonising at different speeds, with the emissions of the RoI portfolio down c.21% since FY20,
- The in-scope RoI Mortgage portfolio is reducing in line with the target pathway reflecting the financing of newly built energy efficient properties, improvements in the energy efficiency of the existing property stock due to retrofit activity and greening of the RoI electricity grid during 2024.
- This reduction is partially offset by relatively muted progress in the UK mortgage portfolio (down c.3% since FY20) which is aligned to muted progress reported by other lenders in the UK market.
- The amber rating reflects strong progress to date driven by profile of new lending but is lagging convergence pathway. However, this lag is being mitigated and considered recoverable by the target date of 2030 at this stage of strategy execution by
(i) accelerating momentum in the RoI portfolio from increasing new build and retrofit activity supported by our EcoSaver mortgage; and
(ii) increasing the focus on retrofitting of existing property stock in the UK portfolio supported by flagged increases in government led incentives in the UK market.

[2] *Beyond 2 Degrees Scenario (B2DS) aims to limit with a 50% chance global temperature rise to 1.75 degrees Celsius above pre-industrial levels.*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

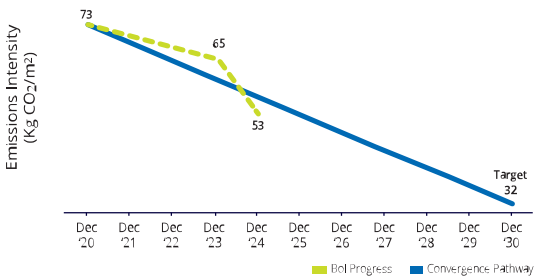
## 5 Climate change metrics and targets *(continued)*

### Commercial real estate

**PCAF score: 3.0**

RAG Status

Convergence pathway ETP B2DS[1]




Notes
- CRE portfolio is on track to meet 2030 target at this stage of strategy reflecting the financing of newly built energy efficient properties, improvements in the energy efficiency of the existing property stock due to retrofit activity and greening of the RoI electricity grid during 2024.
- In line with our CRE lending strategy which priorities investment in energy efficiency and increasing levels of retrofit activity, it is expected that progress towards the 2030 target will be maintained in 2025.

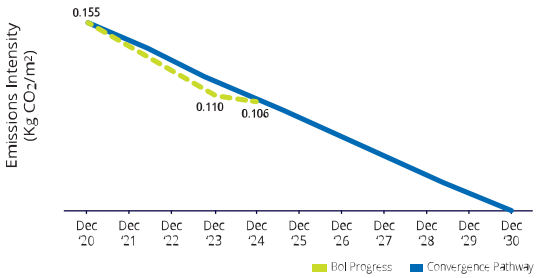
[1] *Beyond 2 Degrees Scenario (B2DS) aims to limit with a 50% chance global temperature rise to 1.75 degrees Celsius above pre-industrial levels.*

### Electricity generation - Project Finance

**PCAF score: 2.9**

RAG Status

Convergence pathway SBTi 1.5°C[2]




Notes
- This portfolio consists of a small number of projects (c.25) and during 2024 an updated baseline and target were validated and approved by the SBTi.
- Green rating reflects progress towards the 2030 target is progressing in line with business planning as the Group expanded its renewables portfolio from onshore wind to include offshore in 2023. This sees decarbonisation of c.32% to date versus the 2020 baseline.
- In line with our project finance lending strategy which prioritises investment in renewable energy and infrastructure projects, it is expected that progress towards the 2030 target will be maintained in 2025 as the portfolio grows in support of investment in the green transition.

[2] *SBTi pathway designed to facilitate limiting warming to 1.5 degrees Celsius above pre-industrial levels.*

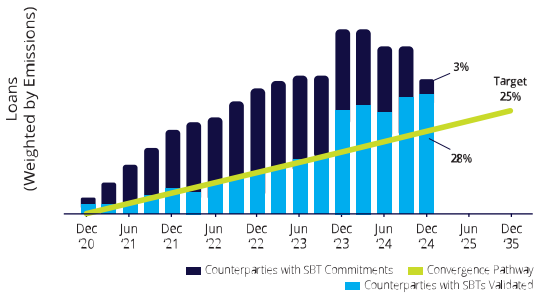
# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

### Long-term corporate lending

RAG Status

Convergence pathway to full SBT coverage by 2025

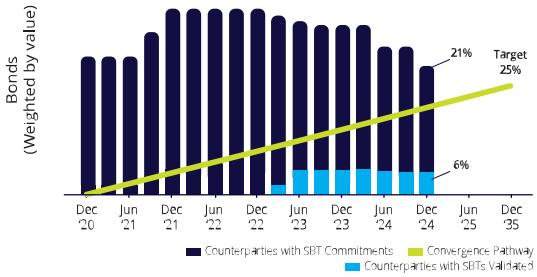



Notes
- Green rating reflects achievement in 2024 of 2025 portfolio coverage target driven by strong adoption of SBTs among larger corporate clients.
- This has seen the strong pipeline of companies in the process of having SBTs validated complete the process during 2024.
- Validation status of corporate customers based on SBTi reporting, with emissions data for portfolio weightings provided by Intercontinental Exchange Inc (ICE).
- Following achievement of this 2025 target, the target for this lending category will be updated during 2025 for integration into the next 2026-28 Group Strategy cycle.

### Long-term corporate bonds (bank bonds)

RAG Status

Convergence pathway to full SBT coverage by 2025




Notes
- Amber rating reflects a lag to the linear SBT convergence pathway, which is due to the bonds in the portfolio being issued by financial institutions. Due to the later publication of SBT methodologies for the financial services sector, financial institutions have lagged other sectors in having SBTs validated, with the Group among the first to have their targets validated in December 2022.
- The Group will review progress against this target following the completion of FY24 announcements by banks in the portfolio and consider appropriate next steps.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

### 5.2 GHG emissions for the current financial year

The Group's GHG emissions for the current FY are shown in the table below:

| Group's GHG emissions | 2024 $tCO_2e$ | 2023[1] $tCO_2e$ |
|---|---|---|
| **Gross Scope 1 emissions ($tCO_2e$)** | **3,537** | **3,615** |
| **Biogenic emissions Scope 1[2]** | **4** | **–** |
| **Gross Scope 2 emissions (Location-based) ($tCO_2e$)** | **5,902** | **6,066** |
| **Gross Scope 2 emissions (Market-based) ($tCO_2e$)** | **13** | **10** |
| **Gross Scope 3 emissions ($tCO_2e$)** | **12,502,613** | **5,058** |
| *Business Travel ($tCO_2e$)* | *4,469* | *4,348* |
| *Waste ($tCO_2e$)* | *7* | *23* |
| *Purchased Goods and Services ($tCO_2e$)* | *29* | *34* |
| *Downstream leased assets (market based) ($tCO_2e$)* | *1,048* | *653* |
| *Financed Emissions ($tCO_2e$)[4]* | *12,497,060* | *–* |
| **% of electricity from renewable sources[3]** | **c.100%** | **c.100%** |
| **Total GHG emissions (location-based) ($tCO_2e$)** | **12,512,056** | **14,739** |
| **Total GHG emissions (market-based) ($tCO_2e$)** | **12,506,167** | **8,683** |

[1] *The values for 2023 do not include Davy.*
[2] *The Group disclosed for the first time in 2024, its biogenic emissions from HVO in Scope 1, which amounted to 4 tonnes $CO_2e$.*
[3] *Percentage renewable tied to contractual instruments is 99.75% (2023: 99.83%) with full coverage expected in 2025.*
[4] *Financed Emissions do not include Davy and New Ireland and is being reported for the first time in 2024, thus Scope 3 for FY24 is not comparable to FY23.*

The table above, includes the own operations emissions associated with the Davy business for the first time in the 2024 totals. This sees movements for Scope 1 and 2 (Market-based) emissions as follows:

- underlying Scope 1 and 2 (Market-based) emissions for FY23 were 3,625 $tCO_2e$;
- in line with the Group's Climate Transition Plan and Science Based Target, in FY24 this reduced by 301 $tCO_2e$ to 3,324 $tCO_2e$; and
- the integration of Davy's operational emissions of 230 $tCO_2e$ for FY24 sees a combined total of 3,554 $tCO_2e$ for the year.

| GHG emissions intensity per net revenue | GHG emissions $tCO_2e$ | Total emissions as a share of income[1] |
|---|---|---|
| Total GHG emissions from own operations – location-based | 14,995 | 3.4 |
| Total GHG emissions from own operations – market-based | 9,106 | 2.1 |
| Total GHG emissions from own operations and lending activities (location-based) | 12,512,056 | 2,835.3 |
| Total GHG emissions from own operations and lending activities (market-based) | 12,506,167 | 2,833.9 |

[1] *The Group's Total Operating Income is €4,413 million for the current FY. The revenue used here is consistent with the Group's revenue reported under IFRS 8.*

The Group continues to progress the development of its emissions reporting capabilities and for this disclosure, GHG financed emissions are provided in line with the PCAF Part A Standards on Financed Emissions. The Group's GHG emissions for Financed Emissions for the current FY is shown in the following table.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

| 2024<br>Scope 3 financed emissions | Gross carrying amount €bn | Gross carrying amount in PCAF scope for financed emissions €bn | Financed emissions (ktons $CO_2e$) | *of which;* Scope 1 and 2 (ktons $CO_2e$) | *of which;* Scope 3 (ktons $CO_2e$) | Weighted average carbon intensity[1] | PCAF average quality data score[2] |
|---|---|---|---|---|---|---|---|
| Non-financial corporates | 27 | 27 | 10,914 | 1,802 | 9,112 | 406 | 4 |
| Residential mortgages | 51 | 51 | 727 | 727 | – | 14 | 4 |
| Motor vehicle finance | 3 | 3 | 263 | 263 | – | 76 | 3 |
| Sovereigns | 5 | 5 | 593 | 593 | – | 116 | 2 |
| Other consumer lending | 2 | – | – | – | – | – | – |
| Central banks exposure | 33 | – | – | – | – | – | – |
| Financial corporations | 7 | – | – | – | – | – | – |
| Trading book | 2 | – | – | – | – | – | – |
| Derivatives | 1 | – | – | – | – | – | – |
| Other assets | 6 | – | – | – | – | – | – |
| Total assets | 137 | 86 | 12,497 | 3,385 | 9,112 | 145 | 4 |

[1] *Measured as tonnes $C0^2$ per €m of gross carrying amount.*
[2] *PCAF has defined data quality scoring per asset class, facilitating data transparency and encouraging improvements to data quality in the medium and long-term. This data quality score ranges from one to five, one being the highest data quality (for example, reported and verified emissions) and five being the poorest (emissions are based on unspecific industry data).*

The financed emission table above, provides an overview of the assets in scope of GHG emission reporting and the associated data quality score. Total assets are defined in this table according to the prudential consolidation of the Group per FINREP and EU Taxonomy reporting standards. Based on chapter 15 of the GHG protocol standard and considering the consolidation parameter of the Group, the Group has not disclosed the financed emissions for Davy and New Ireland. The financed emissions are estimated in accordance with the scope and principles set by PCAF. Please see page 64 for details on the estimation methodology and the asset classes in scope.

Based on this assessment, the majority of the Group's estimated financed emissions are in the Group's Non-Financial Corporate (NFC) portfolio. These emissions relate to Corporate and Business Loans reflecting the Scope 3 emissions within the supply chain of these companies. This proportionality of emissions is in line with ECB system level benchmarking studies however the Group recognises there are limitations that must be considered when presenting the results.

The Group recognises that measurement methodologies and data availability remain at an early stage of development across the industry which means emissions intensity estimates are not necessarily comparable across different financial institutions:

- this is a particular consideration for Scope 3 estimation where limitations are noted in the PCAF Standard: 'PCAF acknowledges that, to date, the comparability, coverage, transparency, and reliability of Scope 3 data still varies greatly per sector and data source'. To address this limitation we have leveraged the data provider ICE's (Intercontinental Exchange Inc) methodologies that infer Scope 3 estimates that accounts for incomplete coverage in reported emissions by counterparties. This provides us with a comprehensive view of supply chain emissions across our lending customer base;
- however as financial institutions are aggregators of emissions data for NFC counterparties, the potential for double counting of emissions due to overlaps across company supply chains is a further inherent limitation of the current approach. Therefore it should be noted that the amount of Scope 3 emissions are aggregated up across the lending portfolio and as overlaps in supply chains can't be quantified under the PCAF methodology it is likely that the aggregated totals overestimate the underlying volumes of emissions; and
- additionally, variation in emission metrics over time may not always reflect changes in customers' emissions, but could result from changes in other factors, such as changes in revenue and production for various reasons such as global events, and new data sources and methodologies used to estimate emissions in the absence of externally published customer emissions.

The Group acknowledges these current limitations and will monitor broader industry trends as it continues to develop its methodologies and data coverage. In addition, the level of direct estimates disclosed by counterparties will increase over time in line with the introduction of the CSRD and will reduce current levels of dependence on proxy estimates.

Notwithstanding these current limitations the Group recognises the importance of using this information to inform management action. It is leveraging these financed emissions estimates and has introduced a WACI (Weighted Average Capital Intensity) metric to its internal board level reporting to inform portfolio strategies to decarbonise the lending portfolio and mitigate climate-driven credit risk.

The following table provides a breakout of the financed emissions associated with the customer lending portfolio. Non-financial corporates are disaggregated by the Nomenclature of Economic Activities (NACE) Sectors classified in ESG Pillar 3 disclosures, with residential mortgages and car finance disaggregated by location (RoI and UK).

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

| 2024<br>Scope 3 financed emissions<br>Customer Lending | Gross carrying amount €m | Financed emissions (ktons $CO_2e$) | *of which;* Scope 1 and 2 (ktons $CO_2e$) | *of which;* Scope 3 (ktons $CO_2e$) | Weighted average carbon intensity | PCAF average quality data score |
|---|---|---|---|---|---|---|
| **Non-Financial Corporates** | **27** | **10,914** | **1,802** | **9,112** | **406** | **4** |
| A - Agriculture, forestry and fishing | 2 | 920 | 186 | 734 | 511 | 5 |
| B - Mining and quarrying | – | 346 | 275 | 71 | 3,201 | 4 |
| *of which;* Fossil Fuel Extraction | – | – | – | – | | – |
| *of which;* Other Mining & Quarrying activities | – | 346 | 275 | 71 | 3,201 | 4 |
| Manufacturing | 4 | 6,469 | 508 | 5,961 | 1,547 | 4 |
| *of which;* Food Production | 1 | 1,255 | 183 | 1,072 | 1,215 | 4 |
| *of which;* Other Manufacturing | 3 | 5,214 | 325 | 4,889 | 1,656 | 4 |
| D - Electricity, gas, steam and air conditioning supply | 1 | 446 | 374 | 72 | 838 | 4 |
| E - Water supply; sewerage, waste management | – | 11 | 5 | 6 | 115 | 4 |
| F - Construction | – | 53 | 11 | 42 | 154 | 5 |
| G - Wholesale and retail | 2 | 1,215 | 59 | 1,156 | 523 | 4 |
| H - Transportation and storage | 1 | 195 | 111 | 84 | 232 | 4 |
| I - Accommodation and food service activities | 2 | 278 | 54 | 224 | 176 | 4 |
| L - Real estate activities | 8 | 295 | 127 | 168 | 37 | 4 |
| Exposures towards other less sensitive sectors | 7 | 686 | 92 | 594 | 95 | 4 |
| **Residential Mortgages** | **51** | **727** | **727** | **–** | **14** | **4** |
| RoI mortgages | 35 | 501 | 501 | – | 14 | 4 |
| UK mortgages | 16 | 226 | 226 | – | 14 | 3 |
| **Motor Vehicle Finance** | **3** | **263** | **263** | **–** | **76** | **3** |
| RoI motor finance | 1 | 46 | 46 | – | 53 | 4 |
| UK motor finance | 2 | 217 | 217 | – | 83 | 3 |
| **Total Customer Lending** | **81** | **11,904** | **2,792** | **9,112** | **147** | **4** |

### 5.3 Reporting principles

- The Group uses the operational GHG accounting approach i.e. it accounts for all emissions from operations over which it or one of its subsidiaries has operational control.
- The Group considers the GHG protocol guidance, a Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol) for its Scope 1, 2 and 3 emissions calculations and guidance from PCAF, when calculating its financed emissions.
- The UK Department for Environment, Food and Rural Affairs (DEFRA), and the Commission for Regulation of Utilities Ireland (CRU) emission conversion factors are used for calculation purposes where relevant. Where $tCO_2e$ factors were not available, the Group has converted $tCO_2$ to $tCO_2e$, using relevant CRU factor.
- The Group's Scope 1, 2 and 3 emissions are calculated on a gross-basis.
- The most recent Global Warming Potential (GWP) values published by the IPCC based on a 100-year time horizon has been used to calculate $CO_2eq$ emissions of non-$CO_2$ gases.
- The Group has not been involved /applied any Emissions Trading Scheme (ETS) to-date.
- Due to limited level of sophistication involved, a number of assumptions are applied to calculate the GHG emissions.

The methodology and assumptions are summarised below:

**Scope 1**

- Direct (Scope 1) GHG emissions are from sources that are owned or controlled by the Group.
- In line with the GHG Protocol, the Group's emissions are presented in tonnes of carbon dioxide equivalent units ($tCO_2e$) and include carbon dioxide ($CO_2$), methane (CH4), nitrous oxide ($N_2O$) and hydrofluorocarbons (HFC).
- Bio-based $CO_2$ emission are disclosed separately under Scope 1 biogenic emissions.
- The Group's Direct (Scope 1) emissions include fuels combustion, fleet and fugitive emissions.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

The factors used for calculation of the different components of Scope 1 are listed below:

- **Natural gas:** DEFRA 2024 GHG conversion factors were used to quantify emissions from natural gas. Emissions were quantified by multiplying natural gas consumption in kWh by DEFRA natural gas 2024 conversion factor;
- **Kerosene:** DEFRA 2024 GHG conversion factor for burning oil was used for emissions calculation from burning kerosene. Emissions were quantified by multiplying kerosene consumption in litres by DEFRA burning oil 2024 conversion factor;
- **Gas oil:** DEFRA 2024 GHG conversion factor for gas oil was used for emissions calculation from burning gas oil. Emissions were quantified by multiplying gas oil consumption in litres by DEFRA Gas Oil 2024 conversion factor;
- **Fleet:** DEFRA 2024 conversion factors for medium-sized cars (kg $CO_2$e/km) were used for emissions quantification according to fuel type (diesel, petrol, hybrid, plug-in hybrid and electric). The total estimated distance travelled is calculated using available mileage data. Calculations involve determining average daily distances and projecting them over a year while adjusting for maximum mileage expectations. These approaches aim to provide reasonable mileage estimates based on data availability and vehicle usage duration. Emissions were quantified by multiplying total estimated distance travelled by fuel type in kms by the relevant DEFRA 2024 conversion factor; and
- **Refrigerants:** DEFRA 2024 conversion factors were used for the quantification of emissions from refrigerants leakage.

### Scope 2

- The Group's Scope 2 emissions represent consumption of purchased electricity. The Group does not consume purchased or acquired steam, heating and cooling.
- In line with the GHG Protocol, the Group's emissions are presented in tonnes of carbon dioxide equivalent units ($tCO_2e$) and include carbon dioxide ($CO_2$), methane (CH4), nitrous oxide ($N_2O$) and hydrofluorocarbons (HFC).
- Bio-based $CO_2$ emission are not considered significant for the Group's Scope 2 emissions.

The factors used for calculation of the different components of Scope 2 are listed below:

- **Location rate:**
  - RoI: Conversion factors for electricity are sourced from the CRU. The consumption of electricity is multiplied by the CRU factor and by the $CO_2$ to $CO_2$e conversion factor.
  - UK: Conversion factors for electricity consumed in the UK are sourced from DEFRA 2024.
- **Market rate:**
  - As of 31 December 2024, all electricity consumption in offices in RoI and Northern Ireland (NI) are sourced from renewables.
  - DEFRA 2024 UK electricity conversion factor was used to calculate the market rate Scope 2 emissions for GB non- renewable electricity.

### Scope 3

- The Group screens its total Scope 3 GHG emission based on the 15 Scope 3 categories identified by GHG protocol. Financed emissions is considered as the only significant Scope 3 category for the Group.
- The Group updates its Scope 3 significant categories every year and Scope 3 inventory at least every three years.
- In line with the GHG Protocol, the Group's emissions are presented in tonnes of carbon dioxide equivalent units ($tCO_2e$) and include carbon dioxide ($CO_2$), methane (CH4), nitrous oxide ($N_2O$) and hydrofluorocarbons (HFC).
- Bio-based $CO_2$ emission are not considered significant for the Group's Scope 3 emissions.

The factors used for calculation of Scope 3 categories relevant for the Group are highlighted below:

**Category 1: Purchased goods and services**
Water: The Group uses supplier data to calculate its total water consumption. Water supply in cubic metres multiplied by the appropriate DEFRA 2024 emission factor.

***Category 5: Waste***
The Group uses supplier data to calculate its total waste by category. Waste emissions are calculated using DEFRA 2024 emissions factors. A comprehensive breakdown of the Group's waste is obtained from its supplier.

***Category 6: Business travel***
The Group uses supplier data and expense data from its ERP system. This data is combined and divided into appropriate categories. Travel emissions are calculated using the appropriate DEFRA 2024 emissions factors.

***Category 13: Downstream leased***
Leased building – natural gas: The DEFRA natural gas conversion factor was used to quantify emissions from natural gas consumption.

Leased building – electricity: Conversion factors for electricity are sourced from the CRU and DEFRA.

***Category 15: Financed Emissions***

Most of the Group's impacts from GHG emissions stem from upstream and downstream activities, i.e. Scope 3 emissions.

The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (CVC Scope 3) of the GHG Protocol further defines and classifies Scope 3 emissions into 15 different categories. 'Category 15: Investments' covers emissions associated with operation of investments (including equity and debt investments and project finance) in the reporting year. This is considered the most material category for the Group and relates to its lending activities. This means that 'Scope 3 category 15' includes its lending customers Scope 1, 2 and 3 emissions. The accounting and reporting of 'category 15' emissions associated with lending is further described in PCAF Part A Standards on financed emissions from lending and investment activities.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

The estimation of financed emissions covers lending customers assets and companies' Scope 1, Scope 2 and Scope 3 emissions. The PCAF Standard defines these as follows:

- Scope 1 of the lending customer: Direct GHG emissions that occur from sources owned or controlled by the customer, i.e. emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.
- Scope 2 of the lending customer: Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the customer. Scope 2 emissions physically occur at the facility where the electricity, steam, heating or cooling is generated.
- Scope 3 of the lending customer: All other indirect GHG emissions (not included in Scope 2) that occur in the value chain of the customer. Scope 3 can be broken down into upstream emissions and downstream emissions. Upstream emissions include all emissions that occur in the lifecycle of a material/product/service up to the point of sale by the producer, such as from the production or extraction of purchased materials. Downstream emissions include all emissions that occur because of the distribution, storage, use and end-of-life treatment of the organisation's products or services.

The PCAF Standard applies the same general attribution principles across all lending asset classes:

- financed emissions are always calculated by multiplying an attribution factor (specific to that asset class) by the emissions of the borrower or asset;
- the attribution factor is defined as the share of total annual GHG emissions of the borrower or asset that is allocated to the loan(s) or asset(s);
- the attribution factor is calculated by determining the share of the outstanding amount of loans of a financial institution over:
  - the company value (total equity and debt of the company, project, etc.) to which the financial institution has lent money to; or
  - the asset value in the case of asset finance (such as for properties, motor vehicles etc).

### The PCAF Standard general approach to calculating financed emissions

$$\text{Financed Emissions} = \sum \text{Attribution Factor}_i \times \text{Customer Emissions}_i$$

*(with 'i' denoting customers or assets)*

***Where the attribution factor is calculated:***

$$\textit{For companies as: Attribution factor} = \frac{\textit{Outstanding amount}_i}{\textit{Total equity+debt}_i}$$

$$\textit{For assets as: Attribution factor} = \frac{\textit{Outstanding amount}_i}{\textit{Total equity+debt}_i}$$

### Asset Classes in scope for Financed Emissions

In line with the PCAF Standard the following asset and lending categories are included in the scope of the Financed Emissions calculation where there is a dedicated PCAF methodology for Financed Emissions per the table below. These categories largely correspond to the Scope covered by the Group's Science Based Targets and Sustainable Finance Framework.

The PCAF standard provides detailed methodological guidance to measure and disclose GHG emissions associated with six asset classes: listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, and motor vehicle loans.

| Asset class | PCAF financed emissions asset categories | PCAF Approach Aligned to the Group's SBT Measurement Approach | In Scope of the Group's Sustainable Finance Framework |
|---|---|---|---|
| **Non-financial corporates** | General corporate and business loans | No – Portfolio Coverage Approach applied for SBT Target | Yes |
| | Project finance | Yes – Sector Decarbonisation Approach | Yes |
| | Commercial real estate | Yes – Sector Decarbonisation Approach | Yes |
| **Household lending** | Residential mortgages | Yes – Sector Decarbonisation Approach | Yes |
| | Car finance | Not in Scope of SBTs | Yes |
| **Sovereign** | Sovereign | Not in Scope of SBTs | No |

Due to unavailability of methodologies under PCAF we have excluded certain asset classes from the Financed Emissions estimates in line with market practices. Asset classes not covered under PCAF include consumer lending (personal lending, credit cards), cash and bank balances, trading book assets, derivatives and other assets. In term of sovereign debt central bank exposure is not within scope of the PCAF accounting standard. Financed emissions relating to financial corporations in the liquid asset portfolio is not considered a material matter for the Group this year given lack of data as banks are only beginning to report financed emissions and is excluded.

The reporting principles that apply to each category across these topics will be covered in the following sections.

### General corporate and business loans

Corporate and Business loans portfolio financed emissions ($tCO_2e$) are calculated using the formula from the PCAF standard (Chapter 5.2 Business Loans and Unlisted Equity). The PCAF methodology provides three options for estimating financed emissions for Corporate and Business loans depending on the emissions data used. The following options are applied by the Group:

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

- **Option 1:** Reported emissions using emissions disclosures by customers in their annual reporting; and
- **Option 3:** Economic activity-based emissions based on industry sector averages of emissions per euro of revenue is estimated. It is then applied to customer accounts based on financial data collected from the customer and allocated to the lending exposure using the attribution factor.

$$\text{Financed Emissions} = \sum_i \text{Attribution Factor}_i \times \text{Customer Emissions}_i$$
*(with 'i' customer companies)*

***Where the attribution factor is calculated:***

$$\textit{Attribution factor} = \frac{\text{Outstanding amount}_i}{\text{Company Value}_i}$$

For the execution of these calculations the Group has engaged the data provider ICE Data Services who provide data to financial institutions and regulators on company emissions. ICE have assembled emissions data for 30K+ companies which they use to provide inferred emissions data based on the sector and size of companies.

The Group sources from ICE (i) actual reported company emissions data for the execution of Option 1 and (ii) estimated emissions data for the execution of Option 2.

**Data inputs**

- **Outstanding balance:** This is the gross carrying amount (GCA) at end December 2024 from the Group FINREP reporting system.
- **Company value:** Total Assets (the sum of total equity and liabilities) is used as the measure of company value for Corporate and Business Loans and is sourced from customer financial information recorded on the Group's commercial credit rating system. The Group notes the PCAF guidance is to use Enterprise Value including Cash (EVIC) for listed companies but given the limited number of listed companies in scope within the Group's lending portfolio and for the purposes of centralised data access and control, total assets is used as the primary measure of company value for Corporate and Business Loans.
- **Company revenue:** This is an input factor required for inferring company emissions and is sourced from customer financial information recorded on the Group's commercial credit rating system.
- **NACE sector:** This is an input factor required for inferring company emissions. It is the NACE Sectors classification of the company for ESG Pillar 3 disclosures from the Group FINREP reporting system.
- **Country:** This is an input factor required for inferring company emissions. It is the Country classification of the company for ESG Pillar 3 disclosures from the Group FINREP reporting system.
- **Company emissions:** ICE provides tiered information to the Group for the purposes of the Financed Emissions estimation as follows:
- **Tier 1 LEI Companies (Options 1 and 3):** Reported emissions are provided where available in the ICE database for companies in the Group's portfolio identified by Legal Entity Identifiers (LEI) codes (Option 1). Where there are gaps in emission reporting (typically for Scope 3 emissions) ICE infer proxy emissions estimates for these companies based on their proprietary estimation approach using NACE Sector, Revenue and Country (Option 3).
- **Tier 2 Company Level Emissions Estimates (Option 3):** This cohort of companies are not covered by actual emissions reporting and ICE provide inferred estimates of company emissions based on company specific details on NACE Sector, Revenue and Country.

The Tier 2 information provided by ICE is used to inform emission estimates for the remaining exposure in the Corporate and Business Loan category.

This estimate is calculated at an aggregate sectoral level based on average values of revenue, assets and emissions for cohorts split by NACE Sector and Country.

The perimeter of the in scope portfolio for SBT metric is defined by (i) long-term corporate debt (with maturities of greater than one year) and (ii) lending managed in our RoI, UK and European businesses. Corporate loans to fossil fuel companies are also included.

**SBT target metric:** 25% of its long-term corporate lending (weighted by financed emissions) setting SBTi validated targets by 2025.

Corporate loans portfolio coverage rate

***Where the attribution factor is calculated:***

$$\textit{Coverage Rate} = \frac{\textit{Total Company Emissions for Customers with validated Science Based Targets}}{\textit{Total Company Emissions for Customers in the in scope portfolio}}$$

**SBT target metric:** The Group commits to 25% of its corporate bond customers (weighted by investment value) setting SBTi validated targets by 2025.

Corporate bonds portfolio coverage rate

***Where the attribution factor is calculated:***

$$\text{Coverage Rate} = \frac{\textit{Total Invested Value for Banks with validated Science Based Targets}}{\textit{Total Invested Value for Banks in the in scope Bank Bond portfolio}}$$

### Project finance

Project Finance portfolio financed emissions ($tCO_2e$) are calculated using the formula from the PCAF standard (Chapter 5.3 Project Finance). This calculation covers the totality of the Group's Project Finance portfolios. For Project Finance towards electricity generation that is in scope for Science Based Targets the following calculation is applied.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

For other project finance lending that is predominantly in the operational stage and the data required for this calculation is not available in the Group systems, the Corporate and Business Loan calculation is applied.

$$\text{Financed Emissions} = \sum_i \text{Attribution Factor}_p \times \text{Project Emissions}_p$$
*(with 'p' denoting projects)*

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Outstanding amount}_p}{\text{Total equity+debt}_p}$$

Project emissions are estimated based on primary physical activity data collected from the project (e.g. verified emissions, megawatt-hours of electricity produced), with the emission factors expressed per physical activity (e.g. tCO2e/MWh).

**Data inputs**

- Outstanding balance: This is the gross carrying amount (GCA) at end December 2024 from the Group FINREP reporting system.
- Total debt and equity: This is collected from the project sponsors through annual engagements.
- Physical activity-based emissions: This is collected from the project sponsors through annual engagements including megawatt-hours of electricity produced and verified emissions. In the main this portfolio comprises of renewable energy projects which produce negligible levels of carbon emissions per Megawatt hour (MWh) of operation.

**SBT target metric:** Project Emission Intensity - weight of carbon dioxide equivalent ($CO_2e$ kg) emitted per Kilowatt hour (kWh).

The target is based on intensities and calculated as $CO_2e$ emissions per kWh per year. All data used in the calculation is aligned with the data used in the Financed Emissions calculation above.

$$\text{SBT target metric} = \sum_i \text{Attribution Factor}_p \times \text{Project Emissions Intensity}_p$$
(with 'p' denoting projects)

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Outstanding amount}_p}{\text{Total equity+debt}_p}$$

$$\text{Project Emissions Intensity} = \text{Project Emissions}_p \times \text{Project Activity (Electricity Generated)}_p$$

The target applies to Project Finance – Electricity Generation, at the time the target was set other types of project finance was out of the SBT scope.

### Commercial Real Estate

Commercial Real Estate (CRE) portfolio financed emissions ($tCO_2e$) are calculated using the formula from the PCAF standard (Chapter 5.4 Commercial Real Estate). For property already built, the estimates cover the absolute Scope 1 and 2 emissions related to the energy use of financed buildings during their operation. This calculation covers the totality of the Group's CRE portfolios across ROI and the UK (with EU and US exposures outside these locations excluded due to low materiality). The calculation also includes properties in the development stage with emissions estimated in line with the approach taken for constructed CRE to reflect expected annual emissions on completion. When calculating financed emissions for CRE, a building's annual emissions are attributed to the finance provider using a loan-to-value (LTV) approach. Thus, the attribution is equal to the ratio of the outstanding amount at the time of GHG accounting to the property value at the time of loan origination.

The emissions of buildings are calculated as the product of a building's energy consumption and specific emission factors for each source of energy consumed. The equation below is the result.

$$\text{Financed Emissions} = \sum_i \text{Attribution Factor}_p \times \text{Property Emissions}_p$$
*(with 'p' denoting commercial properties)*

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Outstanding amount}_p}{\text{Original property value}}$$

$$\text{Property Emissions} = \text{Energy Consumption}_p \times \text{Emission Factors}_e$$
*(with 'p' denoting commercial properties and 'e' denoting energy sources)*

**Data inputs**

- **Outstanding balance:** This is the gross carrying amount (GCA) at end December 2024 from the Group FINREP reporting system.
- **Original property value:** This is the earliest available valuation of the property obtained from the Group's Commercial credit rating systems.
- **Property emissions for CRE properties:** Estimated energy consumption based on the floor size of the property and its EPC Rating which is captured for c.30% of the portfolio at FY24.
- **Energy consumption:**
  - Property floor size: This metric is obtained from the Group's credit rating system. In cases where it is not captured portfolio average values are applied based on property type (residential, office, industrial etc.); and
  - EPC Rating: This metric is obtained from the Group's credit rating system. In cases where it is not captured the rating is estimated. For ROI properties a national database maintained by the Sustainable Energy Authority of Ireland (SEAI) on commercial properties with recorded energy ratings has been used to provide an estimated view on the energy rating profile of RoI CRE lending, based on key explanatory factors (namely year of build, property type and location).
- Emission factors calculation: Emission factors are sourced from SEAI for RoI properties and DEFRA for UK properties and updated annually to reflect the latest reported decarbonisation of the electricity grid in the emission calculations.

**SBT target metric:** Property Emission Intensity - weight of carbon dioxide equivalent ($CO_2e$ kg) emitted per square meter.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

The target is based on intensities and calculated as $CO_2e$ emissions per square metre per year. Both carbon emissions and square metres are LTV-adjusted similar to the financed emissions calculation above. All data used in the calculation is aligned with the data used in the Financed Emissions calculation above.

SBT target metric = $\sum_i$Attribution Factor$_p$×Property Emissions Intensity$_p$
*(with 'p' denoting commercial properties)*

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Outstanding amount}_p}{\text{Original property value}}$$

and Property emissions intensity = Property Emissions$_p$×Property size (square metres)$_p$

The target applies to CRE lending classed as Corporate Lending, with business lending out of scope.

### Residential mortgages

Residential mortgage portfolio financed emissions (tCO2e) are calculated using the formula from the PCAF standard (Chapter 5.5 Mortgages). This calculation covers the absolute Scope 1 and 2 emissions related to the energy use of the property financed through the mortgage. This calculation covers the totality of the Group's mortgage portfolios across ROI and the UK. When calculating financed emissions for residential mortgages, a building's annual emissions are attributed to the mortgage provider using a loan-to-value (LTV) approach. Thus, the attribution is equal to the ratio of the outstanding amount at the time of GHG accounting to the property value at the time of loan origination.

Financed Emissions = $\sum_i$Attribution Factor$_p$×Property Emissions$_p$
*(with 'p' denoting residential properties)*

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Outstanding amount}_i}{\text{Original property value}}$$

The emissions of buildings are calculated as the product of a building's energy consumption and specific emission factors for each source of energy consumed. The equation below is the result.

Property Emissions = Energy Consumption$_p$×Emission Factors$_e$
*(with 'p' denoting residential properties* and 'e' denoting energy sources*)*

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Outstanding amount}_i}{\text{Original property value}}$$

**Data inputs**

- **Outstanding balance:** This is the gross carrying amount (GCA) at end December 2024 from the Group FINREP reporting system.
- **Original property value:** This is value of the property at the point of loan origination and is obtained from the Group's RoI and UK mortgage source systems.
- **Property emissions for RoI residential mortgages:** Estimated energy consumption based on the floor size of the property and its BER Rating.
  - Energy consumption:
    - Property floor size: is obtained from the Group's RoI mortgage source system. In exceptions where it is not captured a portfolio average value is applied.
    - BER rating: BER data capture was systemised in the Group's RoI mortgage source system in 2024 and the BER data captured is used in the calculation. Properties where a BER is not currently captured by the Group in source systems represent c.86% of the RoI mortgage portfolio at FY24. A national database maintained by the Sustainable Energy Authority of Ireland (SEAI) on domestic properties with recorded energy ratings has been used to provide an estimated view on the energy rating profile of RoI lending collateralised by residential property, based on key explanatory factors (namely year of build, property type and location).
    - Emission factors calculation: Emission factors are sourced from SEAI and DEFRA and updated annually to reflect the latest reported decarbonisation of the electricity grid in the emission calculations.
- **Property emissions for UK residential mortgages:** Estimated energy consumption based on the floor size of the property and its EPC Rating.
  - Energy consumption:
    - Property floor Size: is obtained from the Group's UK mortgage source system. In exceptions where it is not captured a portfolio average value is applied.
    - EPC rating: The main source of emissions data is from EPCs available through the UK government EPC registers. EPC data from the registers are matched at a property level and used in the calculation of aggregated portfolio emissions. Properties where an EPC cannot be sourced from UK government or our own systems make up c.15% per cent of the UK mortgage portfolio at FY24. For these properties, EPC ratings and emissions are estimated based on key explanatory factors (namely year of build, property type and location).
- **Emissions factors calculation:** Emission factors are sourced from DEFRA and updated annually to reflect the latest reported decarbonisation of the electricity grid in the emission calculations.
- **SBT Target Metric:** Property Emission Intensity - weight of carbon dioxide equivalent ($CO_2e$ kg) emitted per square meter.

The target is based on intensities and calculated as $CO_2e$ emissions per square metre per year. Both carbon emissions and square metres are LTV-adjusted similar to the financed emissions calculation above. All data used in the calculation is aligned with the data used in the Financed Emissions calculation above.

SBT target metric = $\sum_i$Attribution Factor$_p$×Property Emissions Intensity$_p$
*(with 'p' denoting residential properties)*

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Outstanding amount}_p}{\text{Original property value}}$$

*Property emissions intensity = Property Emissions$_p$×Property size (square metres)$_p$*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

### Car finance

Car Finance portfolio financed emissions (tCO2e) are calculated using the formula from the PCAF standard (Chapter 5.6 Motor Vehicle Loans). The annual Scope 1 and Scope 2 emissions of the vehicles being financed are estimated:

- Scope 1: Direct emissions from fuel combustion in vehicles.
- Scope 2: Indirect emissions from electricity generation consumed in EVs (hybrid and fully EVs).

This calculation covers the large majority of the Group's Car Finance portfolios, with full coverage across non-material commercial vehicles coming into future reporting scope. In line with the observed industry practice of other financial institutions who provide car finance through operating lease assets we are including the emissions from these vehicles in the scope of Finance Emissions.

$$\text{Financed Emissions} = \sum_v \text{Attribution Factor}_v \times \text{Vehicle Emissions}_v$$

*(with 'v' denoting vehicles)*

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Outstanding amount}_v}{\text{Original asset value}_v}$$

Vehicle emissions are estimated based on the distance travelled and type of fuel used per the following formulas.

$$\text{Vehicle Emissions} = \sum_v \text{Attribution Factor}_v \times \text{Vehicle Emissions}_v$$

*(with 'v' denoting vehicles)*

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Outstanding amount}_v}{\text{Original asset value}_v}$$

**Data inputs**

- Outstanding balance: This is the gross carrying amount (GCA) at end December 2024 from the Group FINREP reporting system.
- Original asset value: This is collected from the Group's loan origination systems.
- Vehicle emissions: Emissions estimates based on vehicle type, contractual mileage and WLTP factors where available from BoI systems. WLTP factors are specific to the car make and model, as opposed to the UK Government emission factors which are generic by car size and fuel type. This specific data is supplemented by the latest national statistics on mileage from the Central Statistics Office (ROI) and the Dept of Transport (UK) and 2024 emission factors from DEFRA.

### Sovereign debt

Sovereign debt portfolio financed emissions (tCO2e) are calculated using the formula from the PCAF standard (Chapter 5.7 Sovereign Debt). Financial institutions shall report sovereign borrowers' scope emissions as follows:

- **Scope 1:** Domestic emissions from sources located within the country territory.
- **Scope 2:** Emissions attributable to energy imports as a result of activities taking place within the country territory.
- **Scope 3:** Emissions attributable to non-energy imports as a result of activities taking place within the country territory.

$$\text{Financed Emissions} = \sum_s \text{Attribution Factor}_s \times \text{Sovereign Emissions}_s$$

*(with 's' denoting sovereigns*

***Where the attribution factor is calculated:***

$$\text{Attribution factor} = \frac{\text{Exposure to Sovereign Bond}_s}{\text{GDP adjusted for purchasing power parity}_s}$$

**Data inputs**

- **Outstanding balance:** This is the gross carrying amount (GCA) at end December 2024 from the Group FINREP reporting system for Central governments and Supranational issuers.
- **Purchasing power parity adjusted GDP:** Sourced from the OECD per PCAF Standard guidance.
- **Sovereign emissions:** Domestic and imported emissions sourced from the OECD for countries the Group has provided Sovereign debt. Imported emissions assigned to Scope 2 (assumed all imported emissions are energy related).

**Scope 3 categories that are not significant for the Group include:**

- **Capital goods**: Capital goods used by the Group are long-lived assets such as buildings, which have a materially insignificant impact on global Scope 3 emissions;
- **Fuel and energy related activities:** The Group does not have any materially significant fuel and energy-related activities that were not captured in our scope 1 and scope 2 emissions;
- **Employee commuting:** The emissions associated with this travel are insignificant relative to our overall emissions;
- **Upstream leased assets:** The Group does not have any materially significant upstream leased assets;
- **Downstream transportation and distribution:** The Group does not have any materially significant downstream transportation and distribution;
- **Processing of sold products:** The Group does not sell physical products;
- **End of life treatment of sold products:** The Group does not sell physical products;
- **Franchises:** The Group does not operate any franchises; and
- **Other downstream:** The Group does not have any materially significant downstream emissions.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 5 Climate change metrics and targets *(continued)*

### 5.4 Energy consumption and mix for the current financial year

The Group's objective is to deliver products and services in a sustainable manner, and make its own operations net zero by 2030. Some of the key initiatives to drive energy efficiency and carbon reductions include:

- continued certification of the ISO 50001 EMS and transition from fossil fuels to electric heating systems in the branch network;
- 40,000 LED fittings installed in retail across RoI & NI reducing lighting electricity consumption by 50% and 10% overall for the branch network;
- commissioning a new 100 kWp Solar PV renewable electricity system in the Group IT Centre, which will increase the building's Solar PV Array to 200 kWp, with 576 solar panels now in place on the roof. The new installation will generate 92,000 kWhs of renewable electricity annually. Combined with the IT Centre's existing renewable electricity system, when this array goes live it will reduce the usage of 180,000 kWhs from the national grid each year.
- commissioning a new 450 kW Electric Heat Pump system in the IT Centre. This will remove the dependence on natural gas boilers, resulting in up to 120 tCO2e carbon emission reductions annually;
- continuing with the conversion of kerosene boilers to operate on HVO resulting in a reduction of 90% of carbon emissions per boiler. A total of 27 sites were converted in 2024 and more planned in 2025; and
- a review conducted across retail and administration buildings to eliminate wasteful use of hot water, air conditioning and heating systems.

The following table shows the Group's Energy consumption and mix for the current financial year.

| Energy consumption and mix | 2024 |
|---|---|
| Total fossil energy consumption (MWh) | 13,577 |
| Share of fossil sources in total energy consumption (%) | 33% |
| Total energy consumption from nuclear sources (MWh) | nil |
| Share of consumption from nuclear sources in total energy consumption (%) | nil |
| Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh) | 1,065 |
| Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh) | 26,378 |
| The consumption of self-generated non-fuel renewable energy (MWh) | 76 |
| Total renewable energy consumption (MWh) | 26,455 |
| Share of renewable sources in total energy consumption (%) | 64% |
| Total energy consumption (MWh) | 41,097 |

### 5.5 Reporting principles

- The Group has reported all quantitative energy-related information as final energy consumption, referring to the amount of energy the undertaking actually consumes.
- The Group does not include double counting of fuel consumption when disclosing self-generated energy consumption.
- The Group has disclosed all metrics in MWh and has reflected conversion factor.
- The Group does not offset energy consumption even if on site generated energy is sold to and used by a third party when disclosing self-generated energy consumption.
- The Group does not count energy that is sourced from within the organisational boundary under 'purchased or acquired' energy when disclosing self-generated energy consumption.
- The Group has adopted a conservative approach when splitting the electricity, steam, heat or cooling between renewable and non-renewable sources based on the approach applied to calculate market-based Scope 2 GHG emissions.

## 6 GHG removals and GHG mitigation projects

Until now the Group has not engaged in GHG removal and storage projects through carbon credits. In 2024, it developed a carbon offsetting policy to neutralise 5-10% of residual GHG emissions in its own operations. This policy applies to the Group and its subsidiaries, aligning with frameworks like The Oxford Principles for Net Zero Aligned Carbon Offsetting (2024), UNEP FI Guidelines, ICROA Code of Best Practice, WWF's Blueprint for Corporate Action on Climate and Nature, SBTi, WBG Guidelines, and EU criteria. The Group aims to use carbon offsets from nature or technology to gain additional benefits like biodiversity repair, just transition, or community dividends.

The procurement strategy aligns with the Group's Climate Transition policy and Net Zero Targets.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## 6 GHG removals and GHG mitigation projects *(continued)*

A defined framework will guide the acquisition of carbon offsets, with policy reviews every three years or as needed. The Sustainable Finance Working Group (SFWG) will oversee the procurement function, ensuring only eligible credits are purchased. This oversight ensures the quality and provenance of carbon offsets. The SFWG will also ensure transparent standards of measurement, accounting, and reporting, aligned with legislative obligations and best practices. The SFWG will manage the Group's Carbon Offset Inventory and provides annual reports to the Sustainable Decision Group. The Group will only deal with carbon offsets issued by recognised and accredited standards bodies like Verra, Plan Vivo, Gold Standard, ACR, and CAR, preferably aligned with the EU Taxonomy.

The Group will transact carbon offsets over-the-counter, via recognised exchanges, or through accredited international schemes like CORSIA. It encourages clients to use credits from credible standards like VCS, Gold Standard, CDM, ACR, and CAR, and prefers service providers aligned with ICROA's Code of Best Practice and the Integrity Council for the Voluntary Carbon Market Core Carbon Principles.

The Group commits to purchasing at least 75% of its carbon offsets from Ireland, with the remainder from the UK, Spain, France, Germany, and the US. It will follow EFRAG guidance for implementing this policy and disclose details in its 2025 reporting.

## EU Taxonomy compliance statement

The preparation of the EU Taxonomy reporting is based on prudential consolidation of the Group, excluding New Ireland. The consolidation is in accordance with the supervisory reporting of financial institutions as defined in Regulation (EU) No 575/2013 of the European Parliament and of the Council, and the Commission Implementing Regulation (EU) 2021/451 (FINREP). The EU Taxonomy is a classification system of economic activities that make a substantial contribution to environmental sustainability under Taxonomy Regulation (EU) 2020/852. In addition, the preparation of reporting is based on the Delegated Act supplementing Article 8 of the Taxonomy Regulation (Disclosures Delegated Act 2021/2178). Article 3 of the EU Taxonomy Regulation sets out the criteria that an economic activity must meet to qualify as environmentally sustainable. This includes economic activity that is carried out in compliance with the minimum safeguards and contributes substantially to one or more of the environmental objectives.

The EU Taxonomy has six environmental objectives namely:
- climate change mitigation (CCM);
- climate change adaptation (CCA);
- sustainable use and protection of water and marine resources (WTR);
- transition to a circular economy (CE);
- pollution prevention and control (PPC); and
- protection and restoration of biodiversity and ecosystems (BIO).

### Minimum safeguards

As part of the assessment of environmentally sustainable economic activities, it is required that economic activity is carried out in compliance with minimum safeguards as part of Article 18 of the EU Taxonomy Regulation. The purpose of the minimum safeguards is to ensure compliance with minimum human and labour rights standards, preventing activities that breach key social principles by aligning with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work and the International Bill of Human Rights. In the Taxonomy reporting, compliance with minimum safeguards is an integral part of the non-financial undertakings' Taxonomy KPIs that the Group applies to exposures.

### Contribution to the EU environmental objectives

Through its financing of large undertakings subject to the CSRD, the Group supports a variety of economic activities that contribute to the EU environmental objectives. In addition, the Group's sustainable finance products including green mortgages, green home improvement loans, green motor loans and motor financing for EVs contributes to the EU environmental objective of climate change mitigation.

### Taxonomy KPIs

The Group is reporting on Taxonomy KPIs and Green Asset Ratios (GAR). Reporting includes input on turnover and CapEx from Taxonomy KPIs.

As at 31 December 2024, the Group's total GAR based on turnover amounted to 3.9% of total covered assets (2023: 2.4%), with the total GAR based on CapEx equivalent to c3.9% of total covered assets (2023: c.2.4%). The Taxonomy-aligned activities amounted to €3.8 billion at 31 December 2024 (2023: €2.3 billion). GCA of total covered assets amounted to €97.3 billion at 31 December 2024 (2023: €94.2 billion).

Total GAR: Taxonomy-aligned activities as a proportion of total covered assets.

Total covered assets: Total assets excluding sovereign and trading book exposures. Total assets are defined according to the prudential consolidation of the Group as prescribed by FINREP requirements.

### Climate delegated act

The Complementary Climate Delegated Act 2022 / 1214 including specific nuclear and gas energy activities published in July 2022, requires the Group to assess and disclose taxonomy-eligibility and non-eligibility of nuclear and fossil gas-related activities at 31 December 2024.

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## EU Taxonomy compliance statement *(continued)*

Whilst the Group has no direct exposure through lending to customers that have economic activities related to the production of electricity or heating using nuclear installations or electricity generation facilities that produce electricity from nuclear processes, it has exposure to nuclear activities through its AUM. The Group also has exposure to customers involved in the operation of electricity generation facilities that produce electricity using fossil gaseous fuels. See supplementary information on page 458 for template related to nuclear and fossil gas activities which are reported under Annex XII of the Delegated Act.

### Enhancing our EU taxonomy disclosures

As companies' transparency in line with the EU Taxonomy increases, it will enable expanded reporting against the Taxonomy. The phased introduction of the CSRD and ESRS which commenced in 2024 will support the further implementation of the EU Taxonomy Regulation into our business strategy, systems, and investment and lending processes.

### Sustainable finance and product design

The Group defines its Sustainable Finance as all financial products and services that it provides that support positive environmental and / or social purposes. The Group's Sustainable Finance eligibility criteria takes into account the EU Taxonomy (EUT) Regulation and the EU Taxonomy Climate Delegated Act – Annex I ('EU Taxonomy Criteria'), acknowledged principles and standards, as well as other best market practice criteria. Based on our definition of Sustainable Finance, we include commitments in our eligibility criteria of that fulfil social purposes or go beyond the existing ecological criteria of the EU taxonomy. As the EU taxonomy evolves, we will continuously review our criteria and, if necessary, adapt them to EU regulation.

### Summary of KPIs

The following table is a summary of KPIs to be disclosed by credit institutions under Article 8 of the EU Taxonomy Regulation. See supplementary information on page 463 in the BoIG plc Group Annual Report 2024 for additional EU Taxonomy tables reported under Annex VI of the Disclosures Delegated Act and taxonomy aligned activities. The EU Taxonomy disclosure tables on pages 439 to 466 are an integral part of the Sustainability Statement.

| 2024 | | Total environmentally sustainable assets €m | KPI turnover[1] % | KPI CapEx[2] % | % coverage (over total assets)[3] | % of assets excluded from the numerator of the GAR[4] | % of assets excluded from denominator of the GAR[5] |
|---|---|---|---|---|---|---|---|
| **Main KPI** | **GAR stock** | **3,787** | **3.89 %** | **3.89 %** | **2.76 %** | **26.60 %** | **29.11 %** |
| Additional KPIs | GAR (flow) | 1,152 | 7.03 % | 7.03 % | 6.83 % | 36.60 % | 2.75 % |
| | Trading book[6] | n/a | n/a | n/a | | | |
| | Financial guarantees | 3 | 0.40% | 0.42% | | | |
| | Assets under management[7] | – | – | – | | | |
| | Fee and commission income[6] | n/a | n/a | n/a | | | |

### Unassured

| 2023 | | Total environmentally sustainable assets €m | KPI turnover[1] % | KPI CapEx[2] % | % coverage (over total assets)[3] | % of assets excluded from the numerator of the GAR[4] | % of assets excluded from denominator of the GAR[5] |
|---|---|---|---|---|---|---|---|
| **Main KPI** | **GAR stock** | **2,289** | **2.43 %** | **2.43 %** | **1.70 %** | **26.94 %** | **29.93 %** |
| Additional KPIs | GAR (flow) | 139 | 0.92 % | 0.92 % | 0.89 % | 51.37 % | 3.09 % |
| | Trading book[6] | n/a | n/a | n/a | | | |
| | Financial guarantees | - | - | - | | | |
| | Assets under management[7] | - | - | - | | | |
| | Fee and commission income[6] | n/a | n/a | n/a | | | |

[1] *Based on the Turnover KPI of the counterparty.*
[2] *Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.*
[3] *Percentage of assets covered by the KPI over banks' total assets.*
[4] *Article 7 (2) and (3) and Section 1.1.2 of Annex V.*
[5] *Article 7 (1) and Section 1.2.4 of Annex V.*
[6] *Trading Book and Fees and Commissions KPIs only apply starting 2026.*
[7] *The AUM KPI is not material for the year ended 2024. The Group's Wealth and Insurance division offers clients access to a number of investment portfolios and funds that promote environmental and social characteristics but these investments are not considered sustainable investments within the context of the EU taxonomy regulation.*

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## EU Taxonomy compliance statement *(continued)*

### Limitations in data

Reporting on Taxonomy-aligned activities for FY24 has continued to be constrained due to current limitations on the availability of relevant information across key categories:

- when assessing Taxonomy-eligible and Taxonomy-aligned activities for financial and non-financial counterparties, actual information published by counterparties is required:
  - financial and non-financial undertakings have not yet published data for FY24; consequently, the Taxonomy reporting of eligibility and alignment for non-financial undertakings is based on published data from FY23; and
  - exposure to non-financial counterparties in the Group's corporate lending portfolio currently considered taxonomy eligible is limited at c.€78 million (2023: c.€5 million) due to the eligibility criteria requiring counterparties to be large companies publicly listed in the EU. The alignment of this exposure is €nil based on the data reported by the eligible counterparties at FY23.
- one renewable energy project finance exposure has been included as aligned in the GAR as it meets Local Government Financing eligibility criteria. Further cases will be under future consideration as reporting criteria regarding public-private joint ventures becomes more established.
- when assessing Taxonomy-eligible and Taxonomy-aligned activities for lending to households, other data limitations impact reporting:
  - Residential mortgage exposures have been included in the GAR only where they are not subject to high physical risk of flood and can be aligned to the following criteria:
    - RoI properties built before the end of 2021 belonging to the top 15% low carbon buildings in Ireland (a BER of B2 or better);
    - RoI properties built since 2021 with primary energy demand 10% lower than the Nearly Zero-Energy Buildings (NZEB) standard; or
    - UK properties built before end of 2021 belonging to the top 15% low carbon buildings in the UK (an EPC Rating of A or B).
  - New data collection processes for residential mortgages implemented during 2024 have had a positive impact on data availability and is reflected in increased recognition of taxonomy aligned assets across stock and flow measures; and
  - EV lending exposures originated since the beginning of FY23 of c.€184 million are considered eligible per taxonomy criteria. However they are not classified as aligned due to the lack of available information in the industry to assess the vehicles against the Taxonomy DNSH (Do No Significant Harm) criteria.

### Green asset ratio

The table below provides a breakdown of the Taxonomy-aligned exposure within the GAR. It should be noted the Group continues to take a conservative application of the qualifying criteria underpinning the GAR that is consistent with FY2023 based on the guidance provided to date and currently available data. Due to these current limitations across the industry changes in this ratio in future reporting periods will be driven in part by increased data availability.

| 2024 | Taxonomy-aligned exposures based on turnover €m | GAR based on turnover % | Taxonomy-aligned exposures based on CapEx €m | GAR based on CapEx % |
|---|---|---|---|---|
| GAR on financial undertakings *(total of CCM and CCA)* | 61 | 0.06% | 61 | 0.06% |
| GAR on non-financial undertakings *(total of CCM and CCA)* | – | – | 0 | 0.00% |
| GAR for residential mortgages *(CCM)* | 3,685 | 3.79% | 3,685 | 3.79% |
| GAR for electric vehicle loans *(CCM)* | – | – | – | – |
| GAR for loans to local governments for house financing and other specialised lending | 41 | 0.04% | 41 | 0.04% |
| **Total** | **3,787** | **3.89%** | **3,787** | **3.89%** |

# Sustainability statement *(ESRS E1 Climate Change) (continued)*

## EU Taxonomy compliance statement *(continued)*

### Unassured

| 2023 | Taxonomy-aligned exposures based on turnover €m | GAR based on turnover % | Taxonomy-aligned exposures based on CapEx €m | GAR based on CapEx % |
|---|---|---|---|---|
| GAR on financial undertakings *(total of CCM and CCA)* | – | – | – | – |
| GAR on non-financial undertakings *(total of CCM and CCA)* | – | – | – | – |
| GAR for residential mortgages *(CCM)* | 2,245 | 2.38% | 2,245 | 2.38% |
| GAR for electric vehicle loans *(CCM)* | – | – | – | – |
| GAR for loans to local governments for house financing and other specialised lending | 44 | 0.05% | 44 | 0.05% |
| **Total** | **2,289** | **2.43%** | **2,289** | **2.43%** |

# Sustainability statement *(continued)*

## ESRS S1 Own Workforce



### 1 Interests and views of stakeholders

As part of the DMA, the Group identified employees as one of the key stakeholder groups.

The strategy across the Group recognises the importance of employees to its success. The Group's people strategy prioritises building a future ready workforce, creating a differentiated colleague experience and simplifying ways of working.

In FY24, 85% of eligible Group employees participated in the Group's annual 'Open View' employee engagement survey. Feedback from the survey is key for the Group to understand what matters to employees, what they feel is being done well and where there is a need to focus from an employee perspective. Key insights in FY24 include further improvement in engagement and continued embedding of the Group's culture ambition, with wellbeing and development remaining as drivers of engagement. The Group's 2025 Culture Action Plan will respond to Open View insights.

For further information on how the interests and views of the Group's workforce have informed its business model, see page 198 in the BoIG plc Group Annual Report 2024 for details.

### 2 Material impacts, risks and opportunities

The actual and potential IROs related to own workforce have been identified through the DMA which is described on page 16.

The Group's workforce consists of workers defined as:

- permanent and fixed-term contract employees employed directly by the Group; and
- those not directly employed by the Group (non-employees) who are undertaking activity on the Group's behalf (including agency workers, non-executive directors (NEDs) and secondees from a third party irrespective of their location, function and grade).

The material IROs identified by the Group are applicable across all the different subcategories of employees.

During the DMA process, no material negative impacts or material risks in respect of the Group's own workforce were identified.

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 2 Material impacts, risks and opportunities *(continued)*

| ID | Material IROs associated with own workforce | Time horizon |
|---|---|---|
| S1-Impact 1 | • **Actual positive impact:** Positive impact of rewards programmes to promote employee welfare and attract talent. | Short, medium, long-term. |
| S1-Impact 2 | • **Actual positive impact:** Positive impact of working conditions to build a workplace where everyone can thrive. | Short, medium, long-term. |
| S1-Impact 3 | • **Actual positive impact:** Positive impact of collective bargaining agreements on working conditions of employees in accordance with jurisdictional law. | Short, medium, long-term. |
| S1-Opportunity 1 | • Opportunity of I&D programmes and initiatives, and a positive working culture, to create and promote equal opportunities for all, alongside attracting talent, leading to an enhancement in the Group's overall capabilities, innovation and competitiveness, and helping colleagues to thrive. | Short, medium, long-term. |
| S1-Opportunity 2 | • Opportunity of employee development and training initiatives to attract and retain a skilled workforce leading to an enhancement in the Group's overall capabilities. | Short, medium, long-term. |

### 2.1 Human rights

The Group does not operate within any countries or geographic areas that are at significant risk of incidents of forced labour, compulsory labour or child labour.

Along with the Group's compliance with all applicable local labour laws and regulations for the areas in which it operates, the Group does not recognise any operations to be at significant risk of incidents of forced labour or child labour.

The Group operates in an industry where regulation protects workers against such severe human rights violations. Details of regulations the Group must adhere to, along with processes and mechanisms to monitor compliance with these regulations, are available in the Human Rights policy which is publicly available on the Group's website.

While the Group recognises human rights risks associated with modern slavery, the Modern Slavery and Human Trafficking Statement 2024 outlines the Group's actions to prevent human rights abuses, and this is reflected in its commitments under the UNPRB and the UN Principles for Responsible Investment (UNPRI).

## 3 Policies related to own workforce

The Group's policies create an environment that enables delivery of its people strategy whilst supporting management of its material impacts and opportunities. The Group has a number of policies set out below to support the management of its material impacts and opportunities.

Where applicable, the Group has outlined which policies apply to its whole workforce (employee and non-employee) and / or which apply to certain subsidiaries of the Group.

### 3.1 Human rights policy commitments

The Group's Human Rights policy was approved by the Court in December 2024. The responsibility for the implementation and continuous improvement of the Group's commitments to human rights is overseen by Group Sustainability, the SDG and the GEC sponsor. The purpose of this policy is to provide information about the Group's commitments and efforts to respect human rights in all its business activities and relationships. The policy describes the governance structure and related policies supporting the commitments. The Group is committed to upholding and promoting human rights in all areas of its operations.

The Group will provide annual mandatory training from 2025 for employees and business partners to promote understanding of human rights issues and the Group's Human Rights policy. Completion of this training will provide a full understanding of the Group's commitment to human rights along with details on the obligations of each individual's role and responsibility to uphold the policy.

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 3 Policies related to own workforce *(continued)*

This policy will be reviewed by Group Sustainability annually to ensure alignment with international instruments and to manage adverse impacts identified in the due diligence process. The Group is committed to continuous improvement in promoting and protecting human rights.

The Group will regularly review its business practices to ensure adherence to this policy. Compliance will be monitored through internal audits and assessments and corrective measures will be implemented where necessary.

The policy outlines the Group's commitment to strictly prohibit all forms of forced labour, including modern slavery and human trafficking. The Group is committed to the elimination of child labour and will not engage with suppliers or contractors that employ underage workers in violation of local or international regulations. Prior to the introduction of this policy, the Modern Slavery and Human Trafficking Statements for the Group formalised commitments to explicitly addressing human trafficking and forced or compulsory labour.

In addition to the annual mandatory training that will be provided following the implementation of the Group's Human Rights policy, employees are required to undertake training on the following topics which are directly or indirectly related to human rights - Speak Up, Respect at Work, Health and Safety, Inclusion and Diversity, the Group Code of Conduct, Financial Crime, Modern Slavery and Human Trafficking and Privacy and Data Protection.

The Respect at Work policy outlines the Group's commitment to providing all colleagues with a safe working environment, which is free from all forms of bullying and harassment. The policy, and accompanying Respect at Work procedures, apply to all workers, customers, suppliers and visitors in the workplace. They outline the process employees should follow to remediate any situations where employees do not feel respected at work along with support for employees who feel they have experienced bullying or harassment in the workplace. This policy is owned by the Group Employee Relations team who monitor the effectiveness of this policy and review its design and implementation on an annual basis. The supporting Respect at Work procedures outline how grievances under this policy are dealt with along with definitions of what constitutes a Respect at Work case. All employees are assigned mandatory training on Inclusion & Diversity and Respect at Work.

The Group is committed to continuously improving its human rights due diligence to align with the UN Guiding Principles on Business and Human Rights. This includes identifying and assessing potential adverse human rights impacts and measures to address them. The Group will conduct regular assessments of human rights risks to ensure support of adherence to the policy across its workforce, customers, communities and suppliers. This will include:

- embedding human rights in policies and procedures to strengthen the internal capability for managing human rights through training and processes;
- identifying and assessing adverse human rights impacts by establishing mechanisms to prioritise the real and potential adverse impacts on human rights;
- ceasing, preventing, or mitigating impacts to ensure due diligence in respecting human rights, to avoid causing, contributing or being directly linked to adverse impacts on human rights;
- tracking implementation and results of the impact management plans;
- communicating to key stakeholders, including affected communities, and seeking their input to continuously develop the effectiveness of due diligence processes; and
- providing remedy for any impacts when required by ensuring fair processes of inquiry and complaint processes.

The Group's Modern Slavery and Human Trafficking Statement communicates the Group's commitment to improving practices to combat modern slavery, human trafficking and forced or compulsory labour, as defined in the Modern Slavery Act 2015. This statement outlines the Group's commitment and approach, including steps to identify, assess and mitigate risks in the supply chain or in any of its business operations. In addition, all employees in the Group complete regular mandatory training to support embedding policies into business operations. To further support transparency in this area, the Group will continue to publish the annual Modern Slavery and Human Trafficking Statements on the UK Government Modern Slavery Registry and further enhance existing partnerships with Stop the Traffik, Traffik Analysis Hub and Infinitech, as part of ongoing efforts to prevent the risk of modern slavery and human trafficking in the supply chain or in any of its business operations.

### 3.2 Health and safety policy

The Group recognises the importance of ensuring its locations are safe and healthy workplaces for employees, non-employees, customers, communities, visitors and suppliers. The Group Health and Safety policy is aligned with the requirements of internationally recognised health and safety management system standard ISO 45001. The policy is owned by the Group Health and Safety department and endorsed by the Group CEO.

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 3 Policies related to own workforce *(continued)*

### 3.3 Policies aimed at the elimination of discrimination, promoting equal opportunities and other ways to advance diversity and inclusion

The Group's I&D policy highlights the Group's commitment to promoting equal opportunities. The policy includes the Group's stance against discrimination and highlights available avenues for raising complaints in instances where breaches of this policy occur. To promote equal opportunity, the Group provides reasonable accommodations / adjustments to the workplace, as outlined in the policy. The policy is owned by the HR Director I&D. It is reviewed annually considering employee feedback from the Open View engagement survey and feedback received via a dedicated I&D mailbox.

The Group is committed to protecting the dignity of all employees. As outlined in the Group's Respect at Work and respective I&D policies, the Group is committed to promoting equal treatment and opportunities, including a working environment free from all forms of discrimination and harassment. The Group does not tolerate any form of discrimination against any job applicant, colleague or customer based on any protected characteristics, as defined by legislation in all the jurisdictions in which the Group operates.

The Group has an 'Inclusion Passport' which helps remove barriers employees may face in the workplace due to their personal circumstances, including health conditions, disabilities and caring responsibilities, among others. The Inclusion Passport is a record of workplace accommodations agreed between employees and people managers.

The Group has a Neuroinclusion strategy and policy which outlines the commitment to neurodiversity education and improvements to processes, policies and accommodations. The approach is supported by a Neuroinclusion employee network.

The Respect at Work policy outlines the Group stance against bullying, harassment or any inappropriate behaviour that may infringe on its colleagues' right to dignity at work. This policy outlines the roles and responsibilities of employees, including the role of a designated support colleague responsible for providing support to victims of workplace bullying or harassment. This policy is owned by Group Employee Relations.

The Group also has female talent accelerator programmes (Accelerate and RISE) and an ethnic minority talent programme (Rise InVolve) to support its ambition to attract, promote and retain a diverse workforce.

The following section outlines how the policy is implemented to ensure discrimination is prevented, mitigated and acted upon once detected.

**Prevent**

The Group's recruitment policy requires all interviewers and recruiters to complete inclusive hiring training prior to interviewing and promotes diverse interview panels. Hiring statistics are reviewed by the recruitment team to test whether the Group is hiring a workforce reflective of society aligned to the Central Statistics Office data.

In addition, the Group uses software to review job adverts for potential age / gender bias and ableist language and to provide suggestions on improving content to be more inclusive before posting.

**Mitigated**

The Group's Respect at Work policy is intended to promote respect and dignity in the workplace and build awareness of what is expected of all workers and the behaviours that are not acceptable.

Employees can report incidents of inappropriate behaviour as set out within the Respect at Work procedures, available on the Group's intranet. The Group treats all complaints seriously and endeavours to resolve them quickly and effectively. Complaints can be raised by contacting local management or People Services. Mediation is also available throughout any complaint.

Every two years, employees are assigned and required to complete mandatory Respect at Work and Inclusion and Diversity training, in addition to annual mandatory Group Code of Conduct training.

**Acted upon**

Respect at Work matters (bullying, discrimination, harassment) impacting individual employees will be dealt with under the Group's Respect at Work policy and procedure, which outlines both informal and formal avenues for raising a complaint. Where the matter meets the definition of a Speak Up concern, disclosers and respondents are afforded additional protections, as outlined in the Group Speak Up policy.

## 4 Processes for engaging with own workforce and workers' representatives about impacts

The Group recognises the importance of actively engaging with its workforce and employee representative bodies to understand their sentiment about actual and potential impacts.

The Group regularly engages directly with its workforce to understand their views through the annual Open View engagement survey implemented by the People Services team and overseen by the Chief People Officer (CPO). In addition, the People Services team issue year one new joiner surveys, exit surveys as well as support with quarterly in-person forums. Insights from the Open View survey are shared with business owners and are used to inform decision making on areas such as culture and I&D to identify specific opportunities and resultant action planning at the Group and local levels. Examples of actions informed by workforce engagement feedback include the implementation of senior leader shadowing as part of the graduate development programme and setting up Ethnic and Neurodivergent committees in Q1 2025.

The Group respects all employees' right to freedom of assembly and association. The Group's employees at Bands 1-3[1] grades in the Republic of Ireland and United Kingdom are currently covered by collective bargaining and social dialogue, with Bands 4-6[2] grades in the United Kingdom currently covered by social dialogue through the operation of the Partner's Council. Deep dive listening sessions are hosted with the Non-executive Workforce Engagement Director (WED), Industrial Relations team, UK Partners Council, Employee Relations and Open View survey team. The WED provides a semi-annual update to the Court of Directors, summarising employee feedback. These updates include discussions on key topics linked to material impacts e.g. rewards / remuneration, resourcing and strategy etc.

In addition, the Financial Services Union (FSU) meets with the Group's CEO and various GEC members for an annual update on employee matters.

There is no formal mechanism in place to gather feedback and perspectives for non-employees (aside from the subset of non-employees who complete the annual Open View survey or request a link to participate).

**Impact of rewards programmes to promote employee welfare and attract talent**

The Group creates a positive impact through its rewards programmes and monitors this by measuring employee engagement. For example, the Group tracks the performance trends of employees recommending it as a place to work through the Open View survey.

**Impact of working conditions to build a workplace where people can thrive**

The employee engagement survey and in-person forums seek employees' insights on working conditions, such as hybrid working and actions to create favourable working conditions, including promotion of work-life balance. For further information on actions taken in FY24 to strengthen employee supports and promote work life balance, see page 82 for details.

[1] *Includes all Group employees in the UK and RoI (excluding Davy); Bands 1-3 defined as entry level to middle management.*
[2] *Includes all Group employees in the UK (excluding Davy); Bands 4-6 defined as senior management.*

## 5 Channels for own workers to raise concerns

The Group has mechanisms in place to ensure its workforce has mediums to raise concerns and report issues. Under the Group's Speak Up protocol, there are a number of avenues available to raise concerns about potential wrongdoing across its operations or ask for advice. This can be done internally via people managers, through email or post, via its Group Speak up sponsor or the Group Speak Up voicemail numbers outlined in the policy. In addition, matters can also be raised via authorised recipients outlined in the policy.

There are external support platforms employed, including Transparency International Ireland (Group), Protect (Davy and UK), the Central Bank of Ireland and the Office of Protected Disclosures Commissioner. The CAC approves the Group Speak Up policy. The CAC also considers arrangements for dealing with Speak Up concerns arising from the implementation of the Group Speak Up policy (including confidential, anonymous submissions).

Each year the Speak Up team undertakes Speak Up awareness sessions with business units to continually enhance employee awareness.

This Speak Up process forms part of the annual Group Code of Conduct training.

The dedicated Speak Up hub on the Group's intranet site provides employees with further information.

The Group Speak Up policy is promoted on the Group's internal website and included in internal Group-wide email communications. The Group Speak Up policy is also published on the Group's external website. Workers who have a reasonable belief of wrongdoing occurring are protected against any form of penalisation as a result of the disclosure.

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 5 Channels for own workers to raise concerns *(continued)*

This policy supports current regulatory, legislative and compliance requirements across RoI[1], UK[2] and US[3].

There is also a channel for employees to raise concerns on topics including working conditions through the Group's Grievance procedure. The Group's Grievance procedure is owned by Group Employee Relations and approved by the Group's CPO. It outlines the process, appeals avenue and associated timeframe in raising a concern.

[1] *RoI Protected Disclosures Acts 2014 and 2022, the Central Bank (Supervision and Enforcement) Act 2013, the Criminal Justice (Anti Money Laundering and Terrorist Financing Act) 2010 and the Criminal Justice Act 2011.*
[2] *The Public Interest Disclosure Act 1998 (which amended the Employment Rights Act 1996) and the Financial Conduct Authority (FCA) Senior Management Arrangements, Systems and Controls Sourcebook (SYSC).*
[3] *The Sarbanes Oxley Act of 2002, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which protect workers from retaliation for raising any issues in good faith related to a reasonable belief that a violation of any of the following has or is likely to occur: (i) Federal criminal law provisions prohibiting mail, wire, bank or securities fraud; (ii) any rule or regulation of the Securities and Exchange Commission; or any provision of federal law relating to fraud against shareholders.*

The Speak Up & Investigation unit (SUI) record incident details and high level themes / areas to which concerns relate and the number of substantiated concerns are also reported on at least a semi-annual basis to the CAC.

An annual report on the operation and effectiveness of the system and controls in relation to UK Speak Up is reported to the UK Audit Committee. An annual external review and audit is completed on the operational effectiveness of the SUI team and results are presented to the CAC.

Employees have the opportunity to disclose if they trust the Speak Up and Speak Out (colleagues speaking out to their people managers) processes via targeted questions in the Open View survey.

## 6 Impacts

At 31 December 2024, there have been no material impacts on workers arising from the Group's Environmental policy and Climate Transition plan. The climate transition plan, including related investment in employee upskilling and hiring, is outlined on page 32.

### 6.1 S1-Impact 1

**IRO Summary** *(page 76)*

#### 6.1.1 Policies to manage S1-Impact 1

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Remuneration policy** | • The Group Remuneration policy provides the framework for all remuneration related policies, procedures and practices for all employees and directors of the Group and its wholly owned subsidiaries. It aims to enable the Group to be an employer of choice by attracting and retaining the right people in the right roles, by rewarding employees fairly and competitively.<br>• Reward structures are reviewed on a regular basis to assess the competitiveness of the total reward arrangements with market norms and ensure compliance with the prevailing regulatory requirements and remuneration restrictions.<br>• Remuneration comprises (i) fixed remuneration including base salary, market competitive pension schemes, and benefits including life insurance, family-friendly policies above statutory requirements, sick leave pay, training and education grants pertinent to the role, free and / or reduced fee banking products and services, where applicable, and a number of health and wellbeing supports; and (ii) variable remuneration. All Group employees (excluding Davy employees who participate in their own variable pay scheme) are eligible to participate in the 2024 Group Performance Scheme where awards are driven primarily by Group performance against internal targets and individual Thrive performance development ratings.<br>• Bank of Ireland (UK) plc, New Ireland, and Davy have their own Remuneration Policies which are broadly consistent with the Group policy. | • The Group Remuneration policy is owned by the CPO, reviewed annually, and subject to approval by Court Remuneration Committee (CRC). |

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 6 Impacts *(continued)*

### 6.1.2 Actions focused on S1-Impact 1

The Group's ethos is to reward employees fairly and competitively for their contribution to the Group. To enable employees to fully understand the value of working with the Group, employees have access to details of their pay and benefits, as well as their Total Reward Statement via a digital interactive platform 'My Reward'. In 2024, a new health benefit in RoI and extended health benefit eligibility in the UK were introduced. In addition, a Pension Flex option was launched for eligible members of the RetireWell scheme. Employees have responded positively to these changes as reflected in participation levels.

The Group also has variable pay schemes (BoI Group Performance Scheme, Davy Bonus awards) to improve the links between remuneration, personal performance, delivery for customers and the achievement of long term strategic and commercial goals. The Group currently does not have an Employee Stock Option Plan and did not operate a Stock Incentive Plan in 2024.

### 6.1.3 Targets related to S1-Impact 1

The Group seeks to reward all employees fairly, equitably and transparently, through operating a consistent approach to remuneration. The Group uses recognised external benchmarks to understand the remuneration levels of industry peers and other industries who compete with the Group for talent in each of the Group's geographical locations. All employees receive a fair and adequate wage and are paid above the minimum wage in each relevant jurisdiction.

The Group's reward proposition comprises financial and non-financial benefits, providing flexibility at an individual level to promote employee welfare and attract talent. As such, the Group has not set a target to reflect the combined impact of such benefits, with preference towards regularly reviewing key reward components to ensure effectiveness.

## 6.2 S1-Impact 2

IRO Summary *(page 76)*

### 6.2.1 Policies to manage S1-Impact 2

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Speak Up policy** | • The purpose of the policy is to illustrate how all workers can confidentially raise a concern about suspected or actual wrongdoing, without fear of penalisation.<br>• The SUI reports updates to the Court Audit Committee at least semi-annually on the number, categorisation and outcome of investigations, any thematic findings and trends which may impact the Group, and KPIs which allow for the monitoring and measurement of the Group's Speak Up arrangements. The Group Audit Committee is responsible for considering, reviewing and evaluating arrangements for dealing with Speak Up concerns arising from the implementation of the Group Speak Up Policy.<br>• The policy features in the Code of Conduct and is referenced in mandatory Web-based Training (WBT), with specific scenarios in the WBT that employees must complete to understand how this works in practice. | • The policy is owned by the Head of Speak Up and Investigations, reviewed every three years or sooner if a material change is required and is subject to approval by the Court Audit Committee.<br>• The policy is sponsored by an Independent non-Executive Director and Chairperson on the Group Audit Committee and sets out the importance of Speaking Out and Speak Up. |

| Name of supporting document | Key content | Approval and review process |
|---|---|---|
| **Group Code of Conduct** | • The Group Code of Conduct covers those working in or for the Group and outlines our guiding values and principles. It applies to all employees directly employed by the Group and Independent NEDs. The Code includes an overview of what the Group stands for, the Group's values and purpose, what happens in instances where the Code is breached and how to keep the Group safe against unacceptable behaviour, including bribery and corruption. Employees must complete the Group Code of Conduct training each year as well as other assigned mandatory training. | • The Group Code of Conduct is owned by the CPO. It is reviewed annually and is approved by the Court. |

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 6 Impacts *(continued)*

### 6.2.2 Actions focused on S1-Impact 2

Through the Open View survey, insights are gathered from employees each year and are overlaid in the Culture Action Plan. Results are shared with divisions, business units and teams to inform local action planning. The Group has dedicated teams (e.g. Speak Up, Employee Relations, Wellbeing etc.) who use the insights to develop actions which enhance overall working conditions and welfare, making the Group an even better place to work. In addition, the Group currently measures employee engagement through targeted questions in the Open View survey. In 2024, the Group launched a Neuroinclusion strategy as well as an Elephant in the Room campaign aimed at addressing mental health related stigma in the workplace.

The Group's wellbeing ethos focuses on finding and maintaining a healthy balance with work and life. The vast range of wellbeing supports include an Employee Assistance Programme, a Private Health Insurance contribution, a Wellbeing App, a digital Wellbeing Hub, peer support from trained mental health first aid colleagues and an emergency financial care grant.

The Group measures the effectiveness of wellbeing supports by monitoring employee sentiment through asking wellbeing-focused questions in the Open View survey and monitoring the level of uptake of supports.

As part of the Open View survey more broadly, the Group asks employees for their insights around the hybrid working model and the effectiveness of actions the Group has taken to create favourable working conditions, including promotion of work-life balance. Many of the initiatives noted above were driven by employee feedback via the Open View survey. For example, based on such insights, in 2024 the Group has strengthened supports for employees such as an updated colleague handbook, curated people manager training, a guide for people managers and connection of team charters to the Neuroinclusion strategy. The Group made adjustments to shared workspaces to reflect how people are working together. The Group continues to invest and strengthen the hybrid working hub network as a result of employee input. The question set within the Open View survey was refreshed in 2024 to drive greater insights around hybrid working and other areas of focus going forward.

In 2023, the Open View survey insights highlighted that employees wanted continued support for their health and wellbeing. Through 2024, wellbeing supports were ongoing and enhanced through the introduction of 'Move For Your Mind' – an all colleague step challenge with a focus on social connection and a new health benefit.

The Group have a range of family friendly policies including a Menopause policy and a Flexible Working policy. The Flexible Working policy was refreshed in 2024, providing the Group's workforce with hybrid working options (role-dependent). Hybrid working supports equal opportunities for all by helping employee participation in the workforce.

Channels for employees to raise concerns on topics including working conditions are outlined on page 80. Resources committed to this action include a dedicated Speak Up team, training for people managers in 2024 enabling managers to signpost the supports and processes should a concern be raised and a dedicated Group Employee Relations team to progress complaints as raised.

### 6.2.3 Targets related to S1-Impact 2

The Group is committed to helping employees to thrive. The Group creates an environment where employees can enhance their career, have a differentiated colleague experience and benefit from flexible and simplified ways of working. As such, the Group has not set a target relating to the positive impact of working conditions to build a workplace where everyone can thrive, with preference towards employee sentiment being predominantly monitored through a range of related metrics in the annual Open View survey.

## 6.3 S1-Impact 3

**IRO Summary** *(page 76)*

### 6.3.1 Policies to manage S1-Impact 3

The Group has not adopted a policy with reference to collective bargaining and social dialogue. Whilst there is not a policy in place, the Group has formal written agreements with employee representative bodies, such as the Change Management framework and the Career and Reward framework.

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 6 Impacts *(continued)*

### 6.3.2 Actions focused on S1-Impact 3

The Group is committed to ensuring adherence with applicable laws to ensure favourable working conditions for employees. In addition, the Group engages in annual consultations with employee representatives, to ensure adherence and commitment to established collective bargaining agreements and provides assurance that it will continue to treat all employees fairly. The career paths and salary levels outlined in the Career and Reward framework facilitate transparency and equity for employees. The Group has a dedicated Industrial Relations team in place to support this.

### 6.3.3 Targets related to S1-Impact 3

The Group is satisfied with the collective bargaining coverage across the workforce, reflecting 72.2%. As such, the Group has not set a target, with preference towards maintaining an ongoing relationship and consultation with employee representative bodies on any matters relating to collective bargaining including formal agreements.

## 7 Opportunities

### 7.1 S1_Opportunity 1

IRO Summary *(page 76)*

### 7.1.1 Policies to manage S1-Opportunity 1

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Inclusion and Diversity policy** | • See page 79 for details. | • See page 79 for details. |

### 7.1.2 Actions focused on S1-Opportunity 1

The Group understands the importance of fostering inclusion and diversity to create and promote equal opportunities and attract key talent. The Group has undertaken a number of initiatives and actions to pursue this opportunity.

In 2024, the Group enhanced its existing maternity leave policy to include a new provision enabling women who are undergoing treatment for cancer or other serious illness to postpone commencement of their maternity leave. In the absence of surrogacy leave legislation, this provision also applies to employees on surrogacy leave, as the Group's surrogacy offering mirrors maternity leave entitlements. This is an extension to the launch in 2023 of Family Matters, a suite of employee benefits and existing policy enhancements intended to create a more supportive and inclusive environment for colleagues.

Additionally, the Helping Parents Thrive series was launched and ongoing partnerships with the 30% Club, Family Carers Ireland and Age 55 accreditation were continued and supported by internal I&D networks.

The Group's Emerging Careers programmes provide access to work for individuals from diverse backgrounds focusing on five key areas - Ethnicity, Accessibility, Gender, Socio Economic and Future Skills with activity under each one contributing to the skills profile of the Group. In 2024, the Group continued to partner with external bodies such as auticon and the DCU Access to the Workplace programme, in addition to commencing a pilot internship with the African Professional Network of Ireland.

The Group provides inclusive hiring training for recruiters and hiring managers and undertakes vacancy monitoring for diverse representation through ethnic minority and gender vacancy reporting. See page 79 for further details. The recruitment charter also sets out the commitments to actions such as diverse interview panels, maintaining role flexibility, fair pay, diverse candidate pools and job adverts free of bias.

The Group continues to support diverse career progression through talent programmes such as Accelerate and Rise (focusing on development of women in middle and senior management roles) and InVolve (focusing on employees from minority ethnic groups at middle and senior management).

The Group publishes annual Gender Pay Gap reports in RoI and UK.

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 7 Opportunities *(continued)*

The Group has an established I&D team who provide regular updates to GEC and Court, an in-house recruitment team, a Neuroinclusion working group, I&D networks, a people manager development programme and fair pay principles, all reflecting the ongoing commitment to fostering inclusion and diversity and promoting equal opportunities to attract key talent.

### 7.1.3 Targets related to S1-Opportunity 1

The Group strives to have a workforce that is representative of the society in which it operates, with a target to achieve 50:50 gender balance across all senior management appointments. Although the Group values input from its workforce, it did not consult with its workforce or workers representatives when setting this target.

| Target | Metric |
|---|---|
| Achieve 50:50 gender balance across all senior manager appointments: 45-55% by end 2025. | 48% female senior management appointments in FY24. |

Senior management appointments are permanent new entrants to the Group and internal promotions (upward band movement) at Bands 4-7 level. The calculation is based on the % of appointments for females as a % of total Band 4+ appointments from the HR payroll system at 31 December 2024.

The gender appointments target was set in March 2018 and remains relevant against Irish Central Statistics Office data. This target is tracked regularly with details sent to each Division monthly to review their appointments.

This metric currently excludes the Davy workforce.

## 7.2 S1-Opportunity 2

IRO Summary *(page 76)*

### 7.2.1 Policies to manage S1-Opportunity 2

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Recruitment policy** | • The Group's Recruitment policy creates an opportunity for the Group to support employee development and attract key talent. The policy and supporting procedures apply throughout the Group to the internal and external recruitment of permanent, temporary and fixed term contract employees.<br>• The policy reinforces the Group's commitment to reaching and recruiting diverse talent and outlines the roles and responsibilities of the Group's employees.<br>• The recruitment procedures also accompany the policy to ensure all applicants are treated in a fair and supportive manner. | • The Group Recruitment policy is owned by the Director of Organisational Effectiveness in People Services, reviewed on a bi-annual basis and subject to approval by the CPO. |

The Group's Learning policy, which is owned by Group Learning, was approved by the Director of Organisational Effectiveness in December 2024 with an aim to implement in 2025.

### 7.2.2 Actions focused on S1-Opportunity 2

The Group will continue to undertake a number of actions related to this opportunity. The Group recognises the importance of fostering a future-ready workforce by encouraging continuous learning, career mobility, leadership capability and ongoing career development within the workplace. By investing in employees' personal and professional growth, the Group enhances individual career trajectories, future-readiness and contributes to the resilience of the organisation.

The Group utilises a learning management system to offer all employees, including a subset of non-employees, a suite of on-demand learning options.

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 7 Opportunities *(continued)*

The Required Learning Programme is also accessed through this platform and completed annually by all employees across a range of areas such as Conduct, Risk and Compliance.

In response to a Group-wide skills assessment to understand the roles and capabilities required for the future, the Group has a multi-year skills programme to enable employees to develop these new capabilities alongside core banking skills. The resulting future skills pathways are specifically curated, self-directed learning journeys, which can be followed by relevant industry certifications, through the Group's partners including University College Dublin. By the end of 2024, 43% of applicable employees had invested in building future ready capabilities through the future skills pathways.

As part of the Thrive performance development process, it is encouraged that all employees have quarterly check in conversations with their people manager, focusing on wellbeing, development and performance. These conversations also allow employees to track their progress against organisational and individual priorities, as well as development.

Through its Careers Academy platform, which is available to all employees, the Group provides opportunities for employees to develop the skills needed for their roles today and empower them to upskill or re-skill for roles they aspire to hold in the future. In addition, the platform gives employees the opportunity to connect with mentors, career connectors and stretch opportunities.

The Group also provides opportunities for further education support to employees (permanent and temporary) who have successfully completed their probationary period. Agency staff (non-employees) may apply for this assistance for qualifications deemed as regulatory and required for their role.

The Group assesses the effectiveness of employee programmes that support employee development and attraction of key talent. The Group measures the effectiveness of its training programmes using a combination of qualitative and quantitative methods. This includes participant feedback, assessment to gauge knowledge retention, on the job application and business impact. The Group aligns training to strategic priorities and key business objectives and requirements. The depth of measurement depends on the scale and strategic importance of the training. For high impact programmes the Group applies a more detailed evaluation approach. For smaller routine training the Group focuses on participant feedback, knowledge retention and application in the workplace.

### 7.2.3 Targets related to S1-Opportunity 2

The Group acknowledges the importance of building a future ready workforce, and has a target relating to engagement with the All-Colleague Future Skills Pathways. Although the Group values input from its workforce, it did not consult with its workforce or workers representatives when setting targets.

| Target | Related metric |
|---|---|
| • 40% of employees engaged with All-Colleague Future Skills Pathways by the end of 2024. | • 43% of employees had engaged with All-Colleague Future Skills Pathways by the end of 2024. |

This metric is calculated by extracting the number of unique registrations[1] from the Group Learning Management System divided by the active[2] users at 31 December 2024 and multiplied by 100 to give the % figure of active employees (permanent and temporary) who have engaged with a pathway.

The Group set a target to have 40% of employees engaged with Future Skills Pathways by the end of 2024 This figure is cumulative and captures anyone who has registered for a pathway since inception in 2021. This target was set in 2022 and remains relevant. The Group assesses the effectiveness of employee programmes that support employee development and attraction of key talent. The effectiveness of pathways is tracked by the ongoing monitoring of registrations and the extent to which future skills roles are capable of being filled by existing employees. This metric currently excludes the Davy workforce.

[1] *Calculated by removing duplicate User IDs from the list so that each user is listed only once.*
[2] *Snapshot of the number of permanent and fixed term employees active on the Learning Management system at 31 December 2024.*

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 8 Metrics

### 8.1 Characteristics of the undertaking's employees

At 31 December 2024 the Group's total employee headcount was 11,488. This has been calculated based on the total number of active[1] permanent and fixed-term employees at the end of the reporting period.

The table provides a breakdown of total employee headcount, categorised by gender. The Group has begun collecting voluntary self-declared gender data, which offers employees the opportunity to identify as female, male, non-binary, other or prefer not to say. However, this data collection cannot be integrated with the current HR reporting system and the Group does not have adequate data to satisfy reporting requirements on gender using this alternative system. It is hoped that disclosure rates will increase as part of a system upgrade and such data can be utilised in future reporting.

| Gender | Number of employees (head count) |
|---|---|
| Male | 5,248 |
| Female | 6,240 |
| Other | – |
| Not disclosed | – |
| **Total employees** | **11,488** |

The following table provides a breakdown of total employee headcount, categorised by country.

| Country | Number of employees (head count) |
|---|---|
| Republic of Ireland[2] | 9,443 |
| United Kingdom[2] | 1,978 |
| United States | 38 |
| France | 13 |
| Germany | 10 |
| Spain | 6 |

*[1] This reflects employees in receipt of salary at 31 December 2024.*
*[2] Countries where the Group has 50 or more employees, representing at least 10% of its headcount.*

The table below shows the total employee headcount for the categories of employees outlined.

| | Female | Male | Other | Not disclosed | Total |
|---|---|---|---|---|---|
| **Number of employees (headcount)** | 6,240 | 5,248 | n/a | n/a | **11,488** |
| **Number of permanent employees (headcount)** | 6,103 | 5,143 | n/a | n/a | **11,246** |
| **Number of temporary employees (headcount)** | 137 | 105 | n/a | n/a | **242** |
| **Number of non-guaranteed hours employees (headcount)** | n/a | n/a | n/a | n/a | **–** |

In FY24, a total number of 899 employees left voluntarily or due to dismissal, retirement, temporary contract expiration or death in service. The Group's rate of employee turnover amounted to 7.8%. The employee turnover rate is calculated by dividing total leavers in the year by average headcount over the 12 months.

The Group's employees can have a fixed-term contract (a temporary contract) or a permanent contract, which does not require renewal. The Group does not employ non-guaranteed hours employees (individuals with an employment relationship with the company without guarantee of a minimum or fixed number of working hours).

The number of staff reported on a FTE basis is 11,188 (see page 263).

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 8 Metrics *(continued)*

### 8.2 Collective bargaining coverage and social dialogue

See page 80 for details on collective bargaining and social dialogue coverage. Based on headcount data at 31 December 2024:

- 72.2% of employees are at grades covered by collective bargaining agreements;
- 59.3% of employees are at grades covered by collective bargaining agreements in countries within the European Economic Area (EEA) with significant employment (the only applicable country is Ireland);
- 59.3% of employees are at grades covered by social dialogue in EEA countries with significant employment (the only applicable country is Ireland); and
- 12.9% of employees are at grades covered by collective bargaining outside the EEA (the only applicable country is the UK).

The Group has collective bargaining agreements in place within the European Economic Area (EEA). The Group does not have representation agreements with any European Works Council (EWC), Societas Europaea (SE) Works Council, or Societas Cooperativa Europaea (SCE) Works Council in place.

The coverage of collective bargaining is calculated by the total number (headcount) of active[1] Band one to three employees in RoI and the UK in FY24 and divided by the total headcount of active employees in the Group expressed as a percentage.

For countries with significant employment within the EEA (Ireland only), social dialogue and collective bargaining coverage is calculated by the total number (headcount) of active[1] Band one to three employees in the RoI in FY24 divided by the total headcount of active employees in the Group expressed as a percentage.

For countries with significant employment outside the EEA (UK only), collective bargaining coverage is calculated by the total number (headcount) of active Band one to three employees in the UK in FY24 divided by the total headcount of active employees in the Group expressed as a percentage.

[1] *This reflects employees in receipt of salary at 31 December 2024.*

| | Collective bargaining coverage | | |
|---|---|---|---|
| **Coverage rate** | **Employees - EEA** *(for countries with >50 employees representing >10% total employees)* | **Employees - Non-EEA** *(estimate for regions with >50 employees representing >10% total employees)* | **Workplace representation** *(EEA only) (for countries with >50 employees representing >10% total employees.)* |
| 0-19% | - | UK | - |
| 20-39% | - | - | - |
| 40-59% | Ireland | - | Ireland |
| 60-79% | - | - | - |
| 80-100% | - | - | - |

### 8.3 Diversity metrics

The Group believes that appropriate diversity delivers better business outcomes and seeks to have a workplace reflective of society.

The senior management[1] of the Group is composed of 60% males (1,608 total) and 40% females (1,064 total). Senior management is defined as employees from bands 4-7 inclusive[3].

The Group's gender distribution at senior management is the total headcount of active male or female senior management employees[2] divided by the combined total (male and female) in senior management expressed as a percentage.

In terms of age distribution, the Group's employees fall into the following categories:

- Under 30 years old: 14.8%;
- 30 - 50 years old: 60.2%; and
- Over 50 years old: 25%.

The Group's distribution of employees by age group is the total headcount of active permanent and fixed-term employees within each of the age categories at 31 December 2024 shown as a percentage of the Group's total headcount.

[1] *Senior Management is classed as 'top management' in the Group per ESRS requirements.*
[2] *Relates to permanent and fixed-term employees who fall within the definition of senior management at the end of the reporting period (31 December 2024).*
[3] *Note subsidiary definition used in Davy - senior management defined as Associate Director and above.*

# Sustainability statement *(ESRS S1 Own Workforce) (continued)*

## 8 Metrics *(continued)*

### 8.4 Adequate wages

All Group employees are paid an adequate wage, which the Group defines as above minimum wage in the respective jurisdictions within which it operates.

### 8.5 Remuneration metrics (pay gap and total remuneration)

The Group's gender pay gap has been calculated based on a combination of data points extracted from payroll at 30 June 2024 with the exception of the UK which is at April 2024, aligning to the Irish Gender Pay Gap Information Act 2021 / UK Equality Act 2010 (Gender pay gap Information) Regulations 2017[1] as applicable.

Although the data extracted does not align to the FY24 financial year, checks have been undertaken and there were no material differences between the periods in headcount, number of promotions and out of course salary increases.

The Group's gender pay gap stands at 26%.

The same dataset was used for total remuneration ratio.

The Group's annual remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) stands at 18:1.

[1] *Davy are not required to report under this UK legislation as they do not meet the headcount.*

### 8.6 Incidents, complaints and severe human rights impacts

In FY24, a total of 2 incidents of discrimination, including harassment, were reported. In addition, a total of 8 matters were reported through the Group's channels for its workforce to raise concerns, with no complaints filed to the National Contact Points for OECD Multinational Enterprise. Matters reported / complaints filed relate to employee grievances or allegations made under the Respect at Work, Grievance or Speak Up policies. These can relate to various issues including working conditions, equal treatment and opportunities, or other work-related matters. Numbers quoted reflect all such incidents and complaints reported whether upheld or not.

In FY24, the Group faced no fines, penalties or compensation for damages as a result of the incidents and complaints in the period.

In FY24, the Group has not had any severe human rights incidents connected to the Group, in relation to cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. The Group faced no fines, penalties or compensation as a result of severe human rights incidents. Severe human rights incidents are defined as cases of modern slavery, human trafficking or child labour.

The Group is committed to continuously improving human rights due diligence to align with the UN Guiding Principles on Business and Human Rights.

This includes identifying and assessing potential adverse human rights impacts and measures to address them. The Group will conduct regular assessments of human rights risks to ensure support of adherence to the policy across its workforce, its customers, its communities and its suppliers.
This will include:

- embed human rights in policies and procedures to strengthen the internal capability for managing human rights through training and processes;
- identify and assess adverse human rights impacts by establishing mechanisms to prioritise the real and potential adverse impacts on human rights;
- cease, prevent, or mitigate impacts to ensure due diligence in respecting human rights, to avoid causing, contributing or being directly linked to adverse impacts on human rights;
- track implementation and results of the impact management plans;
- communicate to key stakeholders, including affected communities, and seek their input to continuously develop the effectiveness of its due diligence processes; and
- provide remedy for any impacts when required by ensuring fair processes of inquiry and complaint processes.

# Sustainability statement *(continued)*

## ESRS S2 Workers in the Value Chain



### 1 Interests and views of stakeholders

The Group defines workers in the value chain as workers in the organisations that the Group lends money to and stakeholders[1] in the organisations that the Group uses as suppliers.

The Group's business customers operate and employ staff in different sectors and geographies. It is the strategy of the Group to avoid undue concentrations of counterparty / name level, industry / sector, product, geography or other forms of significant connected risk in its credit books. Managing the Group's ESG risk appetite for lending to potentially sensitive sectors, which may have associated ESG risks, is a critical part of the Group's Sustainability Strategy.

Similarly, the Group expects all its suppliers to ensure responsible, fair and honest dealings with all their stakeholders, including employees, sub-contractors and other third parties in their supply chain.

[1] *Stakeholders include supplier's employees, sub-contractors and other third parties in their supply chain. Workers in organisations that are Davy and New Ireland customers are not considered to be part of the workers in the value chain, primarily due to the nature of the investments made by Davy and New Ireland.*

### 2 Material impacts, risks and opportunities

The potential positive impact and the risk related to workers in the value chain have been identified through the DMA which is described in page 16.

The Group does not attribute any of its material impact or material risk to be related to any specific groups of value chain workers (for example workers of particular age groups or in specific countries) rather than to all of the value chain workers.

| ID | Material IROs associated with workers in value chain | Time horizon |
|---|---|---|
| S2-Impact 1 | • **Potential positive impact (Downstream):** Prioritisation of human rights in lending activities, ensuring responsible, transparent, ethical, and conscientious banking across the industry. | Medium, long-term. |
| S2-Risk 1 | • **Operational risk (Upstream):** The risk of operational loss or reputational damage to the Group as a result of the Group's suppliers not adhering to the Group's standards and processes, in relation to workers in the value chain. | Medium, long-term. |

# Sustainability statement *(ESRS S2 Workers in the Value Chain) (continued)*

## 3 Impacts

As part of the Group's DMA, the Group identified a material positive potential impact in its downstream (lending) value chain: Prioritising human rights in lending decisions represents a powerful means to proactively prevent and mitigate the Group's inadvertent involvement in human rights violations, thus fostering a positive impact on society. However, achieving this goal can be complex due to the challenges in obtaining comprehensive data, particularly in supply chains where transparency may be lacking. By addressing these challenges and persistently striving for more transparent and ethical lending practices, banks can contribute to human rights protection, setting a commendable example for responsible and conscientious banking across the industry.

### 3.1 S2-Impact 1

IRO Summary *(page 90)*

#### 3.1.1 Policies to manage S2-Impact 1

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group credit risk policy** | • This policy guides the Group in the taking of credit risk in a manner consistent with the Group's risk appetite and strategy, as defined and determined by the Court. This policy is complemented by the Corporate and Commercial Banking credit risk procedures, which contain an outline of the ESG screening process (including how human rights are taken into account in that process). See page 54 for details. | • See page 54 for details. |

#### 3.1.2 Actions focused on S2-Impact 1

To focus on achieving the potential positive impact outlined, the Group has implemented the below key actions:

**Sectoral and ESG screening**

Supporting responsible and sustainable behaviour is fundamental to achieving the Group's purpose of enabling customers, colleagues and communities to thrive.

The Group has published an RSB Sector Statement clearly setting out the Group's risk appetite for lending to potentially sensitive sectors which it believes cause environmental and / or social harm to society and communities. The RSB Sector Statement applies to all new non-property lending arrangements within the Corporate Banking business. The Group will not provide financing to customers who are deemed to engage in a defined list of excluded business activities including specified activities within sectors such as Oil, Gas & Coal, Power & Energy, Mining, Defence and Adult Entertainment.

Also, for transactions and exposures in all sectors over €120k (including those covered by the specific sectoral screening criteria), ESG risk factors are used to screen for heightened ESG risk. If there is recent evidence in the public domain (last three years) of direct involvement in a defined list of issues the transaction is subject to an enhanced review. This list includes companies who have operations in internationally protected conservation areas, those which have been subject to major or sustained environmental or socially related campaigns against them, companies which have been found to abuse human rights and those companies which have incurred a major environmental or social incident or fine.

Transactions may also be considered as having a heightened ESG risk during initial review which will result in additional formal review by relevant risk forums and committees. This may be due, for example, to material or repeat noncompliance of environmental and social laws or a lack of adequate policies and procedures for managing ESG risks.

**Determining country risk**

The primary rule for determining the country of risk for a given entity is country of incorporation. In determining the country of risk, cognisance is also taken of the location of the borrower's primary assets / cash-flows / sales etc. and where appropriate an alternate country of risk may be determined, subject to credit approval. The Group Country Risk policy and the Group Risk Appetite Statement set out the RMRs associated with cross border transfer risk, as well as the approach to the identification, assessment, measurement, approval and reporting of this risk. Specific target ranges for geographic concentration risk in RoI, the UK and the Rest of World are set out in the Group Risk Appetite Statement. In addition, specific limits are set for all countries except the core RoI market.

# Sustainability statement *(ESRS S2 Workers in the Value Chain) (continued)*

## 3 Impacts *(continued)*

**Engagement with value chain workers**

As detailed under the 'General Approach' section of the Group Human Rights policy, the Group actively engages with its stakeholders, including employees, local communities and human rights organisations, to understand concerns and collaborate on addressing human rights issues. This stakeholder engagement excludes downstream value chain workers (i.e. workers in the organisations the Group lends to). Currently the Group does not engage with the value chain workers or their legitimate representatives.

As the Group has only identified a potential positive impact, it hasn't adopted specific channels for workers in the organisations the Group engages with to raise their concerns, needs or complaints directly with the Group.

The Group has yet to establish a formal process to track the number of cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and OECD Guidelines for Multinational Enterprises that involve workers in its downstream value chain, as it develops its approach to measuring and reporting data related to this item.

The Group has yet to establish a formal process to track severe human rights issues connected with its downstream value chain workers.

### 3.1.3 Targets to manage S2-Impact 1

The Group has yet to set targets as it develops its approach to measuring and reporting metrics related to this impact. It currently doesn't track the effectiveness of its policies and actions in relation to the material impact.

## 4 Risks

As part of the Group's DMA, the Group identified a material risk relating to its suppliers (upstream value chain).

### 4.1 S2-Risk 1

**IRO Summary** *(page 90)*

### 4.1.1 Policies to manage S2-Risk 1

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group TPRM and Outsourcing policy** | • See page 56 for details. | • See page 56 for details. |

| Name of the supporting documents and policies | Key content | Approval and review process |
|---|---|---|
| **Human Rights policy** | • The purpose of this policy is to provide information about the Group's commitments and efforts to respect human rights in all its business activities and relationships. The policy describes the Group's governance structure and related policies supporting its commitment. The Group recognises the major role and responsibility that the Group has as one of Ireland's pillar banks to deliver on its purpose which is to help its customers, colleagues, shareholders and society to thrive. The Group aims to ensure that its business operations do not infringe upon the human rights of its employees, customers, suppliers and communities.<br>• This policy applies to all employees, contractors, workers in the value chain in the organisations that the Group use as suppliers. Stakeholders include supplier's employees, sub-contractors and other third parties in their supply chain, business partners and stakeholders engaged in the Group's operations across all locations it operates in. It was also informed by relevant legal requirements, internationally agreed standards and external human rights experts. | • The policy is owned by the Chief of Staff and Head of Corporate Affairs and is reviewed annually.<br>• The Court and GSC approved the policy after recommendation by GEC and SDG. |

# Sustainability statement *(ESRS S2 Workers in the Value Chain) (continued)*

## 4 Risks *(continued)*

| Name of the supporting documents and policies | Key content | Approval and review process |
|---|---|---|
| **Group Code of Supplier Responsibility** | • The Code of Supplier Responsibility applies to all suppliers to the Group. It defines what the Group expects from them in terms of responsible business practice and behaviour, including prohibiting forced labour (slavery) and human trafficking in their supply chains, and to prohibit child labour with reference to the ILO definition. It applies together with the Group's Third-Party policy document and the Group's membership of the Financial Supplier Qualification System (FSQS). The FSQS online portal is used by suppliers to submit information and compliance data about their organisation. | • The Code is regularly reviewed and approved by the Outsourcing and Material Supplier Review Committee. |
| **Group Third Party policy** | • The Group Third Party policy complements our Code of Supplier Responsibility and summarises internal Group policy statements into mandatory clear requirements that we expect Third-Party Suppliers to meet, and reflects our commitment to regulatory compliance, operational resilience, operational excellence and our shared success. | • Third Party policy standards are regularly reviewed and approved by the Outsourcing and Material Supplier Review Committee. |
| **Group Procurement policy** | • The Group Procurement policy sets out the requirements for the effective and consistent procurement of all goods and services for the Group while ensuring that consistent, transparent and fair procurement best practices are followed across the Group.<br>• The policy ensures that there is a robust control framework in place in order to protect the Group's assets and reputation when dealing with suppliers and minimising the risk to the Group. | • The Group Procurement policy is owned by the Head of Group Procurement and Partner Management, is reviewed regularly, and is approved by the Chief Information Officer. |

In addition to the policies outlined above, the Group Speak Up policy is available for suppliers via the Group's website and is further described on page 80.

Also, prior to the introduction of the Human Rights policy in Q4 2024, the Modern Slavery and Human Trafficking Statements for the Group formalised the Group's commitments to explicitly address human trafficking and forced or compulsory labour. The Group statement complies with the Modern Slavery Act 2015. The statement outlines the Group's commitment and approach, including steps to identify, assess and mitigate risks in its supply chain or in any of its business operations. In addition, all Group employees are required to complete mandatory training annually to support embedding the Group's policies into its business operations. The Group mandatory training is tracked by Group People Services.

To further support transparency in this area, the Group will continue to publish its annual Modern Slavery & Human Trafficking Statements on the UK Government Modern Slavery Registry and further enhance existing partnerships with Stop the Traffik, Traffik Analysis Hub and Infinitech as part of ongoing efforts to prevent the risk of modern slavery and human trafficking in its supply chain or in any of its business operations.

### 4.1.2 Actions focused on S2-Risk 1

#### 4.1.2.1 Human rights policy commitments

The Group's Human Rights policy, the scope of which includes Workers in the Value Chain in the organisations that the Group use as suppliers, is outlined on page 77.

Additionally, in the specific context of Workers in the Value Chain, the Group expects all suppliers to respect human rights, both of their own workforce but also those in their supply chain. The Group Modern Slavery and Human Trafficking Statement reflects this position. The Group expects suppliers to:

- respect the human rights of their employees and to comply with all relevant legislation, regulations and directives in the countries and communities in which they operate;
- prohibit forced labour (slavery) and human trafficking in their supply chain and give all employees the right and ability to leave employment with the supplier if they choose;
- prohibit child labour;
- ensure that wages meet legally required minimum standards without unauthorised deductions;
- allow their employees to legally organise and join associations (such as labour unions);
- provide uniformly applied expectation of behaviour of all employees, to protect dignity and respect in the workplace;

# Sustainability statement *(ESRS S2 Workers in the Value Chain) (continued)*

## 4 Risks *(continued)*

- provide clear and uniformly applied disciplinary and grievance procedures including prohibiting mental, physical or verbal abuse;
- ensure working hours are in accordance with local regulation and industry practice and voluntary overtime is at a manageable level;
- ensure there are no negative consequences resulting from employees speaking up about a workplace concern; and
- ensure ethical, transparent and sustainable use of artificial intelligence that does not impact negatively on human rights.

**General approach to monitoring**

Respecting and upholding human rights of value chain workers is fundamentally important to the Group. In terms of the Group's approach to respect the human rights, including the labour rights, of value chain workers, the Group conducts due diligence aligned to best practice. The Group's due diligence process includes identifying potential human rights impacts and addressing any issues that may arise.

The Group's approach and due diligence process currently focuses on suppliers. Also, under the Group's Request For Proposal process, it expects suppliers that are a 'qualifying organisation' to publish an annual Modern Slavery and Human Trafficking Statement pursuant to section 54(1) of the Act.

The Group monitors that critical suppliers that are 'qualifying organisations' under the Modern Slavery Act 2015 have a published Modern Slavery and Human Trafficking Statement in addition to publishing its own Statement annually.

The Group will publish the Human Rights policy on the Group's website, enabling it to be accessible to value chain workers. The Group will engage with human rights organizations to understand concerns and collaborate on addressing human rights issues in the upstream value chain.

**Remedy**

The Group's approach to remediation of human rights impacts will be formalised in line with best practice and expanded to include relevant value chain workers.

The Group's Speak Up policy, referenced in the Group's Code of Supplier Responsibility, is a mechanism for addressing issues, including human rights violations, and is available on the Group's website.

### 4.1.2.2 Engagement with value chain workers

The Group does not engage directly with its value chain workers. However, for its upstream value chain (suppliers) the Group offers Speak Up mechanisms to raise their concerns (which may include human rights violations).

The Group, using mechanisms available, has not identified any cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve value chain workers have been reported in the Group's upstream value chain.

Also, the Group has not identified any severe human rights issues or incidents connected to its upstream value chain workers during the period.

### 4.1.2.3 Third party risk management

The Group applies a risk-based approach to TPRM commensurate with the nature, scale and criticality of the services from the suppliers.

The Group Supplier Criticality Methodology (SCM) is the defined methodology in the Group to enable it to determine the Criticality or Importance of the services from the supplier, and for determining the inherent risk profile of the supplier including initial assessment of ESG risk aligned to regulatory requirements. The methodology supports adherence to regulatory and legislation requirements relating to completion of an ex-ante risk assessment prior to entering a contractual arrangement with a supplier. The SCM also supports the Business in understanding the level of broader onboarding supplier due diligence and ongoing supplier due diligence, monitoring and oversight that is required, and whether the service will require notification to the regulator.

The Group completes supplier due diligence using a risk-based approach and is part of the FSQS operated and managed by Hellios. Suppliers are requested to complete the FSQS questionnaire within Hellios and upload supporting documentation and relevant accreditations to support responses provided. FSQS has broad ESG coverage including:

- **Environmental:** Biodiversity and Ecosystems, Climate Change, Energy use and waste, Environmental policy and Management, Pollution and Water and Marine Resources;
- **Social:** Affected Communities, Code of Conduct, Ethical Issues and Whistleblowing, Inclusion and Diversity, labour Standards and Human Rights, Modern Slavery, Forced Labour and Human Trafficking; and
- **Governance:** Business Conduct, Corporate Social Responsibility and Sustainability, Customer relationships and Supplier relationships.

# Sustainability statement *(ESRS S2 Workers in the Value Chain) (continued)*

## 4 Risks *(continued)*

The Group requires suppliers who do not subscribe to Hellios to complete an offline replica of the FSQS questionnaire for assessment by the Group.

Group suppliers are required to confirm agreement to comply with the Code and Group Third Party policies when completing FSQS for the Group (or via an offline attestation if not subscribed to Hellios).

Supplier's responses and confirmation of adherence to the Group Code of Supplier Responsibility and Third party policies are key inputs to broader supplier due diligence. Where required, the supplier business owners complete an assessment of the suppliers' key responses on FSQS based on the nature of services to the Group. This assessment and the assessment of supplier financial stability, resilience, information security, supplier policies, accreditations and other risk domains are incorporated into an overall supplier due diligence assessment and report for critical suppliers. A risk-based approach is applied whereby the level of due diligence required will vary depending on the tier of the supplier.

### 4.1.2.4 Terminate business relationships

The Group expects its suppliers to meet or exceed all the provisions of the Group Code of Supplier Responsibility. The Group's goal is to work with its suppliers on developing its approach to responsible sourcing. The Code requires suppliers to advise the Group if the supplier is not yet compliant with the Code via the FSQS process. The Group will work with a supplier on the development of an improvement plan.

However, if the issue is serious enough or cannot be resolved in a reasonable time frame, a review of the terms of the supplier's contract may be undertaken which may result in termination of the supplier's contract in adherence to applicable contract provisions.

FSQS will request evidence covering FSQS risk domains, and a supplier should provide as much information as possible where requested. The Group reserves the right to review supplier's policies, procedures or any other documentation related to this Code. In some higher risk instances, the Group may undertake an on-site or desk-based audit of suppliers to validate adherence to the Code and applicable policies.

### 4.1.2.5 Channels to raise concerns

The Group is committed to conducting its business with honesty and integrity and expects everyone working on its behalf to maintain these high standards. The Code of Supplier Responsibility references the Group Speak Up policy, which explains what a Speak Up concern is. The Code of Supplier Responsibility also references how the Speak Up channel is available to suppliers. See page 82 for further details on the Speak Up process.

### 4.1.3 Targets related to S2-Risk 1

While the Group has processes and controls in place to ensure the effectiveness of its policies and standards in relation to the material risk, it has yet to set targets as it develops its approach to measuring and reporting metrics related to this risk.

# Sustainability statement *(continued)*

## ESRS S3 Affected Communities



### 1 Material impacts, risks and opportunities

The actual and potential IROs related to affected communities[1] have been identified through a DMA, see page 16. All affected communities who are likely to be materially impacted by the Group are included in the scope of this disclosure. This includes those who were affected by the Group's own operations and value chain, through the Group's products and services, and through the Group's business relationships. The material impact, material risks and one material opportunity (S3-Opportunity 2) relate to all consumers and/or end-users rather than to any specific groups. The remaining material opportunity (S3-Opportunity 1) relates to communities who are more likely to have difficulty accessing financial products and services, or who are more likely to be less financially resilient - examples are disadvantaged communities, poverty stricken communities, migrant communities, communities with low levels of education, and the elderly.

The sub-topic relating to the particular rights of indigenous communities was found to be not material for the Group. The subsequent sections in this disclosure provide further detail of the material IROs.

[1] *Affected communities is defined in the ESRS regulations as 'People or group(s) living or working in the same area that have been or may be affected by a reporting undertaking's operations or through its upstream and downstream value chain'. Affected communities can range from those living adjacent to the undertaking's operations (local communities) to those living at a distance. Affected communities include actual and potentially affected indigenous peoples.*

| ID | Material IROs associated with affected communities | Time horizon |
|---|---|---|
| S3-Impact 1 | • **Actual positive impact (Downstream):** Investing in sustainable infrastructure projects enhances mobility and livelihoods, and provides environmental and social benefits to affected communities. | Medium, long-term. |
| S3-Risk 1 | • **Business and strategic risk (Own operations):** Failure to adjust the Group's strategy or business model to support the economic and social needs of the communities it operates in can have a detrimental impact on reputation and franchise value. | Short, medium, long-term. |
| S3-Risk 2 | • **Conduct risk (Own operations):** The risk to the Group of financial loss, regulatory breach, reputational damage or causing customer detriment, as a result of the delivery of its products and services causing poor outcomes for, or harm to the Group's communities. | Short, medium, long-term. |

# Sustainability statement *(ESRS S3 Affected Communities) (continued)*

## 1 Material impacts, risks and opportunities *(continued)*

| ID | Material IROs associated with affected communities | Time horizon |
|---|---|---|
| **S3-Opportunity 1** | • The Group can support the financial health and resilience of unbanked or underbanked adults or other affected communities, by establishing new partnerships in financial health and inclusion. This will aid those who currently struggle to effectively access financial products and services while also benefiting the Group's reputation and customer base. | Short, medium, long-term. |
| **S3-Opportunity 2** | • The Group can support communities by investing in affordable housing, local businesses, and infrastructure, thus creating jobs and stimulating the economy while enhancing their reputation and profits. | Medium, long-term. |

## 2 Impacts

This potential positive impact is aligned to the Group's ambition to Support the Green Transition through provision of sustainable finance. The Group's Sustainable Finance Framework sets out the lending criteria which must be met for financial products and services to be deemed eligible to be considered as sustainable finance. This includes sustainable finance products which fall into categories such as renewable energy and social finance products which fall into categories such as access to healthcare, access to education and affordable basic infrastructure, each of which has specific eligibility criteria outlined. In 2024, amendments were made to the Group's Project Finance portfolio scope, limits, sectors and geographies to facilitate the Group's growth strategy, with a focus on green energy projects. Communities affected include (a) and (b) per 'types of communities' outlined below.

The 'types of communities' which are subject to S3-Impact 1 are listed below:

a. communities where the Group provides finance for projects relating to sustainable energy facilities which deliver more reliable power sources for industrial and commercial sectors. They will also be able to better withstand natural disasters and climate change impacts;
b. communities in areas with fossil fuel or large industrial power plants who indirectly benefit from the introduction of sustainable energy facilities, through a reduced reliance on pollution-heavy sources;
c. communities served by the completion of large infrastructure projects who benefit from greater mobility and accessibility. This includes urban communities who enjoy more efficient public transport systems and increased public safety levels; rural communities who will have greater access to services and facilities; suburban communities who have improved commuter experiences; and underserved communities who may now have access to more opportunities and see economic benefits; and
d. communities and populations served by infrastructure projects such as schools, community centres, hospitals, universities and nursing homes which directly and indirectly contribute to a thriving society, through the primary benefit of having these facilities in place, and the secondary benefits of improved travel, transport and mobility that inevitably accompany such developments.

These communities exist both along the Group's value chain ((a), (c) and (d) above), and at the downstream endpoint of the value chain ((b), (c) and (d) above).

### 2.1 S3-Impact 1

**IRO Summary** *(page 96)*

#### 2.1.1 Policies to manage S3-Impact 1

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Sustainable Finance Framework** | • This framework outlines the criteria which sustainable infrastructure projects such as those related to renewable energy must meet to be categorised as Green Finance.<br>• See page 53 for further details on the objective of this policy. | • See page 53. |
| **Green Bond Framework** | • This framework outlines the eligibility criteria which sustainable infrastructure projects across categories such as renewable energy must meet to be deemed Green Eligible.<br>• See page 53 for further details on the objective of this policy. | • See page 53. |

# Sustainability statement *(ESRS S3 Affected Communities) (continued)*

## 2 Impacts *(continued)*

The policies listed above cover all affected communities and are supported by the following standard and statement.

| Name of the supporting document | Key content | Approval and review process |
|---|---|---|
| **Project Finance Loan Origination Standards** | • Sets out the key credit parameters under which the project finance lending team are permitted to lend to project finance transactions.<br>• Applies to the Project Finance - Sustainable Energy and Infrastructure, Corporate and Commercial Banking business unit. | • The standards are approved by the GCRC and are reviewed biennially. |
| **RSB Sector Statement** | • See page 54. | • See page 54. |

### 2.1.2 Actions focused on S3-Impact 1

The Group has taken several actions related to S3-Impact 1, with the primary purpose of delivering positive impacts for affected communities. These include financing the following wind energy projects across Ireland and the UK which the Group signed into in 2024:

- a large operational offshore wind farm project off the coast of Scotland with an installed capacity of 588 MW;
- a large offshore wind farm project in construction off the coast of England which will have an installed capacity of 1,200 MW when complete; and
- an operational onshore wind farm in Ireland, with an installed capacity of almost 49 MW.

The financing of these wind energy projects falls under the Project Finance portfolio which supports Public Private Partnership (PPP) transactions, arranges debt facilities and participates in project finance transactions across sectors such as infrastructure, energy, waste and renewables. The Group remains committed to supporting PPP transactions as and when they arise and has a strong previous track record when it comes to committing finance to the Irish infrastructure market. In terms of mobility, looking ahead, while opportunities for the funding of motorway projects are currently limited in the Irish market, the Group will focus on future large scale, sustainable public transportation projects, such as the proposed Metrolink project.

The Project Finance portfolio is tracked and monitored through the SFWG which monitors the Green Eligible Asset Portfolio, and provides reporting updates of the Group's progress against achieving the strategic targets set out in the Climate Transition Plan within the Group's Sustainability Strategy.

As part of the Group's Green Bond Framework, an associated Impact Report is produced annually which contains data on selected environmental impacts of the Group's Green Eligible Asset Portfolio and includes metrics on impacts made by renewable energy projects, including estimates of attributed carbon emissions, and annual attributed avoided carbon emissions.

As referenced above, and as part of the Group's ambition to Support the Green Transition through the Sustainable Finance Framework, the Group plans to grow the Project Finance business through increasing the Group's presence in the UK and Europe. This will allow the Group to further build experience and relationships in the renewable energy sector and strengthen their capacity to support the Irish market.

The resources responsible for managing the material impact S3-Impact 1 are part of the wider Corporate and Commercial division. At year end 2024, the division had 1,270 staff (2023: 1,265) (full time equivalents), see page 263 and had an underlying divisional profit for 2024 of €1,196 million (2023: €1,213 million). For further information, see page 169 in the BoIG plc Group Annual Report 2024.

### 2.1.3 Targets related to S3-Impact 1

The primary target in place relating to S3-Impact 1 is the SBT related to Project Finance Electricity Generation, see page 60. Affected Communities were not engaged with directly in the setting, tracking or evaluation of this target.

# Sustainability statement *(ESRS S3 Affected Communities) (continued)*

## 2 Impacts *(continued)*

### 2.2 Actions focused on avoiding material negative impacts

The Group has taken action to avoid causing or contributing to material negative impacts for affected communities. These actions include:

- in 2024, the Group published a Human Rights policy. Owned by a recently appointed Social Pillar and Capabilities Lead, the policy demonstrates the Group's commitment to respecting and promoting Human Rights in accordance with the highest international standards. See page 77;
- the Group's Modern Slavery and Human Trafficking Statement outlines how the Group remains committed to trade ethically, source responsibly and work to combat modern slavery and human trafficking in all its forms across all jurisdictions in which the Group operates;
- the Group's Social and Financial Inclusion Statement affirms that the Group is committed to ensuring that no individual is prevented from accessing the financial system, solely due to their inability to produce standard anti-money laundering (AML) identification documentation - where an individual, for genuine and justifiable reasons cannot, and in all likelihood will not be in a position to provide standard evidence of identity or address, alternative documentation or verifiable information may be provided and used to verify the individual's identity;
- from an environmental perspective the Group has a number of sustainable finance targets, initiatives and products in place, all of which benefit the wider society and community. These are further outlined in section E1, see page 32; and
- for Project Finance, an internal due diligence process is carried out before any credit application process for a given project is undertaken. This involves the input of legal and technical advisors and ensuring compliance with local laws and regulations, including any applicable regulatory environmental and social requirements since all potential eligible assets need to comply with local laws and regulations.

The Group has yet to establish a formal process to track severe human rights issues connected with affected communities.

### 2.3 Processes for engaging with affected communities about the material impact

The Group has not adopted a specific process to engage with affected communities in order to inform how the Group manages the material impact S3-Impact 1, nor does it have any specific channel in place for affected communities to raise concerns. However, there are a number of other processes in place which indirectly or tangentially incorporate the perspectives of affected communities in the context of managing S3-Impact 1. These include:

- all assets within the Sustainable Finance Asset Portfolio go through the standard credit process, which is governed by the Group Credit policy and Group Credit Framework, and which requires consideration of climate, environmental and social factors, taking into account all relevant laws and legislation as well as adherence to other Group policies and standards in this respect. Borrowers also need to comply with planning permissions for any projects seeking finance, which intrinsically includes considerations for stakeholders such as affected communities; and
- the Group's RSB Sector Statement aims to manage risk effectively for customers, communities and shareholders by clearly setting out the risk appetite for lending to potentially sensitive sectors which the Group believes causes environmental and/or social harm to society and the Group's communities. It outlines a list of excluded business activities which the Group will not provide financing to such as nuclear power plants, coal power stations, fossil fuel extraction and mining activities.

# Sustainability statement *(ESRS S3 Affected Communities) (continued)*

## 3 Risks *(continued)*

### 3.1 S3-Risk 1

IRO Summary *(page 96)*

#### 3.1.1 Policies to manage S3-Risk 1

The Group utilises the policy below to manage this risk. The policy covers all affected communities rather than specific groups.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Business and Strategic Risk policy** | • The policy details the requirements to mitigate the risk of the Group not achieving its agreed strategic and business goals.<br>• See page 55 for further detail on the objectives of this policy. | • See page 55. |

#### 3.1.2 Actions focused on S3-Risk 1

The following actions are planned or underway to mitigate against the material risk:

- the Group's Financial Wellbeing ambition is driven by the following three focus areas: fostering financial inclusion, improving financial literacy and capability, and building a more financially resilient and confident Ireland. This focus is informed by ongoing research, in particular the Group's annual Financial Wellbeing Index and Financial Literacy surveys. The Financial Wellbeing Index survey provides an insight into the financial wellbeing of the nation and is a key input to the Group's understanding of the impact the changing economic environment is having on peoples' financial lives. Ireland's Financial Wellbeing Index score[1] for 2024 was 60, a slight increase from the 2023 score of 59. The nation was classified as 'managing' (live within means, manage to pay bills and better ability to provide for future) albeit marginally up from having previously been in the 'stretched' category (live within means from pay check to pay check, with little ability to save / think about future). These results inform the future strategic focus of the Group in relation to the Financial Wellbeing of the communities it operates in; and
- as part of the annual strategic planning cycle, in line with the Group Business and Strategic Risk policy, at Group and business unit level, an assessment of the internal and external environment is carried out for new or increased risks that could impact the delivery of financial plans or strategy planning and implementation. The assessments consider, as appropriate, macroeconomic environment, trends in financial markets, competitive environment, customer and market trends, and regulatory developments. Periodic updates are performed as required.

The effectiveness of the above actions is tracked via the following methods:

- the Financial Wellbeing team monitors their ambition through a number of goals, metrics and targets which are tracked and reported to the GSC on a quarterly basis; and
- the Group monitors compliance with the Business and Strategic Risk policy to ensure its requirements are being met and reports on compliance to the Court Risk Committee.

[1] *Source: Bank of Ireland Financial Wellbeing and Financial Literacy Survey, September 2024, with RED C among a nationally representative sample of adults aged 18+, living in the Republic of Ireland.*

#### 3.1.3 Targets related to S3-Risk 1

- The Group sets business targets and risk metrics to track delivery of the strategy and its key components and reports to the GEC and Court on progress towards achievement of these targets e.g. financial health and inclusion (see page 107) and sustainable finance targets (see page 36).
- Affected communities were not engaged with directly in the setting, tracking or evaluation of these targets.

# Sustainability statement *(ESRS S3 Affected Communities) (continued)*

## 3 Risks *(continued)*

### 3.2 S3_Risk 2

IRO Summary *(page 96)*

#### 3.2.1 Policies to manage S3-Risk 2

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Customer Protection policy** | • The policy outlines the minimum mitigation requirements in place to ensure that new, amended or withdrawn products and services reasonably consider and address potential or actual negative outcomes for clients, customers and markets.<br>• See page 55 for further detail on the objective of this policy. | • See page 55. |

In general, the policy above covers all affected communities and is supported by the following codes and strategy.

| Name of the supporting document | Key content | Approval and review process |
|---|---|---|
| **Group Code of Conduct** | • See page 82. | • See page 82. |

#### 3.2.2 Actions focused on S3-Risk 2

The following action(s) are planned or underway to mitigate against this material risk, and are relevant for all communities.

The Group Code of Conduct outlines several behaviours that enable colleagues to mitigate against this risk. These include:
- helping society to thrive through enhancing financial wellbeing by empowering people with the knowledge and skills needed to make the most of their finances so they can be in control of their everyday spending, have a plan for the future and the resilience to withstand the financial impact of an unexpected expense or a major life event;
- helping customers to thrive through designing products that are simple to use, useful and inclusive, charge for them in a fair and transparent way; and only provide professional advice to customers when staff have the appropriate knowledge of products and services and have the required qualifications to do so; and
- protect and provide extra support to customers who may be vulnerable.

The Group Customer Protection policy outlines a number of relevant mitigation requirements related to the delivery of the Group's products and services. These include:
- all new initiatives, products, services, business activities (including changes / expansions and withdrawals) in scope of the policy must go through Product and Service Approval and Governance (PSAG) governance;
- business proposals must adhere to the minimum standards expected of product distributors and manufacturers; and
- business proposals must be reviewed and challenged to ensure product design risk is appropriately mitigated.

The policy is owned by the GCCO, and Group Compliance is responsible for providing 2LOD oversight and monitoring of the Customer Protection policy.

Compliance monitoring, as outlined in the Group Compliance Strategy, comprises a combination of structured and unstructured engagement with the business wherein Group Compliance engages with the business on an ongoing basis to ensure continued adherence to policy requirements and associated regulatory requirements.

Examples of structured monitoring include:
- the provision of formal 2LOD opinion papers alongside 1LOD papers travelling through risk governance (ERC and CRC);
- the formal review by 2LOD of higher impacting (per the Group Risk Assessment matrix) risk issues and risk events (wherein 2LOD input is required before issues are logged and again before issues are closed); and
- the provisions of formal review and input by 2LOD principal risk owners (including conduct, operational, capital, liquidity, business and strategic etc.) to 1LOD product proposals prior to consideration of same by the relevant product governance forum, PSAG.

The PSAG forum is chaired by the Head of Central Compliance, and wherein Group Risk reserves the right to veto any proposition.

Examples of unstructured monitoring include active participation in 1LOD governance forums, programme steerings etc. and the provision of ongoing advice, challenge and guidance as part of day-to-day actions and via dedicated support mailboxes.

# Sustainability statement *(ESRS S3 Affected Communities) (continued)*

## 3 Risks *(continued)*

### 3.2.3 Targets related to S3-Risk 2

The Group has processes and controls in place to ensure the effectiveness of its policies and actions in relation to this material risk. The Group has internal KRIs in relation to all Level 3 conduct risks (per the Group's risk taxonomy, for example KRIs relating to complaints resolution, product lifecycle management and sales quality assurance) which consider factors including social considerations associated with the delivery of the Group's products and services. The Group monitors these KRIs on a monthly basis. The Group has a very low risk appetite for such breaches.

## 4 Opportunities

### 4.1 S3-Opportunity 1

IRO Summary *(page 96)*

### 4.1.1 Policies to manage S3-Opportunity 1

Although the Group does not have an explicit policy in place to manage this opportunity, the opportunity is closely linked to the Group's RSB Strategy 2021-2024 'Investing in Tomorrow'. This strategy informs and guides the management and pursuit of the opportunity.

### 4.1.2 Actions focused on S3-Opportunity 1

The following actions are planned or underway to pursue the material opportunity S3-Opportunity 1, all of which contribute to the 'Enhancing Financial Wellbeing' pillar of the Group's Sustainability Strategy:

- the Group has partnered with two charities, facilitated by Community Foundation Ireland, whereby the Group will provide funding to develop a pilot financial resilience programme to demonstrate the feasibility of financial education to positively impact the financial lives of marginalised women. This commitment has been approved and funded and will be delivered in 2025, with ambition to scale based on demonstrable impact;
- the Group continues to recognise the needs of prioritised and marginalised groups who can struggle to get access to basic financial products. The Group is working with industry bodies such as the Banking and Payments Federation of Ireland (BPFI) and the Irish Banking Culture Board (IBCB) to ensure people have equal and effective access to financial products;
- in 2024, the total number of adults (customers, colleagues and the wider community) supported through financial education initiatives was just over 28,000 attendees. The talks covered topics including saving, budgeting, borrowing, cost of living, mortgages, pensions and fraud awareness; and
- in the 2023/24 school year more than 13,000 primary and almost 92,000 secondary school students participated in Bank of Ireland's financial literacy programmes. Engagement in both programmes continues to increase year on year.

These actions will serve to support the financial health of those affected on an ongoing basis and will assist with providing access to financial products and services to those who may otherwise struggle to avail of them.

### 4.1.3 Targets related to S3-Opportunity 1

The Group has one target in place for this opportunity. Through partnerships, the Group will support the financial wellbeing of the communities in which it operates / prioritised groups. This aligns to the Group's wider UNPRB Commitments to Financial Health and Inclusion targets, see page 107. The base value for this target as of April 2023 is zero partnerships, with a target of two partnerships by December 2025.

The target of two partnerships was set as a test and learn concept as the Group works towards its UNPRB Commitments. The outcome of these partnerships will be used to inform the Group's short to medium term plans to continue with the progression towards meeting the UNPRB targets (see page 107 for more detail). This target applies to RoI only.

The Group has achieved the target of two partnerships, partnering with two charities, facilitated by the Community Foundation Ireland, see previous section for more detail.

The progress against this target is monitored and reported to the GSC on a quarterly basis. Affected communities were not engaged with directly in the setting, tracking or evaluation of this target.

# Sustainability statement *(ESRS S3 Affected Communities) (continued)*

## 4 Opportunities *(continued)*

### 4.2 S3-Opportunity 2

IRO Summary *(page 96)*

#### 4.2.1 Policies related to S3-Opportunity 2

The below framework covers all affected communities and is supported by the Group's Housing Support strategy in respect of this opportunity.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Sustainable Finance Framework** | • This framework outlines the criteria which projects with a social benefit must meet to be deemed eligible Social Finance projects - relevant categories include social and affordable housing, and SME financing, and renewable energy under Green Finance.<br>• See page 53 for further details on the objective of this policy. | • See page 53. |

#### 4.2.2 Actions focused on S3-Opportunity 2

As part of the Group's Housing Support strategy, the Group focuses on enhanced support for delivery of new homes in the private, affordable and social sectors, for rental or owner occupation in RoI. The strategy contains key enablers for the Group to meet its multi-year funding target which is set for 2026.

The Group has a number of actions planned or underway to pursue this material opportunity. These actions, are split across the three constituent parts of the opportunity (financing the development of affordable housing schemes, supporting local businesses and investing in infrastructure) and are outlined as such below.

**Financing the development of affordable housing schemes**

- The Group is currently funding the development of c.21,000 residential units across c.220 sites, including c.9,500 units for social housing.
- The Group has a dedicated property lending team that can provide advice and guidance to developers who are preparing to submit an application for funding which can include guidance on the lending criteria for quality, sustainable, and long-term housing solutions.
- See Entity Specific Housing topic on page 124 for further detail.

**Supporting local businesses**

- The Group is part of the €500 million Growth and Sustainability government loan scheme offered by the SBCI which provides competitively priced loans between €25k and €3 million from seven to ten years to eligible SMEs, including farmers, fishers and small mid-caps.
- The Group's Enviroflex product is a sustainability-linked loan which supports and enables farmers to improve the environmental footprint of their farms.
- The Group's Green Capex Loan product offers competitive loan terms where loan proceeds are used to finance EU Taxonomy compliant activities and / or are in line with the Sustainable Finance Framework green lending criteria.
- The Group's Green Business Loan offers discounted finance to businesses and farms who want to implement energy-saving initiatives in order to reduce their carbon footprint and their costs.
- The Group's Ukraine Credit Guarantee Scheme supported economic activity in Ireland facilitating the provision of working capital and medium-term investment finance to businesses adversely impacted by the war in Ukraine and facing supply chain disruptions and increased input costs, including severe increases in energy costs.
- The Group hosted an in-house SME workshop in H224 to assist business customers in their sustainability strategies, with a further three regional workshops scheduled for Q1 2025, and more to follow throughout 2025.
- The Group partnered with SSE and Musgraves for the launch of the Business in the Community All-Ireland Climate Literacy pilot, where 30 SMEs benefited from a Carbon Literacy training initiative. Building on the positive feedback and continued demand from SMEs, the next phase will treble the number of participants, meaning more SMEs will be supported to take action on climate.

**Investing in infrastructure**

- The Group has financed a number of wind energy projects across the Irish and British Isles and are committed to expanding support across onshore, offshore, solar and other renewable energy technologies. See page 98 for further detail.

# Sustainability statement *(ESRS S3 Affected Communities) (continued)*

## 4 Opportunities *(continued)*

### 4.2.3 Targets related to S3-Opportunity 2

The Group has multiple targets in place related to S3-Opportunity 2.

**Financing the development of affordable housing schemes**

- The Group has an ambition to support the construction of 25,000 units of all types including houses and large and smaller scale apartment developments, of which 10,000 will be social and affordable housing units, by 2026. This target is in keeping with the social foundational topics which underpin the three pillars of the Group's Sustainability Strategy. See Entity Specific Housing topic disclosures on page 123 for further detail on this target.

**Supporting local businesses**

- This part of the opportunity is captured as part of the broader sustainability related finance targets of c.€15 billion by 2025 and c.€30 billion by 2030, see page 36.

**Investing in infrastructure**

- The target for 'Investing in infrastructure' is the SBT related to Project Finance Electricity Generation. See page 36 for further detail.

Affected communities were not engaged with directly in the setting, tracking or evaluation of these targets.

## 5 Policies related to the human rights of affected communities

The Group's Human Rights policy, the scope of which includes affected communities, is outlined under ESRS S1 Own Workforce, see page 77.

In the specific context of affected communities, the policy outlines the Group's high level core commitments, covering aspects such as human rights breaches, non-discrimination, financial wellbeing, sustainability, information security and corruption / anti bribery.

Through the policy's due diligence process, the Group will communicate with, and seek input from key stakeholders, including affected communities by engaging annually through a mixture of focus groups, one-to-one meetings and insight surveys.

The Group will also actively engage with local communities, and human rights organisations, to understand concerns and collaborate on addressing human rights issues. The Group has yet to establish a formal process to track the number of cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and OECD Guidelines for Multinational Enterprises that involve affected communities, as it develops its approach to measuring and reporting data related to this item.

The Group has additional supporting policies and documents in place which also serve to cover elements of the human rights of affected communities such as the Modern Slavery and Human Trafficking Statement and Code of Supplier Responsibility. Further details on these supporting policies and documents can be found in the table below.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Modern Slavery and Human Trafficking statement** | • The Group remains committed to trade ethically, source responsibly and work to combat modern slavery and human trafficking in all its forms across all jurisdictions in which the Group operates.<br>• This commitment is an integral part of the Group's policies and approach to protecting human rights and is a foundational element of the Group Sustainability Strategy.<br>• The Group continues to utilise network analysis technology to aid in the identification of potential human trafficking rings.<br>• The Group has also been instrumental in the development of new technology designed to identify potential human trafficking red-flags in large data sets. | • The Statement was approved by the GSC under delegated authority of the Group Court in May 2024. It is monitored and reviewed on an annual basis by the GSC. |
| **Code of Supplier Responsibility** | • See page 93. | • See page 93. |
| **Group Financial Crime policy** | • See page 119. | • See page 119. |

# Sustainability statement *(continued)*

## ESRS S4 Consumers and End-users




### 1 Material impacts, risks and opportunities

The actual and potential IROs related to consumers and end-users[1] have been identified through the DMA which is described on page 16. All consumers and / or end-users who are likely to be materially impacted by the Group are included in the scope of this disclosure. This includes those materially impacted by the Group's own operations and value chain, products or services, and business relationships.

The material IROs relate to, all consumers and / or end-users, rather than to any specific groups.

[1] *In the ESRS regulations, consumers are defined as 'Individuals who acquire, consume or use goods and services for personal use, either for themselves or for others, and not for resale, commercial or trade, business, craft or profession purposes.' End-users are defined as 'Individuals who ultimately use or are intended to ultimately use a particular product or service'.*

| ID | Material IROs associated with consumers and end-users | Time horizon |
|---|---|---|
| S4-Impact 1 | • **Actual positive impact (Downstream):** Building stronger relationships with customers helps to enable them to benefit from better financial planning and management, which supports their financial stability and well-being. | Long-term. |
| S4-Risk 1 | • **Conduct risk (Own operations):** The risk to the Group of financial loss, regulatory breach, reputational damage or causing customer detriment, as a result of the delivery of its products and services causing poor outcomes for, or harm to the Group's customers. | Short, medium, long-term. |
| S4-Risk 2 | • **Operational risk (Upstream & downstream):** The impact on consumers and end-users driven by operational risk events could lead to customer detriment, customer inconvenience, reputational risk and regulatory sanctions. | Short, medium, long-term. |
| S4-Opportunity 1 | • By implementing a customer-oriented approach, the Group can reap the benefits of increased customer loyalty, by providing appropriate products to customers, while also improving operational efficiency. | Short, medium, long-term. |
| S4-Opportunity 2 | • Providing increasingly secure and privacy-respecting services and data management practices will enable the Group to increase its customer appeal while also reducing the possibility of customer complaints. | Short, medium, long-term. |
| S4-Opportunity 3 | • Continuing to promote the Group's financial literacy programmes will enable the Group to improve customer service, engagement and sales, lower costs and ultimately enhance the Group's credit risk profile. | Short, medium, long-term. |

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 2 Impacts

As a result of the DMA, one material positive impact has been identified for the Group. No material negative impacts for consumers and end-users were identified.

The material positive impact aligns to the Group's Sustainability Strategy 2023-2025, of which 'Enhancing Financial Wellbeing' is a core pillar. The types of consumers and end-users subject to a material impact include retail customers, business customers, digital and online customers, excluded populations and customers in vulnerable circumstances. These can be divided into the below categories:

| Category of consumer and / or end-user | Group applicability |
|---|---|
| Consumers and / or end-users of services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non-discrimination. | All types of Group consumers and end-users. |
| Consumers and / or end-users who are dependent on accurate and accessible product- or service-related information, to avoid potentially damaging use of a product or service. | All types of Group consumers and end-users. |
| Consumers and / or end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals. | Excluded populations and customers in vulnerable circumstances. |

### 2.1 S4-Impact 1

IRO Summary *(page 105)*

#### 2.1.1 Policies to manage S4-Impact 1

While there is not an explicit policy in place to manage this material impact, the Group's Financial Wellbeing Ambition 2023-2025 guides the Financial Wellbeing team in their management of this material impact covering all consumers and end-users.

#### 2.1.2 Actions focused on S4-Impact 1

The Financial Wellbeing Ambition 2023-2025 details the goals and key actions which will assist the Group in building stronger relationships with customers by supporting their financial stability and wellbeing.

The Group manages this material impact through the following initiatives:

**Financial literacy**

- In 2024, the total number of adults (including customers, colleagues and the wider community) supported through financial education initiatives was just over 28,000. Educational talks covered topics such as: saving, budgeting, borrowing, cost of living, mortgages, pensions and fraud awareness (see page 102).
- The Group has partnered with Community Foundation Ireland to develop a pilot financial resilience programme (see page 102).

**Financial resilience**

- The Group is committed to increasing the number of customers and colleagues who have the capacity to withstand or absorb a financial shock which can be the result of an unexpected day-to-day expense or a major life event such as job loss, relationship breakdown or long–term illness.

**Digital financial wellbeing**

- The Group enables customers to manage their day-to-day finances through digital tools such as Mi365. Mi365 is an in-app tool which enables personal customers to easily track money inflows and outflows, including unexpected payments or refunds and review cash flow spend data on their account for up to six months.

**Financial planning**

- Across the Group, accredited financial advisors and extensive specialist teams support customers with everyday banking requests and making more complex banking decisions. With the support of advisors and specialists, customers can create their own financial plans to achieve their financial goals.

**Protecting customers' financial wellbeing**

- In 2024, the Group announced an investment of €50 million on customer fraud prevention and protection. The investment includes €15 million for new fraud prevention technology, along with a range of high-profile consumer awareness campaigns and support for customers who are targeted by fraudsters.
- The products offered by New Ireland are by their nature designed to protect customers' future financial wellbeing. Through New Ireland's life insurance, investments and pension offerings, the Group helps customers take steps to protect their financial future. The Group's Davy Wealth Management business supports customers with financial planning, investments and inheritance planning.

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 2 Impacts *(continued)*

- In addition to a dedicated Financial Wellbeing team, this Impact is managed by colleagues across the wider Group Customer Office, Retail Ireland, as well as teams across the Wealth Management businesses in Davy and New Ireland. See page 14 for further detail on Group divisions and business model.
- The actions relating to the financial wellbeing programme are reported on quarterly to the GSC while the Group's UNPRB commitment is also tracked as outlined in the Targets section below.

### 2.1.3 Targets related to S4-Impact 1

The Group's targets in the areas of financial resilience under the UNPRB Commitment to Financial Health and Inclusion are relevant to this Impact and are a key component of the Group's Financial Wellbeing Ambition. The Group has committed to the following targets, which apply to all personal customers in RoI:

- increase from 62% (April 2023) to 70% the percentage of customers who are confident (strongly or somewhat) that they have funds available to cover an unexpected day-to-day expense by 2030;
- at the end of 2024 this figure was 60% (-2% vs April 2023 baseline) among people who identified Bank of Ireland as their main day-to-day bank;
- increase from 44% (April 2023) to 50% the percentage of customers who are confident (strongly or somewhat) that they have funds (savings or insurance) available to cover a major unexpected event by 2030; and
- at the end of 2024 this figure was 47% (+3% vs April 2023 baseline) among people who identified Bank of Ireland as their main day-to-day bank.

The Group conducted a national context analysis as part of the UNPRB target setting and identified financial resilience as the focus area. Targets were defined based on the knowledge and experience of the team, UNEP FI guidance on target design, combined with global competitor analysis of what targets other banks have in the area of financial resilience. The targets allow for existing and planned capabilities, and incorporate anticipated incremental growth. Progress against these targets is monitored and reported to the GSC on a quarterly basis.

These metrics are sourced from the Bank of Ireland Financial Resilience Survey with RED C among a nationally representative sample of adults aged 18+ living in the Republic of Ireland who claim Bank of Ireland as their main day-to-day bank. They are not validated by an external body. There may be unexpected macroeconomic events which may limit the ability to achieve published targets.

Affected communities were not engaged with directly in the setting, tracking or evaluation of these targets.

## 2.2 Actions focused on avoiding material negative impacts

In order to ensure that the Group's own practices do not cause or contribute to material negative impacts on consumers and end-users, the below process is followed to mitigate customer engagement risk - the risk that customers receive inadequate advice, misleading information, unsuitable products or unacceptable service. This forms part of the Group Customer Protection policy.

The Group manages customer engagement risk through the establishment of appropriate mitigating measures at Group and business unit levels, including the establishment and maintenance of a customer communications review and approval process and measures to ensure that, where relevant, customers are correctly categorised in accordance with regulatory requirements.

Regarding Advice Based Sales, in situations where the Group is providing advice and / or making a recommendation to a customer, it must ensure that a robust fact find has been completed and thoroughly documented (including the retention of relevant records) prior to the recommendation being communicated to the customer. This will ensure that the Group has a very clear understanding of the customer's financial situation, risk appetite etc.

When selling products or services to customers by phone or other channels, including online channels, the Group must be in a position to ensure that the required features, benefits, terms and conditions as well as other key regulatory information is provided to the customer at the appropriate time.

Additionally, in order to ensure that customers are provided with, and receive, prompt and fair service of an acceptable standard, the Group continually assesses the quality of service provided. This can include (but is not limited to):

- ongoing monitoring: senior management in the business units determine and review the management information to be monitored and reported for their respective area. Complaints, events and errors data are important sources of management information for assessing customer outcomes and identifying root cause (e.g. thematic complaints or volumes outside of tolerance / expected thresholds); and / or
- results from thematic inspection audits / compliance assurance or KPIs outside of tolerance / expected thresholds.

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 2 Impacts *(continued)*

In 2024, the Group published a Human Rights policy. See page 77 for more detail.

The Group's Social and Financial Inclusion Statement outlines the Group's commitment to provide access to the financial system to those without standard forms of identification documentation. See page 99 for further detail.

The Group has yet to establish a formal process to track severe human rights issues connected with consumers and end-users.

### 2.3 Processes for engaging with consumers and end-users about the material impact

There are processes in place within the Group for engaging with consumers and / or end-users in relation to the material impact. With regards specifically to material positive impact S4-Impact 1, bespoke surveys and tracking of trends over time are carried out by the Financial Wellbeing team regularly.

Regular engagement with advocacy bodies is undertaken to gain the perspective of consumers and end users who may be in vulnerable circumstances. Inclusion Ireland and the National Advocacy service were engaged to provide input to colleague training on Financial Inclusion and Support which will be launched in H125. In addition, to ensure that consumers and end-users who may be particularly vulnerable to impacts and / or marginalised, have effective access to banking services, the Group has the following initiatives in place:

- working with the Irish Alzheimer's Society to build training and education programmes which were launched in November 2024, so customer facing colleagues can become 'Dementia Friendly' trained by Q1 2025;
- engagement with industry bodies such as the BPFI and the IBCB to ensure prioritised and marginalised groups have equal and effective access to financial products;
- a dedicated programme to deliver compliance with the European Accessibility Act in 2025, supported by external advisors who are guiding the Group on accessibility standards and how to ensure the Group can offer choice and assisted support across all the Group's customer channels;
- in 2024, Bank of Ireland UK onboarded SignVideo to provide sign language interpretation services to customers; and
- the perspectives of consumers and end-users that may be particularly vulnerable to impacts and / or marginalised, are obtained through the Group's Vulnerable Customer Unit (VCU) which provided enhanced support to colleagues dealing with over 7,000 customers in vulnerable circumstances in 2024.

As outlined above, engagement occurs both with consumers and end-users directly and with legitimate reps / proxies, such as advocacy groups.

The function and the most senior role within the undertaking that has operational responsibility for ensuring that Financial Wellbeing engagement takes place and that the results inform the undertaking's approach is the Chief Customer Officer and GEC sponsor for Financial Wellbeing.

Customer engagement also occurs as part of the PSAG process. This engagement is business dependent and happens across the life cycle where relevant engagement follows Markets in Financial Instruments Directive (MiFID) / EBA guidance. When the business is a manufacturer of a new product or service, or is making changes to existing products and services, its proposals must include appropriate research of elements such as the market segments involved, and how the product or service has been designed to address the target market's needs. This research includes customer interviews, customer immersion, customer surveys, customer external research and customer journey mapping and walkthroughs. When the business is a distributor, customer engagement also occurs to aid with the collection of management information which is shared with the product or service manufacturer. New or amended products also go through a post implementation review, and the ongoing product lifecycle review process, both of which involve and require varying levels of customer engagement, and which evaluate how well or otherwise the new or changed product or service is operating.

A monthly paper on customer sentiment, including a customer and brand metric dashboard, is prepared by the Group Insights team and reviewed by the GEC. This paper may contain, as needed, request for approval of any relevant decisions / activities aimed at managing S4-Impact 1- the perspectives of consumers and end-users are incorporated in any such decisions / activities as and when they are deemed beneficial. For the PSAG process, the responsibility is with business senior management depending on the product involved.

Overall effectiveness of engagement is assessed by a number of means, such as several of the Group's OKRs[1]. At 31 December 2024, customer advocacy remained strong and customers' experience with the Group's channels has improved. Group RNPS and All Channel Customer Effort Score (CES) are performing at an all-time high since the tracking began.

The CES measures the level of effort customers need to use when interacting with the Group across high volume channels (mobile app, website, contact centre and branch) and during high value interactions of 10 or more journeys. Customer Insights issue 300k+ automated surveys each month, enabling the Group to listen to the Group's customers' experiences interacting with 20 various channels, services and products Group-wide.

[1] *For the OKRs, the Group used a 2023 full year average as the baseline, set an ambition for 2024, and then measured their performance against the baseline assessing whether their performance was below, at or above ambition.*

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 2 Impacts *(continued)*

### 2.4 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

While the Group did not identify any material negative impacts on consumers and end-users, the Group nevertheless has specific channels in place for consumers and end-users to raise concerns or needs directly.

Consumers and end-users can get in contact with the Group regarding concerns and needs via: webchat, 'Ask a Question' through 365 online, the online contact form, email, and Facebook messenger / X. Consumers and end-users can make a complaint by visiting one of the Group's 168 branches nationwide, by phone, in writing, and by using the RoI or UK digital forms. Similar channels to raise concerns exist for both Davy and New Ireland consumers and end-users.

All of the above channels are established by the Group itself rather than through a third party. The Group does not explicitly require the availability of such channels by its business relationships; however, it does require that where the business uses third parties (e.g. appointed representatives), that customers be advised that they can raise a complaint against the third party or the Group. The Group's Third Party Policies also outline how the Group expects all suppliers who have contact with the Group's customers to effectively manage conduct risk in support of fair outcomes for customers, including the operation of clear customer engagement procedures which focus on customer needs such as complaint handling and rectification.

The Group has a well-established process for tracking and monitoring any issues raised. Where the Group's review of a customer complaint leads to the identification of an underlying error, the risk-based customer error identification and resolution process is followed. This facilitates the timely identification of errors, logging and risk rating of errors, customer communication and resolution of errors (including the effective handling of charging errors / refunds in the event of a mis-sale or incorrectly retaining customer funds).

Root Cause Analyses (RCAs) of all errors are also performed regardless of materiality to ensure repeat errors are appropriately identified as such. At a minimum, the outputs of error RCA must be reported to the relevant Head of Business and relevant Risk Committees, and it must also be used to inform product evaluation in accordance with the Product Design and Delivery Risk section of the Customer Protection policy.

Business units report regularly to relevant governance fora on new errors identified, progress on remediation of errors, and controls put in place to prevent repeat errors. Business units must also carry out an annual review of the customer errors management process and report on findings and recommendations to their Head of Business and to Group Regulatory and Conduct Risk Committee (GRCRC).

The Group ensures the effectiveness of the channels through periodic reviews of the customer complaints process to ensure that it remains in line with regulatory requirements and is appropriate for the customer base, and through the complaints CES questionnaire which is sent to customers who made a complaint to get feedback on the process. This asks questions around the ease of making complaints, feedback on the Group's approach to dealing with the complaint, the customer's experience during and after the process, and the customer's impression of the staff that they dealt with. There are also highly skilled teams dedicated to the collection, analysis and response of complaints feedback across all channels and across all jurisdictions.

Customer complaints received through our online form are investigated and resolved by our suitably qualified teams. These complaints are an important input to the Complaints RCA, a suite of tools for analysing complaints to identify, address or eliminate drivers, simplifying our business, putting the customer first and reducing toil.

Consumers' and / or end-users' awareness of and trust in the Group's complaints channels is assessed through this complaints CES questionnaire. Additionally, the Group's approach to customer engagement and progress against customer metrics through which the experience of customers when dealing with the Group is assessed is a key focus for the GEC. The Court's understanding of customers' perspectives is informed by deep dives on customer themes and customer complaints, site visits by Directors to customer call centres and branches, meetings directly with customers, and other customer-focused tools to enable the Court to hear customer voices at first hand.

The Group's Customer Protection policy states that the business must make sure customers are not charged an additional fee for raising a complaint, while it also includes provisions to ensure fair customer outcomes through the complaints management process. Additionally, complaints are anonymised for analysis.

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 3 Risks

### 3.1 S4-Risk 1

IRO Summary *(page 105)*

#### 3.1.1 Policies to manage S4-Risk 1

The internal Group policy which supports the management of this material risk is summarised in the table below. The policy listed below covers all consumers and / or end-users rather than specific groups.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Customer Protection policy** | • The policy highlights how customers are protected, covering topics of customer engagement, customer error and remediation, and customer complaints. The policy outlines the PSAG process which is a four stage control process incorporating different levels of independent review, challenge and approval for any in-scope product or service proposal.<br>• See page 55 for further details on the objective of this policy. | • See page 55. |

The policy above is supported by the document outlined below which assist the Group in managing this material risk.

| Name of the supporting document | Key content | Approval and review process |
|---|---|---|
| **Group Code of Conduct** | • See page 82. | • See page 82. |

#### 3.1.2 Actions focused on S4-Risk 1

The following actions are planned or underway to mitigate against this material risk.

The Group Customer Protection policy outlines a number of relevant mitigation requirements related to the delivery of the Group's products and services. These include requirements to ensure:

- customers do not receive inadequate advice, misleading information, unsuitable products or unacceptable service;
- the Group identifies customer errors and remediates them in line with regulatory requirements; and
- the Group's response to customer complaints is appropriate and consistent.

See page 101 for further actions relating to the Group Customer Protection policy and the Group Code of Conduct and for detail on the oversight and monitoring mechanisms of the Group Customer Protection policy.

At 31 December 2024, the Group recognised a provision for potential customer redress charges in connection with the Group's UK motor finance business historical commission arrangements. See page 385 for details.

#### 3.1.3 Targets related to S4-Risk 1

The Group has processes and controls in place to ensure the effectiveness of its policies and actions in relation to this material risk. The Group has internal KRIs in relation to all Level 3 conduct risks (per the Group's risk taxonomy, for example KRIs relating to complaints resolution, product lifecycle management and sales quality assurance) which considers factors including social considerations associated with delivery of the Group's products and services. The Group has a very low risk appetite for such breaches.

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 3 Risks *(continued)*

### 3.2 S4-Risk 2

#### 3.2.1 Policies to manage S4-Risk 2

Group policies that cover this material risk are highlighted in the table below. The policies listed cover all consumers and / or end users unless stated otherwise.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Operational Risk Information Technology Risk policy** | • The policy details the risk mitigating requirements which the Group must have in place to manage IT Risk.<br>• IT Risk encompasses seven sub risk types as outlined in the RMF including areas such as hardware and infrastructure risk, software risk and IT monitoring risk.<br>• The policy is supported by technical standards which are owned by 1LOD and signed off by the 2LOD risk owner annually. They must operationalise the risk mitigating requirements outlined in the policy.<br>• The policy applies to the Group and all its subsidiaries that select / manage IT systems or outsource or insource the management of their IT systems, which support customer and / or business-related transaction processing for the Group.<br>• The document recognises that where Group IT are managing IT systems, Group IT are responsible for applying the key mitigating requirements stipulated in the document; and where a business unit has locally managed IT systems or has outsourced the provision of IT services or operate controls within their span of business operations or jurisdiction such as Group Change, New Ireland, Davy, Retail Ireland and Retail UK, this IT Risk policy also applies to those businesses. | • The document is owned by the Group Head of Operational Risk.<br>• It is reviewed annually by the policy owner and every three years by the CRC.<br>• It is approved by the CRC. |
| **Group Regulatory Risk policy** | • See page 55. | • See page 55. |
| **Group Customer Protection policy** | • See page 55. | • See page 55. |

#### 3.2.2 Actions focused on S4-Risk 2

For actions related to the prevention of customer detriment or customer inconvenience, see detail on the Customer Protection policy outlined on pages 101 and 110.

For actions specifically related to the prevention of digital or IT related customer detriment or customer inconvenience, see pages 135 and 136.

#### 3.2.3 Targets related to S4-Risk 2

For targets related to the prevention of customer detriment or customer inconvenience, see detail on the Customer Protection policy outlined on page 101. For further details on relevant targets, see page 102.

For targets specifically related to the prevention of digital or IT related customer detriment or customer inconvenience, see page 136.

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 4 Opportunities

### 4.1 S4-Opportunity 1

IRO Summary *(page 105)*

#### 4.1.1 Policies to manage S4-Opportunity 1

While there is not an explicit policy in place to manage this material opportunity, the Group Strategy 2023-2025 assists the Group in pursuing the above opportunity and covers all consumers and end-users of the Group.

#### 4.1.2 Actions focused on S4-Opportunity 1

The Group strategy consists of three strategic pillars: building stronger relationships with the Group's customers and colleagues, continuing to simplify the Group's business for customers and colleagues, and creating a culture of constant improvement in the sustainability of the company for the future. Customers continue to remain at the core of everything the Group does. The Group is deepening customer relationships through the Group's market leading financial wellbeing supports, enhancing customer experiences through digital and data, and investment in best-in-class technology platforms. See page 13 for further detail on the Group's strategy.

For the Group's retail and business customers, the Group is meeting more of their financial needs throughout their lifecycle, by enhancing functionality, simplifying customer experiences and delivering greater service capabilities.

Customers are empowered to manage their day-to-day finances through an in-app money management tool (Mi365) delivering personalised insights and tailored nudges to enable customers to understand and manage day-to-day spending, stay in control of their finances, and enhance their financial wellbeing.

The Group's Customer Engagement Engine, which provides customers with personalised prompts that support the analytic driven Next Best Action, which is an analytic-driven view on what action the Group believes the customer will perform next, generated 2.3 billion impressions[1] in 2024 with 3 million engagements[2] supporting their day-to-day banking needs.

The Group's Chief Customer Officer, who is a member of the GEC, is primarily responsible for development and delivery of the Group's customer strategy to help improve customer attraction, retention, and satisfaction. Enhancements to training and development, user and customer experience, and investment in technology are considered as part of this strategy. Group marketing teams, including financial wellbeing initiatives and campaigns, vulnerable customer supports, and customer insights and research, also feed into the delivery of this overall strategy.

[1] *An impression is the presentation of a message to a customer via a particular channel, e.g. mobile app, SMS etc. These could be sales, service, nurture or other type of message and can be personalised or generic.*
[2] *An engagement is when a customer engages with (clicks on) a message presented.*

#### 4.1.3 Targets related to S4-Opportunity 1

The Group has no targets in relation to this opportunity but uses a number of customer-related metrics instead to monitor customer sentiment and engagement. See above metric in relation to the Customer Engagement Engine and page 108 for further information on CES and RNPS metrics which are tracked at a Group OKR level.

The Customer Engagement Engine, which provides customers with personalised prompts, utilises a model with a particular set of data points and an associated message which is loaded onto the Customer Engagement Engine platform. The platform presents the given message to all applicable customers on a relevant channel. It can then be checked which messages were actually presented and how many of those resulted in an engagement with the customer. This is run at scale across c. 3 million customers on a number of different channels.

The CES is a customer experience metric which measures how easy or difficult customers find banking with the Group every day, and is tracked on the island of Ireland, covering personal and business customers. It is survey based and happens either in real-time or within hours of a customer's banking experience. The survey questions are measured on an 11-point scale from 0 to 10, where 0 is difficult and 10 is easy. The scores are then categorised into three groups: Easy (a rating of 9 or 10); Neutral (a rating of 7 or 8); Difficult (rating <7). The CES is calculated by subtracting the percentage who find the Group difficult from the percentage who find the Group easy to bank with. A positive CES means customers find that interaction more ease than difficult, and vice versa. CES is reported within a range of -100 to +100.

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 4 Opportunities *(continued)*

The RNPS is a customer experience metric which measures a persons' likelihood to recommend the bank based on everything they see, hear or experience. The survey is tracked on the island of Ireland, covering personal and business customers. It is survey based and is always asked as a question on an 11 point scale from 0 to 10, where 0 is highly unlikely and 10 is highly likely to recommend a company or a brand. The scores are then categorised into three groups: Promoters (rating of 9 or 10); Passives (rating of 7 or 8); Detractors (rating <7). The Net Promoter Score (NPS) score is calculated by subtracting the percentage of Detractors from Promoters. A positive NPS means there are more promoters than detractors, a negative NPS means there are more detractors than promoters, and a 0 NPS means equal numbers of both. NPS is reported within a range of -100 to +100.

These metrics are tracked at a Group OKR level and are not validated by any external body.

### 4.2 S4-Opportunity 2

)IRO Summary *(page 105)*

#### 4.2.1 Policies to manage S4-Opportunity 2

The policies which cover this opportunity are highlighted in the table below. These policies cover all consumers and / or end-users rather than specific groups.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Operational Risk Information Security and Cyber Risk policy** | • This policy document establishes the Group-wide approach to Cyber Risk management.<br>• The purpose of this policy is to detail the risk mitigating requirements for the Cyber Risk sub risk types, such as security design risk and confidentiality risk. These provide the foundations that the business should have in place to meet the objectives of operating within risk appetite.<br>• This policy is based on applicable legislation, regulation rules, and best practice guidance including, but not limited to: CBI, EBA, PRA and FCA Guidelines and Rulebooks.<br>• Scope:<br>– Bank of Ireland and all its subsidiaries;<br>– Group-wide to all areas of the Group that select / manage IT systems or outsource or insource the management of their IT systems, which support customer and / or business-related transaction processing for the Group;<br>– where Group Information Security are managing cyber controls, Group IT or other suppliers may be responsible for applying the key mitigating requirements stipulated in this policy; and<br>– where a business unit has locally managed IT systems or has outsourced the provision of IT services or operate controls within their span of business operation or jurisdiction. | • The document is owned by the Group Head of Information Security and Cyber Risk and is subject to review and approval by the CRC on a tri-annual basis.<br>• Data ownership for the Group resides at a divisional level where the data is created, and the individual accountable owner is the Strategic Data Leader of that Division.<br>• Compliance with this policy is monitored though Information Security related fora / committees e.g. the Information Security Policy Committee. The Group monitors compliance with the Information Security and Cyber Risk policy to ensure its requirements are being met and reports on compliance to the CRC. |
| **Group Data Risk policy** | • See page 57 . | • See page 57. |
| **Group Data Privacy policy** | • This policy establishes the Group-wide approach to Data Privacy risk management and addresses how Bank of Ireland can mitigate this risk.<br>• The requirements set out in this policy include roles and responsibilities with respect to:<br>– the preservation of the rights of the Data Subject;<br>– data protection and privacy breach management;<br>– engagement with Data Protection Supervisory Authorities;<br>– maintaining records of processing activities which include personal data; and<br>– implementing and managing data protection by design and by default, including conducting Data Protection Impact Assessments.<br>• Scope:<br>– the Group and all its subsidiaries; and<br>– all employees. | • The policy is owned by the GCCO and subject to annual review. It is subject to triennial Group CRC re-approval, with intervening updates approved by the GCCO (unless changes are considered material in which case CRC approval is required).<br>• The implementation of this policy was monitored by the Group Regulatory and Conduct Risk Forum (GRCRF). The GRCRF and 2LOD continue to oversee the policy. |

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 4 Opportunities *(continued)*

### 4.2.2 Actions focused on S4-Opportunity 2

The Group Data Privacy policy outlines the Group's commitment to ensuring that the privacy rights of all data subjects for whom it processes personal data are upheld. It provides the Group with the foundations and organisational structure for ensuring compliance with legislative data protection and privacy obligations. It sets out the Group's approach to protecting personal data, taking account of the data protection and privacy principles and requirements that must be followed, and defines the standards for effective management of data protection and privacy related risks. The policy outlines the following mitigation requirements which serve to facilitate the Group's efforts in pursuit of this opportunity:

- Data protection and privacy is incorporated into the Group's business activities, by design and by default;
- Data subjects can exercise their privacy rights regarding personal data processing;
- Data protection events including personal data breaches are appropriately managed and reported;
- Legal and regulatory requirements are met before personal data is transferred to a third party and / or another jurisdiction; and
- External engagement on matters of data protection and privacy are managed effectively and in an appropriate and timely manner.

The Group further empowers colleagues through dedicated training and awareness programmes such as mandatory annual training on data protection and privacy applicable Group-wide.

The existing monitoring mechanisms are deemed sufficiently robust to ensure the effectiveness of the policies and actions in place.

### 4.2.3 Targets related to S4-Opportunity 2

The Group has no targets in relation to this Opportunity. The effectiveness of the Group Data Risk policy and the Group Operational Risk Information Security and Cyber Risk policy is tracked as outlined on page 57 and page 113 respectively.

## 4.3 S4-Opportunity 3

**IRO Summary** *(page 105)*

### 4.3.1 Policies to manage S4-Opportunity 3

While there is not an explicit policy in place to manage this material opportunity, the Group's Sustainability Strategy 2021-2024 'Investing in Tomorrow' and the Group's Financial Wellbeing Ambition 2023-2025 assist the Group in ensuring it can pursue this opportunity. These documents are used by the relevant business units in their management of this material opportunity. The Sustainability Strategy covers all consumers and end-users. The Financial Wellbeing Ambition relates to RoI-based consumers and end-users only. See page 106 and page 5 for further details on these strategies.

### 4.3.2 Actions focused on S4-Opportunity 3

'Improving Financial Literacy and Capability', is a key element of the Financial Wellbeing Ambition. See page 106 for further detail.

### 4.3.3 Targets related to S4-Opportunity 3

As above, targets for S4-Opportunity 3 are detailed as part of the 'Improving Financial Literacy and Capability' element of the Financial Wellbeing Ambition. For further information on these targets, see page 107.

# Sustainability statement *(ESRS S4 Consumers and End-users) (continued)*

## 5 Policies related to the Human Rights of consumers and end-users

The Group's Human Rights policy, the scope of which includes consumers and end-users, is outlined under ESRS S1 Own Workforce (see page 77).

In the specific context of consumers and end-users, the policy outlines the Group's high-level core commitments covering aspects such as treating all customers fairly, non-discrimination, safe and secure banking, responsible lending and investment, access to financial services, avoiding conflicts of interest, and confidentiality.

Through the policy's due diligence process, the Group will communicate with, and seek input from, key stakeholders including customers by engaging annually through a mixture of focus groups, one-to-one meetings and insight surveys. The Group will also actively engage with stakeholders, including customers, to understand concerns and collaborate on addressing human rights issues. The Group has yet to establish a formal process to track the number of cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and OECD Guidelines for Multinational Enterprises that involve consumers and end-users, as it develops its approach to measuring and reporting data related to this item.

# Sustainability statement *(continued)*

## ESRS G1 Business Conduct



### 1 Disclosure of role and expertise of administrative, management and supervisory bodies related to business conduct

For information on the role and expertise of the Group N&G Committee in relation to business conduct, see page 169.

### 2 Material impacts, risks and opportunities

The actual and positive IROs related to business conduct have been identified through the DMA which is described in page 16.

| ID | Material IROs associated with business conduct | Time horizon |
|---|---|---|
| G1-Impact 1 | • **Actual positive impact (Own operations):** Having relevant mechanisms in place to facilitate whistleblowers supports a culture of integrity where ethical concerns are taken seriously. | Short, medium-term. |
| G1-Impact 2 | • **Actual positive impact (Own operations):** Effective communication of the Group's purpose, values and Group Code of Conduct ensures its commitment to transparency and fair business practices. | Short, medium, long-term. |
| G1-Impact 3 | • **Actual positive impact (Upstream):** Completing supplier due diligence promotes responsible, transparent, ethical, and conscientious behaviour in wider society. | Medium, long-term. |
| G1-Impact 4 | • **Actual positive impact (Own operations):** Financial Crime-related procedures help maintain the integrity and stability of the financial system. By preventing illicit funds from entering the financial system, banks and investment companies contribute to a more stable and trustworthy economic environment. | Short-term. |
| G1-Risk 1 | • **Regulatory risk (Own operations)**: Risk of failure to comply with regulations can lead to increased regulatory risk which could affect the Group's reputation and regulatory standing. | Short, medium, long-term. |
| G1-Risk 2 | • **Operational risk (Own operations):** The risk of operational loss or reputational damage to the Group as a result of not having adequate standards and processes in place or not adhering to standards and to effectively manage the Group's relationship with suppliers. | Short, medium, long-term. |

# Sustainability statement *(ESRS G1 Business Conduct) (continued)*

## 2 Material impacts, risks and opportunities *(continued)*

| ID | Material IROs associated with business conduct | Time horizon |
|---|---|---|
| G1-Risk 3 | • **Business and strategic risk (Upstream & own operations):** Poor business conduct by the Group can impact on the Group's reputation, lead to financial sanctions and negatively impact the Group's franchise value. | Short, medium, long-term. |
| G1-Risk 4 | • **Conduct risk (Own operations):** The risk to the Group of financial loss, regulatory breach, reputational damage or causing customer detriment, as a result of the delivery of BoI's Products and Services causing poor outcomes for, or harm to the Group's customers, clients and markets. | Short, medium, long-term. |
| G1-Opportunity 1 | • Gain competitive advantage by having a reputation of transparency and fairness with strong AML practices. | Short, medium, long-term. |

## 3 Impacts

### 3.1 G1-Impact 1

IRO Summary *(page 116)*

#### 3.1.1 Policies to manage G1-Impact 1

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| Speak Up policy | • See page 82 for details. | • See page 82 for details. |
| Group Code of Conduct | • See page 82 for details. | • See page 82 for details. |

#### 3.1.2 Actions focused on G1-Impact 1

Actions to facilitate whistleblowers, including identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of the Group's Code of Conduct or similar internal rules is covered on page 83.

#### 3.1.3 Targets related to G1-Impact 1

While the Group does not set a target for this impact, it is tracking the effectiveness of the actions through the annual Group Open View survey.

### 3.2 G1-Impact 2

IRO Summary *(page 116)*

#### 3.2.1 Policies to manage G1-Impact 2

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| Group Code of Conduct | • See page 82 for details. | • See page 82 for details. |
| Disciplinary policy | • The purpose of the Group Disciplinary policy is to ensure that all colleagues are able to work freely from those behaviours which are contrary to the Group's purpose and values. The policy exists to address those unwanted behaviours and to maintain an environment where colleagues can thrive. | • The Group Employee Relations team is the policy's owner. The policy is approved by the CPO and is reviewed every two years. |

# Sustainability statement *(ESRS G1 Business Conduct) (continued)*

## 3 Impacts *(continued)*

### 3.2.2 Actions focused on G1-Impact 2

**Establish, develop, promote and evaluate corporate culture**

The establishment, development and promotion of corporate culture is a critical enabler of the Group's successful delivery of its strategy. The following actions were taken in FY24:

- **Purpose and Values:** In order to embed and connect colleagues with the Group's purpose and values, actions undertaken include storytelling our values through the Group's Recognition campaign, policy and training refresh, people manager role modelling (including supporting psychological safety) and leadership visibility. The outcome of these actions are reflected in a strong culture embedding index.
- **Recognition, Learning and Development:** Recognition is a core part of the cultural DNA of the Group focusing on everyday performance and significant achievements. The Recognition Programme and Thrive performance management support delivery in this area. Also, delivery of the Future Skills Pathways (e.g. digital, agile) advances development of future skills. Focus on self-directed learning through Learning Exchange embeds the Group's culture by enabling colleagues to build their careers and fulfil their potential.
- **Wellbeing, Inclusion and Diversity:** The colleague wellbeing proposition includes building wellbeing engagement and connection; mental health supports; helping to connect across hybrid and remote workers; and supporting colleagues in managing wider life-related stress (e.g. cost of living etc.). The Group is committed to fostering inclusion and diversity, promoting and creating equal opportunities and creating a workforce representative of society. This ambition is supported through inclusive recruitment and hiring manager training, training supports and seven colleague led I&D networks.

**Commitment to investigate business conduct incidents promptly, independently and objectively**

The Group is committed to creating an environment where all colleagues are informed of the conduct and behaviours expected, and fully trained and supported to perform effectively in their role.

All colleagues are assigned and required to complete mandatory training so that the Group Code of Conduct principles are embedded in operational activities. The key themes of the Code are covered in WBT which forms part of the annual Required Learning Programme, and all colleagues are expected to have read and understood the Code, and completed the WBT, on an annual basis.

Should a colleague behave in a manner contrary to the Group Code of Conduct, the Group will follow its disciplinary procedure.

Where it is deemed appropriate to carry out a formal investigation through the Group's disciplinary procedures, a suitably impartial Investigation Manager will be appointed. The Investigation Manager will conduct an investigation into the alleged acts or omissions with a view to gathering the relevant facts and will produce an investigation report. As part of the investigation, the colleague whose conduct or performance is the subject matter of the investigation will be invited to attend an investigation meeting, enabling the colleague to explain their behaviour, clarify issues or provide information to assist the investigation. This invitation will be in writing, outlining the areas to be discussed in the meeting. As part of the investigation, the Investigation Manager may also speak to any appropriate witnesses and collate and review any relevant documentation, review CCTV etc. The Group endeavours to conduct the investigation within 20 working days from the initial investigation meeting.

All documentation and evidence will be stored securely and form part of the Investigation Manager's records. The Investigation Manager will share the completed report with the colleague and the Disciplinary Manager. The Disciplinary Manager will decide whether the colleague has a case to answer and the appropriate next steps.

Where colleagues breach the Group Code of Conduct, they may face personal consequences, such as internal disciplinary action (up to and including dismissal) and / or external regulatory or criminal consequences such as fines or sanctions, exclusion from taking certain regulated roles or, in very serious cases, a prison sentence. Circumstances may arise where the Group determines that external reporting is required to the Group's regulators or law enforcement authorities.

### 3.2.3 Targets related to G1-Impact 2

The Group seeks to effectively communicate the purpose, values and standard of behaviour expected from all those in scope of the Group Code of Conduct. There are a range of mechanisms leveraged to support this communication, such as regular policy review, dedicated training, annual surveys and internal communications. As such, one sole target has not been identified to reflect the breadth of this activity. While the Group does not set a target for this impact, it tracks the effectiveness of the mechanisms for embedding culture through employee surveys, which provide insights into colleague sentiment and engagement that are overlaid into the Group Culture Action Plan.

Additionally, the Group Employee Relations team monitors the effectiveness of the Disciplinary policy and procedure through regular reviews of its design and implementation.

# Sustainability statement *(ESRS G1 Business Conduct) (continued)*

## 3 Impacts *(continued)*

### 3.3 G1-Impact 3

IRO Summary *(page 116)*

3.3.1 Policies to manage G1-Impact 3

See page 91 for policies related to supplier due diligence.

### 3.3.2 Actions focused on G1-Impact 3

See page 91 for further details.

### 3.3.3 Targets related to G1-Impact 3

While the Group has processes and controls in place to ensure the effectiveness of its policies and actions in relation to the material impact, it has yet to set targets as it develops its approach to measuring and reporting metrics related to this impact.

### 3.4 G1-Impact 4

IRO Summary *(page 116)*

### 3.4.1 Policies to manage G1-Impact 4

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group RMF** | • The Group RMF sets out the Group-wide approach to risk management and reflects the Group's risk culture.<br>• It establishes common principles for the risk management process of identifying, assessing, monitoring, mitigating and controlling risks to the Group. It sets out clear roles and accountabilities for the management of risk across the Group, standard methods to identify and classify risks, principles for setting risk appetite and requirement for risk policies and procedures and a framework for monitoring and reporting on risk in the Group.<br>• The Group RMF applies across the Group in its entirety, including the Group's subsidiaries. | • The CRC is responsible for reviewing and recommending annually to the Court for approval. |
| **Group Financial Crime policy** | • The policy defines financial crime risk which consists of five sub-risks: money laundering, sanctions, tax evasion, bribery & corruption (B&C), and fraud risk.<br>• As part of its mitigating requirements for money laundering risks, the Group aims to stem the proceeds of human trafficking and modern slavery, illegal arms dealing, environmental crimes such as illegal waste disposal, tax evasion, and white collar crime among its money laundering prevention efforts.<br>• The purpose of this policy is to ensure that the Group meets its legislative and regulatory requirements, and establish the minimum mitigating requirements to be implemented by the business in order to mitigate this risk. | • The policy is approved by the Group CRC and the GCCO, and is reviewed annually by the GCCO and tri-annually by the CRC. |

# Sustainability statement *(ESRS G1 Business Conduct) (continued)*

## 3 Impacts *(continued)*

### 3.4.2 Actions focused on G1-Impact 4

The Group manages financial crime events through a Three Lines of Defence approach with the Group's Court responsible for oversight of financial crime risk. The Group's Head of Financial Crime Compliance (FCC) and Money Laundering Reporting Officer (MLRO) leads the team responsible for undertaking annual enterprise-wide risk assessments. These assessments evaluate Money Laundering and Terrorist Financing Risk, Sanctions Risk and Fraud Risk and identify enhancements to the Financial Crime framework to ensure continued compliance with relevant regulations and legislative duties. The outcomes of these assessments are reported to the Group's Court Risk Management. The MLRO monitors and oversees financial crime controls across the Group, working with its assurance teams to regularly report on KRIs to senior management and the Court. The Group's comprehensive Financial Crime framework includes policies and procedures designed to identify, assess, mitigate and manage financial crime risks.

#### 3.4.2.1 Actions taken by the Group to prevent and detect allegations or incidents of corruption or bribery

The Group employs minimum RMRs to appropriately prevent B&C risk. These requirements include:

- Each business must establish clear 1LOD accountability for the management and oversight of B&C Risk in the business.
- Business units must conduct a periodic (at least annual) assessment of B&C Risk in the business. The output of the risk assessment must be reviewed and approved by the appointed B&C governance forum.
- Business units and functions must establish processes and documented procedures, to ensure compliance with this policy. Procedures must be reviewed and approved at least annually by the B&C Accountability Executive or his / her delegate.
- The business must have processes and procedures that direct colleagues to this policy, relevant compliance guidance on gifts and entertainment and to relevant systems / tools where any gift and entertainment given or received should be recorded. The procedure should also detail the local supervision of colleagues and business approval.

#### 3.4.2.2 Actions taken by the Group to address allegations or incidents of corruption or bribery

Allegations or incidents of B&C are addressed in two ways. RADAR is the Group's risk reporting system. When a B&C risk (Risk Issue) is identified it will be logged on RADAR and tagged for B&C which ensures the risk flows to the appropriate 2LOD Risk Officer. All risk issues must be published on RADAR within 5 business days of identification and rated using the Operational Risk Assessment Matrix. Given the variance in complexity of risk issues and potential remediation, in the case of self identified issues, the owner must agree with 2LOD Risk Officer when a risk issue due date will be provided. Each risk issue must have an accountable executive (minimum GEC -1) who has ultimate responsibility for remediating the risk issue prior to the due date. The accountable executive is required to approve the risk issue, action and due date prior to risk issue publication, subject to agreement by the Group Risk 2LOD where required.

Where allegations or incidents of B&C are identified through the Speak Up process, these are addressed directly by the Speak Up and Investigation team under the Group Speak Up policy.

#### 3.4.2.3 Actions to ensure investigators or investigating committee are separate from chain of management involved in prevention and detection of corruption or bribery

The Group Risk functions and Group Compliance fulfil a 2LOD role for the Group. Group Internal Audit (GIA) is responsible for providing independent reasonable assurance to key stakeholders on the effectiveness of the Group's risk management and internal control framework and fulfil the 3LOD role for the Group. Both of these functions assume the role of investigators or investigating committees and are separate from the individual business functions.

The SUI team, which is separate and independent from individual business units, investigate Speak Up concerns that relate to B&C. Speak Up investigations are managed in line with the Group's Speak Up policy.

# Sustainability statement *(ESRS G1 Business Conduct) (continued)*

## 3 Impacts *(continued)*

### 3.4.2.4 Actions to communicate financial crime policies to those for whom they are relevant

In line with the Financial Crime policy, and mandatory procedures, all colleagues are responsible for completing their mandatory training curriculum to understand their obligations in respect of mitigating financial crime risk. Training requirements (mandatory annual WBT and tailored training) are called out in the Financial Crime policy and cover money laundering risk, sanctions risk and fraud, bribery, corruption and tax evasion risk.

B&C WBT is part of the annual mandatory training which is assigned to all colleagues.

FCC provide annual AML / countering the financing of terrorism (CFT) training to the Group Court whilst subsidiary MLROs are responsible for providing the training to their respective boards. The latest training to the Group Court was provided by FCC on 23 October 2024.

### 3.4.2.5 Actions to assess functions-at-risk

In 2023, the Group conducted a B&C Risk Assessment and identified some variances by division, both in terms of inherent and residual risk exposure. However, as none of the residual risk was assessed as being greater than a P3 (assessed as very frequent with moderate impact), it is considered that the Group-wide B&C training is appropriate / adequate and that they do not have a significant concentration in any one division requiring a different approach.

### 3.4.3 Targets related to G1-Impact 4

The Group set a target of having zero P0 issues (where P0 is the most severe risk or risk issue based on the residual risk exposure arising from the elevated impact and frequency of occurrence).

In 2024, there have been no convictions or fines for violations of anti-corruption and anti-bribery laws for the Group.

**Number of convictions for violation of anti-corruption and anti-bribery laws**
The number of convictions for violations of anti-corruption and anti-bribery laws includes all convictions by a court of law as a result of legal proceedings against Group entities in the reporting year.

**Amount of fines for violation of anti-corruption and anti-bribery laws**
The amount of fines paid for violation of anti-corruption and anti-bribery laws includes fines paid as a result of convictions by a court of law on these matters against Group entities in the reporting year.

## 4 Risks

### 4.1 G1-Risk 1

IRO Summary *(page 116)*

### 4.1.1 Policies to manage G1-Risk 1

Governance risks related to failure to comply with regulations can lead to increased regulatory risk for the Group through increased financial impact from reputational damage. The Group Regulatory Risk policy supports the Group's Risk Management Framework and should be read in conjunction with the Group Code of Conduct which sets out the purpose and values that govern the Group's way of working across business globally. It is applicable to all colleagues in the Group.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Regulatory Risk policy** | • This policy details the risk mitigating requirements for the two Regulatory Risk Level 2: Ineffective Regulatory Change Governance Risk and Ineffective Regulatory Engagement Risk (see page 55). | • See page 55. |

# Sustainability statement *(ESRS G1 Business Conduct) (continued)*

## 4 Risks *(continued)*

### 4.1.2 Actions focused on G1-Risk 1

**Actions focused on mitigating ineffective regulatory change governance risk**
The Group establishes and maintains 1LOD and 2LOD processes to ensure that regulatory change is appropriately communicated within the Group, including:
- 2LOD Regulatory Horizon Scanning Process.
- 1LOD Leads for Upstream Regulatory monitoring purposes.
- 1LOD Responsibility for delivery of regulatory change programmes, compliance guidance for delivery of regulatory change programmes, and engagement with regulatory consultation.

**Actions focused on mitigating ineffective regulatory engagement risk**
Group Regulatory Relations and Risk Mitigation Plan Advisory maintain procedures with the respect to regulatory interaction and also issue mandatory supporting guidance for businesses and functions with respect to regulatory interaction.

### 4.1.3 Targets related to G1-Risk 1

The Group has internal KRIs in place such as the number of ineffective regulatory engagement open issues, which consider changes in regulation and the risk to the Group's reputation if those changes are not implemented on a timely basis. The Group monitors these KRIs on a monthly basis. The Group has very low risk appetite for such instances.

The existing monitoring mechanisms highlighted, are deemed sufficiently robust to ensure the effectiveness of the policies and actions in place.

## 4.2 G1-Risk 2

See page 92 for policies, actions and targets related to G1-Risk 2 that are covered in the respective sections under section S2-Risk 1.

## 4.3 G1-Risk 3

Policies, actions and targets related to G1-Risk 3 are covered in the respective sections under section G1-Risk 1, G1-Risk 2 and G1-Risk 4. In addition, actions under G1-Impact 1, 2, 3, 4, also support the management of business and strategic risk attached to business conduct. See page 117.

## 4.4 G1-Risk 4

Policies, actions and targets related to G1-Risk 4 are covered in the respective sections under sections S3-Risk 2 and S4-Risk 1. See pages 101 and 110 respectively.

## 5 Opportunities

## 5.1 G1-Opportunity 1

Policies, actions and targets related to G1-Opportunity 1 are covered in the respective sections under section G1-Impact 4 (see page 119).

# Sustainability statement *(continued)*

## Entity Specific: Housing



### 1 The topic of Housing and its role within Group Strategy

Although not covered by the pre-defined ESRS disclosure requirements, the topic of Housing was identified by the Group as a material topic during the course of the DMA. The DMA defines the topic as 'providing financing to support home ownership and development, as well as funding for social housing units' (see page 16).

Housing remains a major challenge in Irish society, with increased supply needed to meet demand. The Group acknowledges its role in addressing this issue by providing finance and supporting homebuyers. In alignment with the Irish Government's 'Housing for All' plan to 2030, the Group aids customers through initiatives like the First Home Scheme (FHS) and Help to Buy, and supports house building with its €2.5 billion housing development fund, including €1 billion for social and affordable housing. The Group offers sustainable finance options such as the Ecosaver mortgage where the interest rate reduces the more energy efficient the home is, along with Sustainability Linked Loans, Green Loans, and Green Capex Retrofit loans. These products target the corporate housebuilding and real estate sector, encouraging customers to meet their ESG targets and improve energy ratings of existing homes.

### 2 Material impacts, risks and opportunities

The actual and potential IROs related to the topic of Housing have been identified through the DMA which is described on page 16. The subsequent sections in this disclosure provide further detail of these IROs.

| ID | Material IROs associated with housing | Time horizon |
|---|---|---|
| Housing-Impact 1 | • **Actual positive impact (Downstream):** As home ownership is becoming more difficult to access, by supporting the development of social and affordable housing, and by supporting organisations, individuals and families who own and provide social and affordable homes, the Group will impact the ability of its communities to own homes, and to tackle homelessness issues in more socially disadvantaged areas. Home ownership can greatly contribute to the wealth of individuals and family units. By supporting greater access to home ownership, the Group can participate in a more equal distribution of wealth in society, further aligning to its purpose to help society to thrive. | Short, medium-term. |

# Sustainability statement *(Entity Specific: Housing) (continued)*

## 2 Material impacts, risks and opportunities *(continued)*

| ID | Material IROs associated with housing | Time horizon |
|---|---|---|
| Housing-Impact 2 | • **Actual positive impact (Downstream):** The Group's current funding of the FHS supports first time buyers to purchase their own home and encourages the supply of new affordable homes. This scheme helps people buy homes, enabling them to invest in their local communities. By facilitating access to home ownership, the Group enhances the quality of local communities and positively impacts sectors such as real estate, construction and infrastructure. | Short, medium-term. |
| Housing-Risk 1 | • **Business and strategic risk (Own operations):** Risk that the Group's strategy does not support customers and communities in addressing the housing challenges in Ireland and results in poor financial outcomes, reputational damage and negatively impacts the Group's franchise value. | Short, medium, long-term. |
| Housing-Risk 2 | • **Conduct risk: (Own operations):** The risk to the Group of financial loss, regulatory breach, reputational damage or causing customer detriment if failures in the design, market practice or customer engagement of the Group's sustainable finance products (to support more energy efficient homes) lead to greenwashing claims or poor customer outcomes. | Short, medium, long-term. |
| Housing-Opportunity 1 | **Financing affordable home ownership:**<br>• offering mortgage loans allows the Group to establish long-term relationships with customers. Homebuyers often require multiple financial products and services beyond the mortgage, creating opportunities for cross-selling; providing competitive mortgage rates and excellent customer service can help the Group attract and retain customers, thereby increasing market share and building brand loyalty;<br>• by providing financing options for homebuyers, the Group has an opportunity to expand credit availability to a broader range of individuals, including those with diverse financial backgrounds; and<br>• home improvement and retrofitting loans: The Group can support the Green transition of customers by providing home improvement and retrofitting loans to help homeowners make the necessary investments to reduce their energy consumption. | Medium, long-term. |

## 3 Impacts

### 3.1 Housing-Impact 1

IRO Summary *(page 123)*

#### 3.1.1 Policies to manage Housing-Impact 1

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| Sustainable Finance Framework | • See page 53. | • See pages 53. |

The Group's Housing Support Strategy also assists in managing this impact.

#### 3.1.2 Actions focused on Housing-Impact 1

In 2024, the Group announced it was increasing its social and affordable housing fund to €1 billion, with the ambition to support the construction of 10,000 homes. This is more than double the previous value of the fund (€400 million) and is part of the Group's overall commitment of €2.5 billion worth of funding available for homebuilding for the period 2023 - 2026. This increase in funding for social and affordable housing was approved as part of the Group's Housing Support strategy.

# Sustainability statement *(Entity Specific: Housing) (continued)*

## 3 Impacts *(continued)*

The strategy includes a number of targets as outlined below. To effectively implement this strategy the Group leverages a number of key enablers:

- The Group's residential Property Finance teams have been brought together under a new Head of Housing and Development in Property Finance.
- The National Housing and SME Property teams support housebuilders across Ireland in their development of housing across all tenures.
- A dedicated Social and Affordable Housing team has been set up to engage with key players in the sector along with its stakeholders including Government and Government agencies.
- Property Finance updated its Loan Origination Standards (LTV) to provide enhanced support for the sector / all housing tenures, recognising the strong Government funding and supports in place, and Government targets to increase the delivery of social and affordable homes.
- Furthermore, the Renewable and Infrastructure team is a key participant in PPP Social Housing bundles, and this contributes to the €1 billion ambition.

### 3.1.3 Targets / metrics related to Housing-Impact 1

The Group's primary target relating to this impact is to increase the 3-year residential pipeline from 18,000 to 25,000 new homes by 2026, which includes 10,000 social and affordable housing units. This target is aligned with the social foundational topics which underpin the three pillars of the Group's Sustainability Strategy, and applies to RoI only.

In 2023, when the Group's target was being set, market commentators were suggesting a housing completion need of c.50,000 per annum over the coming years, beyond the government-led Housing for All delivery target at that time of c.33,000 per annum. In setting the Group target of 25,000, the Group's Housing strategy sought to support a portion of the expected increased national total, in line with existing market share. It was also expected that social and affordable housing would make up a significant element of units being delivered which resulted in that target of 10,000 units.

At 31 December 2024, the Group was funding the development of c.9,500 units for social housing in its overall total of c.21,000 residential units across c.220 sites, and this progress is tracked by the Corporate and Commercial specialist banking teams on a quarterly basis.

To calculate the number of units being support, each business unit initially amalgamates their unit numbers and exposures. These figures are each subject to a separate business unit level review and sign-off, prior to final review and approval by the Head of the National Housing Team and Head of Residential and Development Finance. Residential units being supported only includes units that are currently approved for development finance by the Group.

Limitations of the metric relate to manual compilation of unit numbers, data segmentation, unit volume definition and timing/data availability, however there are mitigants in place to address the risks associated with these limitations.

## 3.2 Housing-Impact 2

**IRO Summary** *(page 123)*

### 3.2.1 Policies to manage Housing-Impact 2

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Sustainable Finance Framework** | • See page 53. | • See page 53. |

The policy above is also supported by Retail Ireland's Business and Strategic Risk Procedure document to assist the Group in managing this impact.

# Sustainability statement *(Entity Specific: Housing) (continued)*

## 3 Impacts *(continued)*

### 3.2.2 Actions focused on Housing-Impact 2

The FHS is an initiative to help First-Time Buyers as part of the Irish Government's 'Housing for All' strategy, to bridge the affordability gap between the price of a new home versus a customer's deposit and mortgage and is a joint venture between the State, the Group, and other Irish retail banks. The Group is a leading participant in the scheme, and as of December 2024 had accounted for c.45% of approvals and drawdowns since the scheme's inception in July 2022. The total capacity of the scheme was extended in 2024 by €280 million to €680 million, which included a further capital investment by the Group. This additional capacity will allow the scheme to continue to support first time buyers.

The Group manages its exposure to the FHS consistent with the approach for all Private Equity Risk including investment limits, monitoring and reporting, and governance.

### 3.2.3 Targets / metrics related to Housing-Impact 2

The Group's Strategy includes targeted outcomes of providing more customers funding to purchase their home, maintaining the number one position in green mortgage lending and expanding the green mortgages proposition suite. The target outcomes align to the Group continuing to support customers to buy their home through a leading role in industry initiatives such as the FHS. The Group tracks its performance against its targeted outcomes through the divisional Strategic Business Review which forms the basis for engagement with Group CEO and CFO to review and challenge divisional performance. RoI Mortgage targets are set as part of the annual planning process, with reference to the macro-economic environment and competitive landscape.

## 4 Risks

### 4.1 Housing-Risk 1 Risks

### 4.1.1 Policies to manage Housing-Risk 1

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Sustainable Finance Framework** | • This framework outlines the criteria which projects with a social benefit must meet to be deemed eligible social finance projects - relevant categories include social and affordable housing.<br>• See page 53. for further details on the objective of this policy. | • See page 53. |
| **Group Business and Strategic Risk policy** | • The policy details how the Group mitigates risks associated with business and strategic risk to minimise the risk of the Group not achieving agreed strategic and business goals.<br>• See page 55 for further details on the objective of this policy. | • See page 55. |

### 4.1.2 Actions focused on Housing-Risk 1

The Group participates in in a number of schemes and initiatives which aim to facilitate the availability of home ownership to customers in Ireland. This involvement aligns with the social foundational topics that underpin the Group's Sustainability Strategy, which is itself a component part of the Sustainable Company pillar of the Group's overall strategy. Several of the schemes and initiatives also meet the eligibility criteria of the Social and Affordable Housing Category of the Group's Sustainable Finance Framework. The schemes and initiatives the Group participate in include the FHS, see above and the schemes summarised as follows:

- **Vacant Property Scheme:** This government scheme provides funding to individuals to refurbish vacant and derelict houses and aims to incentivise the purchase of existing housing stock in towns, villages and rural locations across the country;
- **Ready to Build:** The Group is ready to accept self build mortgage applications for properties where the site has been purchased as part of the Ready to Build scheme. Under this scheme, local authorities will make serviced sites in towns and villages available to potential individual purchasers;

# Sustainability statement *(Entity Specific: Housing) (continued)*

## 4 Risks *(continued)*

- **Help to Buy:** This scheme provides first time property purchasers an incentive to help with deposit to purchase or self-build a new house or apartment to live in as their home;
- **Local Authority Affordable Purchase Scheme:** The Group supports this scheme which makes homes available, through the local authorities, at a reduced price for first-time buyers whose mortgage and deposit will not cover the market price of the home and who are seeking to purchase a newly-built home; and
- **New Start policy:** The Group's 'New Start' policy enables lending to customers who have previously experienced financial difficulty.

The Group will continue to engage with the Department of Housing to consider and will endeavour to support all schemes.

The Group's Business & Strategic Risk policy sets our minimum requirements in relation to private equity investment, which includes the Group's investment in the FHS. To meet these requirements Retail Ireland has procedures and controls in place to ensure appropriate monitoring, limit management and reporting of its investment the FHS. The Home Buying team, Retail Ireland also engage with Group Treasury in respect to the returns on the FHS scheme and the associated impact on key financial metrics.

See also page 103 for actions related to the Housing Support Strategy which also contributes to the management of this risk.

### 4.1.3 Targets / metrics related to Housing-Risk 1

The Group's Strategy includes a targeted outcome of providing more customers funding to purchase their home. The Group continues to support customers to buy their home through a leading role in a range of industry initiatives, in addition to providing further capital investment in 2024 in the FHS. The Group also sets risk limits for its investments in the FHS and these limits are reported on through Court risk reporting.

Additionally, as part of the annual planning cycle, at Group and business unit level, an assessment of the internal and external environment is carried out for new or increased risks that could impact the delivery of the financial plans or strategy planning and implementation.

The assessments consider, as appropriate, macroeconomic environment, trends in financial markets, competitive environment, customer and market trends, and regulatory developments. Periodic updates are performed as required. These assessments would consider factors such as the housing market.

## 4.2 Housing-Risk 2

IRO Summary *(page 123)*

### 4.2.1 Policies to manage Housing-Risk 2

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Customer Protection policy** | • The policy outlines the requirements in place to ensure due care is taken in relation to any communications relating to green or ESG classified products. It also sets out several ESG requirements incorporated in new product approvals and lifecycle reviews.<br>• See page 55 for further details on the objective of this policy. | • See page 55. |

# Sustainability statement *(Entity Specific: Housing) (continued)*

## 4 Risks *(continued)*

### 4.2.2 Actions focused on Housing-Risk 2

The Group's Customer Protection policy outlines several mitigating requirements which the Group has in place to mitigate against this risk.

**Customer Protection policy:** ***Customer engagement / complaints / error and remediation risk***

- The 'Customer communications review and approval process' risk mitigation objective outlines a number of requirements to include Business-documented processes for the review of customer communications such as specific requirements for reviewing products /services with 'green credentials', accurate reflection of the green / ESG classifications of any such product, and effective communication to clients to prevent any misrepresentation of the product with regards to the sustainability preferences of the client.

**Customer Protection policy:** ***Product design and delivery risk***

- The 'All proposals must be reviewed and challenged' risk mitigation objective outlines a number of requirements related to ESG factors in new product approvals and product lifecycle reviews.
- It emphasises the need to assess the risks of greenwashing, particularly for products or services marketed based on green credentials - business approvers, 2LOD Reviewers, Compliance Teams, and PSAG must consider potential assertions of greenwashing against the Group.
- An ESG impact assessment is required for investment products and any initiatives classified or marketed as Green / ESG propositions.
- It also contains individual guidance for business units designing or developing products or services related to investment products, mortgages or commercial lending which are intended to be sold, promoted or distributed with a focus on green credentials.

See page 101 for detail on the oversight and monitoring mechanisms of the Customer Protection policy.

### 4.2.3 Targets / metrics related to Housing-Risk 2

The Group has processes and controls in place to ensure the effectiveness of its policies and actions in relation to this material risk. The Group has internal KRIs in relation to all Level 3 conduct risks (per the Group's risk taxonomy, for example KRIs relating to product lifecycle management) which considers factors including climate-related considerations associated with delivery of Group's sustainable finance products. The Group monitors these KRIs on a monthly basis. Group has very low risk appetite for such breaches.

## 5 Opportunities

### 5.1 Housing-Opportunity 1

IRO Summary *(page 123)*

### 5.1.1 Policies to manage Housing-Opportunity 1

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Sustainable Finance Framework** | • See page 53. | • See page 53. |

The policy above is supported by the Group's Housing Support Strategy to assist the Group in ensuring it can pursue this opportunity.

# Sustainability statement *(Entity Specific: Housing) (continued)*

## 5 Opportunities *(continued)*

### 5.1.2 Actions focused on Housing-Opportunity 1

The Group has a number of actions planned or underway to pursue this material opportunity. These actions are split across the three constituent parts of the opportunity (offering mortgage loans, expanding credit availability through the provision of financing options for homebuyers, and home improvement and retrofitting loans) and are outlined as such below.

**Offering mortgage loans**
The Group has captured value in a growing mortgage market, supporting customers to buy a home - c.14,000 properties in 2024 - and achieving a 40% share of the Irish mortgage market. The Group's new lending in Ireland was particularly strong in 2024 underpinned by €5.1 billion of new lending in mortgages, +3% vs 2023.

The Group's Housing Support strategy was updated and approved in 2024. The strategy is focused on enhanced support for the delivery of new homes in the private, affordable and social sectors, for rental or owner occupation in RoI. Per the updated strategy, the Group increased its available funding for housing development from €1.75 billion to €2.5 billion for the period 2023 to 2026. This represents a 40% increase in funding available for home building, with the ambition to support the construction of 25,000 units of all types including houses and large and smaller scale apartment developments.

**Expanding credit availability through the provision of financing options for homebuyers**
The Group is involved in a number of schemes and initiatives to make a broad range of financing options available to customers and prospective customers covering a wide variety of backgrounds and circumstances (see page 126). The Group continues to add to this suite of options with the arrival of new products such as the EcoSaver Mortgage which was launched in April 2024 (see further detail on the EcoSaver Mortgage below).

**Home improvement and retrofitting loans**
Aligned to its strategy to support the Green transition, the Group provides sustainable financing options including the EcoSaver mortgage and green home improvement loans.

**EcoSaver mortgage**
In April 2024, the Group launched the 'Ecosaver Mortgage', redesigning the pricing structure of its fixed rate mortgages to align with energy ratings. Ecosaver rewards customers with discounted fixed rates for all properties with a BER, from A to G. A and B BER rated properties account for c.50% of new Irish mortgage lending in 2024.

To coincide with the launch of the EcoSaver Mortgage, a new online hub was unveiled, helping customers to understand their BER ratings and the steps to improve the energy efficiency of their home. An online retrofitting calculator also shows the cost of retrofitting, grants available and the potential savings due to lower energy costs.

Recognising there are challenges in the market with regard to availability of suppliers and retrofit specialists, Bank of Ireland has partnered with SSE Airtricity to provide BER assessments to its customers, as well as assessments of works, quotes and home retrofitting services via their one-stop-shop.

**Green home improvement loans**
Customers undertaking work to improve the energy efficiency of their home may be able to avail of the recently launched Home Energy Upgrade Loan Scheme, which is the Group's lowest available variable rate home improvement loan.

The scheme offers a low variable rate green loan of 3% APR to people who are making energy efficiency and renewable energy upgrades to their homes and also receiving a grant from the SEAI.

Alternatively customers may avail of the Green Home Improvement Loan which is a low rate loan offered to anyone planning to undertake works to improve the energy efficiency of their home.

### 5.1.3 Targets / metrics related to Housing-Opportunity 1

The targets and metrics for the material opportunity are split across the three constituent parts of the opportunity (offering mortgage loans, expanding credit availability through the provision of financing options for homebuyers, and home improvement and retrofitting loans) and are outlined as such below.

**Offering mortgage loans**
- For targets and metrics related to offering mortgage loans see page 126.

# Sustainability statement *(Entity Specific: Housing) (continued)*

## 5 Opportunities *(continued)*

**Expanding credit availability through the provision of financing options for homebuyers**

- For targets and metrics related to schemes and initiatives to make a broad range of financing options available to customers see page 126.
- For targets and metrics related to the EcoSaver Mortgage see 'Home improvement and retrofitting loans'.

**Home improvement and retrofitting loans**

- This aspect of the opportunity is part of the broader sustainability related finance targets of c.€15 billion by 2025 and c.€30 billion by 2030 which are outlined on page 36.
- KPIs are tracked internally at a divisional level for the EcoSaver Mortgage and Green home improvement loans.

# Sustainability statement *(continued)*

## Entity Specific: Digital Banking



### 1 The topic of Digital Banking and its role within Group Strategy

Although not covered by the pre-defined ESRS disclosure requirements, the topic of Digital Banking was identified by the Group as a material topic during the course of the DMA. The DMA defined the topic as 'working to digitalise banking services in order to operate as a digital first relationship bank and provide digital offerings to better serve customers' (see page 16).

The Group's digital banking offering is core to its purpose - Helping customers, colleagues, shareholders and society to thrive. The Enterprise Digital Strategy is the strategic framework for driving enterprise-wide digital transformation across the Group. The strategic objectives for Digital align with the Group Strategic Pillars of Stronger Relationships, Simpler Business and Sustainable Company. The Strategy is positioned as an 'Enabler' to the overall Group Strategy, recognising the importance of digital transformation to deliver the Group's strategic priorities and support business units.

Digital Transformation refers to the ways the Group is integrating digital technologies and leveraging data to improve the efficiency of how the Group operates, interacts and delivers products and services to customers.

The Group has identified and is progressing a range of strategic digital transformation initiatives to pro-actively respond to new customer and market opportunities and enable future digital-first, data-led business models. Focus is directed to evolving the Group's culture to be more customer-centric and design-led, as well as delivering value at pace in collaboration with customers and colleagues.

In February 2024, a new Chief Digital and Architecture Officer was appointed. This is a new position which will lead the next phase of delivery of the Group's digital strategy for customers and colleagues. In a period of fast evolving customer expectation and technology, the role will also consider emerging technologies and how these may influence the Group's future investment in technology.

# Sustainability statement *(Entity Specific: Digital Banking) (continued)*

## 2 Material impacts, risks and opportunities

The actual and potential IROs related to the topic of Digital Banking have been identified through the DMA which is described on page 16. The subsequent sections in this disclosure provide further detail of these IROs.

| ID | Material IROs associated with digital banking | Time horizon |
|---|---|---|
| **Digital Banking-Impact 1** | • **Actual negative impact (Own operations):** IT system failures and outages lead to service disruption for customers, preventing customers from accessing their accounts online or seeing incorrect information. Social media can amplify negative reputation impacts from any such failures or outages. Additionally, social media can be used to spread misinformation or disinformation which can present a risk to the Group and its stakeholders. | Short, medium-term. |
| **Digital Banking-Risk 1** | • **Regulatory risk (Own operations):** Failure to implement in a timely manner ongoing changes in digital regulation could affect the Group's reputation and regulatory standing. | Short, medium, long-term. |
| **Digital Banking-Risk 2** | • **Operational risk (Upstream, downstream & own operations): T**he risk that operational failures on digital platforms could lead to loss of service, negative impact on customers experience, reputational risk and financial performance. | Short, medium, long-term. |
| **Digital Banking-Risk 3** | • **Business and strategic risk (Own operations):** The risk that failure to keep pace in a highly competitive digital economy can impact on delivery of the Group's Strategy and financial performance (e.g. loss of market share arising from failure to compete effectively on digital offerings). | Short, medium, long-term. |
| **Digital Banking-Risk 4** | • **Conduct risk (Own operations):** The risk to the Group of financial loss, regulatory breach, reputational damage or customer detriment if the Group's digital strategy leads to the exclusion of certain customers that do not engage with the Group through digital platforms. | Short, medium, long-term. |
| **Digital Banking-Opportunity 1** | • Digitalisation provides banks with a unique opportunity to increase efficiency, reduce operational costs, promote sustainability, and enhance customer experiences through levers such as automation and the use of data analytics. This comprehensive approach to banking transformation leverages technological advances and partnerships to drive financial inclusion and increased customer satisfaction and loyalty. | Short, medium, long-term. |

## 3 Impacts

**IRO Summary** *(page 132)*

### 3.1 Digital Banking-Impact 1

#### 3.1.1 Policies to manage Digital Banking-Impact 1

Group policies that cover this material negative impact are highlighted in the table below. Each of these policies apply to the following (unless stated otherwise):
- the Group and all its subsidiaries; and
- all employees and workers of any banking business within the Group.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Operational Risk Information Technology Risk policy** | • See page 111. | • See page 111. |
| **Group Operational Risk Information Security and Cyber Risk policy** | • See page 113. | • See page 113. |

# Sustainability statement *(Entity Specific: Digital Banking) (continued)*

## 3 Impacts *(continued)*

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Transaction Processing Risk policy** | • The policy establishes a consistent, comprehensive and proportionate approach to managing transaction processing risk.<br>• It is designed to ensure that adequate control measures are in place to prevent delays or errors in customers transactions and to mitigate the risk of financial loss, regulatory breach or reputational damage to the Group.<br>• The policy is supported by technical standards which are owned by the 1LOD and reviewed by the 2LOD risk owner. These standards must operationalise the risk mitigating requirements outlined in the policy. | • The document is approved by the CRC and owned by the Group Head of Operational Risk.<br>• The policy is reviewed and approved annually by the Group Head of Operational Risk and tri-annually by the CRC. |

The policies above are supported by the document outlined below along with the Group's Enterprise Digital Strategy to assist the Group in addressing and managing this negative impact.

| Name of the supporting document | Key content | Approval and review process |
|---|---|---|
| **Group Crisis Management Framework (including Group Social Media Framework)** | • The Group Crisis Management Framework sets out, inter alia, how the Group will communicate with stakeholders during incidents or crises. The Group Social Media Framework, which is part of the Group Crisis Management Framework, sets out inter alia how the Group engages on social media channels, monitors these channels for risks including misinformation and disinformation, manages any risks which may arise, and guides colleagues on the appropriate use of social media. | • The Group Crisis Management Framework, including the Group Social Media Framework, is Court-approved and reviewed annually. |

### 3.1.2 Actions focused on addressing Digital Banking-Impact 1

**Robust IT infrastructure and systems**

The Group Operational Risk Information Technology Risk policy and the Group Operational Risk Information Security and Cyber Risk policy set out comprehensively how the Group seeks to optimise the availability and performance of the technology estate and minimise the risk of outages or poor performance.

Comprehensive incident management response procedures are in place in the event of an outage.

The Group IT Strategy outlines how the Group's vision for technology is to create a future-proofed technology estate that is resilient, flexible and efficient. In 2024, the strategy drove progress through a number of initiatives to maintain resilience and security of a number of key digital IT systems. Some of these initiatives have supported the Group's Sustainability Strategy in our data centres to reduce our carbon footprint. A new set of initiatives have commenced to continually protect the IT estate in 2025.

The Group continues to invest in maintaining its operational risk profile within risk appetite. This is inclusive of investment in IT, resilience and risk remediation.

**Social media**

The Group Crisis Management Framework details how the Group will communicate with stakeholders during incidents or crises. This includes the invocation of an Incident Customer Engagement team as soon as possible to consider appropriate communications for incidents that may arise.

The Group Social Media Framework, which is part of the Group Crisis Management Framework, details how the Group engages on social media channels, monitors these channels for risks including misinformation and disinformation, manages any risks which may arise, and guides colleagues on the appropriate use of social media.

See page 134 for details of the KPIs used to monitor effectiveness of these actions.

# Sustainability statement *(Entity Specific: Digital Banking) (continued)*

## 3 Impacts *(continued)*

### 3.1.3 Targets / metrics related to Digital Banking-Impact 1

The Group has internal KPIs in place to operationally manage the availability and performance of key IT systems, such as high availability of key systems, which consider several factors associated with the delivery of the groups products and services and in line with the Group's purpose to help customers thrive. The Group continuously monitors these measures and reports on them on a monthly basis.

The Group has a low tolerance for outages or incidents.

KPIs continue to be measured with a view to demonstrating continuous improvement, and incorporating lessons learned from previous outage incidents.

The Group Social Media Framework sets out a five-level categorisation model by which potential issues are identified, risk assessed and, if necessary, alerted to the Group.

## 4 Risks

As a result of the DMA, four material risks have been identified for the Group which are outlined on the following pages.

### 4.1 Digital Banking-Risk 1

IRO Summary *(page 132)*

### 4.1.1 Policies to manage Digital Banking-Risk 1

The policies that cover this risk are highlighted in the table below.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Regulatory Risk policy** | • The policy outlines how the Group protects its reputation and stakeholder relationships by setting out the risk mitigating requirements that must be in place to manage regulatory risk.<br>• See page 55 for further details on the objective of this policy. | • See page 55. |
| **Group Financial and Regulatory Reporting Risk policy** | • The policy includes requirements to mitigate against inaccurate or delayed reporting due to misinterpretation of requirements, preparation errors or omissions.<br>• See page 56 for further details on the objective of this policy. | • See page 56. |

The Group's Regulatory Risk policy, and Financial and Regulatory Reporting Risk policy, outline several mitigating requirements which the Group has in place which contribute to mitigating against this risk:

- the GCCO is responsible for maintaining a process and written procedure for identifying, tracking and communicating regulatory change relevant to the Group's activities. All regulatory change developments identified have a lead business owner (or owners);
- business units must ensure that regulatory change is subject to at least quarterly oversight, inclusive of a suitable business line risk forum for oversight;
- the lead business owner is also responsible for overall business compliance readiness for a regulatory change development; and
- the Regulatory Change Function in Group Compliance maintains and distributes guidance (reviewed annually) that outline standardised approaches to the delivery of regulatory change programmes.

The above policy requirements ensure that regulatory driven digital banking requirements have an identified owner and implementation programme (as required). Group Compliance provides ongoing oversight and challenge with regard to policy adherence.

# Sustainability statement *(Entity Specific: Digital Banking) (continued)*

## 4 Risks *(continued)*

### 4.1.2 Actions focused on Digital Banking-Risk 1

The following actions are planned, in place or underway to mitigate against this material risk.

Group Financial and Regulatory Reporting Risk policy:

- **Documentation**: this requirement contains guidance on the types of documents required, and on the design and operational needs of those documents, with respect to Regulatory Reports. These obligatory documents include an Interpretation Document, a Basis of Preparation Document and a Procedure Document.
- **Controls:** this requirement outlines the necessary criteria for the controls associated with accuracy, timeliness and completeness of Regulatory Reports.
- Further requirements cover aspects relating to Reporting Adjustments, and Reporting During Stress and / or Ad-hoc.

### 4.1.3 Targets / metrics related to Digital Banking-Risk 1

The Group has processes and controls in place to ensure the effectiveness of its policies and actions in relation to the material risk. The Group has internal KRIs in place such as the number of Ineffective regulatory engagement open issues, which consider changes in regulation, in areas including digital, and the risk to the Group's reputation if those changes are not implemented on a timely basis. The Group monitors these KRIs on a monthly basis. The Group has very low risk appetite for such instances.

## 4.2 Digital Banking-Risk 2

IRO Summary *(page 132)*

### 4.2.1 Policies to manage Digital Banking-Risk 2

The policy that covers this risk is highlighted in the table below.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Operational Risk Information Technology Risk policy** | • The policy outlines several operational standards which serve to mitigate against a broad suite of IT risks including those related to digital platform failures.<br>• See page 111 for further details on the objective of this policy. | • See page 111. |
| **Group Data Risk policy** | • The policy outlines several operational standards which serve to mitigate against data risks including those related to digital platform failures.<br>• See page 113 for further details on the objective of this policy. | • See page 113. |

The Group's Operational Risk Information Technology Risk policy outlines several mitigating requirements which the Group has in place against this risk.

These requirements outline the necessary standards in areas such as:

- Hardware and Infrastructure Risk including management technical standards, cloud services, capacity management, and deployment, acquisition and testing standards;
- Software Asset Management including management technical standards, coding, lifecycle management and dependencies;
- IT Monitoring Risk;
- IT Service Management including management technical standards, incident communication and IT problem management; and
- IT Resilience and Continuity including hardware and software operational resilience, and single point of failure (SPOF) management. SPOF refers to a component or system element whose failure would cause the entire system or operation to fail - if not addressed it can lead to downtime, data loss, or significant disruptions.

All standards must be reviewed and approved annually by the 2LOD IT Risk policy owner.

The Group's Data Risk policy outlines RMRs which the Group has in place against this risk.

# Sustainability statement *(Entity Specific: Digital Banking) (continued)*

## 4 Risks *(continued)*

These requirements outline the necessary standards in areas such as:

- Data Quality policy standards, ensuring that appropriate and adequate measures are in place to actively monitor, manage, and improve Data Quality for Critical Data.
- Data Availability policy standards, ensuring that critical data is obtained from sources where the data has been described, assessed and the necessary quality checks performed to ensure it is reliable.
- Data Definition policy standards ensuring that the Group has a common understanding of its data, where the data originates from, how it moves through the various processes, who owns it, and how it is used.
- Data Retention and Destruction policy requirements addressing the implementation of appropriate measures to ensure the confidentiality, integrity, and availability of all information required for the operation of the business.

### 4.2.2 Actions focused on Digital Banking-Risk 2

The Group IT Strategy sets the longer term five year direction for the planned evolution of the Group's technology architecture and IT operating model and is underpinned by a System Transformation Roadmap that is updated annually to track the delivery of technology against the strategy.

The Enterprise Digital Strategy, the Group Data Strategy and the Group Information Security and Cyber Strategies are enabler strategies to support the Group IT Strategy.

The Group Operational Risk Information Technology Risk, Group Data Risk and Group Operational Risk Information Security and Cyber Risk policies set out the standards and risk management frameworks to mitigate any negative impact to the delivery of these strategies.

Underpinning each of these strategies, the Group has made and pledged several investments to improve a number of services and platforms, all of which contribute to mitigating against these risks. These included investments in customer service improvements, fraud prevention technology and ATM upgrades.

In 2024, the strategy drove progress on enhancing the resilience and security of the Group's critical digital systems, incorporating lessons learned from previous outage incidents.

The Operational Risk Management Framework ensures a proactive approach to effective risk mitigation throughout the delivery cycle of digital and technology transformation with ongoing appropriate and effective governance and controls.

### 4.2.3 Targets / metrics related to Digital Banking-Risk 2

The Group has processes and controls in place to ensure the effectiveness of its policies and actions in relation to the material risk. The Group has internal KRIs in place covering areas such as IT service quality or online channel availability, which consider operational failures. The Group monitors these KRIs on a monthly basis. Group has very low risk appetite for such instances.

## 4.3 Digital Banking-Risk 3

IRO Summary *(page 132*

### 4.3.1 Policies to manage Digital Banking-Risk 3

The policy that covers this risk is highlighted in the table below.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Business and Strategic Risk policy** | • The policy details how the Group mitigates risks associated with Business and Strategic Risk to minimise the risk of the Group not achieving agreed strategic and business goals.<br>• See page 55 for further details on the objective of this policy. | • See page 55. |

The Group is required to have a Court approved Strategic Plan in place which should consider risks impacting on the strategy and business model. This includes consideration of the impact of digitalisation and other technology changes; potential barriers to strategy delivery (e.g. technology).

The Group is required to carry out assessments of the internal and external environment for changes that could impact on delivery of the Group's financial plan and if changes are required to the plan e.g. changes in the competitive environment, innovation and technology.

# Sustainability statement *(Entity Specific: Digital Banking) (continued)*

## 4 Risks *(continued)*

### 4.3.2 Actions focused on Digital Banking-Risk 3

The Group Strategic Plan is supported by 'enabler' strategies that support the delivery of the Strategic Plan.

One these enabler strategies is the Enterprise Digital Strategy. It is the strategic framework for driving enterprise-wide digital transformation across the Group. The Group Digital Strategy represents the strategic vision for digital transformation across the Group and responds to the critical opportunities and threats posed by digital disruption.

The initial focus is on establishing digital, data and resilience foundations; transforming the core business through automation and service transformation and adoption of new ways of working and capability with further ambition to deepen and expand the Group's digital offering leveraging these digital foundations to drive personalised experiences for customers and colleagues.

Underpinned by this strategy, in 2024 the Group made and pledged several investments to improve services and platforms, all of which contribute to mitigating against this risk. In 2024 this includes new mobile app features, improvements to colleague user platform, fraud capabilities, digital sales and service enhancements across our consumer, homebuying and commercial customer base, new data and technology enablers and resilience enhancements.

See page 138 for further details on actions underpinned by the Enterprise Digital Strategy and the Group's IT strategy.

### 4.3.3 Targets / metrics related to Digital Banking-Risk 3

As part of the annual planning cycle, at Group and business unit level, an assessment of the internal and external environment is carried out for new or increased risks that could impact the delivery of the financial plans or strategy planning and implementation. The assessments consider, as appropriate, macroeconomic environment, trends in financial markets, competitive environment, customer and market trends, and regulatory developments. Periodic updates are performed as required. These assessments would consider factors such as developments in digital banking.

## 4.4 Digital Banking-Risk 4

IRO Summary *(page 132)*

### 4.4.1 Policies to manage Digital Banking-Risk 4

The policies that cover this risk are highlighted in the table below.

| Name of the policy | Key content | Approval and review process |
|---|---|---|
| **Group Customer Protection policy** | • The policy details the requirements for supporting vulnerable customers to ensure they are not subject to any exclusionary practices.<br>• The policy's four stage control process requires appropriate research be carried out for new products or services, and that this should include identifying the correct market segment, and addressing that target market's needs. See page 55 for further details on the objective of this policy. | • See page 55. |

The Group Customer Protection policy outlines a number of relevant mitigation requirements related to this risk. These include having documented procedures in place to identify, assess, record and support customer vulnerability, and having a process in place to identify and document the circumstances in which it is required to conduct an individual customer needs assessment.

The Group Customer Protection policy also outlines the PSAG process which is a four stage control process incorporating different levels of independent review, challenge and approval for any in-scope product or service proposal. It outlines a number of relevant mitigation requirements related to the delivery of the Group's products and services.

These include:

- all new initiatives, products, services, business activities (including changes / expansions and withdrawals) in scope of the policy must go through PSAG governance;
- business proposals must adhere to the minimum standards expected of product distributors and manufacturers; and
- business proposals must be reviewed and challenged to ensure product design risk is appropriately mitigated.

# Sustainability statement *(Entity Specific: Digital Banking) (continued)*

## 4 Risks *(continued)*

### 4.4.2 Actions focused on Digital Banking-Risk 4

In line with the Customer Protection policy, implications of digital services, including from the perspective of customer vulnerability, must be considered by the business owner as part of the PSAG process.

### 4.4.3 Targets / metrics related to Digital Banking-Risk 4

The Group has processes and controls in place to ensure the effectiveness of its policies and actions in relation to the material risk. The Group has internal KRIs in place, including around product lifecycle reviews, which consider several factors including social considerations associated with delivery of the Group's products and services. The Group monitors these KRIs on a monthly basis. The Group has very low risk appetite for such breaches.

## 5 Opportunities

### 5.1 Digital Banking-Opportunity 1

### 5.1.1 Policies to manage Digital Banking-Opportunity 1

While there is not an explicit policy in place to manage this material opportunity, the Group's Enterprise Digital Strategy and the Group's IT strategy are relevant to the management of the opportunity.

### 5.1.2 Actions focused on Digital Banking-Opportunity 1

In H124, the Group appointed a new Group Chief Operating Officer and a new Chief Digital and Architecture Officer. Following these appointments, the Group has defined a new Group IT Strategy and Enterprise Digital Strategy which provides a strategic framework for driving enterprise-wide digital transformation across the Group.

The Enterprise Digital Strategy is the strategic framework for driving enterprise-wide digital transformation across the Group. The Strategy is positioned as an 'Enabler' to the overall Group Strategy, recognising the importance of digital to deliver the Group's strategic priorities and support Divisional Business Strategy (Retail Ireland, Corporate and Commercial, Retail UK, Wealth and Insurance).

Underpinned by this strategy, in 2024 the Group made and pledged several investments to improve a number of services and IT systems, such as:

- transformation of contact centre technologies and improved digital customer relationship management;
- simplification onto strategic platforms for Finance, Payments, Corporate and Markets and Fraud;
- digitisation of commercial lending to create a seamless digital experience for commercial customers; and
- deliver digital, analytics and customer insights to support tailored wealth management, retirement planning and insurance propositions to the Irish market.

**Actions for implementation in 2025**

2025 will see the some of these key initiatives be deployed across various customer segments and divisions. The acceleration of the digital strategy will also mobilise other digital transformation initiatives to:

- launch new digital banking app to pilot of customers in advance of 2026 wider deployment;
- enhance digital experience for mortgage applications, including self-service and quicker credit decisioning;
- deliver peer-to-peer real-time payment capability;
- move a number of technologies to cloud to leverage resilience, performance and scale opportunities;
- initiate Gen-AI to provide insight and scale analytical opportunities; and
- enhance the operating model and control framework to support digital delivery.

# Sustainability statement *(Entity Specific: Digital Banking) (continued)*

## 5 Opportunities *(continued)*

### 5.1.3 Targets / metrics related to Digital Banking-Opportunity 1

The Group IT Strategy and Enterprise Digital Strategy set out targets, which form the basis of an investment plan over the short and medium term to deliver digital capabilities through technology. The Group IT strategy has set a number of operational KPIs, such as critical customer system availability and number of outages, and target KPIs, such as the migration percentage of applications to the cloud. These KPIs are reported quarterly to Court. KPIs for the digital strategy are currently being defined.

# Statement of Directors' Responsibilities for the Sustainability Statement

**Responsibilities for the Sustainability Statement**

The Directors of the Group and Bank are responsible for preparing the Sustainability Statement in accordance with the relevant criteria, contained in the applicable sustainability reporting framework being part 28 of the Companies Act 2014, the ESRS; the Taxonomy Regulations and any additional criteria used by the Group and Bank to supplement and / or interpret the sustainability reporting framework criteria. This responsibility includes:

- understanding the context in which the Group and Bank's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group and Bank's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds;
- when relevant, using reasonable assumptions and estimates in preparing the Sustainability Statement. This includes the selection of different but acceptable estimation, approximation or forecasting techniques about forward-looking information;
- disclosing and reporting our double materiality assessment process in the Sustainability Statement in accordance with ESRS;
- ensuring that the Group and Bank maintains adequate records in relation to the preparation of the Sustainability Statement;
- disclosing that the scope of consolidation for the Sustainability Statement is the same as for the financial statements and disclosed to what extent the Sustainability Statement covers the Group and Bank's upstream and downstream value chain ('the reporting boundary');
- including material value chain information that meets the qualitative characteristics set out in ESRS in the Sustainability Statement when required by ESRS;
- appropriately referring to and describing the applicable criteria used;
- identifying the quantitative metrics and monetary amounts disclosed in the Sustainability Statement that are subject to a high level of measurement uncertainty;
- disclosing established targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- describing the implemented due diligence process in respect to sustainability matters of the Group and Bank; and
- reporting and preparing forward-looking information, when applicable, on the basis of disclosed assumptions about events that may occur in the future and possible future accounts by the Group Bank.

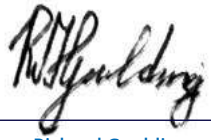
The Directors are also responsible for designing, implementing and maintaining such internal controls that they determine are relevant to enable the preparation of the Sustainability Statement in accordance with Part 28 of the Companies Act 2014 that is free from material misstatement, whether due to fraud or error.

Signed on behalf of the Court by:

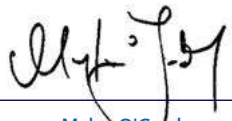
21 February 2025



**Akshaya Bhargava**
*Governor*



**Richard Goulding**
*Deputy Governor*



**Myles O'Grady**
*Group Chief Executive Officer*

# Independent Practitioner's Limited Assurance Report
## to the Directors of The Governor and Company of the Bank of Ireland

### Limited Assurance Report on the Sustainability statement

**Our limited assurance conclusion**

We have performed a limited assurance engagement on the sustainability reporting set out in the Sustainability statement (hereafter referred to as the 'Sustainability statement') prepared by The Governor and Company of the Bank of Ireland ('the Company' or 'the Bank') and its consolidated undertakings (the 'Group'), included in section 'Sustainability statement' on pages 8 to 139, which is a dedicated section of the Report of the Directors of the Group for the year ended 31 December 2024, prepared in accordance with Part 28 of the Companies Act 2014.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's Sustainability statement for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with Part 28 of the Companies Act 2014, including:

- the compliance of the Sustainability statement with the European Sustainability Reporting Standards (ESRS);
- the process carried out by the Group to identify material sustainability related impacts, risks, and opportunities in accordance with ESRS;
- the compliance with the reporting requirements of Article 8 of Regulation (EU) 2020/853 (the "Taxonomy Regulations"); and
- compliance with the requirement to mark up the Sustainability statement in accordance with Section 1600 of the Companies Act 2014.

**Basis for our conclusion**

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) (Ireland) 3000, as adopted by the Irish Auditing and Accounting Supervisory Authority (IAASA). Our responsibilities under this standard are further described in the section titled 'Our responsibilities' in this report.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that all errors or irregularities, if present, will be detected.

The Sustainability statement includes prospective information such as ambitions, strategy, plans, expectations and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with, ethical requirements applicable in Ireland, including the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), the independence requirements of the Companies Act 2014 and the Code of Ethics issued by Chartered Accountants Ireland that are relevant to our limited assurance engagement of the Sustainability statement in Ireland.

Our firm applies International Standard on Quality Management (ISQM) 1 (Ireland), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASA. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**Other matter – Compliance with the requirement to mark-up the Sustainability statement**

We note that Section 1613(3)(c) of the Companies Act 2014 requires us to report on the compliance by the Group with the requirement to mark-up the Sustainability statement in accordance with Section 1600 of that Act. Section 1600 of the Companies Act 2014 requires that the Directors' Report is prepared in the electronic reporting format specified in Article 3 of Delegated Regulation (EU) 2019/815 and shall mark-up the Sustainability statement. However, at the time of issuing our limited assurance report, the electronic reporting format has not been specified nor become effective by Delegated Regulation. Consequently, the Group is not required to mark-up the Sustainability statement. Our conclusion is not modified in respect of this matter.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the unassured parts of the Sustainability section on pages 3 to 143, the Business Review on pages 144 to 159, the unassured parts of the Governance section on pages 160 to 205, the Financial statements on pages 206 to 435 and the unassured parts of the Other Information on pages 436 to 467.

The Sustainability statement and our Limited Assurance Report thereon do not comprise part of the other information. Our limited assurance conclusion on the Sustainability statement does not cover the other information and we do not express any form of assurance conclusion thereon.

# Independent Practitioner's Limited Assurance Report *(continued)*

The comparative sustainability reporting in the Sustainability statement included in the Report of the Directors for the period from 1 January 2023 to 31 December 2023 has not been part of the assurance engagement. Consequently, the comparative sustainability reporting and thereto related disclosures in the Sustainability statement for this period are not assured.

### Responsibilities for the Sustainability statement

As explained more fully in the Statement of Directors' Responsibilities for the Sustainability statement, the Directors of the Group are responsible for:

- preparing, measuring, presenting and reporting the Sustainability statement in accordance with the relevant criteria, contained in the applicable sustainability reporting framework being the ESRS, Part 28 of the Companies Act 2014; the Taxonomy Regulations; the requirement to mark up the Sustainability statement in accordance with Section 1600 of the Companies Act 2014; and any additional criteria used by the Group to supplement and / or interpret the sustainability reporting framework criteria; and
- developing, implementing and reporting its double materiality assessment process to identify the information reported in the Sustainability statement in accordance with ESRS and for disclosing this process in the Sustainability statement. This responsibility includes identifying and engaging with the Group's stakeholders as identified in the Group's double materiality assessment process (stakeholders) to understand their information needs.

Those charged with governance are also responsible for overseeing the Group's Sustainability statement reporting process.

### Inherent limitations in preparing the Sustainability statement

We obtained limited assurance over the preparation of the Sustainability statement in accordance with the Companies Act 2014. Inherent limitations exist in all assurance engagements.

There are inherent limitations regarding the measurement or evaluation of the Sustainability statement subject to limited assurance, which have been set out below:

- estimates, approximations and / or forecasts used by the Group in preparing and presenting their Sustainability statement are subject to significant inherent uncertainty. The extent to which the Sustainability statement contains, qualitative, quantitative, objective, subjective, historical and prospective disclosures, also represents a significant degree of uncertainty. The selection by management of different but acceptable estimation, approximation or forecasting techniques, could have resulted in materially different amounts or disclosures being reported. For the avoidance of doubt, the scope of our engagement and our responsibilities did not involve us performing work necessary for any assurance on the reliability, proper compilation, or accuracy of the prospective information;
- certain metrics reported within the Sustainability Statement may be subject to inherent limitations, for example, value chain information relating to emissions data provided by third parties;
- where estimated, approximated and / or forecast information is provided by management in respect of value chain information, the verification or benchmarking of this information is subject to a high degree of uncertainty and the actual value chain information may be different to the estimated, approximated or forecast value chain information provided by management;
- When applicable, as described in your disclosures relating to ESRS E1 Climate Change, GHG emissions quantification is subject to significant inherent measurement uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values to combine emissions of different gases. Greenhouse gas quantification is unavoidably subject to significant inherent uncertainty as a result of both scientific and estimation uncertainty. Estimation uncertainty can arise because of:
  - the inherent uncertainty in quantifying inputs, such as activity data and emission factors, that are used in mathematical models to estimate emissions (measurement uncertainty);
  - the inability of such models to precisely and accurately characterise under all circumstances the relationships between various inputs and the resultant emissions (model uncertainty); and
  - the fact that uncertainty can increase as emission quantities with different levels of measurement and calculation uncertainty are aggregated (aggregation uncertainty).
- the self-defined Basis of Preparation, the nature of the sustainability matters, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organisations and from year to year within an organisation as methodologies develop.

### Our responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability statement in scope of our conclusion, is free from material misstatement, whether due to fraud or error, and to issue a Limited Assurance Report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users on the basis of the Sustainability statement.

As part of a limited assurance engagement in accordance with ISAE (Ireland) 3000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control;
- design and perform procedures responsive to where material misstatements are likely to arise in the Sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

# Independent Practitioner's Limited Assurance Report *(continued)*

- design and perform procedures to evaluate whether the Sustainability statement has been prepared in accordance with the ESRS, which includes the process carried out by the Group to identify material sustainability related impacts, risks and opportunities;
- design and perform procedures to evaluate whether the Sustainability statement has been prepared in in compliance with the Taxonomy Regulations; and
- with respect to our conclusion in respect to the Group's reporting obligations and responsibility to mark up the Sustainability statement in accordance with Section 1600 of the Companies Act 2014, we assess whether we have become aware of anything to suggest that the Sustainability statement has not been prepared, in all material respects in this specified format. However, as explained in the 'Other matter- Compliance with the requirement to mark-up the Sustainability statement' section of our assurance report, the Group is not currently required to mark-up the Sustainability statement.

### Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability statement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

In conducting our limited assurance engagement, the procedures we have performed included the following:

- obtaining an understanding of the Sustainability statement reporting process performed by the Group, including the preparation of the Sustainability statement;
- obtaining an understanding of the Group's double materiality assessment process by performing inquiries to understand the sources of the information used by management and reviewing the Group's internal documentation of this process; and evaluating whether the evidence obtained from our procedures about the Group's process is consistent with the description of the process set out in the Sustainability statement;
- performing risk assessment procedures to understand the Group and its environment, including the Group's reporting boundary, its value chain information and identify risks of material misstatement;
- designing and performing further assurance procedures (which included inquiries and analytical procedures) to respond to the identified risks of material misstatement; and
- evaluating the overall presentation of the Sustainability statement, and considering whether the Sustainability statement as a whole, including the sustainability matters and disclosures, is disclosed in accordance with the applicable criteria.

### The purpose of our limited assurance work and to whom we owe our responsibilities

Our report is made solely in accordance with Section 1613 of the Companies Act 2014 to the Directors of the Group.

Our assurance work has been undertaken so that we might state to the Directors those matters we are required to state to them in a limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and its Directors, as a body, for our limited assurance work, for this report, or for the conclusions we have formed.



**Conor Holland**

*For and on behalf of*
*KPMG*
*Chartered Accountants, Statutory Audit Firm*
*1 Harbourmaster Place, IFSC*
*Dublin 1, D01 F6F5*
*Ireland*

*21 February 2025*

# Business Review

## Operating and financial review

*The operating and financial review (OFR) is presented using IFRS and non-IFRS measures / alternative performance measures (APMs) to analyse the Group's performance. APMs include 'underlying', which excludes non-core items the Group believes obscure the underlying performance trends in the business. Further information on measures referred to in the OFR are found in Alternative performance measures on page 467. Percentages presented throughout this document are calculated on the absolute underlying figures and so may differ from the percentage variances calculated on the rounded numbers presented. Where the percentages are not measured this is indicated by n/m.*

### Summary consolidated income statement on an underlying basis

| | 2024 €m | 2023 €m |
|---|---|---|
| Net interest income[1,2] | 3,535 | 3,655 |
| Net other income[1] | 746 | 748 |
| **Operating income** | **4,281** | **4,403** |
| Operating expenses (before levies and regulatory charges)[1] | (1,968) | (1,855) |
| Levies and regulatory charges | (123) | (170) |
| **Operating profit before net impairment losses on financial instruments** | **2,190** | **2,378** |
| Net impairment losses on financial instruments[1] | (123) | (403) |
| Share of results of associates and joint ventures (after tax) | 34 | 25 |
| **Underlying profit before tax** | **2,101** | **2,000** |
| Non-core items[1] | (275) | (85) |
| **Profit before tax** | **1,826** | **1,915** |
| Tax charge | (320) | (334) |
| **Profit for the year** | **1,506** | **1,581** |

[1] *Performance is reported on an underlying basis and has been adjusted to exclude non-core items that the Group believes obscure the underlying performance trends in the business and is considered an APM. A reconciliation between the IFRS and summary consolidated income statement on an underlying basis is set out on page 149. For further information on APMs see page 467.*

[2] *Included in 2023 net interest income is €56 million contribution from UK personal loans, income was reclassed to non-core from 1 September 2023 and subsequently sold in October 2024. Excluding this income from 2023 which is treated as non-core in 2024, net interest income was c.2% lower on a like for like basis.*

**Profit before tax** of €1,826 million was reported by the Group for 2024, €89 million lower compared to 2023.

**Underlying profit before tax** of €2,101 million was €101 million higher than 2023.

**Net interest income** was c.2%[2] lower on a like for like basis, with higher income from lending and liquid assets, offset by higher deposit and wholesale funding costs.

**Net other income** remained stable, driven by strong performance in Davy wealth management, offset by the combined impacts of lower investment variance in Wealth and Insurance valuation items and increased other expenses.

**Operating expenses** (before levies and regulatory charges) were up 6%, reflecting inflation, pension costs and investments to drive sustainable future benefits, offset by efficiencies.

**Levies and regulatory charges** decreased by €47 million or 28% in 2024 due to Deposit Guarantee Scheme (DGS) and Single Resolution Fund now being fully funded.

**Net impairment losses on financial instruments** decreased by €280 million, reflecting actual loan loss experience, an improved macro-economic outlook and movement in management adjustments in the year.

**Share of results of associates and joint ventures (after tax)** increased by €9 million primarily due to gains on investments during the year.

**Non-core items** increased by €190 million to €275 million (2023: €85 million) primarily due to a provision of €172 million in connection with the Group's UK motor finance business historical commission arrangements and an impairment of internally generated computer software of €100 million, with an associated €8 million provision relating to onerous contracts, partially offset by net portfolio divestment income relating to the UK personal loans portfolio.

The t**ax charge** for 2024 of €320 million (2023: €334 million) reflected an effective statutory taxation rate of 18% (2023: 17%) for the Group. On an underlying basis, the effective taxation rate for 2024 was 16% (2023: 16%). The effective tax rate was influenced by changes in the jurisdictional mix of profits and the bank levy.

# Summary consolidated income statement on an underlying basis *(continued)*

## Non-core items

| Non-core items | 2024 €m | 2023 €m | Change % |
|---|---|---|---|
| Customer redress charges | (182) | – | n/m |
| Impairment of internally generated computer software | (108) | – | n/m |
| Portfolio divestments (net) | 85 | (18) | n/m |
| Transformation programme costs | (57) | (2) | n/m |
| *Cost of restructuring programme* | *(57)* | *(20)* | *n/m* |
| *Other transformation (costs) / refund* | *–* | *18* | *(100%)* |
| Acquisition costs | (39) | (61) | (36%) |
| Gross-up for policyholder tax in the Wealth and Insurance business | 27 | 26 | 4% |
| Gain / (loss) on disposal / liquidation of business activities | 5 | (8) | n/m |
| Liability management exercises | (4) | (22) | (82%) |
| Investment loss on treasury shares held for policyholders | (2) | – | n/m |
| **Total non-core items** | **(275)** | **(85)** | **n/m** |

### Customer redress charges

At 31 December 2024, the Group has recognised a provision of €172 million in connection with the Group's UK motor finance business historical commission arrangements. The provision represents the Group's best estimate of the redress and compensation that may be payable to impacted customers, along with costs that may be incurred by the Group in connection with any FCA consumer redress scheme and / or legal proceedings. It includes estimates for operational and legal costs, the potentially impacted customer population, claim rates and redress amounts. For more details see note 39 provisions. €4 million of programme costs associated with this review were also incurred in 2024.

The Group has also recognised a provision of €6 million (2023: €nil) in respect of other customer remediation in the Retail Ireland business.

### Impairment of internally generated computer software

During H2 2024, the Group reviewed its software intangible assets for indicators of impairment, including internal indicators such as obsolescence and external indicators such as the evolution of emerging technologies.

As a consequence of the existence of such indicators, the Group performed an impairment assessment and formed the judgement that certain software assets were impaired, as they were no longer expected to provide future economic benefits. Accordingly, an impairment charge of €100 million was recognised. As a result of the impairment review, an €8 million provision was also recognised relating to an onerous contract (2023: €nil).

### Portfolio divestments

In 2024, in line with the Group's transformation strategy in the UK, the Group sold its UK personal loans portfolio. All related income and expenses relating to this portfolio are treated as non-core since H223. In 2024, these included interest income of €36 million (2023: €25 million), other income of €7 million (2023: €3 million) and an impairment gain of €16 million (2023: €22 million loss) related to this portfolio, offset by operating expenses of €13 million (2023: €24 million).

In October 2024, the Group completed the sale of the performing UK personal loans portfolio which resulted in a gain on disposal of €39 million, after adjusting for transaction costs and other costs associated with migration of the portfolio. The total portfolio divestment net gain was €85 million (2023: €18 million charge).

### Transformation programme costs

During 2024, the Group recognised net transformation programme costs of €57 million (2023: €2 million) fully attributable to restructuring charges (2023: €20 million) relating to external programme management costs, voluntary redundancy scheme and the implementation of the Group's property strategy. In 2024, there were no other transformation costs / refunds. In 2023, an €18 million refund was recognised in relation to previous projects, as part of the strategic review of the Retail UK operations that did not proceed.

# Summary consolidated income statement on an underlying basis *(continued)*

## Non-core items *(continued)*

### Acquisition costs

The Group acquired Davy in 2022 as a business combination in line with IFRS 3. In 2024, €39 million (2023: €52 million) of costs associated with the acquisition were expensed to the income statement:

- deferred remuneration expense of €19 million (2023: €25 million) was accrued and includes the incurred portion of deferred remuneration, as well as remuneration related to a Special Incentive and Retention Plan. The costs are payable to some Davy employees on the fulfilment of certain conditions;
- integration costs of €8 million (2023: €21 million) include external costs relating to project management, professional advice and support; and internal integration costs related to an internal dedicated team to deliver the integration of Davy;
- deferred consideration expense of €6 million includes expense related to a number of items from the Davy acquisition; and
- amortisation of €6 million (2023: €6 million) related to the acquired intangible assets (customer relationships and brand).

The Group completed the KBC Bank Ireland (KBCI) portfolio acquisition on 3 February 2023. There were no non-core costs related to this acquisition in 2024 (2023: €9 million).

### Gross-up for policyholder tax in the Wealth and Insurance business

IFRS requires that the income statement be grossed up for the total tax payable by Wealth and Insurance, comprising both policyholder and shareholder tax. In 2024, this was a non-core gain of €27 million (2023: €26 million).

### Gain / (loss) on disposal / liquidation of business activities

The Group recognised a €5 million gain (2023: €8 million loss) relating to the recycling of cumulative unrealised foreign exchange (FX) gains and losses through the income statement following the liquidation of foreign denominated subsidiaries.

### Liability management exercises

In 2024, a loss of €4 million (2023: €22 million) on liability management exercises was recognised, reflecting the repurchase of certain Group perpetual non-call instruments.

### Investment loss on treasury shares held for policyholders

The Group's income statement excludes the impact of the change in value of Bank of Ireland Group plc ('BoIG plc') shares held by Wealth and Insurance for policyholders. In 2024, this was a loss of €2 million (2023: €nil). At 31 December 2024, there were 0.7 million shares (2023: 0.8 million shares) held for the benefit of policyholders.

# Summary consolidated balance sheet

| | 2024 €bn | 2023 €bn |
|---|---|---|
| **Assets** | | |
| Loans and advances to customers | 83 | 80 |
| Liquid assets | 44 | 44 |
| Wealth and Insurance assets | 28 | 25 |
| Other assets | 7 | 7 |
| **Total assets** | **162** | **156** |
| | | |
| **Liabilities** | | |
| Customer deposits | 103 | 100 |
| Wholesale funding | 11 | 12 |
| Wealth and Insurance liabilities | 27 | 24 |
| Other liabilities | 6 | 6 |
| Subordinated liabilities | 2 | 2 |
| **Total liabilities** | **149** | **144** |
| Stockholders' equity | 12 | 11 |
| Other equity instruments - Additional tier 1 | 1 | 1 |
| **Total liabilities and shareholders' equity** | **162** | **156** |

The Group's **loans and advances to customers (after impairment loss allowances (ILA)** of €82.5 billion were €2.8 billion higher than 31 December 2023, primarily driven by higher net new lending across all divisions of €2.5 billion and FX / other of €1.2 billion, partially offset by the sale of a portfolio of performing and non-performing UK personal loans, with a carrying value of €0.8 billion and impairment of €0.1 billion. On a constant currency basis, the loan book increased by €1.5 billion reflecting positive net new lending in the year.

The Group's portfolio of **liquid assets** at 31 December 2024 of €44.0 billion increased by €0.4 billion from 31 December 2023, primarily due to higher deposit volumes of €2.1 billion (constant currency basis), increase in Tier 2 volumes of €0.3 billion, increase in other items of c.€0.2 billion, FX movements on liquid assets of €0.2 billion, partially offset by higher lending volumes of €1.5 billion (constant currency basis) and lower wholesale funding volumes of €0.9 billion.

The Group's **asset quality** continued to improve in 2024. Non-performing exposures (NPEs) reduced by €0.6 billion to €1.9 billion, representing 2.2% of gross loans at 31 December 2024 (2023: 3.1%). Reduction in NPEs reflected the execution of resolution strategies, partly offset by the emergence of new defaults for case specific reasons primarily in corporate portfolios. In 2024, the Group completed the disposal of a pool of non-performing loans with a gross carrying value of €0.2 billion.

At 31 December 2024, Group **customer deposit** volumes of €103.3 billion were €2.9 billion higher than 31 December 2023, predominantly driven by higher Retail Ireland volumes of €1.5 billion, higher Retail UK volumes of €1.1 billion and marginally higher Corporate and Commercial volumes.

**Wholesale funding** balances of €10.9 billion at 31 December 2024 were €0.9 billion lower than 31 December 2023. This is primarily due to repayment of Bank of England Term Funding Scheme for Small and Medium-sized Enterprises (TFSME) funding of €1.4 billion, partially offset by net minimum requirement for own funds and eligible liabilities (MREL) senior bond issuances of €0.5 billion.

| Key balance sheet ratios | 2024 | 2023 |
|---|---|---|
| Liquidity coverage ratio (%) | 202 | 196 |
| Net stable funding ratio (%) | 155 | 157 |
| Loan to deposit ratio (%) | 80 | 79 |
| Return on assets (bps) | 93 | 102 |
| Credit-impaired loans (€bn) | 1.8 | 2.5 |
| NPEs (€bn) | 1.9 | 2.5 |
| NPE ratio (%) | 2.2 | 3.1 |

# Capital

The Group's common equity tier 1 (CET1) ratio increased by c.30 basis points during 2024 to 14.6%, primarily due to organic capital generation (c.+310 basis points), partially offset by a foreseeable distribution deduction (c.-215 basis points) and Risk Weighted Asset (RWA) growth (c.-65 basis points).

The Group's regulatory CET1 ratio is fully aligned to the Group's fully loaded CET1 ratio at 31 December 2024.

| CRD IV - 2023 | | | CRD IV - 2024 | |
|---|---|---|---|---|
| Regulatory % | Fully Loaded % | | Regulatory % | Fully Loaded % |
| | | **Capital ratios** | | |
| 14.5% | 14.3% | Common equity tier 1 | 14.6% | 14.6% |
| 16.4% | 16.2% | Tier 1 | 16.5% | 16.5% |
| 19.2% | 19.0% | Total capital | 19.6% | 19.6% |
| 6.4% | 6.3% | Leverage ratio | 6.7% | 6.7% |

The capital and leverage ratios are calculated under the prudential scope of consolidation of the BoIG plc Group. Further details on the capital position of BoIG plc Group and The Governor and Company of the Bank of Ireland can be found in BoIG plc's Pillar 3 disclosures for the year ended 31 December 2024, available on the Group's website.

### Distributable items

At 31 December 2024, the Bank had reserves available for distribution of €5.6 billion (2023: €5.5 billion).

### Individual consolidation

The regulatory CET1 ratio of the Bank calculated on an individual consolidated basis as referred to in Article 9 of the CRR is 17.2% at 31 December 2024 (2023: 16.7%).

# Income statement on an underlying basis - operating segments

The tables below provide a reconciliation of the income statement on an underlying basis (excluding non-core items on page 145) to the Group statutory profit / loss before tax.

| 2024 | Net interest income / (expense)[1] €m | Net other income: Insurance service result €m | Net other income: Insurance investment & finance result €m | Net other income: Other income / (expense)[1] €m | Total operating income / (expense) €m | Operating expenses[1] €m | Operating profit / (loss) before net impairment (losses) / gains on financial instruments €m | Net impairment (losses) / gains on financial instruments[1] €m | Share of results of associates and joint ventures (after tax) €m | Gain / (loss) on disposal / liquidation of business activities €m | Profit / (loss) before taxation €m |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Divisional underlying contribution** | | | | | | | | | | | |
| Retail Ireland | 1,442 | – | – | 159 | **1,601** | (524) | **1,077** | (18) | – | – | **1,059** |
| Wealth and Insurance | (9) | 35 | 26 | 288 | **340** | (235) | **105** | – | – | 2 | **107** |
| Retail UK | 577 | – | – | 2 | **579** | (282) | **297** | 29 | 29 | – | **355** |
| Corporate and Commercial | 1,554 | – | – | 271 | **1,825** | (500) | **1,325** | (134) | 5 | – | **1,196** |
| Group Centre | 1 | – | – | (23) | **(22)** | (560) | **(582)** | – | – | – | **(582)** |
| Other reconciling items | – | – | – | (11) | **(11)** | 6 | **(5)** | – | – | – | **(5)** |
| **BoIG Group plc - underlying** | **3,565** | **35** | **26** | **686** | **4,312** | **(2,095)** | **2,217** | **(123)** | **34** | **2** | **2,130** |
| Less attributable to BoIG plc | (30) | – | – | (1) | **(31)** | 2 | **(29)** | – | – | – | **(29)** |
| **Group - underlying** | **3,535** | **35** | **26** | **685** | **4,281** | **(2,093)** | **2,188** | **(123)** | **34** | **2** | **2,101** |
| | | | | | | | | | | | |
| **Total non-core items** | | | | | | | | | | | |
| Customer redress charges | – | – | – | – | **–** | (182) | **(182)** | – | – | – | **(182)** |
| Impairment of internally generated computer software | – | – | – | – | **–** | (108) | **(108)** | – | – | – | **(108)** |
| Portfolio divestments | 36 | – | – | 46 | **82** | (13) | **69** | 16 | – | – | **85** |
| Transformation programme costs | – | – | – | – | **–** | (57) | **(57)** | – | – | – | **(57)** |
| Acquisition costs | – | – | – | (2) | **(2)** | (37) | **(39)** | – | – | – | **(39)** |
| Gross-up for policyholder tax in the Wealth and Insurance business | – | – | – | 27 | **27** | – | **27** | – | – | – | **27** |
| Gain on liquidation of business activities | – | – | – | – | **–** | – | **–** | – | – | 5 | **5** |
| Liability management exercises | – | – | – | (4) | **(4)** | – | **(4)** | – | – | – | **(4)** |
| Investment return on treasury stock held for policyholders | – | – | – | (2) | **(2)** | – | **(2)** | – | – | – | **(2)** |
| **Group total** | **3,571** | **35** | **26** | **750** | **4,382** | **(2,490)** | **1,892** | **(107)** | **34** | **7** | **1,826** |

[1] *Performance is reported on an underlying basis and has been adjusted to exclude non-core items that the Group believes obscure the underlying performance trends in the business and is considered an APM. For further information on APMs see page 467.*

# Income statement on an underlying basis - operating segments *(continued)*

| 2023 | Net interest income / (expense)[1] €m | Net other income: Insurance service result €m | Net other income: Insurance investment & finance result €m | Net other income: Other income / (expense)[1] €m | Total operating income / (expense) €m | Operating expenses[1] €m | Operating profit / (loss) before net impairment gains / (losses) on financial instruments €m | Net impairment gains /(losses) on financial instruments[1] €m | Share of results of associates and joint ventures (after tax) €m | Gain / (loss) on disposal / liquidation of business activities €m | Profit / (loss) before taxation €m |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Divisional underlying contribution** | | | | | | | | | | | |
| Retail Ireland | 1,409 | – | – | 146 | **1,555** | (485) | **1,070** | (109) | (7) | – | **954** |
| Wealth and Insurance | (7) | 51 | 110 | 207 | **361** | (228) | **133** | – | – | – | **133** |
| Retail UK | 619 | – | – | (18) | **601** | (270) | **331** | (84) | 28 | – | **275** |
| Corporate and Commercial | 1,667 | – | – | 257 | **1,924** | (505) | **1,419** | (210) | 4 | – | **1,213** |
| Group Centre | (7) | – | – | (19) | **(26)** | (551) | **(577)** | – | – | – | **(577)** |
| Other reconciling items | 1 | – | – | 12 | **13** | 12 | **25** | – | – | – | **25** |
| **BoIG Group plc - underlying** | **3,682** | **51** | **110** | **585** | **4,428** | **(2,027)** | **2,401** | **(403)** | **25** | **–** | **2,023** |
| Less attributable to BoIG plc | (27) | – | – | 2 | **(25)** | 2 | **(23)** | – | – | – | **(23)** |
| **Group underlying** | **3,655** | **51** | **110** | **587** | **4,403** | **(2,025)** | **2,378** | **(403)** | **25** | **–** | **2,000** |
| | | | | | | | | | | | |
| **Total non-core items** | | | | | | | | | | | |
| Customer redress charges | – | – | – | – | **–** | – | **–** | – | – | – | **–** |
| Impairment of internally generated computer software | – | – | – | – | **–** | – | **–** | – | – | – | **–** |
| Portfolio divestments | 25 | – | – | 3 | **28** | (24) | **4** | (22) | – | – | **(18)** |
| Transformation programme costs | – | – | – | – | **–** | (2) | **(2)** | – | – | – | **(2)** |
| Acquisition costs | – | – | – | – | **–** | (61) | **(61)** | – | – | – | **(61)** |
| Gross-up for policyholder tax in the Wealth and Insurance business | – | – | – | 26 | **26** | – | **26** | – | – | – | **26** |
| Loss on liquidation of business activities | – | – | – | – | **–** | – | **–** | – | – | (8) | **(8)** |
| Liability management exercises | – | – | – | (22) | **(22)** | – | **(22)** | – | – | – | **(22)** |
| Investment return on treasury stock held for policyholders | – | – | – | – | **–** | – | **–** | – | – | – | **–** |
| **Group total** | **3,680** | **51** | **110** | **594** | **4,435** | **(2,112)** | **2,323** | **(425)** | **25** | **(8)** | **1,915** |

[1] *Performance is reported on an underlying basis and has been adjusted to exclude non-core items that the Group believes obscure the underlying performance trends in the business and is considered an APM. For further information on APMs see page 467.*

# Principal Risks and Uncertainties

Principal risks and uncertainties facing the Group are set out below. For many of the risks, the allocation of capital against potential loss is a key mitigant; other mitigating considerations include those outlined below.

This summary should not be regarded as a complete and comprehensive statement of all potential risks, uncertainties or mitigants; nor can it confirm that the mitigants would apply to fully eliminate or reduce the corresponding principal risks (including the impact of risk drivers). ESG factors represent a common risk driver across the Group's principal and sub risk types. Additionally, other factors not yet identified, or not currently material, may adversely affect the Group.

The Group continues to face a diverse set of challenges, including transformation agenda, the interest rate environment, and continuing volatile geopolitical environment.

Further details on risk management are set out in note 25 Financial risk management.

## Business and strategic risk

*Business and strategic risk is the risk of not achieving agreed strategic and business goals, arising due to inadequate planning or implementation, and / or changes in the external environment or economic factors. This also includes adverse impacts on the franchise value, e.g. by implementing an unsuitable strategy, or maintaining an obsolete business model.*

### Key points

- There has been continued progress with the 2023-2025 Group Strategic Plan, with strong performance and strategic execution, which is intended to future proof the business model for the medium term.
- The evolving competitive landscape, accelerated digitisation, advances in generative artificial intelligence, changing consumer and business behaviours impact on the Group's business model and strategic risk. The Group has a number of programmes underway to support its strategic aims and improve the risk profile but this can lead to increased risk as the programmes are executed.
- There is ongoing caution relating to macroeconomic conditions and geopolitical uncertainties. Inflation has abated, interest rates are reducing and geopolitical risks remain elevated, and the Group continues to monitor developments.
- In particular, conflict in the Middle East, coupled with the continued impact of regional conflicts, has the potential to create inflationary pressures, in particular on energy prices, and create supply chain issues that could impact the global economy. The potential impacts of these macroeconomic and geopolitical, and potential wider international trade dynamics represent a risk to the Group in its markets and this could manifest in adverse impacts to pricing, customer confidence and credit demand, collateral values, and customers' ability to meet their financial obligations.
- The Group is committed to the UK market with its multi-year transformation strategy and refreshed UK ambition to sustainably grow our business by becoming our customers' most trusted financial partner. This will be achieved by focusing on everyday banking and intermediated lending businesses, enabled by a simplified and scalable operating model and supported by Group-wide capabilities.

### Key mitigating considerations

- The Group has a Court approved Strategic Plan in place for the period 2023 - 2025 setting out the 3 year business plan with clear objectives to achieve, as well as Court approved risk appetite limits.
- The Group strategy is supported by business divisional strategies and key enabling strategies across the Group's functions which have been reviewed, challenged, and endorsed by the Court, the delivery of which will be monitored on an ongoing basis.
- On an annual basis, the Court reviews the Group's strategic objectives and key underlying assumptions to confirm that the strategic shape and focus of the Group remains appropriate.
- The Court also receives regular deep dive presentations on key aspects of the Group's strategy and regular updates on performance against strategic objectives by way of the Group OKRs dashboard.
- The Court receives comprehensive reports setting out business and financial performance relative to plan, financial projections and capital and liquidity plans. The Court's business, financial and risk considerations are further informed by regular economic updates, together with updates on developments relevant to the Group's franchises, operations, customers, colleagues, and other business activities.
- The Portfolio Management Office provides Group-wide portfolio oversight capability that considers culture, business model and systems to support delivery execution and leverage enterprise wide opportunities.
- The current status of business and strategic risk, including risk dashboards and risk appetite compliance, is reported through the Board Risk Report on a monthly basis.

# Principal Risks and Uncertainties *(continued)*

## Capital adequacy risk

*Capital adequacy risk is the risk that the Group does not hold sufficient capital to i) remain compliant with regulatory capital requirements; ii) support its business and medium-term strategic objectives; and iii) absorb losses should unexpected events occur.*

*Capital adequacy risk includes pension risk and recovery and resolution requirements. While all material risks impact on the Group's capital adequacy to some extent, capital adequacy is primarily impacted by significant increases in credit risk or RWAs, materially worse than expected financial performance and changes to minimum regulatory requirements.*

### Key points

- CET1 ratio of 14.6% at 31 December 2024.
- The Group is required to maintain a minimum CET1 ratio of 11.31% on a regulatory basis at 31 December 2024:
  - this includes a Pillar 1 requirement of 4.5%, a Pillar 2 requirement (P2R) of 1.32%, a capital conservation buffer (CCB) of 2.5%, an Other Systemically Important Institutions (O-SII) buffer of 1.5% and a countercyclical buffer of 1.49%;
  - Pillar 2 guidance (P2G) is not disclosed in accordance with regulatory preference.
- Total capital ratio of 19.6% at 31 December 2024.
- Leverage ratio of 6.7% at 31 December 2024.
- MREL ratio of 32.2% at 31 December 2024 is c.365bps above the Group's MREL requirement of 28.56%.

### Key mitigating considerations

- The Group closely monitors capital and leverage ratios to ensure all regulatory requirements and internal targets are met. In addition, these metrics are monitored against the Court approved Risk Appetite Statement and suite of Recovery Indicators.
- Comprehensive stress tests / forward-looking ICAAP financial projections are prepared, reviewed, and challenged by the Court to assess the adequacy of the Group's capital, liquidity and leverage positions.
- The Group has a contingency capital plan which sets out the framework and reporting process for identifying the emergence of capital concerns and potential options to remediate same.

## Pension risk

### Key points

- To the extent that any of the Group sponsored defined benefit pension schemes are in deficit under the IAS 19 accounting definition, the Group is required to set aside capital to mitigate these risks.
- The defined benefit pension schemes are subject to market fluctuations and these movements on schemes in deficit impact on the Group's capital position, particularly the Group's CET1 capital ratio, which amongst other things, could impact on the Group's distribution capacity. See note 42 Retirement benefit obligations.
- Three of the Group's schemes were in deficit at 31 December 2024, impacting capital by c.1bp.

### Key mitigating considerations

- Court approved risk appetite limits.
- To help manage pension risk, defined benefit schemes were closed to new entrants in 2007 and a new hybrid scheme (which included elements of defined benefit and defined contribution) was introduced for new entrants to the Group. The hybrid scheme was subsequently closed to new entrants in 2014 and a new defined contribution scheme was introduced for new entrants to the Group from that date.
- In addition, the Group implemented two Pension Review programmes in 2010 and 2013 resulting in significant restructuring of defined benefit scheme benefits which were accepted by unions and by staff through individual staff member consent.
- In return for the deficit reduction achieved through these programmes, the Group also agreed to increase its support for the schemes, above existing arrangements, so as to broadly match the IAS 19 deficit reduction arising from the benefit changes and to facilitate a number of de-risking initiatives.
- The Group monitors on an ongoing basis the opportunities at an appropriate cost to increase the correlation between the assets and liabilities of the scheme.
- De-risking over recent years has resulted in a reduction in the sensitivity of the Group's pension schemes to movements in interest rates, inflation and equities.
- The Group's net defined benefit position is a surplus of €1.0 billion at 31 December 2024.

# Principal Risks and Uncertainties *(continued)*

## Conduct risk

*Conduct risk is the risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Group's products and services.*

*The Group is exposed to conduct risk as a consequence from all the activities that the Group engages in during the normal conduct of its business. These risks may materialise from failures to comply with regulatory requirements or expectations, as an outcome of risk events in other principal risk categories, from changes in external market expectations or conditions, provision of products and services and the various activities performed by staff, contractors and third party suppliers. Conduct risk includes market integrity, customer protection, financial crime, and data privacy risks.*

### Key points

- During 2024, regulatory oversight by supervisory bodies focused on a number of the key conduct risk areas, including commission arrangements, remediation of consumer impacting errors, and wholesale market conduct risk.
- The heavy regulatory agenda impacting conduct risk is expected to continue in 2025. The Group will maintain its focus on continuing compliance with the existing regulatory requirements of the jurisdictions in which it operates and that its products and services continue to meet the expectations of customers, clients and markets.
- Regulators continue to conduct investigations and examinations on an industry wide basis from time to time.

### Key mitigating considerations

- Court approved Risk Appetite Statement.
- A suite of policies are in place for the management of conduct risk across the Group. Requirements for risk mitigation for each risk are outlined in the respective risk policies and procedures.
- Group-wide processes are in place to identify, assess, plan, develop and implement key conduct requirements.
- Processes are in place to identify, assess, manage, monitor and report conduct risks as well as controls to mitigate those risks.
- Regular status updates and monitoring at senior levels in the Group including reporting to the Court Risk Committee (CRC) and the Court.
- Processes in place to support the reporting, investigation, resolution and remediation of incidents of non-compliance.
- Culture strategy developed based on the outcomes we wish to deliver guided by the Group's values.
- Group-wide education and training are in place.

## Credit risk

*Credit risk is the risk of loss resulting from a counterparty being unable to meet its contractual obligations to the Group in respect of loans or other financial transactions, or any other deterioration in a counterparty's creditworthiness.*

*This risk includes debt underwriting risk, loan origination risk, credit concentration risk, cross-border transfer risk, credit quality deterioration risk, default risk, and collateral valuation risk. Credit risk arises from loans and advances to customers and from certain other financial transactions such as those entered into by the Group with financial institutions, sovereigns, and state institutions.*

### Key points

- While the easing of inflation and lower interest rates has supported an improved macroeconomic outlook, downside credit risks remain in the Group's key markets reflecting uncertainty associated with heightened geopolitical risk and trade tensions.
- Total loans and advances to customers (before impairment loss allowance) at amortised cost increased to €83.4 billion at 31 December 2024 from €80.7 billion at 31 December 2023 primarily driven by positive net new lending in the period, particularly within the RoI and UK mortgage portfolios, and the impact of currency translation, partially offset by the combined impacts of NPE disposals, utilisation of impairment loss allowances and net redemptions in the year.
- The Group's asset quality continued to improve in 2024. NPEs have reduced in the period from €2.5 billion to €1.9 billion primarily due to resolution strategies including the disposal of NPEs, partially offset by flows into NPE reflecting new defaults for case specific reasons primarily in Corporate portfolios. The volume of assets in stage 2 reduced from €12.5 billion to €10.5 billion reflecting the reduced impact of elevated interest rates and inflation on credit risk in the loan book, other portfolio activity (including net repayments / redemptions in the period) and the application of updated FLI.

# Principal Risks and Uncertainties *(continued)*

- Total net impairment loss on financial instruments of €107 million (includes €16 million impairment gain recognised as non-core relating to UK personal loans) compared to a prior year loss of €425 million.
- The overall loss reflects a net loss of c.€127 million from portfolio activity reflecting case specific loss emergence on defaulted cases primarily in the corporate US Acquisition Finance portfolio; a c.€14 million net gain from the application of post-model management adjustments at 31 December 2024; and a c.€6 million net gain arising from impairment policy / model updates incorporating the change in the macroeconomic outlook.

Key mitigating considerations

- Court approved Group Credit Risk Policy and risk appetite limits, including credit category limits, together with a framework for cascade to businesses and portfolios.
- Exposure limits for credit concentration risk.
- Defined credit processes and controls, including related credit risk policies, independent credit risk assessment and defined authority levels for sanctioning lending.
- Processes to monitor compliance with policies and limits.
- Enhanced management of credit risk associated with customers experiencing financial difficulty (as detailed on page 325 of note 25 Financial risk management).
- Dedicated structures focused on the management of customers in financial difficulty.

## Funding and liquidity risk

*Funding and liquidity risk is the risk that the Group will experience difficulty in financing its assets and / or meeting its contractual payment obligations as they fall due, or will only be able to do so at substantially above the prevailing market cost of funds.*

*Liquidity risk arises from differences in timing between cash inflows and outflows. Cash inflows are driven by, amongst other things, the maturity structure of loans and investments held by the Group, while cash outflows are driven by items such as the term maturity of debt issued by the Group and outflows from customer deposit accounts.*

*Funding risk can occur where there is an over-reliance on a particular type of funding, a funding gap or a concentration of wholesale funding (including securitisations) maturities.*

*The Group funds an element of its sterling balance sheet in part from Euro (via cross currency derivatives), which creates an exposure to the cost of this hedging.*

Key points

- Group customer deposit volumes of €103.3 billion are €2.9 billion higher, predominantly driven by higher RoI deposits of €1.8 billion and higher UK deposits of €1.1 billion. On a constant currency basis, Group customer deposits increased by €2.1 billion (see page 467 for further information on alternative performance measures).
- The Group's loan to deposit ratio (LDR) at 31 December 2024 was 80% (2023: 79%).
- The Group's LCR at 31 December 2024 was 202% (2023: 196%). The Group's NSFR at 31 December 2024 was 155% (2023: 157%).

Key mitigating considerations

- Court approved risk appetite limits.
- Group Funding and Liquidity Risk Policy, procedures and methodologies.
- Comprehensive liquidity monitoring framework.
- Annual Court approved forward-looking ILAA.
- Strategic plan articulating and quantifying deposit projections, wholesale funding and lending projections for all divisions.
- Contingency Funding Plan and Recovery Plan in place with annual updates.
- Maintenance of liquid assets and contingent liquidity available for use with market counterparties and / or in liquidity operations offered by Monetary Authorities.
- The maturity profile of the Group's cross currency derivative hedging is broadly spread over 5 years.

# Principal Risks and Uncertainties *(continued)*

## Life insurance risk

*Life insurance risk is the risk of unexpected variation in the amount and timing of claims associated with insurance benefits.*

*This variation, arising from changing customer mortality, life expectancy, health, or behavioural characteristics, may be short or long-term in nature. Life insurance risk arises from the Group's life insurance subsidiary, New Ireland Assurance Company (NIAC), selling life insurance products in the Irish market.*

### Key points

- NIAC remains focused on the Irish insurance market, selling a core suite of products across a range of distribution channels, including the Bank of Ireland (BoI) customer base. The risk profile in respect of life insurance risk is largely stable. The processes of appropriate underwriting at both the new business and claims stages, as well as reinsuring a proportion of the life insurance risk written, all remain principal risk management tools.
- The 2024 ORSA has been completed and reported to the NIAC Board. The process confirmed the robustness of NIAC's financial position in the face of extreme but plausible adverse scenarios.
- NIAC maintains sufficient capital and liquid resources to enable it to meet cash flows associated with establishing and maintaining a portfolio of life insurance business. Available resources have been tested for adequacy under a wide range of adverse sensitivities and scenarios, with no significant weaknesses identified. The Company's capital structure is consistent with its risk profile.
- Some adverse morbidity experience in 2024 driven by some losses on the Group Income Protection book of business.

### Key mitigating considerations

- Court approved risk appetite limits.
- Underwriting standards and limits are in place and apply throughout the policy lifecycle from risk acceptance to claim settlement.
- Reinsurance is used to manage the volatility from both individual claims and aggregate risk exposures. Coverage is placed with a diversified list of approved counterparties. High levels of reinsurance act as a significant mitigant if there were adverse mortality developments, together with the diversification effect of mortality and longevity risk.
- The sensitivity of the Group's exposure to life insurance risk is assessed regularly and appropriate levels of capital are held to meet ongoing capital adequacy requirements.
- A range of sensitivities and scenario tests are performed as part of the annual ORSA process.
- Management undertakes a rigorous analysis of claims and persistency experience on a regular basis and monitors these against the assumptions in its valuation and pricing bases so that these can be adjusted to reflect experience. Management undertakes pro-active operational initiatives in order to manage persistency risk.

## Market risk

*Market risk is the risk of loss arising from movements in interest rates, FX rates, equity, credit spreads or other market prices.*

*Market risk includes market risk in the trading book, market risk in the banking book, and market risk in the life business and is made up of discretionary risk, structural interest rate risk in the banking book (IRRBB) risk, credit spread risk, risks from the transaction of financial instruments for customers, structural FX risk, and securities underwriting risk.*

*Market risk arises in the balance sheet which contains assets and liabilities linked to a benchmark market rate or an administered rate (structural basis risks), in the Group's business mix, predominantly retail and corporate lending activity, discretionary risk taking in interest rate, credit and equity markets and in the Group's bond portfolio which is subject to the impact of changes in the spread between bond yields and swap rates. The market risk profile of the Group may, in addition to the above risks which arise in the usual course of a business cycle, be impacted by shifts in market volatility as a result of external factors. Earnings for NIAC are also indirectly exposed to changes in equity and property markets through fee income generated on unit-linked customer investments.*

*The Group permits discretionary risk taking activity in Davy's Capital Markets business. Discretionary risk arises through market-making, whereby positions can be held to facilitate client orders.*

*Structural market risk arises from the presence of non-interest bearing liabilities (equity and some current accounts), the multi-currency nature of the Group's balance sheet and changes in the volume of impaired assets and the floating interest rates to which the Group's assets and liabilities are linked.*

# Principal Risks and Uncertainties *(continued)*

**Key points**
- The Value at Risk (VaR) arising from discretionary risk and residual gap risk remained at relatively low levels during 2024.
- With the exception of market basis risks, the Group manages structural market risks arising from interest rate and FX positions according to passive Asset Liability Management conventions, which are regularly reviewed by the Asset and Liability Committee (ALCO).

**Key mitigating considerations**
- Court approved risk appetite limits.
- Group Market Risk Policy.
- Comprehensive framework for monitoring compliance with the Court's market risk appetite limits, more granular market risk limits and other controls.
- The Group substantially reduces its market risk through hedging in external markets.
- VaR and extensive stress testing of market risks.

## Operational risk

*Operational risk is the risk of loss resulting from suboptimal or failed internal processes, systems, human factors or from external events.*

*Operational Risk arises as a direct or indirect consequence of the Group's normal business activities and can be driven by: information technology, change management, information security and cyber, third party risk management (TPRM) and outsourcing, transaction processing, people, physical security, data, model, financial and regulatory reporting, legal (a component being litigation and regulatory proceedings) and tax risks. Operational risk arises as a direct or indirect consequence of the Group's normal business activities through the day-to-day execution of business processes, the functioning of its technologies and in the various activities performed by its staff, contractors and third party suppliers. Operational risk losses can also be driven by: major change and the failure to deliver on the Group's multi-year transformation agenda; model design, implementation errors or the inappropriate use of model outputs, data unavailability, poor data quality, inadequate data retention, misuse and destruction management, and failure to comply with legal and regulatory requirements; inaccurate or delayed financial and regulatory reporting due to misinterpretation of requirements, preparation errors or omissions. Operational risks can also arise from more complex and intense drivers such as the increasingly hostile and sophisticated cyber environment.*

*Operational resilience works together with operational risk management to minimise operational disruptions and their effects. As the Group's resilience profile improves, it becomes less prone to incur untimely lapses in the provision of Important Business Services.*

**Key points**
- The management of operational risk has continued to mature across the Group resulting in enhanced risk identification and assessment, leading to improved risk based decisions and prioritisation of mitigating activities.
- Progress continued on the enhancement and implementation of the revised Risk Library and on transitioning over time to a process driven risk and control assessment for operational risks. This is critical to enhance the effectiveness of the operational risk and resilience management throughout the Group.
- The Group is managing a significant amount of change across culture, its business and operating model. This is underpinned by the ongoing multi-year programme on which substantial investment in its IT systems is being made. Given the risk associated to any large transformation, there is continued focus to ensure the sustainability and integrity of the Group's operations.
- The Group continues to strengthen the operational resilience maturity profile. During 2024 the Group continued to embed the Group's Operational Resilience Policy, by delivering a comprehensive methodology to identify severe but plausible scenarios for testing purposes, undertaking a cyber stress test, updating the crisis management framework, progressing on the Group's ability to recover from a data related event, managing vulnerabilities, and producing a new suite of Operational Resilience metrics to better reflect the adoption of the CBI Guidance and industry best practices.
- Natural (non-redundancy) attrition has reduced throughout the year, with low stable levels of voluntary redundancy. While the employment market remains buoyant for certain specialist skillsets, progress continues to be made in developing such skills internally via career pathways, and natural attrition in these skillsets have also reduced.

**Key mitigating considerations**
- Court approved risk appetite limits.
- The RMF aims to embed adequate and effective risk management practices within business units throughout the Group. A number of policies, processes, technical standards and strategies, including an effective control environment and appropriate management actions, are employed to control the operational risk exposure.

# Principal Risks and Uncertainties *(continued)*

- Processes to identify, assess, manage, monitor and report risks as well as controls to mitigate those risks are in place with regular internal audits and testing carried out to ensure adequacy of controls. The Group continues to substantially invest in the transformation of IT systems and processes to reduce the likelihood and impact of risk events and improve operational resilience.
- The people strategy provides a range of programmes and initiatives to enable the Group to retain appropriate numbers and / or calibre of staff.
- The Group continues to evolve and hone its colleague wellbeing supports including physical, mental, and financial, with a structured Wellbeing programme in place across the Group.

### Litigation and regulatory proceedings

- Uncertainty surrounding the outcome of disputes, legal proceedings and regulatory investigations and proceedings including potential adverse judgements in litigation or regulatory proceedings.

Key mitigating considerations

- The Group has processes in place to seek to ensure the Group's compliance with legal and regulatory obligations, together with clear controls in respect of the management and mitigation of such disputes, proceedings and investigations as may be instigated against the Group from time to time.

### Tax risk

- Tax risk is the risk that the Group fails to comply with all applicable tax laws and regulations including reporting and filing obligations, or is unaware of a tax liability.

Key mitigating considerations

- The Group has clearly defined tax governance procedures to identify, assess, manage, monitor, and report tax risks and to ensure controls mitigating those risks are in place and operate effectively.
- The Group monitors potential changes to tax legislation or government policy and considers any appropriate remedial actions.

## Regulatory risk

*Regulatory risk is the risk that the Group does not identify legal or regulatory change or appropriately manage its relationships with its regulators.*

*The Group is exposed to regulatory risk as a consequence from all the activities that the Group engages in during the normal conduct of its business. Regulatory risk may materialise from failure to identify new or existing regulatory and / or legislative requirements or deadlines, ensure appropriate governance is in place to embed regulatory requirements into processes, or the failure to appropriately manage the Group's regulatory relationships. Regulatory risk includes ineffective regulatory change governance and ineffective regulatory engagement.*

Key points

- During 2024, regulatory oversight by supervisory bodies focused on a number of key areas including business model and profitability, internal governance and risk management, operational risks, credit risks, consumer protection, ESG, the evolving Irish financial sector, and the global economic outlook.
- The heavy regulatory and compliance change agenda is expected to continue in 2025. The Group will maintain its focus on continuing compliance with the existing regulatory requirements of the jurisdictions in which it operates.
- Regulators continue to conduct investigations and examinations on an industry wide basis from time to time.

Key mitigating considerations

- Court approved Risk Appetite Statement set in conjunction with the Group's business strategy and supported by a set of key risk metrics.
- A suite of policies are in place for the management of risks across the Group. Requirements for risk mitigation for each risk are outlined in the respective risk policies and procedures.
- Group-wide processes in place to identify, assess, plan, develop and implement key regulatory requirements.
- Processes in place to identify, assess, manage, monitor and report regulatory risks as well as controls to mitigate those risks.
- Regular status updates and monitoring at senior levels in the Group including reporting to the CRC and the Court.
- Processes in place to support the reporting, investigation, resolution, and remediation of incidents of non-compliance.

# Principal Risks and Uncertainties *(continued)*

## Environmental, Social and Governance risk lens

*Environmental (Climate and Other Environmental), Social and Governance (ESG) risk is defined in the Group as the risk to the Group that ESG factors (environmental, social or governance matters) could cause a material negative impact on: the Group's earnings, capital, franchise value or reputation; the Group's regulatory standing; the long-term sustainability of our customer's operations and financial wellbeing; the communities and environment in which we and our customers operate.*

*ESG factors represent a common risk driver across the Group's principal and sub risk types. The Group applies a risk lens to ensure that the impact of ESG across the Group's risk types is considered on an ongoing basis and that the aggregate impact arising from ESG risk drivers is given appropriate consideration.*

### Key points

- ESG risks are important considerations for financial institutions and stakeholders. The Group recognises ESG factors continue to be a growing agenda item for financial institutions and stakeholders. ESG risks and opportunities will continue to impact how the Group implements its strategy, business model, customer offering, and how it manages risk in the Group.
- Accelerating climate change could lead to sooner than anticipated physical risk impacts to the Group and the wider economy and there is uncertainty around the scale and timing of technology, commercial and regulatory changes associated with the transition to a low carbon economy. In addition the focus from stakeholders (investors, regulators, customers, colleagues) and wider societal expectations is seeing an expanding of expectations, from largely climate driven focus to the wider ESG agenda, with increasing emphasis on a fairer and inclusive society.
- ESG risk management is relatively immature across industry and continues to evolve. Implementation to date, in the Group and industry, has largely focused on climate related environmental risk drivers and non-climate environmental risk ('other environmental risk') with regulatory expectations set out in the ECB Guide on Climate-related and Environmental Risks (November 2020). In 2024, the management of ESG risk in the Group continued to develop and expand. The Group has leveraged the requirements of the EU Corporate Sustainability Reporting Directive (CSRD) to expand disclosures in relation to the identification and management of ESG risks.

### Key mitigating considerations

- Conducting the Group's business in a responsible and sustainable way is fundamental to achieving its purpose to help customers, colleagues, shareholders, and society to thrive. Sustainability is embedded in the Group Strategy as one of the three core strategic pillars under 'Sustainable Company'.
- How the Group will achieve this aim is set out in the Group Sustainability Strategy which supports the Group Strategy through the three ESG pillars: Enabling Colleagues to Thrive, Enhancing Financial Wellbeing, and Supporting the Green Transition.
- In 2022, the Group became the first Irish bank to have its greenhouse gas emission reduction targets approved by the Science Based Targets initiative (SBTi), including a target that the Group's own operations will be net zero by 2030. As a signatory to the UN Principles for Responsible Banking, the Group has committed to aligning the Group's strategy and practices with the Paris Climate Agreement. The Group's Climate Transition Plan (formerly titled the Climate Action Plan) outlines the key role the Group plays in facilitating Ireland's green transition to a low-carbon economy and the Group's efforts to reduce our own impact on the environment. The Group first published the Climate Action Plan in 2021 as part of the Group Sustainability Strategy.
- The Group recognises that ESG risks will impact on the Group's business model and the Group ESG RMF sets out the approach to ESG risk management. The Board Risk Report is the primary source of reporting for the impact of ESG related risks on the Group's risk profile.
- CSRD requires the Group to provide a holistic view of ESG topics that have an impact on the Group's business as well as ESG topics that the Group has an impact on (through its operations). In FY24, a Double Materiality Assessment (DMA), using the double materiality concept was conducted across environmental, social and governance topics.

# Principal Risks and Uncertainties *(continued)*

## Key themes under focus

### Digital

- Banking models are rapidly evolving, for both consumers and businesses in Ireland and globally. Rapidly shifting consumer behaviours and available technologies are changing how customers consume products and services.
- These developments affect the manner in which customers manage their day-to-day financial affairs. Money transmission and data driven integrated services are also forecast to rapidly evolve in the coming years, underpinned by regulatory developments including Regulation on Instant Credit Transfers. How the Group adapts to these developments could impact the realisation of market strategies and financial plans, dilute customer propositions and cause reputational damage.

Key mitigating considerations

- In the context of the overall business strategy, the Group assesses and develops its complementary technology strategy to support and mitigate these risks.
- Given the significant developments to increase the digital capabilities of the Group on technology as well as increased regulatory requirements, the Group rigorously manages these demands within risk, capacity and financial constraints.
- The Group's policies, standards, governance and control models undergo ongoing review to ensure continued alignment with the Group's strategy to accelerate its pivot to digital and the resulting solutions, engaging appropriate external experts as required.

### Macroeconomic conditions and geopolitical uncertainty

- The Group's businesses may be affected by adverse economic conditions in countries where we have exposures, particularly in Ireland and the UK, unfavourable exchange rate movements and changes in interest rates, with international tax reform and the threat of increased global protectionism posing additional risks.
- Geopolitical uncertainties could impact economic conditions in countries where the Group has exposures, market risk pricing and asset price valuations thereby potentially reducing returns.
- The Group businesses may be affected by political, economic, financial and regulatory uncertainty from time to time in its key markets.
- There is ongoing caution relating to macroeconomic conditions and geopolitical uncertainties. Inflation has abated, interest rates are reducing and geopolitical risks remain elevated, and the Group continues to monitor developments. In particular, conflict in the Middle East, coupled with the continued impact of regional conflicts, has the potential to create inflationary pressures, in particular on energy prices, and create supply chain issues that could impact the global economy. The potential impacts of these macroeconomic, geopolitical and potential wider international trade dynamics represent a risk to the Group in its markets and this could manifest in adverse impacts to pricing, customer confidence and credit demand, collateral values, and customers' ability to meet their financial obligations.

Key mitigating considerations

- The Group monitors the risks and impact of changing current and forecast macroeconomic conditions on the likely achievement of the Group's strategy and objectives.
- The Group manages its exposures in accordance with principal risk policies including maximum single counterparty limits and defined country limits.
- The Group has in place a comprehensive stress and scenario testing process.
- The Group is diversified in terms of asset class, industry and funding source.

### Transformation risk

- The Group is undergoing significant transformation across culture, business model and systems which present challenges and risks and customer considerations. Failure to transform successfully could prevent the Group from realising its strategic priorities.

Key mitigating considerations

- The Court has put in place the Group Transformation Oversight Committee (GTOC) that oversees the delivery of the Group's Transformation agenda and meet on a monthly basis.
- The Group has also mobilised an Executive level forum: the Group Transformation Committee (GTC) which monitors the performance of the Group against the Transformation Plan. The Group has completed a Court approved plan for 2023 - 2025 setting out the Group's strategic priorities.
- Group has formulated a suite of transformation roadmaps that are underpinned by the Transformation Plan. A transformation focused management function co-ordinates and supports the safe delivery of this scale of change.
- The GTOC oversees the business and strategy aspects of the Transformation Plan for its duration including review of updates relating to risks associated with key transformational initiatives.

# Governance

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# Corporate Governance Statement

## Governor's Introduction



Akshaya **Bhargava**
*Governor*

Dear Shareholders,

On behalf of the Court, I am pleased to introduce our 2024 Corporate Governance Report.

This report, in conjunction with the Statement of Directors' Responsibilities, Corporate Governance Remuneration Statement, Risk Governance section of the Risk Management Framework report and the Statement on Internal Control, sets out the Group's approach to governance in practice, the work of the Court and its Committees, and explains how the Group applied the principles of the key governance codes that apply to the Group.

A key role of the Court is to ensure appropriate corporate governance arrangements are in place and overseen to support the long-term sustainable success of the Company, generate value for shareholders, and contribute to wider society.

The Court has in place a robust corporate governance framework that enables it to operate effectively and to be prepared for and withstand the many and varied challenges brought about by the macro-environment. The framework provides for systems of checks and controls required to drive accountability and effective decision making across the Court, with appropriate policies and practices to ensure that the Court and its Committees operate effectively.

The Court is committed to maintaining high standards of corporate governance which, together with an effective risk management framework, are fundamental to the culture and achievement of the strategy. This is integral to ensuring the highest standards of integrity, transparency, and accountability and protecting the long-term interests of shareholders and all stakeholders.

### Court changes

I joined the Court on 12 January 2024. On 30 September 2024 I was announced as the successor to Patrick Kennedy, and I took up the role as Governor on 1 January 2025.

The retirement of Patrick Kennedy after eight years as a Non-executive Director (NED) and just over six years as Governor on 31 December 2024 was a significant event for the Court and the Group. Patrick was a highly effective NED and Governor and his contribution to the Court during his tenure is notable. While I served just under one year with Patrick, the strength of his leadership as Governor was evident during that time and I look forward to building on his legacy and further enhancing the robust governance framework he established during his tenure. Further details on the Governor succession process is outlined on page 168.

Evelyn Bourke also retired from the Court on 31 December 2024 having served just over seven years on the Court during which time she held key roles on the Court including as Audit Committee Chair and Workforce Engagement Director (WED). Her strong contribution to the Court and the Group during her tenure was reported on by Patrick in the market announcement at that time.

Evelyn's departure impacts the female representation on the Court on 31 December 2024, with just 30% of the Court being female at the Report date. A number of searches are underway which will enhance the gender and wider diversity profile of the Court.

# Governor's Introduction *(continued)*

With the Court's agreement, I assumed the role of the WED following Evelyn's departure for a 12-month period. I look forward to this time with colleagues which will allow me to deepen my understanding of the colleague base and the culture. Given the significance of the WED role, it is intended that every NED will assume the WED role for a period of 12 months during their tenure.

Details of further Court Committee changes are outlined in the Nomination & Governance Committee (N&G) Report on page 183.

A key area of focus in my initial few months as Governor is on comprehensive succession planning including the optimal composition of the Court and its Committees over the short, medium, and longer terms and a strong alignment between the Group's strategy and objectives with the skills needed on the Court now and in the future. Further detail will be shared on that in the 2025 Report.

### Corporate governance compliance

The Group's holding Company and GovCo are subject to varying corporate governance requirements due to their respective regulatory and listings status, however the applicable corporate governance codes and requirements are applied to both entities and reported collectively on a comply or explain basis where appropriate.

The governance framework is considered appropriate and aligns with good corporate governance practices and requirements. During 2024, the Group complied with the following corporate governance requirements:

- Central Bank of Ireland Corporate Governance Requirements for Credit Institutions 2015 (CBI Requirements) (which are publicly available on www.centralbank.ie).
- Statutory Instruments 158/2014 European Union (Capital Requirements) Regulations 2014 and 159/2014 European Union (Capital Requirements) (No.2) Regulations 2014, both as amended.
- EBA Guidelines on internal governance under Directive 2013/36/EU, as amended.
- Joint European Securities and Markets Authority (ESMA) and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU, as amended.

The Group is also subject to the 2018 UK Corporate Governance Code published by the Financial Reporting Council in the UK (UK Code) (which is publicly available at www.frc.org.uk) and the Irish Corporate Governance Annex to the Listing Rules of Euronext Dublin (Irish Annex) (which is publicly available at www.euronext.com). During 2024, the Group complied with all relevant provisions set out in the Irish Annex. The Group applied the main principles and complied with all provisions of the UK Code other than in instances related to Remuneration, in particular principle R and provisions 36, 37 and 41. The rationale and explanation for non-compliance with these provisions are set out opposite:

- the decision of the State to disapply several remuneration restrictions was announced on 29 November 2022 and became effective on 16 December 2022. However, due to remaining remuneration restrictions from certain agreements in place with the Irish State, the Group Remuneration Committee and the Court were restricted in their ability to fully comply with principle R and associated provisions;
- under such agreements, the implementation of variable remuneration structures remains limited, capped at €20,000. The Court's discretion remains limited and, as such, the Court could not be in full compliance with the recommendation to exercise independent judgement, as such discretion regarding variable remuneration is capped;
- following the removal of several restrictions, the Group has adhered to these principles and provisions to the extent permitted, in the design, implementation and operation of any variable remuneration structures which have been created; and
- the pension contribution rates for Executive Directors, where provided, are aligned with those available to the workforce. Enhanced engagement with the workforce on remuneration matters took place during 2024, led by the Court's WED. Further plans are in place for 2025 including in relation to how executive remuneration aligns with wider company pay policy. For further information see page 238 of the Remuneration Report in the BoIG plc Group Annual Report 2024.

### Developments in corporate governance

The Group has reviewed the changes brought about by the 2024 UK Corporate Governance Code, effective 1 January 2025, all of which are welcome, and reporting on the 2024 UK Code will be included in the 2025 Report.

The Group has also reviewed Euronext Dublin's first official Irish Corporate Governance Code (Irish Code), effective also from 2025. Companies that have a primary listing on Euronext Dublin will be subject to the Irish Code; however, if a company is dual listed in both Ireland and the UK, it has the option to either follow the Irish Code or the UK Code. The Irish Code is a welcome development for Euronext Dublin and, while the Group remains a dual listed entity and will continue to monitor and report on the UK Code, the Group will also report on its compliance with the Irish Code for full transparency in the 2025 Report.

### Court evaluation

The Court and its Committees review their performance each year and consider where improvements can be made. The Court is committed to regular, independent evaluation of effectiveness at least once every three years. The previous independent evaluation was conducted in 2022, with an internal review in 2023.

As with any change, the selection of a new Governor provided an opportunity for reflection and during Q4 2024 the N&G agreed to commission an externally facilitated Court performance review to facilitate a formal and rigorous review of the performance of the Court and its Committees. The 2024 review will conclude with a final report considered by the Court in March 2025, and I look forward to reporting on the outcome of that review in next year's Annual Report.

# Governor's Introduction *(continued)*

The Court met on 9 occasions during 2024, 7 of which were in person in Ireland, with one meeting held in person at the offices of BoI (UK) plc in London and one meeting held virtually. Directors' attendance at and contribution during Court and committee meetings has continued to demonstrate the Directors' commitment to the Court. This commitment and the continued effectiveness of individual Directors was confirmed during a review of individual Directors' performance conducted during Q4 2024.

Further detail on Court evaluation is set out on page 168.

### Court Committees

The reports from each Committee contained in this Report provide details on their activities during 2024 and their priorities for the current year.

### Looking ahead

The Court will continue to work effectively with the Executive team in 2025 to ensure continued focus on and delivery of the Group's strategy to create sustainable long-term value for our shareholders. The governance framework will be subject to continuous review to ensure it remains robust and facilitates effective decision making and appropriate Court oversight.

2025 will see a refresh of our Group Strategy and the Court's focus will be on overseeing the effective execution of that strategy, the simplification and future proofing of the business model, and ensuring that the purpose, values, strategy, and culture remain aligned.



**Akshaya Bhargava**
*Governor*

*21 February 2025*

# Your Court GOV-1































**Abbreviations:**

**CAC** Court Audit Committee
**CRC** Court Risk Committee
**GTOC** Group Transformation Oversight Committee
**N&G** Nomination & Governance Committee
**RC** Court Remuneration Committee
**GSC** Group Sustainability Committee

Bank of Ireland

## Court

| Court Audit Committee | Court Risk Committee | Court Remuneration Committee |
|---|---|---|
| Richard Goulding (Chair)<br>Eileen Fitzpatrick<br>Michele Greene<br>Steve Pateman<br>Margaret Sweeney | Michele Greene (Chair)<br>Giles Andrews<br>Ian Buchanan<br>Richard Goulding<br>Steve Pateman | Ian Buchanan (Chair)<br>Giles Andrews<br>Margaret Sweeney |
| **Court Nomination and Governance Committee** | **Group Transformation Oversight Committee** | **Group Sustainability Committee** |
| Akshaya Bhargava (Chair)<br>Eileen Fitzpatrick<br>Richard Goulding | Giles Andrews (Chair)<br>Ian Buchanan<br>Richard Goulding<br>Michele Greene | Eileen Fitzpatrick (Chair)<br>Giles Andrews<br>Michele Greene |

## Group Executive Committee

**Myles O'Grady** *(Group Chief Executive Officer)*
**Mark Spain** *(Group Chief Financial Officer)*
**Ciarán Coyle** *(Chief Operating Officer)*
**Matt Elliott** *(Chief People Officer)*
**John Feeney** *(Chief Executive Officer, Corporate and Commercial)*
**Gail Goldie** *(Chief Executive Officer, Bank of Ireland (UK))*
**Gavin Kelly** *(Chief Executive Officer, Davy and Wealth)*
**Rhys Kiff** *(Chief Risk Officer)*
**Áine McCleary** *(Chief Customer Officer)*
**Sarah McLaughlin** *(Group Secretary)*
**Susan Russell** *(Chief Executive Officer, Retail Ireland)*
**Oliver Wall** *(Chief of Staff and Head of Corporate Affairs)*

*The above list reflects GEC membership on 21 February 2025, including new appointments during 2024 and early 2025.*

# Your Court *(continued)*



## Akshaya **Bhargava**

*Governor and Non-Executive Director*

Appointed Independent Non-Executive Director in January 2024 and Governor in January 2025.

### Committee and other Group Roles

Governor of the Court and Chair of the N&G. Workforce Engagement Director.

### Experience

Akshaya is a Banking and Wealth Management professional, with extensive experience across fintech, wealth management, broader international financial services, technology innovation and change. Akshaya spent 22 years at Citibank in a variety of senior roles in different countries and more recently, was Global CEO for Barclays Wealth and Investments. He was previously the founding CEO of Infosys BPO (formerly known as Progeon Ltd.) and has founded a number of companies, including Bridgeweave, a fintech firm that uses AI models to provide institutional quality investment ideas to self-directed equity investors, where he currently serves as Executive Chair. Akshaya has previously served as a director on the boards of Wealthify Group Limited, Mindtree Limited, Barclays Asset Management Limited, Vahanna LLC, and Avendus Wealth Management. Akshaya holds an MBA in Finance and Marketing from the Indian Institute of Management Calcutta and BA (Hons) in Economics from Pune University in India.



## Richard **Goulding**

*Deputy Governor and Senior Independent Director*

Appointed Independent Non-Executive Director in July 2017 and Deputy Governor and Senior Independent Director (SID) in January 2021.

### Committee and other Group Roles

Chair of the CAC. Member of the N&G, the CRC and the GTOC. Trustee of the Bank Staff Pension Fund. Director of J&E Davy, Member of its Nominations and Board Audit Committees and Chair of its Remuneration Committee.

### Experience

Richard is a Chartered Accountant with an extensive international track record of risk management and executive experience. Prior to joining Bank of Ireland, Richard held the role of Group Chief Risk Officer and Director at Standard Chartered Bank, where he was a member of the Group Executive Committee, having previously held the role of Chief Operating Officer, Wholesale Banking Division. Richard is a former Director of Citigroup Global Markets Limited where he served as Chair of its Audit, Remuneration and Nomination committees. He previously held senior executive positions with Old Mutual Financial Services in the U.S., UBS Warburg / SBC Warburg in London and Switzerland, Astra Holding plc, Bankers Trust Company, and the Midland Bank Group. He holds Non-Executive Director positions in Zopa Group Limited and Zopa Bank Limited. Richard is a member of Council and Chair of the Finance and General Purposes Committee in the Royal College of Music. He also is a member of the Business Strategy Committee in the Global Risk Institute.



## Myles **O'Grady**

*Group Chief Executive Officer and Executive Director*

Appointed Group Chief Executive Officer and Executive Director in November 2022.

### Experience

Myles is a highly experienced leader with excellent delivery capabilities. He has extensive local market knowledge and deep experience of working with a range of stakeholders including customers, colleagues, investors and regulatory authorities. His experience encompasses strategy development, business restructuring and recovery, M&A, organisational transformation and investor relations. In a career spanning more than 30 years, Myles has worked nationally and internationally in senior roles in retail, business and investment banking, including Citibank, AIB and Dresdner Kleinwort Benson. Myles was appointed BOI Group Chief Financial Officer in 2019 and played an integral role in the development and execution of the Group's strategy, including the successful acquisitions of Davy and the KBC Ireland portfolios. Myles is a Fellow of the Chartered Association of Certified Accountants, an INSEAD certified board director and a member of the Institute of Directors Ireland.



## Mark **Spain**

*Group Chief Financial Officer and Executive Director*

Appointed Group Chief Financial Officer and Executive Director in March 2022.

### Experience

Mark has over 30 years of experience as a finance professional, having qualified as a Chartered Accountant in 1994. He received a Bachelor of Commerce (Accounting) Degree and a Diploma in Professional Accounting from University College Dublin. Mark is a strategically adept leader, with a track record of leading multi-functional teams to successfully deliver significant and positive commercial outcomes. He joined the Group in 1998 as a Director in IBI Corporate Finance, an M&A advisory boutique. He became Director of Group Investor Relations in 2013, followed by Director of Group Finance in 2016. In 2019, he was appointed Chief Strategy Officer and member of the Group Executive Committee. Prior to joining the Group, Mark worked in Diageo plc's M&A team and KPMG. Mark was a Non-executive Director on the Board of Bank of Ireland (UK) plc from 2019 to 2024.

# Your Court *(continued)*



## Giles **Andrews**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in November 2020.

### Committee and other Group Roles

Chair of the GTOC. Member of the RC, the CRC, and the GSC.

### Experience

Giles possesses in-depth experience in financial technology, investment, and lending, in addition to strong management experience. He received a Master's Degree in Experimental Psychology from Christ Church at Oxford University and an MBA from INSEAD. Prior to joining Bank of Ireland, Giles co-founded Zopa, the first ever online peer-to-peer lending marketplace. In 2020, Zopa also launched a Digital Bank. Giles held a number of senior positions with Zopa including Chief Executive Officer and Chairman. He currently remains a member of Zopa Group Board and Zopa Bank Board. He was previously Non-Executive Chairman of Market Finance Limited. Giles serves as a Non-Executive Director and Chairman on the board of Carwow Limited. He is an Independent Non-Executive Director and Senior Independent Director of C. Hoare & Co. Most recently, he was appointed as a Non-Executive Chairman of the Board of Octopus Electric Vehicles Limited. Giles was awarded an OBE in 2015 for his services to financial services. In 2016, Giles was named FinTech leader of the year at the FinTech Innovation Awards. At present, he is an advisor to the fund at Northzone Ventures, a venture capital fund.



## Ian **Buchanan**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in May 2018.

### Committee and other Group Roles

Chair of the RC. Member of the GTOC and CRC.

### Experience

Ian possesses diverse experience in the areas of technology, digital, business transformation and customer operations gained through his work in a number of international retail, commercial and investment banks. Ian holds a Bachelor of Science degree in Physics from the University of Durham. Prior to his role in Bank of Ireland, Ian held the roles of Group Chief Information Officer for Barclays plc and Chief Operating Officer for Barclaycard. Previously, he was Chief Information Officer for Société Générale Corporate & Investment Banking. He was a member of the Public Board and Group Manufacturing Director of Alliance & Leicester plc. He is a former member of the Executive Committee of Nomura International and was Chief Operations and Technology Officer of Nomura International. Ian's early career was spent at Credit Suisse, Guinness, and BP. Ian is a Senior Advisor to Cerberus Capital Management. Ian was a Non-Executive Director on the Board of Bank of Ireland (UK) plc from 2018 to 2024.



## Eileen **Fitzpatrick**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in May 2019.

### Committee and other Group Roles

Chair of the GSC. Member of the CAC and N&G. Director of J&E Davy and Member of its Board Audit Committee and Chair of its Risk and Compliance Committee.

### Experience

Eileen, a Capital Markets professional, has extensive experience at Senior Executive, Board and Governmental level in financial markets. She is a graduate of University College Dublin where she received a PhD in Science. Prior to joining Bank of Ireland, Eileen held multiple Senior Director positions, including as Chief Executive of AIB Investment Managers and Director of the National Treasury Management Agency (NTMA), where she oversaw the Alternative Assets Investment Programme for the National Pensions Reserve Fund. She was subsequently appointed Director of NewERA at the NTMA. In her early career, Eileen held a number of senior roles in stockbroking including Goodbody Stockbrokers. Eileen is a Non-Executive Director with a number of KKR companies in Ireland and serves as Chair of the Remuneration Committee for KKR Credit Advisors (Ireland). Eileen was a Non-Executive Director on the board of Sherry FitzGerald Group Ireland Holdings until August 2024. Eileen previously served as the Chair of the Outside Appointments Board, Department of Public Expenditure and Reform. Eileen held the role of Workforce Engagement Director with Bank of Ireland from January 2020 to February 2024.



## Michele **Greene**

*Independent Non-Executive Director*

Appointed Non-Executive Director in December 2019.

### Committee and other Group Roles

Chair of the CRC. Member of CAC, GTOC, and the GSC. Director of J&E Davy and Member of its Remuneration and Board Risk and Compliance Committees and Chair of its Nomination Committee.

### Experience

Michele is a Chartered Accountant and an experienced business executive and finance professional, operating at executive management and board level. She received a BSc (Mgmt) and MA from Trinity College Dublin. Prior to joining Bank of Ireland, Michele held several senior roles with Virgin Money's Digital Bank, including Managing Director, prior to which she was Director of Strategic Development, responsible for the bank's future development. Michele joined Virgin Money, initially, as Director of Banking, with responsibility for building the bank's new credit card business. She also served as Chief Financial Officer of MBNA Europe, where she held executive positions on the board of MBNA Europe Limited and Premium Credit Finance Limited. Michele's early career was spent at Goldman Sachs, Credit Lyonnais and KPMG. Michele is currently an Executive Director of Mololo Limited and a Non-Executive Director and Interim Chair of East End Fair Finance Limited. Most recently, Michele has been appointed as Senior Independent Director and Risk Chair with Vanquis Banking Group plc.

# Your Court *(continued)*



## Steve **Pateman**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in September 2018.

### Committee and other Group Roles

Member of the CAC and CRC. Non-Executive Director of BoIMB and a Member of its Audit Committee. NED of BoI (UK) plc and a Member of its Risk Committee

### Experience

Steve is an experienced banker, advisor and Board Director, with a strong track record of building and rebuilding businesses. Prior to joining Bank of Ireland, Steve led the corporate, commercial and business banking businesses of Royal Bank of Scotland before moving to Santander where he led the UK banking businesses and sat on the Board of Santander in the UK and US as well as Santander Consumer Finance and Santander Asset Management. He subsequently became CEO of Shawbrook, Hodge and StreamBank. Steve has chaired the Advisory Board of Arora Group stepping in as CEO for a period and is currently Chair at Recognise Bank and an INED at Thin Cats, both UK specialist lenders. Steve was President of the Chartered Banker Institute from 2021 to 2024 and was awarded an honorary degree by the University of Kent for services to banking.



## Margaret **Sweeney**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in October 2023.

### Committee and other Group Roles

Member of the CAC and RC. Director of New Ireland Assurance Company and Member of its Audit, Risk and Remuneration Committees.

### Experience

Margaret is a Chartered Accountant and Fellow of the Chartered Accountants of Ireland. She joined the board of IRES REIT plc as a Non-Executive Director in 2016 and was asked to become the Chief Executive Officer in 2017, where she served as an Executive Director until April 2024. She serves as Chair of the Dublin City University Business School. Margaret previously served on the Board of Dalata Hotel Group plc, the Board of Irish Institutional Property, as well as the boards of HSBC Institutional Trust Services (Ireland) DAC, Bramshott Capital Funds, Invention Investment Ireland Funds, and Galway University Foundation, among other board positions. She also served as the President of the Dublin Chamber of Commerce. Currently, Margaret is a Co-opted Trustee of The Chester Beatty Library and a Non-Executive Director of The Dublin Neurological Institute. Margaret is a Senior Advisor for Consello. Margaret has a degree in Commerce from University College Galway (now UG) and was awarded the National University of Ireland Galway 2009 Alumni Award for Business, Public Policy and Law.

# Your Court *(continued)*

### Governor's Succession Process

Patrick Kennedy retired on 31 December 2024 having served as a NED from July 2010 and Governor from August 2018. The rationale for his continuation in role beyond nine years as a director was addressed via consultation with major shareholders and reported in the Group's Annual Reports from 2019-2023.

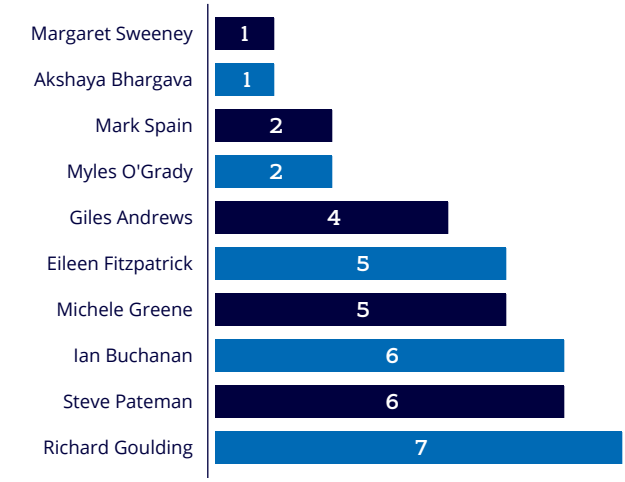
The process to identify a successor to Patrick commenced in Q4 2022 and was supported by two external firms, Egon Zehnder and Spencer Stuart, each of whom are global search and leadership consulting firms who are used on occasion for Court or executive searches. Neither firm has any connection with the Company other than in a recruitment capacity.

The process concluded on the identification of Akshaya Bhargava as the Court's preferred successor and, following receipt of regulatory approval, a market notification via Regulatory News Services (RNS) was issued on 30 September 2024. Having regard for Akshaya's evident intellect and commercial acumen, his personal attributes, and his service on the Court since 1 January 2024, the Court agreed that a three-month formal handover process was appropriate.

During the period from the Court's selection of Akshaya as the preferred successor through to Patrick's retirement on 31 December 2024, Akshaya undertook an extensive handover and preparatory programme, building on his initial induction programme and focusing specifically on the role of the Governor. This included but was not limited to:

- attending meetings with Patrick, the Regulators, and other key external stakeholders;
- attending pre-Court meeting preparatory sessions with Patrick and each of the Group CEO, Group CFO, Group Secretary and other executives;
- one-to-one meetings with the Group CEO, Group CFO, and other members of the Group Executive Committee and their leadership teams and conducting deep dives into divisional strategies and performance outcomes relative to plan;
- gaining a deeper understanding of the Court's governance policies and practices, with the support of the Group Secretary and Patrick;
- assessing the Court's succession plans and attending meetings with Patrick, the Group Secretary and the external search firms facilitating active Director searches in that regard;
- attending and contributing to meetings of the N&G; and
- numerous one-to-one meetings with individual Directors, including those in relation to the 2024 annual effectiveness review of individual Directors' performance.

Length of tenure




### Court evaluation

The Court seeks to continually enhance its operations and, each year, conducts a formal effectiveness evaluation of the Court, As reported in the Governor's introduction, the Court commenced an externally facilitated review in 2024.

Following a robust assessment process, the N&G selected Bvalco to facilitate the review.

The review commenced during Q4 2024 with meetings between Bvalco and individual directors taking place during December 2024 and January 2025, with Bvalco observing the January 2025 Court and Committee meetings.

In addition to reviewing the Court's operations, composition and overall effectiveness, the considers past performance with the aim of identifying possible opportunities for improvement, determines whether the Court and its Committees are, as a whole, effective in discharging their responsibilities and, in the case of individual Directors, alongside the Governor's assessment, provides further insights into the impact on the collective of the contribution of individual directors.

The final review report is to be tabled in March 2025 for Court consideration and agreement of any enhancements, actions or areas of focus for 2025 and beyond. A full report on the 2024 review will be shared in the 2025 Annual Report.

# Your Court *(continued)*

As part of the formal annual review process, individual Director performance reviews were conducted during Q4 2024 to determine whether directors individually contribute effectively and continued to demonstrate commitment to their role. The Governor designate met with Directors on a one-to-one basis to discuss their individual performance during 2024, taking account of commentary submitted in advance of the meetings on several topics, including their individual contributions and performance at the Court and feedback shared by the outgoing Governor on directors' performance. The outgoing Governor reviewed the performance of the Governor designate based on his performance as a director during 2024.

Each Director was assessed as being fully effective, with all Directors demonstrating strong commitment to their role, noting that during 2024 their contributions continued to be important to the Group's long-term sustainable success.

All Directors are experienced and knowledgeable, and they each bring valuable skills to the Court and provide an objective perspective.

The outcome of the 2023 internal review was reported in the 2023 Annual Report and progress has been made on the identified key areas of focus, including:

- the incorporation on the Court agenda of additional forward-looking matters, including market and competitive evolution and related threats, with enhancements made to Court and Committee forward planner and meeting agendas in that regard, with a specific focus on market and competitive evolution and related threats during the strategy offsite in July 2024;
- the quality of meeting materials to ensure that content remains focused, clear, and precise, with continued progress made on ensuring high quality, succinct papers were delivered in a timely manner during 2024. The importance of receiving high-quality information sufficiently in advance so that there can be thorough consideration of the issues prior to, and informed debate and challenge at, Court meetings will remain a key focus for 2025; and
- opportunities for NEDs to engage with a wider cohort of senior colleagues outside formal meetings, with enhanced engagements arranged during 2024 and planned during 2025.

### Court Committees *GOV-1*

The Court is assisted in the discharge of its duties by six Court Committees, whose purpose it is to consider, in greater depth than would be practicable at Court meetings, matters for which the Court retains responsibility. Each Committee operates under terms of reference approved by the Court. Appropriate cross-membership of key Court Committees, including between the CAC and CRC, and RC and CRC, is ensured. The N&G formally reviews the composition and purpose of the Court Committees annually on behalf of the Court.

The minutes of all meetings of Court Committees are circulated to all Directors for information and are formally noted by the Court. Papers for all Court Committee meetings are also made available to all Directors, irrespective of membership.

The Chair of each Court Committee reports to the full Court on the key considerations of each Committee meeting. Such circulation of minutes and papers and the Chair reports are restricted should there be a conflict of interest or issues of personal confidentiality.

The terms of reference of the CAC, the CRC, the N&G, the RC, the GTOC and the GSC are available on the Group's website: www.bankofireland.com/about-bank-of-ireland/corporate-governance/court-committees.

The GTOC has a mandate to support the Court in overseeing, supporting, and challenging the actions being taken by management in relation to the execution of the Group's strategic technology transformation.

As the Group continues its pivot towards a more customer-focused, digital banking model, with greater levels of customer digital engagement and automation of servicing and processes, the Committee oversees the step change required in the Group's business and technology practices alongside changes required to optimise digital skills, organisational models and ways of working in order to deliver the right customer experience, systems, and processes to deliver the desired outcomes.

The GSC has a mandate to support the Court in overseeing the Group's performance as a responsible and sustainable business and in delivering the Group's Sustainability Strategy, to achieve the Group's purpose.

Both GTOC and GSC have appropriate common membership in place with each of CRC and CAC.

In carrying out their duties, Court Committees are entitled to take independent professional advice, at the Group's expense, where deemed necessary or desirable by the Committee Members.

Reports from the CAC, the CRC, the N&G and the RC are presented on pages 183 to 202

### Court composition and succession *GOV-1*

At the Report date, the Court comprises 10 Directors: two Executive Directors, the Governor, who was independent on appointment, and seven Independent NEDs. The biographical details of each of the Directors, along with each of their individual dates of appointment, are set out on pages 165 to 167.

The Court considers that having ten to twelve Directors allows for a good balance between having the full range of skills necessary on the Court and to populate its Committees and retaining a sense of accountability by each Director for Court decisions.

The Court acknowledges that this number may go below ten or beyond twelve for a short term as may be required to accommodate succession planning activities and to ensure the timely induction and development of new Directors.

The N&G has oversight of the Group Code of Conduct, which sets the standard for business conduct throughout the Group. The N&G also ensures a formal, rigorous, and transparent process when considering candidates for appointment to the Court and maintains continuous oversight of the Court's composition to ensure it remains appropriate and has regard for its purpose, strategy, culture, major business lines, geographies, risk profile, and governance requirements.

# Your Court *(continued)*

Both on an individual and a collective basis, the Directors are considered to have the range of skills, understanding, experience, expertise, and attributes necessary to ensure the effective leadership of the Court and that high corporate governance standards are maintained.

The N&G leads the process for appointments to the Court and ensures plans are in place for orderly succession to Court positions.

In 2024, led by the N&G, the Court reviewed its skills, knowledge and experience and found it to be collectively suitable. Steered by the N&G, the Court reviews its collective suitability at least annually, and with each change in membership.

The succession planning process has regard for the impact of expected retirements of Directors and the profiles needed in the context of the Group's strategic direction. Court Directors have successful track records in domestic and international businesses, including in business conduct standards and practices, as exhibited in their extensive executive careers. Five Directors are chartered accountants and comply with the conduct standards of the relevant professional bodies. The Court Directors have extensive executive careers, including as Chief Executives, Chief Financial Officers, Chief Risk Officers, Chief Information and Operating Officers, and Fintech Founders, during which they gained significant experience in business conduct standards and practices, business ethics, and professional conduct standards.

When commencing a search for a new Director, the N&G defines a detailed role profile, based on its analysis of the skills and experiences needed, and selects an external search firm to facilitate the process. The N&G ensures that a comprehensive due diligence process is undertaken, which includes the candidate's self-certification of probity and financial soundness, external references and relevant external checks. The due diligence process facilitates the N&G in satisfying itself as to the candidate's independence, fitness and probity, and capacity to devote sufficient time to the role before making a formal recommendation to the Court. Regulatory assessment and formal approval are required and received for all Court appointments.

Two search firms, Board Works Ltd and MWM Consulting, were engaged during 2024 to support searches for new INEDs based on agreed specifications. The Court remains satisfied with the continued retention of Board Works Ltd and MWM Consulting. MWM Consulting is based in London with a team who have extensive international reach and provides board search services to the UK market. MWM Consulting has no connection with the Company other than in a recruitment capacity. Board Works Ltd provides similar services to the Irish market generally and through this work has engaged with firms associated with individual Directors on occasion. Board Works Ltd has no connection with the Company other than in a recruitment capacity.

A further update on the outcome of active search and succession processes will be provided to the market at the appropriate juncture.

A Court-approved Policy for the Assessment of Directors, which outlines the Court appointment process, is in place, and is aligned with applicable joint guidelines issued by ESMA and the EBA. With the introduction of the Central Bank (Individual Accountability Framework) Act 2023, the Court received briefings on the Individual Accountability Framework (Framework), including the Common and Additional Conduct Standards that came into effect on 29 December 2023, and approved a number of new and refreshed policies to ensure adherence to the Framework and the Common and Additional Conduct Standards by the Court and the wider Group.

These were reviewed during 2024 and plans are in place to ensure that NEDs are prepared for the applicability of Senior Executive Accountability Regime (SEAR) to NED role-holders on 1 July 2025.

The Court and its Committees continued to perform their duties in alignment with the Framework and the Common and Additional Conduct Standards during 2024.

### Court Diversity, skills and experience *GOV-1*

Our recruitment of Directors remains focused on past achievements, personal attributes, other objective criteria, and an assessment of whether the candidate will enhance the overall quality of the Court as a team.

Diversity, including of skills, background, and personal strengths, is an important driver of effectiveness, creating different perspectives among directors, and breaking down a tendency towards 'group think'. The Court is fully committed to diversity in all forms and believes that diversity is an essential ingredient of sound decision-making.

The Court's commitment to diversity is set out in the Court Diversity Policy which, following review in 2024 led by N&G, has retained the following specific targets:

- maintaining a minimum of 40% female representation on the Court. Female representation on the Court is currently at 30% which falls below the target;
- the inclusion of at least one Director that is from an ethnic minority. This target has been met; and
- the appointment of a female to one of the four senior Court roles of CEO, CFO, Governor and SID. This target has not yet been met.

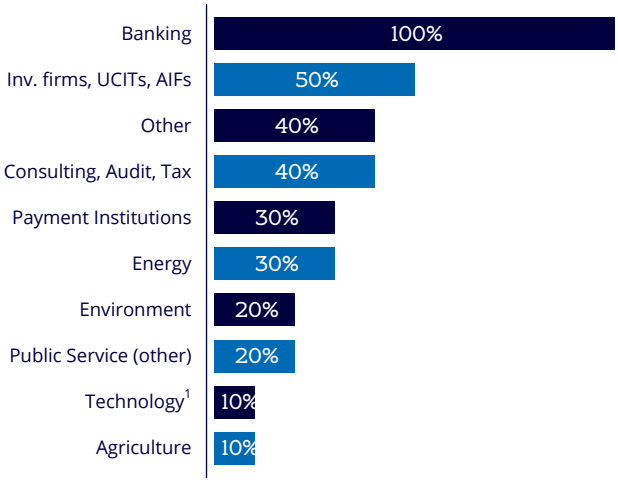
The Court is committed to the application of recruitment and selection criteria that are explicitly informed by the relevant targets for ethnic minority and female representation. We intend to make further progress on our specific diversity targets and on growing the Court's profile in relation to all aspects of diversity through our active and planned INED searches and through planned Court rotations.

The Court and its Committees comprise an appropriately diverse combination of skills, experience, and knowledge with Committee Members' demonstrating relevant experience and expertise / qualifications pursuant to the respective committee mandates.

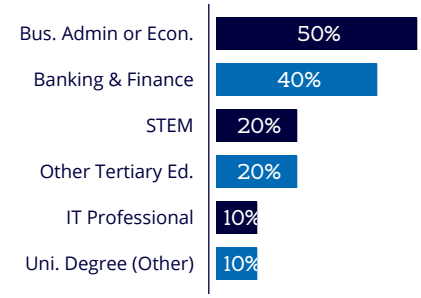
# Your Court *(continued)*

The bar charts below illustrate the February 2025 Court skills and experience matrix. This matrix is a subset of a more fulsome overview of individual Director and collective skillsets and experiences, which is reviewed by the N&G and approved by the Court annually. The annual review provides a further opportunity for the Court to identify areas for individual or collective Court development sessions and for agreeing where any potential gaps might exist or emerge when overlaid with the succession plan, which further informs the specifications prepared by the N&G to facilitate Court searches.

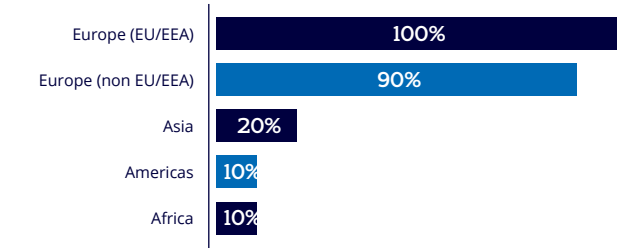
## Professional background



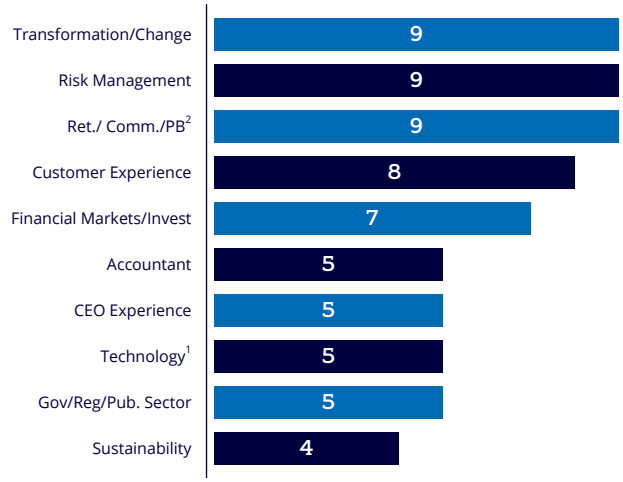

## Qualifications

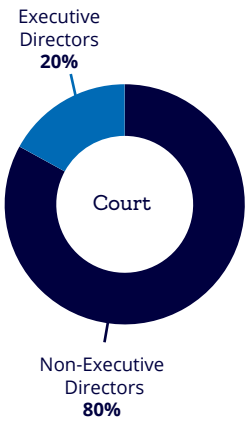


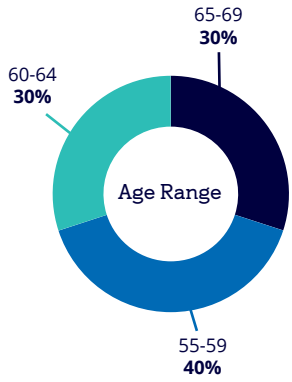

## International experience




## Skills matrix




[1] *Includes data, digital, ICT and cyber.*
[2] *Retail, Commercial and Private Banking.*

# Your Court *(continued)*

| | No. of Court members | % of the Court | No. of senior positions on the Court | No. in executive management | % of executive management |
|---|---|---|---|---|---|
| Men | 7 | 70% | 4 | 8 | 67% |
| Women | 3 | 30% | - | 4 | 33% |
| White Irish, British or other white | 9 | 90% | 3 | 12 | 100% |
| Asian / Asian British | 1 | 10% | 1 | - | - |

*Note: table format and information shared in compliance with EBA.*

| | % of CAC members | % of CRC members | % of N&G members | % of RC members | % of GSC members | % of GTOC members |
|---|---|---|---|---|---|---|
| Men | 40% | 80% | 67% | 67% | 33% | 75% |
| Women | 60% | 20% | 33% | 33% | 67% | 25% |
| White Irish, British or other white | 100% | 100% | 67% | 100% | 100% | 100% |
| Asian / Asian British | – | – | 33% | – | – | – |

*Note: table format and information shared in compliance with CSRD.*

### The Court's Professional Development and Continuous Education Programme *GOV-1*

On appointment, new Directors are provided with tailored and comprehensive induction programmes to fit with their individual experiences and needs, including the process for avoiding or managing conflicts. Thereafter, we seek to ensure that all Court members receive appropriate training, both individually and collectively, throughout their time on the Court. The approach taken to the Court's Professional Development and Continuous Education Programme is as follows:

- **Formal Induction Programme:** A suite of induction documentation is furnished to all incoming Directors to facilitate their understanding of how the Group operates and the key issues that it faces. A series of meetings with senior management is arranged on matters such as Group and Divisional strategy, the Group's Risk Appetite and Group Risk Framework, the regulatory environment, people strategies, technology and operations, capital and liquidity management and the Group's financial position. The induction programme is supplemented with an additional bespoke programme, developed in conjunction with the incoming Director to address any specific requirements.
- **Continuous Education Programme:** The continuous development requirements of the Court and individual Directors are informed by the outcome of annual effectiveness reviews, the annual review of the collective skillset of the Court, emerging external developments, and areas the Court has identified for further focus. The Continuous Education Programme is delivered through varying means and facilitated by internal and external experts where appropriate. The approach to Directors' induction and continuous development is set out in a Court-approved Director Induction, Training and Development Policy which is reviewed annually by the N&G, and
- Site visits across the Group including meetings with colleagues and customers.

#### Education and development sessions delivered in 2024

The following were in focus during development and education sessions facilitated during the year. These sessions were facilitated, as appropriate, by internal and / or external subject matter experts and advisors:

- Remuneration trends
- Wealth and Insurance
- Irish Mortgage Market
- Economic Outlook
- Culture, Inclusion and Diversity
- Model Risk
- Anti-Money Laundering and Counter Terrorism Financing
- Chat GPT / Artificial Intelligence
- Environmental, Social and Governance
- Market and Regulatory Developments
- RAROC
- The capital adequacy assessment process
- External / Competitive Landscape
- Cyber Security
- Corporate Governance requirements
- Individual Accountability Framework, including the Common and Additional Conduct Standards
- Operational Resilience
- Third Party Management and Outsourcing Risk

In addition to training provided by the Group, individual Directors undertook external development opportunities that covered a wide breath of topics relating to finance, investment management and wealth, digital, cyber, diversity, environmental and social governance, governance, and remuneration.

# Your Court *(continued)*

## Court Focus in 2024

A detailed calendar of subjects for discussion at Court meetings is in place to ensure that the Directors discuss a suitable range of topics throughout the year, linked to the key opportunities and risks facing the Group. This is generally reviewed by Court in advance of the commencement of the financial year. Court papers are generally circulated one week in advance of meetings. The Court met nine times during the year. Additional meetings are arranged if necessary for the Court to properly discharge its duties.

Further details on the number of Court and Committee meetings and attendance by individual Directors are set out on page 203.

While not intended to be exhaustive, below is a high level overview of a number of matters considered by the Court and Court Committees during 2024:

**Regular updates**
- Governor's activities.
- CEO's activities and key areas of focus.
- Business and financial performance.
- Organisational Scorecard Performance.
- Risk Management.
- Regulatory and legal matters.
- Court Committee activities.

**Financial**
- Integrated Business Plan
- Results and Accounts.
- Distribution Policy.
- Impairments.
- Funding and Liquidity Policy.
- Capital and Liquidity Policy.
- Financial and investment plans.
- Cost and Efficiency.

**Risk management**
- Regulatory interactions.
- Group Risk Appetite Statement.
- Risk Policies and Frameworks.
- Group Risk Management Framework. and associated policies and standards.
- Group's Remuneration Policy.
- Group Recovery Plan.
- Geopolitical events and the wider macro economy.
- Non-financial risk.
- AML and combating of financing of terrorism.
- The Group Control environment and conduct risk.
- The high inflation rate environment.
- Risk Mitigation Plan action progress updates and approval requests.
- Process improvement / operational risk.
- Cyber security.
- Operational resilience.
- Data Strategy, Data Governance and BCBS239.
- Information and communication technology.
- The UK motor finance Industry developments.
- Efficiency opportunities.
- Outsourcing model and strategy.

**Environment**
- External / competitive landscape.
- Investor relations.
- Macroeconomic environment.
- Stakeholder engagements.
- Environmental, social and governance, including Group's Sustainability Strategy, Financial Wellbeing, and progress relative to United Nations Principles for Responsible Banking (UNPRB) Commitments.

**Strategy**
- 2023 - 2025 Group Strategy.
- External and internal assumptions underpinning the 2023 - 2025 Group Strategy.
- Technology and Digitisation.
- Emerging threats.
- Transformation.
- Future Proofing Considerations across a range of topics.

**Governance**
- Key Court Governance policies and terms of reference.
- Subsidiary Governance framework.
- CEO and CFO performance and succession.
- Court renewals, appointments and succession.
- Court, Committee and Individual Directors Effectiveness.
- Appointments / Endorsements of Material Risk Takers (MRTs) and Key Function Holders.
- Subsidiary oversight.
- Tracking of agreed actions.
- AGC and resolutions.

**Culture and values**
- The Group's Culture Programme.
- Colleague engagement.
- Talent and capability.
- Customer efforts scores and net promoter score.
- Financial wellbeing.

# Your Court *(continued)*

## Roles and responsibilities

### Role of the Court

The Company is led by an effective and committed Court of Directors, who are collectively responsible for the long-term success of the Company. The Court's role is to provide leadership within the boundaries of risk appetite and a framework of prudent and effective controls which enable risk to be identified, assessed, measured and controlled.

The Court sets the Group's strategic aims and risk appetite to support the strategy, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives. It ensures that the Group's purpose, values, strategy, and culture are all aligned and reviews management performance in that regard. The work of the Court follows an agreed schedule of topics which evolves based on business needs and is reviewed annually by the Court.

The Court is responsible for endorsing the appointment of individuals who may have a material impact on the risk profile of the Group and monitoring on an ongoing basis their appropriateness for the role. The removal from office of the head of a 'control function', as defined in the CBI Requirements, is also subject to Court approval.

The respective roles of the Governor and the Group CEO, which are separate, are set out in writing and have been agreed by the Court.

The Court approves the Group's Risk Management Framework on an annual basis and receives regular updates on the Group's risk environment and exposure to the Group's material risk types. Further information on risk management and the Court's role in risk governance is set out in the Risk Management Report on pages 246 to 297 in the BoIG plc Group Annual Report 2024.

### Role of the Governor

The Governor oversees the operation and effectiveness of the Court, including ensuring that agendas cover the key strategic items confronting the Group and encouraging all Directors to participate in the discussions and activities of the Court. He also ensures that there is effective communication with shareholders and promotes compliance with governance standards. The Governor commits significant time to the Group and his role has priority over any other business commitment.

### Role of the Deputy Governor and SID

The Deputy Governor has adopted the role of SID and deputises for the Governor as required. The SID provides a sounding board for the Governor and serves as an intermediary for the other Directors and shareholders if they have concerns that contact through the normal channels of Governor, Group CEO or other Executive Directors has failed to resolve or for which such contact is inappropriate.

As appropriate and when required, the SID meets a range of major shareholders in order to develop a balanced understanding of their views. The SID leads the evaluation of the Governor in conjunction with the other Directors and is responsible for an orderly succession process for the Governor working closely with the other Directors.

### Role of the Independent Non-Executive Director

During the year the Governor and the INEDs met without the Executive Directors present, to discuss a range of business matters. The INEDs (including the Governor and the Deputy Governor) bring independent challenge and judgement to the deliberations of the Court through their character, objectivity, and integrity.

### Executive Directors

Executive Directors have executive functions in the Group in addition to their Court duties. The role of Executive Directors, led by the Group CEO, is to propose strategies to the Court and, following challenging Court scrutiny, to execute the agreed strategies to the highest possible standards.

### Role of the Group CEO

The Group CEO is responsible for execution of the approved strategy, holds delegated authority from the Court for the day-to-day management of the business and has ultimate executive responsibility for the Group's operations, compliance, and performance. Procedures are in place to review the Group CEO's contract at least every five years.

### Matters Reserved for the Court

While arrangements have been made by the Directors for the delegation of the management, organisation and administration of the Group's affairs, certain matters are reserved specifically for decision by the Court. The schedule of matters reserved for the Court is reviewed at least annually to ensure that it remains relevant and to reflect any enhancements required under evolving corporate governance requirements and industry best practice.

Matters reserved for the Court include but are not limited to:

- Determination of risk appetite and approval of the Group's Risk Appetite Statement and the Group Risk Management Framework.
- Approval of the Group's business plans and budgets.
- Approval of the Half Yearly and Annual Report & Accounts.
- Approval of the Group Internal Capital Adequacy Assessment Process, Internal Liquidity Adequacy Assessment Process and Recovery Plan.
- Overseeing the effectiveness of the internal control, compliance and risk management systems of the Group.
- Approval of Dividend Policy, the declaration of any interim dividend and any decision to recommend a final dividend to shareholders.

The Directors have access to the advice and services of the Group Secretary, Sarah McLaughlin who advises the Court on matters relating to governance, ensuring good information flows and comprehensive practical support for Directors. She maintains the Group's Corporate Governance Framework and communicates with shareholders as appropriate, ensuring due regard is paid to their interests.

The Group Secretary provides dedicated support for Directors on any matter relevant to the business on which they require advice separate from or additional to that available in the normal Court process. Both the appointment and removal of the Group Secretary is a matter for the Court as a whole.

The Directors also have access to the advice of the Group General Counsel, Gabrielle Ryan and to independent professional advice, at the Group's expense, if required.

# Your Court *(continued)*

## Stakeholder engagement SBM-2

### Annual General Court

The 2024 Annual General Court (AGC) was held on 23 May 2024 at Baggot Plaza, 27-33 Upper Baggot Street, Dublin 4.

At the 2024 AGC, separate resolutions were proposed on each substantially separate issue and voting was conducted by way of poll. The results of every general meeting, including details of votes cast for, against and withheld on each resolution, are posted on the Group's website and released to Euronext Dublin and the London Stock Exchange. As soon as the results of the 2024 AGC were calculated and verified, they were released to applicable exchanges, as set out above, and were made available on the Group's website. At the 2024 AGC all resolutions passed, with all resolutions receiving 100% approval.

The 2025 AGC is scheduled to be held on 22 May 2025.

### Customers

The Group's aim is to serve customers brilliantly by being the number one bank for service and having the best brand in our target markets, including supporting our partnerships in the UK. The Court consistently reviews the strategy, receives updates on implementation and reviews progress as part of the governance process. The emphasis the Court and the Group places on the customer is further demonstrated by the launch in May 2024 of a new customer charter led by the Chief Customer Officer.

The Group's approach to customer engagement and progress against customer metrics through which the experience of customers when dealing with the Bank is assessed, is a key focus for the GEC. 'Customer outcomes' is required to be a key area of focus for all formal governance across the Group. The Court receives regular updates on progress against customer metrics and reports from the Group CEO, the respective business CEOs, and, more recently, the Chief Customer Officer.

In addition, its understanding of customers' perspectives is informed by deep dives on customer themes and customer complaints, site visits by Directors to customer call centres and branches, meetings directly with customers and other customer focused tools to enable the Court to hear customer voices at first hand.

### Colleagues

The Court receives regular updates on the progress of the Group Culture Programme and reviews the outputs from the Group's Open View staff surveys and receives updates on progress in implementing actions in response to staff feedback.

The Court pays particular attention to the Group Code of Conduct and Speak Up Policy, the effectiveness of which are reviewed by Court Committees annually. The Court strives to create an environment in which staff are encouraged to speak up where they have any concerns. During 2024, Richard Goulding, on behalf of the Court, actively sponsored the Speak Up Policy.

During 2024, the Court met with senior colleagues from across the Group in 'visibility sessions', which form part of the annual Court programme of work which is considered and approved each year. Matters discussed with colleagues during the visibility sessions held in 2024 included the Group's hybrid working arrangements, organisational bandwidth, culture, remuneration policy, and the external operating and competitive environment.

Court site visits provide the Court with a first-hand view of the work of colleagues and the supports they provide to our customers. The 2025 Court programme of work continues to incorporate and prioritise engagement with colleagues.

The Court-designated WED role enhances engagement and feedback mechanisms between the Court and the workforce and strengthens the 'employee voice' at the Court. The WED role operates under formal terms of reference and reports regularly to the Court on direct feedback from colleagues across the Group. This direct colleague connection supplements the colleague experience alongside various existing regular feedback and reporting mechanisms on culture and behaviour to the Court and is intended to further assist the Court in understanding colleague experiences and inform its decision making.

During 2024, as the WED, Evelyn Bourke undertook a number of activities which provided valuable insights for the Court and facilitated the Court's decision-making process. These activities included, but were not limited to:

- 'Open Door' sessions with groups of colleagues drawn from various businesses and divisional teams during which a number of items were discussed including resourcing, remuneration, hybrid working and colleague wellbeing.
- Deep dive listening sessions with the Industrial Relations team and UK Partners Council, including on remuneration.
- Listening sessions with the Multicultural Committee and Cultural Enabler Group.
- Deep dive sessions on the Group's open view results and with the Employee Relations team on mental wellbeing, stress and strain.
- A question and answers session on Executive Director remuneration, with a number of colleagues, representing the wider workforce.
- Branch visits in Clonakilty, Skibbereen, Bandon and Grand Canal Square.
- A Court and UK Board engagement session with UK colleagues.

With the Governor assuming the WED role during 2025, the terms of reference, operations and future areas of focus of the role will be reviewed to ensure the continued evolution of the role and that the Court reaches a wider cohort of colleagues. This ensures that the right insight continues to be gained from colleagues to support and better inform the Court when taking decisions.

### Regulators and Government

The Governor and members of the Court regularly meet with representatives from the regulators and government bodies, including the Joint Supervisory Team (JST), the CBI, Bank of England (BoE), Prudential Regulatory Authority (PRA), ECB and the Department of Finance.

# Your Court *(continued)*

## Stakeholder engagement *(continued)*

Core themes discussed at these meetings include regulation and supervision, risk governance and oversight, challenges facing the banking industry, business performance, and culture.

The Governor and Group CEO update the Court on their meetings with regulators and government representatives at each Court meeting. Management provides regular briefings to the Court on regulatory engagement and correspondence which ensures that the Court remains aware of regulatory expectations and areas of focus.

### Society

The communities where the Group has a physical presence, where colleagues live and work, as well as other local and global groups and partners are the places where the Group's work touches the wider society.

Per the Human Rights Policy published by the Group in 2024, the Group will actively engage with stakeholders, including employees, local communities, and human rights organisations, to understand concerns and collaborate on addressing human rights issues. In addition to speak up and other confidential reporting channels, the Group maintains accessible and confidential reporting channels for employees, customers, suppliers, and other stakeholders to raise concerns about human rights violations. Reports will be investigated promptly, and appropriate actions will be taken in response to substantiated claims.

The Group delivers positive societal impact in several different ways. Through investment in Financial Literacy programmes, our United Nations Principles of Responsible Banking commitments, and our support for sport through wide-ranging rugby sponsorship, the Group works continuously to enable society to thrive.

The Group channels philanthropic societal investment through the Begin Together initiative to deliver direct impact to the communities where we live and work.

Begin Together supports future-facing projects that engender positive change for society with a specific focus on vulnerable groups. Working with partners Community Foundation Ireland the Group funded 24 community projects in 2024. Initiatives received up to €80,000 each (over two years) for projects that ranged from financial literacy and wellbeing, mental health, inclusion and diversity, to helping people with disabilities, migrants and refugees, the Travelling community and more.

In collaboration with Business to Arts, the Bank of Ireland Begin Together Arts Fund continued the Group's legacy of supporting the arts community by investing in a number of important community projects bringing the arts to vulnerable groups. In addition, over 700 donations were made on behalf of colleagues across the Group to charitable causes and not for profit organisations that matter to them, bringing Bank of Ireland's investment in wider society closer to home for our colleagues.

# Court's oversight of risk management and internal control systems

### Accountability and audit

The Report of the Directors, including a Going Concern Statement and a Viability Statement, is set out on page 204. This Corporate Governance Statement forms part of the Report of the Directors.

### Court Responsibility

The Court is responsible for overseeing the Group's risk management and internal control systems, which are designed to facilitate effective and efficient operations and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations, and to review the effectiveness of same.

In establishing and reviewing the risk management and internal control systems, the Directors carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity, the likelihood of a risk event occurring and the costs of control. The principal risks are detailed at pages 151 to 159.

The process for identification, evaluation and management of the principal risks faced by the Group is integrated into the Group's overall framework for risk governance and has been in place for the year under review and up to the date of approval of the Annual Report.

The Group is forward-looking in its risk identification processes to ensure emerging risks are identified. The risk identification, evaluation and management process also identifies whether the controls in place result in an acceptable level of risk.

At Group level, a consolidated risk report and risk appetite dashboard is reviewed and regularly debated by the CRC and the Court to ensure satisfaction with the overall risk profile, risk accountabilities and mitigating actions. The report and dashboard provide a monthly view of the Group's overall risk profile, key risks and management actions, together with performance against risk appetite and an assessment of emerging risks which could affect the Group's performance over the life of the operating plan. Information regarding the main features of the internal control and risk management systems is provided within the Risk Management Report on pages 246 to 297 of the BoIG plc Group Annual Report 2024.

The Court concluded that the Group's risk management arrangements are adequate to provide assurance that the risk management systems put in place are suitable with regard to the Group's profile and strategy.

# Your Court *(continued)*

## Court's oversight of risk management and internal control systems *(continued)*

### Control systems

The Group's overall control systems include:

- a clearly defined organisation structure with defined authority limits and reporting mechanisms;
- three lines of defence approach to the management of risk across the Group: line management in individual businesses and relevant Group functions, central risk management functions, and Group Internal Audit (GIA);
- Court and Management Committees with responsibility for core policy areas;
- a set of policies and processes relating to key risks;
- reconciliation of data consolidated into the Group's financial statements to the underlying financial systems. A review of the consolidated data is undertaken by management to ensure that the financial position and results of the Group are appropriately reflected, through compliance with approved accounting policies and the appropriate accounting for non-routine transactions;
- Codes of Conduct setting out the standards expected of all Directors, officers and employees in driving an appropriate, transparent risk culture;
- a Risk Control Self-Assessment framework, where risks are logged, managed and mitigated across the first line, with clear reporting, escalation and second-line oversight. Action plans are developed and implemented to address any control deficiencies;
- a comprehensive set of accounting policies; and
- a compliance framework incorporating the design and testing of specific controls over key financial processes.

The Group operates a comprehensive internal control framework over financial reporting with documented procedures and guidelines to support the preparation of the consolidated financial statements.

The main features are as follows:

- a comprehensive set of accounting policies relating to the preparation of the annual and interim financial statements in line with IFRS as adopted by the EU;
- an independent internal audit function with responsibility for providing independent, reasonable assurance to key internal (Court, Group and Subsidiary Audit and Risk Committees and Senior Management) and external (Regulators and external auditor) stakeholders on the effectiveness of the Group's risk management and internal control framework;
- a compliance framework incorporating the design and testing of specific controls over key financial processes to confirm that the Group's key controls are appropriate to mitigate the financial reporting risks;
- a robust control process is followed as part of interim and annual financial statements preparation, involving the appropriate level of management review and attestation of the significant account line items, and where judgements and estimates are made, they are independently reviewed to ensure that they are reasonable and appropriate. This ensures that the consolidated financial information required for the interim and annual financial statements is presented fairly and disclosed appropriately;
- the Annual Report and Interim Report are also subject to detailed review and approval through a structured governance process involving Senior and Executive finance personnel;
- summary and detailed papers are prepared for review and approval by the CAC covering all significant judgemental and technical accounting issues, together with any significant presentation and disclosure matters; and
- user access to the financial reporting system is restricted to those individuals that require it for their assigned roles and responsibilities.

### Reviews by the Court

The effectiveness of the risk management and internal control systems are regularly reviewed by the Court, along with the CAC and the CRC, which also receive reports of reviews undertaken by Group Risk and GIA.

The CAC receives reports from the Group's external auditor (which include details of significant internal control matters that they have identified) and has separate discussions with the external and internal auditors at least once a year without Executives present, to ensure that there are no unresolved issues of concern.

### Continuous improvement

The Group's risk management and internal control systems are regularly reviewed by the Court and are consistent with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council and compliant with the requirements of the Capital Requirements Directive (CRD) V. They have been in place for the year under review and up to the date of approval of the Annual Report. The Group continues to work towards compliance with the Basel Committee on Banking Supervision 239 (BCBS 239) risk data aggregation on risk reporting requirements and continues to actively manage enhancements.

The Group's controls frameworks are continuously improved and enhanced, addressing known issues and keeping pace with the dynamic environment. Progress continues to be made in operational (including IT and Information Security), regulatory and conduct risks. The 2024 internal control assessment provides reasonable assurance that the Group's controls are effective, or that, where control weaknesses are identified, they are subject to management oversight and action plans. The CAC, in conjunction with the CRC, following an assessment of whether the significant challenges facing the Group are understood and are being addressed, concluded that the assessment process was effective and made a positive recommendation to the Court in that regard.

# Your Court *(continued)*

## Court governance

### Conflicts of interest

The Court has an approved Conflicts of Interest Policy which sets out how actual, potential or perceived conflicts of interest are to be identified, reported and managed to ensure that Directors act at all times in the best interests of the Group. This policy is reviewed on an annual basis.

The Group Code of Conduct, which applies to all employees and Directors, clarifies the duty on all employees to avoid conflicts of interests. The Code of Conduct is reviewed on an annual basis and communicated throughout the Group.

Both the Conflicts of Interest Policy and Group Code of Conduct are fully aligned with the Individual Accountability Regime, including the Common and Additional Conduct Standards.

### Share ownership and dealing

Details of the Directors' interests in shares are set out in the Remuneration Report on page 231 of the BoIG plc Group Annual Report 2024. The Group Share Dealing Policy applies to dealings in Group shares by the Directors, the Group Secretary, individuals identified as Persons Discharging Management Responsibilities (including members of the Group Executive Committee) and other identified colleagues. Under the Dealing Code, Directors and relevant executives are required to obtain clearance before dealing in Group shares and are prohibited from dealing in the shares during prohibited periods, as defined by the Dealing Policy and aligned with the Market Abuse Regulation.

### Time commitment

The Group ensures that individual Court Directors have sufficient time to dedicate to their duties, having regard to applicable regulatory limits on the number of directorships which may be held by any individual Director.

The Company and the Bank have each been classified as 'significant institutions' under CRD.

During the year ended 31 December 2024, all Directors were within the Directorship limits set out for significant institutions under CRD, including any derogations granted by the Regulator. During 2024, Giles Andrews and Evelyn Bourke were approved by the Court and the Regulator to take on one additional external directorship, meaning they each held five non-executive roles including the Group.

All newly-appointed Directors are provided with a comprehensive letter of appointment detailing their responsibilities as Directors, the terms of their appointment and the expected time commitment for the role. The expected time commitment associated with a NED role and for assuming any other key roles are set by the N&G.

A copy of the standard terms and conditions of appointment of NEDs can be inspected during normal business hours by contacting the Group Secretary. Directors are required to devote adequate time to the business of the Group, which includes attendance at regular meetings and briefings, preparation time for meetings and visits to business units. In addition, NEDs are normally required to sit on at least one Court Committee. Certain NEDs, such as the Deputy Governor, SID and Committee Chairs, are required to allocate additional time in fulfilling those roles.

Before being appointed, Directors disclose details of their other significant commitments along with a broad indication of the time absorbed by such commitments. Before accepting any additional external commitments, including other Directorships that might impact on the time available to devote to their role, the agreement of the Governor and the Group Secretary, or, depending on the nature of the proposed commitment, the full Court, must be sought. In certain cases, advanced CBI approval must also be sought.

Proposed new external commitments are assessed against conflicts of interest, over-boarding and time commitment considerations. Any new external commitments proposed by the Governor require SID and Group Secretary approval in the first instance and, depending on the nature of the proposed commitment, the Court and CBI approval in advance.

A number of Directors took additional external roles during 2024 following receipt of the requisite approvals. Details of Directors external roles can be found on pages 165 to 167.

The Group has an obligation to report the reasons for permitting significant appointments. None of the external appointments which were approved following due consideration by the Court in 2024 are considered significant in terms of additional external appointments.

In considering whether to approve any external roles or additional responsibilities related to external roles, the N&G and the Court gave due and careful consideration to actual, potential or perceived conflicts of interest, the risk of 'over-boarding', whether the additional roles would impact the Director's ability to commit the requisite time to his or her Group duties and CRD Directorship limitations. In each case, the Court was satisfied that there was no issue of concern that should impede the relevant Director from proceeding and that the roles could be managed in accordance with the Court approved policy.

All Directors are reminded of their obligations under the Court's Conflicts of Interest Policy when approved for any external roles and such roles remain under regular review. In accordance with the Group's listing obligations, an RNS issues to the market to advise of any significant appointments.

# Your Court *(continued)*

## Court governance *(continued)*

### Balance and Independence

Following a robust review, the Court determined that all NEDs in office on 31 December 2024 were independent in character and judgement and free from any business or other relationships with the Group which could affect their judgement.

### Term of appointment and re-election of Directors

NEDs are normally appointed for an initial three-year term, with an expectation of a further term of three years, assuming satisfactory performance and subject to the needs of the business, shareholder re-election and continuing fitness and probity.

Any continuation in term beyond two three-year terms is considered on an annual basis and will have regard for a number of factors including performance, independence, the Court's succession planning needs over the medium to long-term, the Group's strategy and prevailing priorities, and the best interests of the shareholders.

A NED's term of office will generally not extend beyond nine years in total unless the Court, on the recommendation of the N&G, concludes that such extension is necessary due to exceptional circumstances. In such a situation, the Court will document its rationale for any continuance and so advise the CBI in writing as required under the CBI Requirements.

In respect of Executive Directors, no service contract exists between the Company and any Director which provides for a notice period from the Group of greater than one year. None of the NEDs have a contract of service with the Group.

It is Group practice that, following evaluation, all Court Directors are subject to annual re-election by shareholders. All Directors retired at the AGC held on 23 May 2024. The following Directors, being eligible, offered themselves for election and were elected at the AGC in 2024:

- Giles Andrews
- Akshaya Bhargava
- Evelyn Bourke
- Ian Buchanan
- Eileen Fitzpatrick
- Richard Goulding
- Michele Greene
- Patrick Kennedy
- Myles O'Grady
- Steve Pateman
- Mark Spain
- Margaret Sweeney

Patrick Kennedy and Evelyn Bourke subsequently retired from the Court on 31 December 2024. The names of Directors submitted for election or re-election are accompanied by sufficient biographical details and any other relevant information in the AGC documentation to enable the shareholder to take an informed decision on their election. The 2025 AGC is scheduled to be held on 22 May 2025 and, in line with previous AGCs, all Directors will retire from office at the date of the AGC and may choose to offer themselves for re-election.

### Organisational structure

The Group believes it has robust governance arrangements, which include a clear organisational structure with well defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, and appropriate internal control mechanisms, including sound administrative and accounting procedures, IT systems and controls. The system of governance is subject to regular internal review. These governance arrangements provide systems of checks and controls to ensure accountability and drive better decision-making, and also include policies and practices which ensure that the Court and its Committees operate effectively.

The Group's overall control systems include a clearly defined organisation structure with defined authority limits and reporting mechanisms to higher levels of management and to the Court, which support the maintenance of a strong control environment. Corporate and capital structure is a matter requiring Court approval. In accordance with section 225(2) of the Companies Act 2014, the Directors acknowledge that appropriate structures that are, in the Directors' opinion, designed to secure material compliance with the relevant obligations (as defined in section 225(1)) have been put in place. The Court reviews annually the corporate legal structure of the Group and any changes to the structure of the Group effected since the Court's previous review.

### Group Executive Committee

The most senior executive committee in the Group, the Group Executive Committee (GEC), acts in an advisory capacity to the CEO and assists the CEO in the management and leadership of the Group on a day-to-day basis, making decisions on matters affecting the operations and performance of the Group's business and the delivery of the Court-approved strategy in line with the Group's Purpose and Values.

The two Executive Directors, Myles O'Grady, CEO, and Mark Spain, CFO, are members of the GEC.

Summary biographical details on each of the GEC members are set out on the following page.

The GEC is supported by a number of senior executive committees, encompassing:

- Executive Risk Committee (ERC), which supports the GEC and Court in, inter alia, overseeing the material risks of the Group, taking a holistic approach to overseeing the effective management of risk (financial and non-financial) and monitoring the overall risk profile of the Group, as well as compliance with risk appetite and other approved policy limits.
- Group Asset and Liability Committee (ALCO), which oversees the strategic direction of the Group's assets and liabilities and the profit and loss implications of balance sheet management actions and considers the appropriate allocation of capital, funding and liquidity and market risk resources.

# Your Court *(continued)*

## Court governance *(continued)*

- Group Transformation Committee, which monitors progress on the Group's strategic transformation agenda, encompassing culture, systems and business model initiatives, ensuring they are fully aligned with the Group's Strategy, Purpose and Values and that all strategic transformation initiatives have clearly defined business and customer outcomes, along with appropriate mechanisms to track and report progress.
- Enterprise Data Strategy Forum, which is a refreshed forum replacing the previous executive-level Data Management Board to further progress the Group's data strategy, monitor progress against agreed metrics and provide intervention when needed, and maintain continued alignment with the Group strategy, particularly the Group IT and Digital strategies; and
- Announcements Committee, which, oversees compliance with the Group's Market Abuse Regulation obligations.

In addition to the Group CEO and Group CFO, whose biographical details can be found on pages 165 to 167, the GEC is currently composed of the following Members:

**Ciarán Coyle**
*Chief Operating Officer*

Ciarán was appointed Group Chief Operating Officer in January 2024 and leads the Group's technology, digital, data, payments, change delivery and information and cyber security teams, He joined Bank of Ireland from Ulster Bank / NatWest Group where he held the position of Managing Director, Retail Banking and previously served as Chief Operating Officer for Ulster Bank. Ciarán has a deep understanding of banking from a customer, technology, digital and people leadership perspective.

Ciarán is a University of Limerick graduate (BSc in Technology and Communications) and has also completed the Singularity University Executive Leadership in Technology Innovation programme. He is a certified Bank Director (Institute of Bankers) and holds a Diploma in Company Direction (Institute of Directors).

**Matt Elliott**
*Chief People Officer*

Matt Elliott was appointed to the role of Chief People Officer for the Group in February 2019. He is responsible for transforming the culture of the Bank that is welcoming to all, where all can thrive. Prior to that he was Group People Director with Virgin Money. Under Matt's leadership, Virgin Money successfully acquired and integrated Northern Rock. Matt was part of the executive team who successfully listed the company on the London Stock Exchange, and created a company widely acknowledged to be a cultural leader in the UK.

A passionate advocate for inclusion and diversity, Matt appeared as a leading ally in the Financial Times lists for gender, ethnicity and LGBT+, the first leader to appear in all three lists.

**John Feeney**
*Chief Executive Officer, Corporate and Commercial Banking*

John was appointed Chief Executive, Corporate and Commercial Banking in November 2024, leading a division which serves customers in all of the markets in which Bank of Ireland does business – Ireland, the UK, France, Germany, Spain and the US.

John joined the Group as Head of Property, Project and Asset-Backed Finance. Prior to this he was Head of European Banking at Mizuho Bank and has held a range of senior roles at Lloyds Banking Group, Henderson Global Investors and Bank of America Merrill Lynch.

John holds an MSC from the London School of Economics and is a Chartered Financial Analyst (CFA) charter holder.

**Gail Goldie**
*Chief Executive Officer, Bank of Ireland (UK)*

Gail was appointed Bank of Ireland (UK) CEO in January 2024 to lead the delivery of the next phase of Bank of Ireland's UK strategy. She joined Bank of Ireland from Tesco Bank where she served as Chief Banking Officer, prior to which she held senior management positions in Barclays (UK) including Managing Director, Unsecured Lending and Managing Director, Premier Banking. Gail also previously held leadership roles in Santander (UK) and American Express. Gail is a graduate of the University of Warwick (BSc Management Science).

**Gavin Kelly**
*Chief Executive Officer, Davy and Wealth*

Gavin was appointed Chief Executive, Davy and Wealth in July 2024 to lead the Group's Wealth and Insurance division, which comprises wholly owned Bank of Ireland subsidiaries Davy and New Ireland Assurance.

Since joining Bank of Ireland in 2007 Gavin has held a number of senior management positions, including Interim Group Chief Executive from 3 September until 16 November 2022. He has also served as Chief Executive of the Group's Corporate and Commercial Banking division and its Retail Ireland division.

Before joining the Group, Gavin held a number of senior product and marketing roles in Permanent TSB, having previously worked in branch banking and marketing at AIB. Gavin holds a Commerce degree and an MBS from University College Dublin. He is also a Certified Bank Director and currently President of the IOB (Institute of Bankers).

# Your Court *(continued)*

## Court governance *(continued)*

**Rhys Kiff**
*Chief Risk Officer*

Rhys was appointed Group Chief Risk Officer in January 2025. An experienced risk professional, Rhys joined Bank of Ireland from Barclays where he has held several senior global leadership roles including Chief Risk Officer for Barclays Europe, Group Head of Liquidity Risk Management, Global Head of New Products and Group Credit Risk Director. He has extensive experience of wholesale and retail banking and traded products from both a market and credit risk perspective and has been instrumental in delivering change programmes across all aspects of risk management.

Rhys holds a degree in Mathematics & Philosophy from Oxford University.

**Áine McCleary**
*Chief Customer Officer*

Áine McCleary was appointed to the role of Chief Customer Officer in May 2023 as an advocate for the customer across the entire Group. She joined Bank of Ireland in 2000 and has held a wide variety of senior roles in Global Markets and Retail Banking, as well as playing a leadership role in the Group's acquisition strategy.

Áine served as President of the Institute of Banking from 2018 to 2019. A business graduate of University College Dublin, she holds a Master's Degree in Business Studies from the Smurfit School of Business. She is a Certified Bank Director, a Fellow of the Institute of Banking and a Group NED of BoIMB and of BoI (UK) Plc.

**Sarah McLaughlin**
*Group Secretary and Head of Corporate Governance*

Sarah was appointed Group Secretary and Head of Corporate Governance in September 2019. She joined from AIB where she held the role of Group Secretary and Head of Corporate Governance, having previously held a variety of roles across corporate governance, finance and private banking.

Sarah is responsible for assisting the Governor in establishing the policies and processes the Court needs to function effectively and advising the Court on all governance matters.

Sarah is a University College Dublin graduate (BA, Economics and Geography) and has completed a number of further studies with the Institute of Bankers and the Compliance Institute.

**Susan Russell**
*Chief Executive Officer, Retail Ireland*

Susan has more than 20 years' experience in Financial Services both in Ireland and the UK. As CEO of Retail Ireland, Susan is responsible for over 2.2 million active customers across all segments including mass market, premier, youth and vulnerable customers. Retail Ireland's distribution channels encompass the branch network and contact centres along with a wide range of digital banking options. A full suite of retail banking products and services are offered through these channels including mortgages, loans and everyday banking. Susan holds a Bachelor of Commerce degree and Masters in Business Studies from University College Dublin.

Susan is a Group NED of New Ireland Assurance Company and is President of the Banking and Payments Federation of Ireland.

**Oliver Wall**
*Group Chief of Staff and Head of Corporate Affairs*

Oliver joined Bank of Ireland as Group Chief of Staff in 2017, taking on additional responsibility as Head of Corporate Affairs in 2019. He joined the Bank from HSBC, where he was Head of External Affairs UK and Europe. Oliver previously held a range of roles in both the public and private sectors, including working in the Department of the Taoiseach. Oliver represents the Bank as a Director on the Irish Banking Culture Board.

# Your Court *(continued)*

## Court governance *(continued)*

### Subsidiary governance

The interaction between the Court and the boards of our strategically significant subsidiaries is closely monitored. The Governor meets regularly with the Chairs of these subsidiaries to ensure good communication and alignment and attends a number of subsidiary board meetings during the year. The Court receives reports conducted on the effectiveness of these significant subsidiaries.

In accordance with the Group's Subsidiary Governance Policy, a number of the Independent NEDs serve on subsidiary boards. This enhances information flows and, where appropriate, the escalation of matters requiring Court attention.

- Steve Pateman succeeded Ian Buchanan in December 2024 as a NED on the Board of BoI (UK) plc and a member of its Risk Committee.
- Eileen Fitzpatrick, Richard Goulding, and Michele Greene are Independent NEDs on the Davy Board. Eileen is the Chair of Davy's Board Risk and Compliance Committee and a member of its Audit Committee. Richard is the Chair of the Remuneration Committee and a member of the Board Audit and Nominations Committees. Michele is the Chair of the Nominations Committee and a member of the Board Risk and Compliance and Remuneration Committees.
- Steve Pateman is an Independent NED on the Board of Bank of Ireland Mortgage Bank (BoIMB) and a member of its Audit Committee.
- Margaret Sweeney is an Independent NED on the Board of New Ireland Assurance Company and a member of its Audit, Risk and Remuneration Committees.

Subsidiary Committee Chairs and the equivalent Court Committee Chairs also engage on their respective areas of responsibility, as appropriate. The Chairs of the established Audit and Risk Committees of the material subsidiaries attend and present at the CAC and CRC annually to provide an account of the subsidiary Court Committees' activities in these key areas and to engage in private session with the Court NEDs in the absence of management.

The Group Subsidiary Governance Policy is reviewed annually by the Group Secretary and triennially by the N&G and Court, with material amendments proposed by the Group Secretary following her annual review to be proposed to the N&G and Court for approval.

The Policy sets out the key aspects of the Group's governance and oversight mechanisms, clear escalation routes where issues may arise to ensure they are addressed, and governance standards required of subsidiary entities. It also includes the required procedure should any party in the Group wish to set up a new Group subsidiary or entity in which the Group will have a controlling interest.

The Group's corporate simplification programme was established in 2011 to reduce the number of Group subsidiaries, thereby simplifying the corporate structure with a view to generating efficiencies, and cost savings and reducing risk. Since its inception, this programme has enabled the Group to remove one hundred and forty-seven entities, including thirteen in 2024, reducing the Group size to sixty-six subsidiaries. Further simplification is planned for 2025.

The Group's subsidiary, BoIMB, is required to comply with the CBI Requirements. Due to the retirement of two INEDs in H2 2022, BoIMB did not comply with Sections 19.1 and 22 of the CBI Requirements, while the previously reported matter relating to the minimum number of INEDs was addressed by December 2023, the requirement to have an Audit Committee, was not fully addressed until April 2024.

During the period to April 2024, the BoIMB Board and the CAC enhanced their focus on BoIMB Audit Committee areas of responsibility.

On 30 November 2024, the BoIMB Chief Risk Officer departed the Group, meaning that BoIMB was not complaint with Section 12.1 of the CBI Requirements being the requirement to have a CRO.

A proposal to address that requirement was discussed with the BoIMB Board and advised to the Regulator and was dependent on the appointment of the Group CRO which took effect on 8 January 2025.

The gap of having a formal BoIMB CRO role-holder will be addressed early in 2025. All risk management activities are outsourced to the Group and the Group is satisfied that there is no diminution in the risk management oversight and control activities during this interim period pending the appointment of a dedicated CRO to BoIMB. The BoIMB Board continues to receive risk and control updates and reports to enable it to discharge its oversight accountabilities appropriately.

# Report of the Court Nomination & Governance Committee



Akshaya **Bhargava**
*Chair*

Dear Shareholders,

On behalf of the Court Nomination & Governance Committee (the 'Committee' or the 'N&G'), I am pleased to introduce the report on the Committee's activities for the year ended 31 December 2024.

### Committee responsibilities

The Committee's key responsibilities include:

- leading the process for nominations and renewals for Court and Court Committees as appropriate, and making recommendations in this regard to the Court for its approval;
- ensuring plans are in place for orderly succession to both the Court and GEC, and overseeing the development of a diverse pipeline for succession;
- considering and making recommendations to the Court in respect of the appointment of Key Function Holders;
- keeping Court governance arrangements under review and making appropriate recommendations to the Court to ensure corporate governance practices are consistent with best practice standards; and
- overseeing subsidiary governance arrangements to ensure that appropriate and proportionate governance arrangements are in place for Group subsidiaries, including in relation to the composition of the Boards of the Group's material subsidiaries.

### Committee membership and meeting attendance

Details on Committee Members, Committee meetings and attendance at meetings during 2024 are outlined below.

| Committee Meetings | Eligible to attend | Attended |
|---|---|---|
| Patrick Kennedy | 6 | 6 |
| Eileen Fitzpatrick | 6 | 6 |
| Richard Goulding | 6 | 6 |
| Evelyn Bourke | 6 | 6 |

### Committees activities in 2024

While not intending to be an exhaustive list of the Committee's considerations and activities in 2024, a number of areas that were subject to Committee focus during the year are outlined below.

# Report of the Court Nomination & Governance Committee *(continued)*

## Matters considered and action taken by the Committee in 2024

### Court composition, renewal, succession and effectiveness

**Committee considerations**

The Committee continued its focus on ensuring that the Court and its members, both collectively and individually, possess the skills, knowledge and experience necessary to oversee, challenge and support management in the achievement of the Group's strategic and business objectives. NEDs ordinarily serve two three-year terms, with any appointments beyond this to be determined on an annual basis with reference to the needs of the Court and the performance and contribution of the individual NED.

On behalf of the Court, the Committee oversaw a number of changes to Court composition during 2024, including the appointment of Akshaya Bhargava and the retirements of Patrick Kennedy and Evelyn Bourke. Further details on the Court changes that took place during 2024 can be found on page 179.

The Committee continued to review the composition of Court Committees and oversaw a number of Committee changes, and the rotation of key Court roles during the year, as follows:

- with effect from 1 January 2024, Ian Buchanan was appointed as Chair of the RC, succeeding Steve Pateman, and Michele Greene was appointed as Chair of the CRC, succeeding Richard Goulding;
- with effect from 28 February 2024, Richard Goulding was appointed as Chair of the CAC, succeeding Evelyn Bourke; and
- with effect from 28 February 2024, Evelyn Bourke was appointed WED, succeeding Eileen Fitzpatrick, which she held until her retirement on 31 December 2024. Akshaya Bhargava will assume the WED role during 2025 for a defined period.

The Committee leads the process by which the Directors are assessed on appointment, and on an ongoing basis, to ensure continued suitability for their roles on the Court. The Committee makes a recommendation to the Court as to the continued suitability of each Director, and the Court as a collective, based on the outcome of certain due diligence checks and skills assessments. This process is considered alongside the annual independence assessment and outcome of the annual effectiveness process and forms the basis on which each Director is proposed to shareholders for election or re-election each year.

In the context of Court succession planning, the Committee also spent time considering candidate profiles for the potential future appointment to the Court having due regard for the required evolution of the Court over the medium term, the Group's strategy, and the environment in which it operates.

The Committee will continue to monitor the market for potential candidates for appointment to the Court in both the short and medium term, to ensure that the Court has a pipeline of credible successors and continues to be equipped to discharge its responsibilities effectively.

External search firms are leveraged for Court appointments and during 2024, Board Works Ltd and MWM Consulting were engaged to facilitate NED searches. Egon Zehnder and Spencer Stuart continued to facilitate the special purpose committee established to oversee the search for a Court Governor into early 2024, which resulted in the successful selection of Akshaya Bhargava who was appointed to the role on 1 January 2025. A separate report on the Governor's tenure and succession can be found on page 168.

The Court recognises the importance of diversity, and the strengths diversity brings to the overall effectiveness of the Court.

Diversity is taken into account in its broadest sense when considering succession plans and appointments at Court and senior management levels, as well as more broadly across the Group, to ensure it is reflective of the markets and societies served by the Group.

The Court is committed to having a diverse Court, to achieving the targets set and to ensuring an open and fair recruitment and selection process. The Committee has regard for the targets set by the Court to (1) have a minimum of 40% female representation on the Court, with a medium-term aspiration to have broadly equal gender representation; and (2) achieve minority ethnic representation. At the end of 2024, the Court was comprised of three females and seven males, equating to 30% female representation. The Court intends to address female representation on the Court through active succession planning activities. The appointment of Akshaya Bhargava on 12 January 2024 enhanced the Court's minor ethnic minority representation. Further information on the Court's profile can be found on page 171.

The Committee is also mindful of the expectation that a woman holds at least one of the senior Court positions of Governor, CEO, SID or CFO. At 31 December 2024, Court roles were held by males. The Committee intends to address this expectation as part of it's succession planning activities and will take into account the need for greater diversity when considering candidates for appointment to these roles. Further details on activities to improve diversity across senior management and the wider workforce, together with representation statistics, can be found on page 87. The Court Diversity Policy is available at www.bankofireland.com/about-bank-of-ireland/corporate-governance.

**Committee conclusion**

The composition of the Court remains compliant with applicable regulations and is appropriate in the context of the nature, scale and complexity of the Group and the locations and the sectors in which it operates. Appropriate plans are in place for orderly succession to the Court.

Each Director continues to be suitable to perform their roles on the Court and to bring the requisite knowledge, skills, experience, and integrity, thereby ensuring the collective suitability of the Court.

MWM Consulting, Egon Zehnder and Spencer Stuart are all based in London with teams who have international reach and provide board and management search services. None of these companies have any connection with the Company other than in a recruitment capacity. Board Works Ltd provides similar services to the Irish market generally and through this work has engaged with firms associated with individual Directors on occasion. Board Works Ltd has no connection with the Company other than in a recruitment capacity.

A further update on the outcome of active search and succession processes will be provided to the market at the appropriate juncture.

# Report of the Court Nomination & Governance Committee *(continued)*

## Matters considered and action taken by the Committee in 2024 *(continued)*

### Effectiveness evaluation

**Committee considerations**

The Committee oversaw the design of and approach to the 2023 internal Court evaluation process, which was reported on in the 2023 Annual Report.

Having regard to the appointment of a new Governor from 1 January 2025, on the recommendation of the Committee, the Court elected to undergo an external effectiveness review in 2024, a year earlier than required. The Court engaged Bvalco Limited, a UK firm, as the external review partner. The review commenced in Q4 2024 and is due to conclude in Q1 2025. Bvalco Limited has no connection with the Company other than in the capacity as external court effectiveness review partner.

**Committee conclusion**

The Committee reviewed the 2023 internal Court effectiveness evaluation in January 2024 and determined that the Court had been effective during 2023. This was reported on in the 2023 Annual Report.

The Committee is satisfied with the approach to the annual effectiveness process for 2024, which ensures focus on continuous improvement, and will report on its outcome in the 2025 Annual Report.

An assessment of the effectiveness of individual directors was also carried out during Q4 2024 by the Governor Designate, with support from the outgoing Governor. This enables the Court to confirm directors' continued effectiveness in role in the 2024 Annual Report.

### Executive level appointments, succession and diversity profile

**Committee considerations**

On behalf of the Court, the Committee considered a number of GEC and Key Function Holder appointments during 2024 and Q1 2025, satisfying itself as to the outcome of suitability and fitness and probity assessments, and at all times, with due regard to succession planning.

The Committee also continued to monitor the gender and ethnic diversity profile of the Group and to challenge the Executive on data, progress and enhancement activities in that regard.

**Committee conclusion**

The Committee supported the appointment of the:

- Group Chief Operating Officer, who took up his role in January 2024;
- CEO, Davy & Wealth, who took up his role in November 2024;
- CEO, Corporate & Commercial Banking, who took up his role in November 2024;
- Interim Group Chief Strategy Officer, who took up his role in January 2025; and
- Group Chief Risk Officer, who took up his role in January 2025.

A GEC succession plan is in place to ensure the orderly succession of GEC positions in the event of any departures. The Committee continues to work with the Group CEO and Group Chief People Officer to ensure the Group is positioned to respond to departures by maintaining access to and awareness of the external market and through the focused development of internal talent.

The Committee considered the process to determine the appropriateness of individuals being appointed to or holding Key Function Holder roles across the Group and made recommendations to the Court in that regard.

In terms of the wider Group diversity profile, the Group is targeting enhancements in gender and ethnic diversity representation across the workforce and the Committee continues to challenge the Executive in that regard.

The GEC currently has 33% female representation, which is unchanged from 2023. The direct reports of the GEC have 49% female representation, which is a decrease from 51% in 2023, but remains higher than the 44% reached in 2022. Female appointments in managerial roles were 46% in 2024, slightly below the target of 50:50. Female representation in managerial bands has increased slightly to 40%, compared to 39% in 2023 and 38% in 2022, with the total population of women holding senior roles having grown by 7% in the year from 832 in 2023 to 893 in 2024. The Court recognises that progress is being made and that more is required, and the Committee will continue to oversee the Group's activities to ensure progress is made in diversity and inclusion at Bank of Ireland.

# Report of the Court Nomination & Governance Committee *(continued)*

## Matters considered and action taken by the Committee in 2024 *(continued)*

### Group and Court level governance

**Committee considerations**

The Committee continued to assess the Group and Court governance arrangements to ensure that they operated in line with all applicable corporate governance requirements and best practice standards.

During 2024, the Committee considered and approved, where relevant:

- the Individual Accountability Framework Policy to ensure compliance with and preparedness for the newly introduced senior executive accountability regime;
- the Group Code of Conduct;
- the Annual Corporate Governance Statement of compliance with the CBI Requirements for filing with the CBI;
- updates on corporate governance developments;
- the Capital Requirements Directive Compliance Statement;
- corporate governance disclosures;
- the Group's Fitness and Probity and Suitability Assessment Policy;
- the Court terms of reference and matters reserved for the Court;
- the Committee terms of reference and annual calendar;
- the Court Conflicts of Interest Policy;
- the Director Assessment Policy;
- the Court Training, Development and Induction Policy;
- the Group Subsidiary Governance Policy;
- the Group's corporate structure; and
- the Court Diversity Policy and progress against targets set out therein.

The Committee approved internal policies to ensure continued compliance with all applicable corporate governance requirements and best practice governance standards, including enhancements required to ensure compliance with the Individual Accountability Framework.

More detail on the Group's compliance with corporate governance requirements and practices can be found on pages 204 to 205.

**Committee conclusion**

Appropriate Group and Court-specific polices are in place to facilitate the Court in the effective discharge of its duties and in ensuring a robust governance framework.

### Subsidiary governance

**Committee considerations**

Subsidiary governance remained a key feature of the Committee's agenda during 2024 and the Committee:

- oversaw all appointments to the boards of each of the Group's Tier 1 material subsidiaries;
- received updates on the succession plans for each of the Group's Tier 1 subsidiaries;
- considered the outcome of effectiveness evaluations conducted in relation to the boards of the Group's Tier 1 material subsidiaries;
- received updates on the activities of established nomination committees of the Group's Tier 1 material subsidiaries via minutes of their committee meetings;
- received updates on the status of compliance with the relevant governance codes for each of the Tier 1 subsidiaries. This included updates in relation BoIMB's non-compliance with Section 12.1 of the CBI Requirements being the requirement to have a BoIMB Chief Risk Officer. Actions were agreed to mitigate future recurrence and were advised to this Committee;
- reviewed the Group's Tier 1 subsidiary boards' terms of reference and matters reserved for the Court and shareholder;
- reviewed the Group corporate structure, including all subsidiary entities to ensure adequate oversight of smaller subsidiary entities was in place throughout the corporate structure; and
- approved updates to the Group Subsidiary Governance Policy, to provide greater clarity to all stakeholders as to the approach to and requirements of applicable regulations and best practice guidelines on both the Group and the subsidiaries.

**Committee conclusion**

The Committee is satisfied that the action taken in response to non-compliance with the CBI Requirements in BoIMB will mitigate future recurrence of the matter. The Committee's subsidiary governance oversight activities complement the Court and Committee Chair's regular engagements with the Tier 1 subsidiary boards' respective chairs, details of which are reported to the Court.

For more information on the Committee's responsibilities go to: bankofireland.com/about-bank-of-ireland/corporate-governance.

The Committee reports to the Court on how it discharges its responsibilities and makes recommendations to the Court on key matters. A Committee effectiveness review, which is an external review for 2024, is underway as part of the wider annual Court effectiveness evaluation process and will be reviewed by the Committee and recommended to the Court for its consideration in Q1 2025. For more information on the annual effectiveness review, see page 168.



**Akshaya Bhargava**

*Chair of the Nomination & Governance Committee*

*21 February 2025*

# Report of the Court Remuneration Committee



Ian **Buchanan**
*Chair*

Dear Shareholders,

On behalf of the Group Remuneration Committee (the 'Committee'), I am delighted to introduce the report on the Committee's activities for the year ended 31 December 2024.

## Committee responsibilities

At a high level, the Committee is established by the Court to ensure that the remuneration policies and practices are designed to support the Group's strategy and promote long-term sustainable success.

The Committee is responsible for the oversight of Group-wide remuneration strategy and policy and has responsibility for:

- overseeing the design and implementation of the Group's overall remuneration strategy and remuneration policy for employees and directors, which is designed to support the long-term business strategy, values and culture of the Group, as well as to promote effective risk management and comply with applicable legal and regulatory requirements;
- overseeing the operation of Group-wide remuneration policies and practices for all employees, with specific reference to Executive Directors, Group Executive Committee (GEC) Members, Heads of Control Functions, the Group Secretary and Material Risk Takers (MRTs); and
- performing any other functions appropriate to a Remuneration Committee or assigned to it by the Court.

I was pleased that our Directors' remuneration policy received overwhelming support at the 2023 Annual General Meeting (AGM), with over 98% of shareholders being supportive of our proposals.

The Group maintains an ongoing dialogue with the Department of Finance in relation to the remaining remuneration restrictions. The Committee has also regularly reviewed the current policy since its approval at the 2023 AGM in light of the remaining restrictions.

## Committee membership and meeting attendance

Details on Committee members, Committee meetings and attendance at meetings during 2024 are outlined below. In addition to the six scheduled meetings, the Committee also held two ad hoc meetings to consider remuneration proposals for Executive Directors and GEC Members.

| Committee Meetings | Eligible to attend | Attended |
|---|---|---|
| Ian Buchanan | 8 | 8 |
| Giles Andrews | 8 | 7[1] |
| Evelyn Bourke | 6 | 5[2] |
| Eileen Fitzpatrick[3] | 2 | 2 |
| Margaret Sweeney | 8 | 8 |

[1] *Giles Andrews was unable to attend a scheduled meeting due to a prior commitment.*
[2] *Evelyn Bourke joined the Committee on 28 February 2024 and was eligible to attend six meetings, but was unable to attend one ad hoc meeting due to a prior commitment.*
[3] *Eileen Fitzpatrick stepped down from the Committee on 28 February 2024 and was eligible to attend two meetings only.*

In February 2024, Evelyn Bourke joined the Committee and took over the Workforce Engagement Director (WED) role from Eileen Fitzpatrick, who stepped down from both roles. Evelyn Bourke retired from the Court, effective 31 December 2024. The Committee thanks Evelyn for her contribution, considered focus on the wellbeing of colleagues throughout the Group, and dedication during a time which involved changes to the remuneration policy for our colleagues across the Group.

# Report of the Court Remuneration Committee *(continued)*

The Committee acts independently of the Executive and is comprised of Independent NEDs. On 31 December 2024, the Committee was comprised of four Independent NEDs from diverse backgrounds, who provide a balanced and independent view on remuneration matters. The Committee's composition is compliant with the requirements and provisions of the applicable CBI, UK and EBA Governance Codes and Guidelines.

In order to ensure that remuneration policies and procedures are consistent with effective risk management, shared membership is in place between this Committee and the CRC via Giles Andrews and the Committee Chair, who were members of both Committees in 2024.

The Group CEO, Chief People Officer, Group CRO and the Head of Reward also attend meetings, as appropriate, and at the invitation of the Committee Chair. The Governor is also invited to attend meetings when CEO performance and objectives are discussed. Representatives from PricewaterhouseCoopers LLP (PwC UK) also attend for certain topics to provide technical support and advice to the Committee in their role as remuneration adviser, including remuneration benchmarking and market pay practices.

PwC UK was reappointed as remuneration adviser by the Committee in 2024, following a review of potential advisers, the services provided and PwC's performance. The Committee confirmed that the information and support received enabled its work. PwC UK is a signatory to the voluntary code of conduct in relation to remuneration consulting in the UK. PwC UK, and its network firms, provides professional services in the ordinary course of business, including assurance, advisory, and tax advice to the Group.

The Committee is satisfied that the advice received is independent and objective and receives an annual statement setting out protocols that have been followed by PwC UK to maintain independence. There are no connections between PwC and individual Directors to be disclosed.

### Key activities of the Committee during 2024

During 2024, the Committee focused its work on reviewing and providing oversight of:

- the Remuneration Strategy and the design of the Remuneration Policy, including for our Executive Directors;
- the Group Performance Scheme (GPS), which provides all employees an opportunity to share in the success of the business based on Group and individual performance, capped at €20,000 for all employees across the Group, including Executive Directors (Davy colleagues do not participate in the GPS);
- the overall annual salary review budget for 2024 which was set at c.4%, with actual colleague salary increase levels dependent on each colleague's 2023 individual performance evaluation;
- the completion of key regulatory requirements, including approval of policies and remuneration disclosures, MRT identification, remuneration and suitability, and other regulatory matters; and
- the fees for the incoming Governor as part of the Court's process for identifying an appropriate successor to Patrick Kennedy. As part of this review, the Committee noted that the current fee, which was reduced in 2009, has remained unchanged since then. As a result, the Governor fee level is currently towards the lower quartile of fees paid for equivalent roles in the market. The Committee also noted that over the past 15 years there has been an increase in the demands and expectations of the role, including regulatory and corporate governance expectations. Noting the time commitment, experience and skills required for the role, the Committee concluded that the fee for the Governor needed to be increased to help ensure the Group can attract a candidate with the appropriate experience and expertise. In light of all these factors, the Committee determined that an appropriate fee for the new Governor was €525,000 per annum.

### Company performance and the GPS

The Committee reviewed and agreed the Group Performance Scheme (GPS) pool based on an assessment of the Group's profit performance relative to expectations set at the start of the financial year and taking into account performance against a range of financial and non-financial measures including affordability, customer and ESG (green lending, customer satisfaction and employee engagement). In making this assessment, the Committee took into consideration the following:

- strong financial performance during the year;
- the strong capital position with fully loaded CET1 ratio of 14.6%;
- good progress on improving customer satisfaction;
- improvements in the employee engagement metric;
- strong progress against our climate initiatives of increasing green / sustainable financing; and
- the performance of the Group in terms of risk management.

Based on the above assessment, the Committee approved a GPS pool for 2024. In setting this pool, the Committee considered the Group's risk profile and risk events which occurred during 2024. Approximately 10,500 eligible employees, including Executive Directors, are participating in the GPS with individual awards dependent on individual performance ratings.

### Remuneration Policy for our Executive Directors

During the year, the Committee undertook a review of the current policy which was approved at the 2023 AGM in light of the remuneration restrictions. As part of this review the Committee also considered the feedback the Group received from some of our larger shareholders at the end of 2023 who expressed a preference to accelerate the phasing of the fixed share allowance (FSA) (introduced for Executive Directors under the current policy and paid in shares subject to a three-year retention period) and also to consider a higher level of FSA beyond the current 50% maximum level.

As part of this review the Committee noted that while the Group is making strong progress towards achieving its medium-term strategic objectives, the variable pay restrictions capping variable remuneration at €20,000 limits the opportunity to create and maintain strong alignment between the interest of our Executive Directors, our long-term performance and the achievement and delivery of our strategic objectives. The Committee's review demonstrated that with the current remuneration restrictions applicable to the Group, it cannot provide the same fixed and variable pay mix as our peers and therefore, the total remuneration opportunity of our Executive Directors is significantly below desired levels to reflect the executive talent needed by the Group to deliver its strategic objectives and competitive positioning in the markets where we compete for executive talent.

# Report of the Court Remuneration Committee *(continued)*

We engaged with our shareholders representing 51% of voting rights and proxy advisors to consider their views on the proposed changes to our policy to increase the maximum levels of the FSA to 100% of salary, increase the retention period attached to the FSA shares from three-years to at least five years, for FSA awards made post 1 July 2025, and increase the shareholding requirement from 100% to 200% of salary, effective 1 July 2025, following approval at AGM in 2025. We found this engagement to be valuable and constructive and we were pleased with the level of feedback and support received. Noting the support received from shareholders, we are proposing a new Directors' remuneration policy with these changes for our shareholders' approval at the 2025 AGM. Details of the proposed changes to the policy, key factors considered including positioning versus our sector peers are set out in our Remuneration Report (pages 231 to 245 of the BoIG plc Group Annual Report 2024).

### Key elements covered in the Remuneration Report

The remuneration report provides details on:

- the review of our current Directors' remuneration policy approved by shareholders at the 2023 AGM, factors considered as part of this review, including remuneration positioning versus peers, and proposed changes to the Directors Remuneration Policy (pages 231 to 239 of the BoIG plc Group Annual Report 2024);
- the remuneration changes for the wider workforce (page 238 of the BoIG plc Group Annual Report 2024);
- the 2024 GPS outcome (page 240);
- the alignment of Executive Directors' remuneration to the wider workforce (page 238 of the BoIG plc Group Annual Report 2024);
- Director fees (page 241 of the BoIG plc Group Annual Report 2024); and
- the 2025 remuneration policy (page 234 of the BoIG plc Group Annual Report 2024).

### Workforce engagement

The Group continues to prioritise workforce engagement to good effect. The colleague engagement metric is up 24 points since it was first measured in 2017, to 75%. This is due to a number of initiatives including those undertaken by the Workforce Engagement Director (WED), who was a member of the Committee and during 2024 undertook the following:

- 'Open Door' sessions with groups of colleagues drawn from various businesses and divisional teams during which a number of items were discussed including resourcing, remuneration, hybrid working and colleague wellbeing;
- deep dive listening sessions with the Employee Relations team and UK Partners Council, including on remuneration;
- listening sessions with the Multicultural Committee and Cultural Enabler Group;
- deep dive sessions on the Group's open view results and with the Employee Relations team on mental wellbeing, stress and strain;
- a question and answers session on Executive Director remuneration, with a number of colleagues, representing the wider workforce;
- branch visits in Clonakilty, Skibbereen, Bandon and Grand Canal Square; and
- a Court and UK Board engagement session with UK colleagues.

Colleagues discussed a variety of issues with the WED, which were shared with the Court during 2024, including the positive impact of hybrid working; the pride in our family friendly policies, neuro-diversity policies and wellbeing initiatives; progress and further goals for inclusion and diversity. Areas for improvement were also identified through these WED engagements, including simplifying processes and decision-making, managing resources, and improving the GPS.

## Matters considered and action taken by the Committee in 2024

### Remuneration Policy including impact on the Group's risk profile

#### Committee considerations

- Approval of the Group remuneration strategy, including the remuneration principles
- Approval of Group remuneration policy, including the approach to MRT identification, and the governance and monitoring of that policy.
- Review of the Group risk profile and implications of remuneration policies for risk and risk management, including the GPS.
- Review of the remuneration approach for the workforce in the context of the cost of living challenges experienced by our workforce.
- Review of the subsidiary remuneration practices.
- Consideration of the Davy Group remuneration model and approval of related aspects of remuneration. Davy colleagues do not participate in the GPS but have their own variable pay schemes.

#### Committee conclusion

- Current remuneration strategy and policy, including the approach to MRT identification, is properly governed and implemented and does not lead to inappropriate risk taking.
- The Committee reviewed and agreed the GPS pool based on an assessment of the Group's profit performance relative to expectations set at the start of the financial year and taking into account performance against a range of financial & non-financial measures. The GPS is subject to the €20,000 cap on variable remuneration.
- The Committee reviewed workforce remuneration trends and provided appropriate oversight of workforce remuneration trends in the workplace.
- The Committee's desired remuneration strategy and policy continues to be the implementation of a competitive, market-aligned, performance-related remuneration model, fully compliant with regulatory requirements, which will allow the Group to clearly link Group culture and values, risk culture, customer outcomes and Group performance to remuneration and enable the achievement of the Group's strategic objectives. However, during 2024, due to the remaining remuneration restrictions, this has yet to be fully achieved.
- In 2024, the Committee continued to provide oversight of remuneration governance of its subsidiaries, including subsidiary remuneration policies and practices.

# Report of the Court Remuneration Committee *(continued)*

## Matters considered and action taken by the Committee in 2024 *(continued)*

### Remuneration disclosure

**Committee considerations**
- Approval of the Pillar 3 disclosures, the Remuneration Report, and the CSRD Remuneration disclosures.
- Approval of the publication of the RoI Gender Pay Gap Report.
- Consideration of remuneration disclosures for variable remuneration and FSAs for Persons Discharging Managerial Responsibility.

**Committee conclusion**
- Current remuneration-related disclosures are appropriate.
- The Committee approved the publication of the RoI Gender Pay Gap Report.
- Disclosures continue to reflect good remuneration practice, strong governance and shareholder expectations.

### Governance and review of remuneration practice

**Committee considerations**
- Approval of the Group Remuneration Strategy and Policy.
- Approval of the approach to the identification of MRTs, which forms part of the Group Remuneration Policy.
- Approval of Group MRT list and the review of MRT suitability.
- Review of workforce remuneration, top earners, and compliance with the remaining remuneration restrictions.
- Review of regulatory developments.
- Review of internal audits relevant to remuneration policy or practice.

**Committee conclusion**
- There is good governance around remuneration, particularly of Executive Directors, senior management, senior officers in independent control functions and those who could materially impact the Group's risk profile (MRTs).
- The Committee has responsibility for MRTs, including oversight of their remuneration and ongoing suitability in role.
- There is good governance around reviewing regulatory developments. The outcome of internal audits relevant to the remuneration policy and practice are reviewed annually.
- Compliance with UK Code Principle R, that Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, wider circumstances and associated provisions and guidance, is based on operating within the relevant terms of the agreement in place with the Irish State. Specifically, under the terms of this agreement and a partial release, a very limited variable remuneration scheme has been designed, but it remains capped at €20,000 under the remaining restrictions of this agreement. The Group fully adheres to these principles and associated provisions and guidance in the design, implementation and operation of variable remuneration structures, as far as is possible under the remaining restrictions.
- The Committee keeps aspects of remuneration and reward for the Governor, Executive Directors, senior management (i.e. members of the GEC) and the wider employee population under review. In determining remuneration arrangements for Executive Directors, regard is given to the conditions of the wider workforce. Wider workforce engagement on pay arrangements at the Group takes place with the Group's Staff Representative Bodies.

### Performance and Remuneration of senior management

**Committee considerations**
- Oversee the operation of Group-wide remuneration policies and practices for all employees, with specific reference to Executive Directors, GEC members, Heads of Control Functions, the Group Secretary, and MRTs.
- Approve the Group CEO's annual performance assessment, performance objectives, and remuneration terms.
- As part of the annual performance review process, assess whether the GEC's collective knowledge and expertise remains appropriate given the Group's risk profile.
- Review of the approach to remuneration of Senior Officers in independent control functions.
- Benchmarking and approval of changes to remuneration of senior management (existing and incoming).
- Review of Executive Director Remuneration Policy and practice, with a view to clarity, simplicity, risk predictability, proportionality and alignment to culture.
- Engagement with the Department of Finance on Executive and senior management remuneration in the context of the remaining remuneration restrictions.

**Committee conclusion**
- There is an appropriate process in place to assess the performance of senior management through Thrive, the Group's performance appraisal process. This includes the review of the Group CEO's annual performance assessment, performance objectives and remuneration terms.
- Changes to senior management remuneration are properly assessed and approved, in line with the Remuneration Policy and regulatory requirements, including the performance and remuneration of Executive Directors.
- Through the performance review process, there is an appropriate process in place to annually assess that the GEC's collective knowledge and expertise remains appropriate given the Group's risk profile.
- The Committee provides oversight of the remuneration of Senior Officers in independent control functions at the time of appointment and at least annually thereafter.
- Workforce remuneration and appropriate benchmarking trends are reviewed in advance of reviewing and setting Executive Director and senior management remuneration.
- An appropriate process is in place to review the Remuneration Policy and practice in relation to Executive Directors and all colleagues. Oversight of the Remuneration Policy includes particular focus on clarity, simplicity, risk predictability, proportionality and alignment to culture for Executive Directors.
- The Committee approved the design of the GPS for all colleagues in the Group.
- The Committee supported the Group's ongoing dialogue with the Department of Finance in relation to the remaining remuneration restrictions.

# Report of the Court Remuneration Committee *(continued)*

## Matters considered and action taken by the Committee in 2024 *(continued)*

### Group Governor and subsidiary NED fees

**Committee considerations**

- Review of the fees paid to the Governor and NEDs of subsidiary boards.

**Committee conclusion**

- The Committee reviewed and agreed that an increase in the all-inclusive fees for the Governor role is required to attract a candidate with the appropriate experience and skills, and to reflect the time commitment required.
- The review of subsidiary NED fees considered the time since the fees were last changed, market benchmarking, and workforce remuneration trends during the same time period. Subsidiary NED fees are kept under review, with a view to attracting and retaining NEDs with the necessary knowledge, skills and experience required for each major regulated subsidiary.
- The remuneration of Group NEDs is not a matter for the Committee and is instead reviewed by the Governor of the Court in consultation with the Group CEO, the Chief People Officer and the Group Company Secretary. Group NED fees are determined by the non-conflicted members of the Court within the limits set by shareholders in accordance with the Constitution. Remuneration for all Group NEDs does not include share options or other performance-related elements. No director is involved in deciding their own remuneration outcome.

For more information on the Committee's responsibilities, go to: bankofireland.com/about-bank-of-ireland/corporate-governance

The Committee reports to the Court on how it discharges its responsibilities and makes recommendations to the Court on key matters. An external effectiveness evaluation of the Court and its Committees is underway for 2024, and that evaluation will be reviewed by the Court in Q1 2025. The Committee continuously highlights the challenge faced, as a result of the remuneration restrictions, in discharging the Committee's duties and ensuring that the Group's remuneration policies and practices are designed to support strategy and promote long-term sustainable success and to ensure that executive remuneration is aligned to company purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy. Whilst the partial release of the remuneration restrictions was welcome progress toward a normalised pay environment, the remaining cap on variable remuneration will continue to impact the attraction and retention of key talent and the structure of pay for senior roles, which will remain predominantly fixed, by necessity.



**Ian Buchanan**

*Chair of the Court Remuneration Committee*

*21 February 2025*

# Report of the Court Audit Committee



Richard
**Goulding**
*Chair*

Dear Shareholders,

Having been appointed as Chair of the Court Audit Committee (the 'Committee' or 'CAC'), in February 2024, I am pleased to present my first report as Committee Chair. On behalf of the Committee, I am pleased to introduce the report on the Committee's activities for the year ended 31 December 2024.

### Committee responsibilities

As defined in the Terms of Reference, the Committee is responsible for monitoring the quality and integrity of the financial statements, and, in collaboration with the Court Risk Committee (CRC), it oversees the effectiveness of the Group's internal controls, including accounting, financial reporting, and risk management systems.

Based on the oversight activities of the CAC and the oversight activities of the CRC, the Committee is satisfied that a strong financial risk management and control environment is in place and that internal controls over financial reporting were appropriately designed and operating effectively during the year. The Committee maintains specific focus on protecting the interests of the shareholders in relation to internal controls as they relate to financial reporting.

The Committee also evaluates the independence and performance of GIA and the external auditor, KPMG, and considers and recommends the interim and annual financial statements to the Court for approval.

During 2024, the Committee continued to oversee the updates to the Group's Speak Up Policy and related processes which are in place to support colleagues to confidently and confidentially raise concerns identified in the workplace.

### Committee membership and meeting attendance

Details on Committee Members, Committee meetings and attendance at meetings during 2024 are outlined below.

| Committee Meetings | Eligible to attend[1] | Attended |
|---|---|---|
| Richard Goulding | 12 | 12 |
| Evelyn Bourke[2] | 5 | 5 |
| Eileen Fitzpatrick | 12 | 12 |
| Michele Greene | 12 | 12 |
| Steve Pateman | 12 | 12 |
| Margaret Sweeney | 12 | 12 |

[1] *These included three meetings held in conjunction with the CRC to consider the impairment charges being applied to the 2023 financial statements and the 30 June 2024 interim financial statements and to receive specific internal control updates relevant to both committees.*
[2] *Evelyn Bourke stepped down from the Committee with effect from 28 February 2024.*

The Committee met twelve times during 2024 with three of these meetings being joint meetings with the CRC. The composition of the Committee changed during 2024, with my appointment as Committee Chair coinciding with the departure of Evelyn Bourke from the Committee on 28 February 2024. Following this transition the Committee composition went from six NEDs to five NEDs.

Common membership between the Committee and the CRC was maintained during 2024 through the membership of both committees of Steve Pateman, Michele Greene (Chair of the CRC), and I; this facilitates appropriate co-ordination and effective governance across key areas of internal control.

# Report of the Court Audit Committee *(continued)*

The Committee acts independently of the Executive. All members of the Committee are INEDs with relevant financial experience and their biographies can be found on pages 165 to 167. The Committee members possess extensive expertise in financial markets, treasury, risk management, and IFRS. The Committee's composition meets all applicable requirements, including the necessity for recent and relevant financial experience and proficiency in accounting or auditing.

The Committee members collectively offer a wide and varied array of relevant knowledge and experience, enhancing effective governance.

Members maintain their knowledge base on relevant Committee matters through continuous development opportunities, Court deep dives and training.

The Group CFO, Group Financial Controller, the Group Chief Internal Auditor (GCIA), the Group CEO, the Group Chief Compliance Officer and the Group CRO each attend meetings of the Committee, when appropriate and at the Committee's request.

The Committee also holds private sessions with members of senior management. During 2024, the Committee met in private session (excluding other executive management members) with each of the Internal and External Audit teams, the Group CFO and the Group CEO.

### Committee Activities in 2024

While not intending to be an exhaustive list of the Committee's considerations and activities in 2024, a number of areas that were subject to Committee focus during the year are outlined below.

### Group Internal Audit

In monitoring the activities and effectiveness of GIA, the Committee approved the Internal Audit Charter, the annual audit plan (and subsequent changes thereto), the skills and capabilities assessment and budget, including resources, and reviewed progress against the plan throughout the year.

The Committee received regular reports from GIA detailing internal audit activities across the Group which outlined details of the audit approach, management engagement and areas identified during audits requiring further strengthening across the Group's risk management and internal control framework. These reports also covered matters of relevance to the Committee's assessment of the effectiveness of the internal controls over the financial reporting processes. Reports are rated based on the strength of the control environment in operation and an assessment of the maturity of the risk management framework implementation. In conjunction with the GIA reports, the Committee considers management's responses to and the timeliness of the remediation of, identified issues on key audits. The Committee also considered the Quality Assurance Review Report from GIA.

In 2024, the Committee oversaw the implementation of the improvement actions from the 2023 External Quality Assessment of GIA. Significant progress has been made, with recommendations now implemented. The Committee remains committed to ensuring GIA's high standards and will continue to monitor the remaining actions to ensure timely completion.

As part of my appointment as Chair of the CAC I have also taken up the role of Sponsor of the Speak Up Policy, which is owned by GIA and was reviewed and approved by the Committee during 2024. The Speak Up Policy, processes and procedures remain under regular review to ensure their continued appropriateness and alignment with the Protected Disclosures Act and to monitor actions being taken to increase awareness of Speak Up across the Group. Considering the Committee's oversight of GIA and the ongoing enhancement actions, the Committee is confident that the quality, experience, and expertise of the GIA function are appropriate for the business.

### External audit

The Group's external auditor, KPMG was appointed as the Group's external auditor on 19 April 2018, following an external tender process and has since been re-appointed as external auditor on an annual basis. The Committee oversees the Group's relationship with KPMG, and KPMG's lead audit partner for the Group attends Committee meetings.

During the year, the Committee considered KPMG's terms of engagement (including remuneration), independence and objectivity, audit quality / performance and plans for the interim review and year-end audit. The Committee also assessed KPMG's findings, conclusions and recommendations arising from the interim review and year-end audit.

The Committee considers that the Group has appropriate safeguards in place to protect the independence and objectivity of KPMG. The Committee operates a policy to regulate the use of KPMG for non-audit services, to ensure compliance with the revised Ethical Standard for Auditors (Ireland) 2020 from the Irish Auditing Accounting Supervisory Authority (IAASA), the Financial Reporting Council's revised Ethical Standard 2019 and applicable legislation.

In order to ensure the objectivity and independence of the external auditor, the policy formalises certain restrictions on the provision of non-audit services and requires that all non-audit services provided by KPMG must be approved in advance by the Committee, or, if out of cycle with regular Committee meetings, by the Committee Chair, prior to engagement with KPMG. Additional provision is made for the approval by certain members of senior management of non-material services. Annually, details of expected non-audit services for the coming year are presented to the Committee for pre-approval. Any proposed additional services exceeding these levels require additional specific pre-approval.

The fees paid to KPMG for the year ended 31 December 2024 amounted to €8.8 million (2023 restated[1]: €7.9 million), of which €2.3 million (2023: €1.2 million) was payable in respect of assurance services. Assurance services represented 35% of the statutory audit fee (2023 restated[1]: 18%). Further information on fees paid and details in respect of audit and assurance services provided during the year are set out in note 13 to the consolidated financial statements 'auditor's remuneration'. The interim review fee of €0.2 million is reflected on the assurance services line as in similar years and is included in the statutory fee.

[1] *As outlined in the Group accounting policies (note 1), comparative figures have been restated to reflect the additional fee recognised in 2024 income statement for incremental demands in the period.*

# Report of the Court Audit Committee *(continued)*

In considering the independence and effectiveness of the external audit process, the Committee reviewed the robustness and quality of performance across key categories of process, delivery, reporting, people and service. The Committee concluded that it was satisfied with the independence, quality and performance of KPMG in respect of the year ended 31 December 2024.

### Financial reporting

A key activity for the Committee is the consideration of significant matters relating to the annual and interim financial report, with key accounting judgements and disclosures subject to in-depth discussion with management and KPMG. The Committee provides robust challenge to key judgements in advance of making a recommendation to the Court that all financial reports are considered to be a fair, balanced and understandable assessment of the Group's financial position.

The CAC and CRC continued their specific focus on the approach to and implementation of management judgement (including overlays) for the Expected Credit Loss (ECL) models to account for the expected impairment arising from elevated interest rates, climate risk, geopolitical events and other risks, prior to the publication of the interim and year-end financial statements.

Much of this consideration took place in conjunction with the CRC, following which the Committees made recommendations to the Court regarding the approach and quantum of the proposed net impairment loss applied to the Group's financial statements.

The Committee also considers, provides challenge to and ultimately recommends, the annual and semi-annual Pillar III Disclosures to the Court for approval. It also considers and approves the Country-by-Country report required under the CRD which requires each specified institution to disclose annually, specifying, by country of establishment, the follow information on a consolidated (prudential) basis for the financial year: a) Name(s), nature of activities and geographical location; b) Turnover; c) Number of average employees on a full time equivalent basis (FTE); d) Profit or loss before tax; e) Tax on profit or loss; and f) Public subsidies received.

Further information on some of these significant items is set out in note 2 Critical Accounting Estimates and Judgements. Overall, the Committee was satisfied that the 2024 Annual Report, including the financial statements, is fair, balanced and understandable.

## Matters considered and action taken by the Committee in 2024

### IFRS 9 and impairment of financial instruments

#### Committee considerations

The Committee reviewed management papers and discussed and challenged management judgements used in determining the following, based on IFRS 9 requirements:

- correct classification and measurement of financial instruments;
- model parameter updates incorporating FLI;
- Group management adjustments to reflect management judgement in impairment model parameters and other Post-Model Management Adjustments; and
- net impairment loss for the year; and quantum of NPEs.

The Group's approach to measuring impairment is set out in the Court-approved Group Credit Risk Policy and in more detail in the Group Impairment Policy. The Group Impairment Policy is approved by the Group Credit Risk Committee and includes the Group's criteria for allocating financial instruments to stages, the method used to measure impairment for each material portfolio, core impairment model methodologies and the criteria for classifying financial assets as NPEs.

The impairment models are approved for use by the Risk Measurement Committee and are maintained and executed by a specialist central unit within Group Risk.

The Committee reviewed the impact of key model changes and of management overlays made during the year.

The Committee is satisfied that the classification and measurement of financial assets, stage allocations, model parameter updates (including FLI), impairment loss allowances and the net impairment loss for the year, has been appropriately determined in accordance with the Group's methodologies and IFRS 9. The Committee is also satisfied that the associated disclosures were appropriate based on the relevant accounting standards including IAS 1 and IFRS 7.

The Committee, in conjunction with the CRC, considered and made recommendations to the Court regarding the approach to and measurement of the proposed net impairment loss applied to the Group's 2024 financial statements.

The full year impairment loss allowance reflects impairment increases relating to underlying portfolio activity (primarily in the Corporate Banking Division) and model methodology enhancements partially offset by improvements in the overall macro-economic outlook versus FY23 and reductions in the level of post model adjustments.

# Report of the Court Audit Committee *(continued)*

## Matters considered and action taken by the Committee in 2024 *(continued)*

### Northridge Commissions

**Committee considerations**

The UK motor finance industry continues to face complaints and court claims related to historical commission arrangements. In January 2024, the Financial Conduct Authority (FCA) announced a review under Section 166 (s166) of the Financial Services and Markets Act 2000 to examine historical motor finance commission arrangements and sales across several firms. The FCA has indicated that if widespread misconduct and customer harm are found, they will determine the best way to remediate consumers through an appropriate settlement arrangement in an orderly, consistent, and efficient manner. They may also resolve any significant legal issues that arise. Management believes there is an obligation for the Group's UK Northridge motor finance business, pending the outcome of the s166 review and following the ruling of the UK Court of Appeal in October 2024 to uphold three appeals in favour of the customer claimants.

**Committee conclusion**

The Committee reviewed and challenged management's assessment of the requirement to recognise a provision, the possible outcomes considered, the weighting attached to each outcome, and the resulting amount of provision recognised. The Committee also considered the disclosures proposed by management, including in relation to key assumptions made and the range of possible outcomes. In performing this review, the Committee considered the input of internal and external legal experts and the decision by the UK Supreme Court to accept an appeal of the Court of Appeal ruling. The committee also noted the application by both the FCA and HM Treasury to intervene in the Supreme Court hearing in January 2025. On the basis of the review performed, and considering the requirements of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', the Committee is satisfied with management's recommendation that a provision is to be recognised at 31 December 2024 and that the disclosures included in note 39, Provisions, are appropriate.

### Retirement benefit obligations

**Committee considerations**

The Committee considered management's key assumptions and judgements used in determining the actuarial values of the liabilities of each of the Group's sponsored defined benefit pension schemes under IAS 19 'Employee Benefits'. Management considered advice from independent actuaries, Willis Tower Watson, for the determination of significant actuarial assumptions. The key assumptions proposed by management and considered by the Committee were the discount rates, inflation rates and mortality assumptions applied in valuing liabilities in both Ireland and the UK.

**Committee conclusion**

The Committee, having considered the advice of the independent actuaries, is satisfied that the inflation rates, discount rates, mortality assumptions and other significant assumptions are appropriate and that the accounting for the Group's sponsored defined benefit pension schemes and related disclosures are in accordance with IAS 19.

### IFRS 17 and Life assurance accounting

**Committee considerations**

The Committee considered management's key assumptions and judgements used in determining the value of the insurance contract liabilities. The key assumptions underlying the insurance contract liabilities were the interest rate and unit growth rates, lapse rates, mortality, morbidity and expenses. Interest rates and unit-growth rates are based on a range of duration-specific rates determined by a risk-free yield curve including an allowance for illiquidity premium. Interest rates are based on market information and are determined using the top-down approach for the annuity portfolios and the bottom-up approach for other contracts, as permitted under IFRS 17 'Insurance contracts'.

**Committee conclusion**

The Committee is satisfied that the significant assumptions are appropriately applied and that the accounting for the Group's insurance contract liabilities is appropriate, based on the requirements of IFRS 17.

### Intangible assets - capitalisation and impairment

**Committee considerations**

The Committee considered the appropriateness of management's internal controls and governance surrounding the capitalisation of costs related to intangible assets, recognised under IAS 38 'Intangible Assets'. The Committee also considered management's assessment of the existence of impairment indicators in respect of certain intangible computer software assets and the impact on the carrying value of those assets, in accordance with IAS 36 'Impairment of Assets'.

**Committee conclusion**

The Committee considers the level of the impairment charge to be recognised in 2024, and the policy in relation to the capitalisation of costs related to intangible assets, as reasonable and in line with the requirements of IAS 36 and IAS 38.

# Report of the Court Audit Committee *(continued)*

## Matters considered and action taken by the Committee in 2024 *(continued)*

### Deferred taxation

**Committee considerations**

The Committee considered the extent of Deferred Tax Assets (DTAs) to be recognised in respect of unutilised tax losses and in particular the projections for future taxable profits against which those losses may be utilised. In order for the Group to recognise these assets, it must be probable that sufficient future taxable profits will be available against which the losses can be utilised.

The Group has prepared financial projections which are used to support the Group's ICAAP. The financial projections are prepared for the purpose of the Group's assessment of its capital adequacy. They are subjected to considerable internal governance at a divisional and Group level and are reviewed and approved by Executive management and the Court. Management's assessment of the projections determined that it was probable that there would be sufficient taxable profits in the future to recover the DTA recognised arising from unused tax losses.

In relation to DTA arising from Irish tax losses carried forward by The Governor and Company of the Bank of Ireland (the 'Bank') management considered the following:

- IAS 12 provides that a DTA can only be recognised when it is probable that taxable profits will be available against which the losses and deductible temporary differences can be utilised;
- The disclosure impact of the minimum rate of Corporation tax of 15% enacted into Irish legislation in December 2023 and the related amendments to IAS 12.
- The most recent financial projections indicate a recovery period of 4 years for the Irish DTA and thus the DTA relating to trading losses carried forward is recognised in full at 31 December 2024.

**Committee conclusion**

The Committee discussed with management its assessment of the recoverability of the DTA and the related disclosures. The Committee agreed that the Irish DTA should be recognised in full and that the related disclosures are as required under IAS 12 'Income Taxes'.

### Davy goodwill impairment assessment

**Committee considerations**

The Committee considered management's assessment of impairment indicators in relation to the goodwill recognised following the Group's acquisition of J&E Davy (Davy) in 2022. The Committee reviewed and challenged management's key assumptions and judgements in relation the calculation of the recoverable amount. These assumptions included cash flow projections, the discount rate and the growth rate.

Cash flow projections are based on internal management information for a period of up to 5 years, after which a long-term growth rate appropriate to the business is applied.

The initial 5 years' cash flows are consistent with approved plans for the business prepared under the Group's ICAAP process.

**Committee conclusion**

The Committee is satisfied that the key assumptions are appropriate, and no impairment of Goodwill is required at 31 December 2024.

### Viability statement

**Committee considerations**

In accordance with the requirements of the UK Corporate Governance Code, the Committee considered whether it had a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of assessment and made a recommendation to the Court in that regard. This required a robust assessment of the principal risks facing the Group, including those that would threaten its business model and future performance, solvency and liquidity.

**Committee conclusion**

The Committee undertook a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity and concluded that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. The Group adopted a three-year period, having regard to existing relevant process and frameworks, which are performed over time periods ranging from six months to three years.

### Going concern

**Committee considerations**

The Committee considered management's assessment of the appropriateness of preparing the financial statements of the Group for the year ended 31 December 2024 on a going concern basis. In making this assessment, matters considered included the performance of the Group's business, profitability projections, funding and capital plans, under both base and plausible stress scenarios, including consideration of a range of other factors such as the economic outlook for the Irish economy and the current global macroeconomic and geopolitical environment. The considerations assessed by the Committee are set out on page 384 in the Going Concern disclosure within the Accounting Policies in note 1 to the consolidated financial statements.

**Committee conclusion**

On the basis of the review performed and the discussions with management, the Committee is satisfied that there are no material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern over the period of assessment. This assessment together with the Going Concern disclosure (as set out on page 227) was subsequently approved by the Court.

# Report of the Court Audit Committee *(continued)*

## Matters considered and action taken by the Committee in 2024 *(continued)*

### Corporate sustainability reporting

**Committee considerations**

The Committee has reviewed management's ESG process and the assessment of ESG topics that impact the Group's business, as well as those influenced by the Group's operations, in alignment with the CSRD including:

- informing the Court of the outcome of the statutory audit and the outcome of the assurance of CSRD reporting and explaining how the statutory audit and the assurance of CSRD reporting contributed to the integrity of financial reporting and sustainability reporting respectively, and what the role of the audit committee has in that process;
- monitoring the CSRD reporting process and the process carried out by the Group to identify the information reported is in accordance with the European Sustainability Reporting Standards adopted, and submitted recommendations / proposals to ensure their integrity;
- monitoring the effectiveness of the Group's internal control framework and risk management systems and its internal audit, regarding CSRD reporting of the Group, without breaching its independence;
- monitoring the assurance of the annual and consolidated sustainability reporting, where applicable, in particular its performance, taking into account any findings and conclusions by the any competent authority; and
- monitoring the independence of the statutory auditors or the audit firms, and in particular the appropriateness of the provision of non-audit services to the Group.

Over the course of the year, the Committee convened three times to evaluate all the material aspects of the CSRD reporting. This included two reviews of the DMA and a joint workshop with the GSC to review and refine the comprehensive suite of disclosures. The Committee has endorsed the Group's CSRD reporting process, providing assurance to the Court for their consideration.

**Committee conclusion**

The Committee is satisfied that the Group's FY24 CSRD disclosures are appropriate and in line with the ESRS reporting requirements.

### IT risk

**Committee considerations**

The Committee considered and discussed management's assessment of IT risks and the ongoing risk management programme to identify, rate, mitigate and report on IT risks, including GIA and KPMG's findings of the internal control environment and actions arising therefrom.

**Committee conclusion**

On the basis of the review performed, discussions with management and the continued operation of the comprehensive internal control framework over financial reporting, the Committee is satisfied that these risks do not impact financial reporting processes.

The Committee also:

- sought updates from senior management on key audit findings;
- dedicated time to the consideration of semi-annual Regulatory Reporting updates;
- considered updates from the Audit Committee Chairs and Head of Audit for each of the BoI (UK) plc, Davy, NIAC, and BoIMB subsidiary Audit Committees, as well as minutes of each Committee meeting; and
- reviewed talent development in and succession planning for the Finance function.

A full list of responsibilities is detailed in the Committee's terms of reference, which can be found in Board / Court Committees on the Group Website: bankofireland.com/about-bank-of-ireland/corporate-governance



**Richard Goulding**

*Chair of the Court Audit Committee*

*21 February 2025*

# Report of the Court Risk Committee



Michele
**Greene**
*Chair*

Dear Shareholders,

On behalf of the Court Risk Committee (the 'Committee' or 'CRC'), I am pleased to present the report of the Committee's activities for the year ended 31 December 2024. This report outlines the responsibilities of the CRC, its membership and meeting attendance, the matters it has considered over the course of the year, and the Committee's future priorities.

## The Committee's role and responsibilities

The CRC has overall non-executive responsibility for the oversight of the risks and risk-related matters affecting the Group. Key responsibilities include:

- assisting the Court in ensuring that risks are properly identified, reported, assessed, and controlled;
- ensuring that the Group's strategy is informed by and aligned with its risk appetite across a range of dimensions;
- making recommendations to the Court or approving, under delegation, certain risk matters and maintaining oversight of the Group's risk profile, including adherence to the Group's risk principles, policies, and standards; and
- overseeing the implementation of the Group's Risk Management Framework, constituent policies, adherence to risk appetite and management of risk within operational limits.

To achieve our Group Strategy it is essential that we have a clear and robust RMF setting out the Group wide approach to risk management. We believe that great risk management leads to great customer outcomes. Guided by our purpose and values the Group's RMF simplifies our approach to risk management and enhances our risk capability while helping us achieve our Strategic pillars of stronger relationships, simpler business and sustainable company. A robust risk culture is fostered across the Group, reflecting the collective awareness, attitudes, and behaviours of all colleagues.

## Committee focus during 2024

During 2024, the Committee focused on the financial and non-financial risks arising from the macroeconomic environment and geopolitical tensions that emerged throughout the year. 2024 saw changes in the trajectory of both interest rates and inflation, along with substantial political events, including but not limited to elections in the Republic of Ireland, the UK, the USA, and France. Significant focus was applied by CRC to understanding the potential impact of these events and overseeing management's approach to the changing risk environment. The full impact of these political changes is yet to be realised.

The macroeconomic environment in 2024 was characterised by falling CPI inflation but subdued Gross Domestic Product (GDP) growth in both the Euro area and the UK, as the impact of squeezed real incomes and higher official interest rates took hold. In this context, Ireland's underlying economic performance remained robust, with strong growth in consumer spending, employment, and tax revenues. Following the October budget, UK gilt yields rose to their highest level in two decades, accompanied by softer macroeconomic data and business surveys. To address the risks inherent in the Group's portfolio and operations, the Committee discussed the Group's risk profile and responses to these economic challenges and any associated novel risks.

The Group's RMF is the foundation stone for how we manage risk. Our process driven risk control approach for operational risks is critical to building operational resilience throughout the Group. A key focus of the Committee is the oversight over the continued embedding of this approach across the Group.

The Committee reviewed a number of deep dives into both financial and non-financial risk areas across the Group. These were led by the relevant senior First Line of Defence business leaders, together with an independent assessment of these areas by senior members of Group Risk, our Second Line of Defence function.

# Report of the Court Risk Committee *(continued)*

Areas of focus in these deep dives included the Group's Credit Risk profile and its Cyber posture, Data quality and its Operational Resilience including an assessment of readiness for future requirements such as the Digital Operational Resilience Act, the latter of which was undertaken in joint session with the GTOC, which had a mandate to support the Court in overseeing, supporting, and challenging management's execution of strategic technology transformation.

The Committee partners with other Court-mandated committees where appropriate to ensure that a holistic approach is taken to business concerns, covering a wide range of business and risk activities.

The Committee recommended to the Court a Credit Risk Transfer transaction providing credit protection on US$1.5 billion of the Leveraged Acquisition Finance loan portfolio and a whole loan sale of legacy NPE assets in material arrears, facilitating the Group achieving its NPE target.

The Committee considered an assessment of any potential read across to the Irish market from the UK discretionary commission practices for motor finance, the outcome of which did not suggest any unfair treatment of customers.

Other areas of focus during 2024 included Conduct Risk and assessments of the regulatory landscape, together with the Group's adherence to regulatory guidance and expectations. The Committee also discussed and submitted for approval to the Court, a risk appetite statement for ESG risk issues, including measures related to climate risk. The Committee recognises that climate risk concerns will grow in importance, and risk mitigation capabilities will evolve as this risk lens is further developed. Another area of focus was the Group's modelling capabilities and its adherence to regulatory expectations. Models represent an important feature of any financial institution, and this is fully recognised by the Committee.

The Committee continued to oversee the implementation of the Group's RMF, which encapsulates the risk philosophy of the Group and its practice of effective risk management.

### Committee Effectiveness & Member Attendance

Details of all Committee Members, Committee meetings and attendance at meetings during 2024 are outlined below:

| Committee Meetings | Eligible to attend | Attended |
|---|---|---|
| Michele Greene | 16 | 16 |
| Akshaya Bhargava[1] | 16 | 14 |
| Giles Andrews | 16 | 16 |
| Evelyn Bourke[2] | 5 | 5 |
| Ian Buchanan | 16 | 16 |
| Richard Goulding | 16 | 16 |
| Steve Pateman | 16 | 16 |

[1] *Akshaya Bhargava stood down from the Committee on 31 December 2024 in readiness for taking up the Court Governor role on 1 January 2025. He was unable to attend two meetings due to previously signalled conflicts.*
[2] *Evelyn Bourke stood down from the Committee with effect from 27 February 2024.*

The Committee met a total of twelve times on a standalone basis in 2024. The Committee met jointly with GTOC to discuss the risk aspects of investment allocation and three times with the GSC to consider ESG matters. Committee members also joined three sessions with the CAC to discuss impairment. These joint meetings and inter-committee communications allow the CRC to oversee risk more comprehensively across these important areas of common interest and overlap.

The Committee acts independently of the Executive and comprises six INEDs. Committee members have extensive knowledge of financial markets, consumer banking, risk management, as well as broad experience in technology, digital and operations. There is also a keen awareness of the importance of taking all reasonable steps to ensure good customer outcomes. The Members' biographies can be found on pages 165 to 167.

Court consideration of risk-related issues is enhanced by Members serving on more than one Court sub-committee. There is common membership between the CRC and each of the CAC, RC, GTOC and GSC is maintained as follows:

| Committee | Common Members with the CRC |
|---|---|
| CAC | Richard Goulding, Steve Pateman, Michele Greene |
| RC | Giles Andrews, Ian Buchanan |
| GTOC | Giles Andrews, Ian Buchanan, Richard Goulding, Michele Greene |
| GSC | Giles Andrews, Michele Greene |

The Committee holds private sessions with senior management, during the year. During 2024, the Committee met in private sessions (without other members of executive management being present) with each of the Group CRO, Group Chief Compliance Officer and the Group CEO.

The Group CRO has full access to the Committee and normally attends all meetings. The GCIA and members of the wider Executive also attend meetings as appropriate and at the invitation of the Committee Chair.

The Committee supported the Group CEO in the process to identify a new Group CRO during 2024, with Stephen Roughton-Smith having signalled his intent to depart the Group. Rhys Kiff assumed the Group CRO role on 8 January 2025. On behalf of the Committee, I would like to thank Stephen for his contribution to the Group during his tenure and welcome Rhys to the Group.

The Committee's effectiveness is reviewed formally on an annual basis. As referenced in the Governor's Report, the 2024 annual Court and Committee effectiveness review is being facilitated by Bvalco. The review concludes in March 2025 and will be reported in the 2025 Report. Progress is being made on enhancement actions identified during the 2023 review.

### How the Committee discharged its responsibilities

#### Activities outside formal meetings

The CRC held a number of meetings outside its regular schedule to facilitate deeper and more effective oversight of the risks impacting the Group.

# Report of the Court Risk Committee *(continued)*

These included meetings with management and briefings on key areas of focus, including in relation to the RMF, AML and Cyber Risk. As CRC Chair I meet members of management regularly on key topics and formally with the Group CRO and his team in advance of each formal meeting to ensure preparedness for effective and efficient Committee meetings.

### Connectivity with material subsidiary risk committees

During 2024, the CRC continued to actively engage with material subsidiary risk committees through the scheduled participation of material subsidiary risk committee chairs at relevant CRC meetings. This meeting is also attended by the subsidiary CROs.

This participation and connectivity promotes the sharing of information and best practices between the CRC and material subsidiary risk committees. The CRC also receives reports via the Group CRO at its regular meetings on the key risks facing material subsidiaries.

These interactions enhance the CRC's understanding of the risk profile of the Group, leading to a comprehensive review and challenge by the CRC.

### Engagement with executive risk committees

During 2024, the CRC continued to receive reports on the considerations of three key executive risk committees on material topics, namely the ERC, the ALCO and the Risk Measurement Committee. Further details on these executive risk committees can be found on page 179.

These reports and regular interactions with executive risk committee chairs and members provide insights into the strength of the Group's executive governance capabilities and the due regard with which material risk topics are considered and challenged by management.

While not intended to be exhaustive, the table below sets out the number of Committee considerations and conclusions across key topics during the year.

## Matters considered and action taken by the Committee in 2024

### Credit risk

**Committee considerations**

- The Committee reviewed and challenged a number of 'deep dives' into credit risk portfolios during the year.
- Customer affordability constraints are easing as inflation and interest rates decline. Commercial property market conditions are still challenging but are showing signs of recovery. These macro-economic trends support the improvement of key impairment metrics such as the level of NPEs.
- Credit risk early warning indicators are reviewed regularly by the Committee to monitor trends in key portfolios and challenge management on actions underway.

**Committee conclusion**

- Credit quality is satisfactory and improving. The Group's key economies are stable or growing and the impact of elevated inflation and interest rates is moderating. NPEs continue to decline.

### Capital adequacy risk

**Committee considerations**

- Regular reviews are undertaken to ensure that Regulatory and Fully Loaded capital ratios have appropriate buffers above the Group's own minimum targets and regulatory requirements. The CRC considered the impacts of future capital requirements and capital availability and reviewed in detail the ICAAP, including stress scenarios.

**Committee conclusion**

- The Group holds sufficient capital to meet its regulatory and business requirements over its planning horizon.

### Funding and liquidity risk

**Committee considerations**

- Regular reviews are undertaken to ensure that the Group is compliant with all risk appetite measures and regulatory liquidity requirements. The Committee reviewed the results of regular stress testing and of the ILAAP.
- The Group's Recovery Plan Status remained at BAU during 2024.

**Committee conclusion**

- The Group continues to be fully compliant and has no issues with market access or pricing.
- The Group remains vigilant to macro events where potential triggers specific to the Group's business model (e.g. decline in Irish housing market) or Group specific (e.g. regulatory fine for past misconduct) could lead to negative market reaction, impact on financials or further regulatory impact. The Group has mitigating actions in place for such events including monitoring of social media activity, volatility in the wider sector, communication plans and recovery and resolution planning.

# Report of the Court Risk Committee *(continued)*

## Matters considered and action taken by the Committee in 2024 *(continued)*

### Market risk

**Committee considerations**
- Regular reviews are undertaken to ensure that the Group is compliant with all risk appetite measures across credit spread risk, discretionary risk, VaR and scenario-based stress testing.

**Committee conclusion**
- The Group continues to be fully compliant with risk appetite.

### Operational risk

**Committee considerations**
- Managing Operational risk continues to be a key focus for the Group, due to the complexity and volume of change, the IT infrastructure, cyber risk, and reliance on and management of third-party suppliers. The CRC focuses on ensuring the Group has an effective framework for managing operational risk, including enhancing policies to ensure that appropriate risk mitigation standards are explicit and comprehensive, and that residual risk reporting captures the potential for negative outcomes. In 2024 the Committee conducted deep dives into a variety of operational risks to monitor compliance with risk mitigation standards and oversee the effectiveness of controls.

**Committee conclusion**
- The Group continues to enhance and refine its approach to Operational risk management, noting progress made during 2024 on Operational Risk Reduction Plans and the ongoing implementation of the RMF. The adequacy of the risk organisation in respect of Operational Risk oversight will continue to be an area of focus of the committee in 2025.

### Regulatory risk

**Committee considerations**
- Managing Regulatory Risk continues to be a key focus for the Group due to the complexity, pace, and volume of regulatory change to be managed. The CRC continued to experience a busy regulatory and compliance agenda in 2024 with a range of regulatory inspections across risk types.

**Committee conclusion**
- The Group has applied lessons learned from previous regulatory failings. The Group continues to meet its regulatory and compliance requirements.

### Conduct risk

**Committee considerations**
- The effective management of Conduct risk is essential to serving our customers and creating the right culture. In 2024, the CRC considered deep dives on aspects of Conduct risk including customer protection, market integrity, data privacy and financial crime. The Committee also considered reports on the treatment of vulnerable customers and customers in financial difficulty.

**Committee conclusion**
- The Group continues to prioritise Conduct risk matters and seeks to minimise any forms of customer harm or detriment.

### Business and strategic risk

**Committee considerations**
- The CRC recognises the risks in delivering the approved strategy and supporting Business Plans, particularly in the context of geopolitical conflict and the knock on impact of this on supply chains and global growth. The Committee also monitors any changes in the market that may impact the business model.

**Committee conclusion**
- The Committee annually considers the risk impact of Strategic updates including review and challenge of underlying macro assumptions underpinning the Group strategic plans. The Committee considers the impact of ongoing geopolitical uncertainty on the operating environment and monitors the aggregate risk profile against risk appetite limits to determine sensitivities and potential impact on operations and customers.

# Report of the Court Risk Committee *(continued)*

## Matters considered and action taken by the Committee in 2024 *(continued)*

### Data risk

**Committee considerations**

- Given the importance of data in underpinning the Group's digital strategies, the Committee has continued to focus on data management including: (i) the Roadmap to migrate remaining data onto the Group's strategic data infrastructure (ii) the operating model for managing data, and (iii) embedding of data controls.

**Committee conclusion**

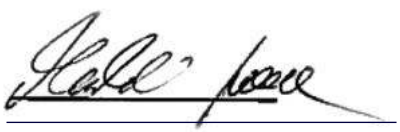
- The Committee conducted a deep dive into data management and Financial & Regulatory reporting. The Committee continued to challenge management on the uplifting of data and reporting policy standards and controls.

A full list of responsibilities is detailed in the Committee's terms of reference, which can be found in Board / Court Committees on the Group Website: bankofireland.com/about-bank-of-ireland/corporate-governance

### The Committee's future focus

Looking ahead, the Committee will continue to oversee the Group's management of both economic and geopolitical issues across both financial and non-financial risk areas. It will pay particular attention to the Group's management of the impact of interest rates and inflationary pressures and their impact on the Group's risk profile. The Committee will remain actively engaged with management to address emerging and ongoing risk themes, ensuring the Group operates within its Court-approved risk appetite. Additionally, it will maintain its emphasis on the progress of process-led risk management, the strengthening of operational resilience, and the strategic role of data in advancing digital initiatives.

This has been a busy year, and I would like to express my gratitude to my fellow directors for their support. A special thanks to Evelyn for her significant contributions to the Committee over the past three years.



**Michele Greene**
*Chair of the Court Risk Committee*

*21 February 2025*

# Attendance table

Court and Committee composition and attendance at scheduled meetings in 2024.

| | Court | | Audit Committee | | Nomination & Governance Committee | | Remuneration Committee | | Risk Committee | | Group Transformation Oversight Committee | | Sustainability Committee | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | B | A | B | A | B | A | B | A | B | A | B | A | B |
| Giles Andrews | 9 | 9 | | | | | 8 | 7 | 16 | 16 | 8 | 8 | 8 | 7 |
| Akshaya Bhargava | 9 | 9 | | | | | | | 16 | 14 | 6 | 6 | | |
| Evelyn Bourke *(retired 31 December 2024)* | 9 | 9 | 5 | 5 | 6 | 6 | 6 | 5 | 5 | 5 | | | 8 | 8 |
| Ian Buchanan | 9 | 9 | | | | | 8 | 8 | 16 | 16 | 8 | 8 | | |
| Eileen Fitzpatrick | 9 | 9 | 12 | 12 | 6 | 6 | 2 | 2 | | | | | 8 | 8 |
| Richard Goulding | 9 | 9 | 12 | 12 | 6 | 6 | | | 16 | 16 | 8 | 8 | | |
| Michele Greene | 9 | 9 | 12 | 12 | | | | | 16 | 16 | 8 | 8 | 8 | 8 |
| Patrick Kennedy *(retired 31 December 2024)* | 9 | 9 | | | 6 | 6 | | | | | 8 | 8 | | |
| Myles O'Grady | 9 | 9 | | | | | | | | | | | | |
| Steve Pateman | 9 | 9 | 12 | 12 | | | | | 16 | 16 | | | | |
| Mark Spain | 9 | 9 | | | | | | | | | | | | |
| Margaret Sweeney | 9 | 9 | 12 | 12 | | | 8 | 8 | | | | | | |

*Column A: Indicates the number of meetings held during the year the Director was a member of the Court and / or the Committee and was eligible to attend.*
*Column B: Indicates the number of meetings attended.*

# Report of the Directors

### Results
In 2024, the Group made a profit before tax of €1,826 million (2023: €1,915 million) and an after tax profit of €1,506 million (2023: €1,581 million).

### Dividends
On 25 July 2024, the Bank declared and approved an interim dividend of €351 million, equivalent to 1 cent per unit of ordinary stock, payable to its parent, BoIG plc. This dividend was paid in November 2024. On 20 February 2025, the Bank declared and approved a final dividend of €868 million, equivalent to 3 cent per unit of ordinary stock, payable to its parent, BoIG plc in respect of the year ended 31 December 2024. Combined with the interim ordinary dividend of €351 million, this is equivalent to a dividend payout of 4 cent per unit of ordinary stock in respect of the full year ended 31 December 2024.

### Group activities
The Group provides a range of banking and other financial services. The Strategic Report on pages 3 to 157 and Financial Review on pages 158 to 181 of the BoIG plc Group Annual Report 2024 contain a review of the results and operations of the Group, of most recent events, and of likely future developments. In relation to the Group's business, no contracts of significance to the Group within the meaning of LR 6.1.77(10) of the Euronext Dublin (formerly the Irish Stock Exchange) Listing Rules existed at any time during the year ended 31 December 2024.

### Principal Risks and Uncertainties
Information concerning the Principal Risks and Uncertainties facing the Group is set out on pages 151 to 159.

### Financial risk management objectives and policies
Information regarding the financial risk management objectives and policies of the Group, in relation to the use of financial instruments, is set out in note 25. The Group's approach to risk management is aligned to BoIG plc, the Bank's immediate and ultimate parent. Further information can be found in the BoIG plc Group Annual Report 2024.

### Capital stock
At 31 December 2024, the Group had 32,363,275,074 units of issued ordinary stock of €0.05 each. Further detail on the structure of the Group's capital is set out in note 44.

### Takeover bids regulations
The disclosures required by the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006 are set out in the Schedule to the Report of the Directors on page 229 of the BoIG plc Group Annual Report 2024.

### Directors
The names of the members of the Court of Directors of the Company at 31 December 2024, together with a short biographical note on each Director appear on pages 165 to 167. At the AGC held on 23 May 2024, Margaret Sweeney and Akshaya Bhargava were elected following their appointment to the Court on 1 October 2023 and 12 January 2024, respectively; Giles Andrews, Evelyn Bourke, Ian Buchanan, Eileen Fitzpatrick, Richard Goulding, Michele Greene, Patrick Kennedy, Myles O'Grady, Steve Pateman and Mark Spain were re-elected.

### Remuneration
See Remuneration Report on pages 231 to 245 of the BoIG plc Group Annual Report 2024.

### Directors' and Secretary's interests
The Directors and Secretary had no interests in the stock / securities of the Bank or its Group undertakings at 31 December 2024 and no change to this provision has been disclosed to the Bank under the provisions of article 19 of the Market Abuse Regulation occurring between the end of the year under review and 24 February 2025.

### Listing rules disclosures
Information required under UK Listing Rule LR 9.8.4C can be found on pages 240 to 245 of the BoIG plc Group Annual Report 2024 for Directors' Emoluments and above under 'Group activities' for Contracts of Significance.

### Substantial stockholdings
All ordinary stock of the Bank was held by its parent company, BoIG plc, at 31 December 2024. There were no other interests disclosed to the Bank in accordance with the Market Abuse Regulation and Part 5 of the Transparency Regulations and the related transparency rules during the period from 31 December 2024 to 24 February 2025.

### Corporate governance
The Company is subject to the 2018 UK Corporate Governance Code published by the Financial Reporting Council in the UK (UK Code) and the Irish Corporate Governance Annex to the Listing Rules of Euronext Dublin (formally the Irish Stock Exchange). The Corporate Governance Statement forms part of the Report of the Directors. Statements by the Directors in relation to the Bank's compliance with the CBI's Corporate Governance Requirements for Credit Institutions 2015 (CBI Requirements) and additional requirements of Appendix 1 and Appendix 2 of the CBI Requirements for High Impact Designated Institutions, and Credit Institutions which are deemed 'Significant' Institutions (for the purposes of the CRD IV), respectively, are set out on page 176.

### Directors' compliance statement
As required by Section 225 of the Companies Act 2014, as amended, of Ireland, the Directors acknowledge that they are responsible for securing the Company's compliance with its 'relevant obligations' (as defined in that legislation). The Directors further confirm that a compliance policy statement has been drawn up, and that appropriate arrangements and structures have been put in place that are, in the Directors' opinion, designed to secure material compliance with the relevant obligations. A review of those arrangements and structures has been conducted in the financial year to which this report relates.

### Political donations
Political donations are required to be disclosed under the Electoral Acts 1992 to 2014. The Directors, on enquiry, have satisfied themselves that there were no political donations made during 2024.

### Branches outside the State
The Bank has branches in the UK, France, Germany, the US and Spain.

### Going concern
The Directors have considered the appropriateness of the going concern basis in preparing the financial statements for 2024 on page 227, which forms part of the Report of the Directors on page 204, in the Corporate Governance Statement.

# Report of the Directors *(continued)*

### Viability statement

In accordance with the requirements of the UK Code, the Directors have assessed the viability of the Group, taking account of the Group's current position and the potential impact of the principal risks facing the Group.

The Directors have selected a three-year period for this assessment, reflecting the time horizon that they consider fits with the various risk and planning frameworks taken into account in arriving at the viability statement.

The Directors have assessed the prospects of the Group through a number of frameworks, including the ICAAP, the ILAAP, each of which include an assessment of the uncertain geopolitical environment and the macro-economic outlook, the monitoring of key risks identified under the Group's risk identification process by the ERC, the CRC and the Court (see page 256 of the Risk Management Report of the BoIG plc Group Annual Report 2024), and the assessment of Principal Risks and Uncertainties (pages 151 to 159) together with the Group's strategic direction as set out in the Strategic report (pages 3 to 157 of the BoIG plc Group Annual Report 2024). Within the Principal Risks and Uncertainties, the Directors consider Credit risk, Funding and Liquidity risk and Capital Adequacy, together with ESG risk (including climate risk), Operational risk and Digital to be the most relevant to the viability assessment.

The ICAAP facilitates the Court and senior management in adequately identifying, measuring and monitoring the Group's risks and ensures that the Group holds adequate capital to support its risk profile. ICAAP is subject to review by the Group's prudential regulator, the ECB Single Supervisory Mechanism (SSM). Underpinning the ICAAP, the Group prepares detailed financial projections under both a base case and a stress case.

Base case projections are prepared using consensus macroeconomic forecasts together with Group-specific assumptions, and the stress case is prepared based on a severe but plausible stress economic scenario, (BoIG plc Risk Management Report section 3.2).

The ICAAP demonstrates that the Group has sufficient capital under both the base and stress case scenarios to support its business and achieve its objectives, having regard to Court approved risk appetite and strategy, and to meet its CRD IV regulatory capital, leverage and liquidity requirements.

The economic impact of uncertainty in the geopolitical environment has been among the items considered in anumber of areas of the Group's ILAAP, which demonstrates that the volume and capacity of liquidity resources available to the Group are adequate to support its business model, to achieve its strategic objectives under both business as usual (BAU) and severe but plausible stress scenarios and to meet regulatory requirements including the LCR and NSFR. The Directors confirm that their assessment of the principal risks facing the Group, through the processes set out above, was robust. Based upon this assessment, and their assessment of the Group's prospects, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2026.

### Accounting records

The Directors ensure that adequate accounting records are kept at Baggot Plaza, 27-33 Upper Baggot Street, Dublin 4, D04 VX58, through the appointment of suitably qualified competent personnel, the implementation of appropriate computerised systems and the use of financial and other controls over the systems and the data.

### Auditor

KPMG, Chartered Accountants, were appointed statutory auditor on 19 April 2018. They have been re-appointed annually since that date and will continue in office in accordance with section 383(2) of the Companies Act 2014.

### Relevant audit information

The Directors in office at the date of this report have each confirmed that as far as they are aware, there is no relevant audit information of which the Group's Auditor is unaware; and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

### Sustainability reporting

In accordance with Part 28 of the Companies Acts 2014, the Group has prepared a Sustainability statement for the year ended 31 December 2024. This Sustainability statement is set out on pages 8 to 139 and represents a dedicated section of the Report of the Directors. New Ireland Assurance Company plc, a subsidiary of the Group, has availed of an exemption from preparing a Sustainability statement pursuant to section 1598 of the Companies Act 2014.

### Non-financial information

Information required in accordance with the EU (disclosure of non-financial and diversity information by certain large undertaking and groups) Regulations 2017 (the 'Irish NFRD Regulations') can be found in the Sustainability Statement on page 153 of the BoIG plc Group Annual Report 2024.

### Key intangible resources

The Group's intangible resources, which it depends on and are a source of value creation for the Group, are set out in note 29 Intangible assets and goodwill.

### Post balance sheet events

These are described in note 57 to the financial statements.



**Akshaya Bhargava**
*Governor*



**Richard Goulding**
*Deputy Governor*

*The Governor and Company of the Bank of Ireland*
*Registered Office, 2 College Green, Dublin 2*

*21 February 2025*

# Financial Statements

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# Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Independent Auditor's Report set out on the following pages, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditor in relation to the financial statements.

The Directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with IFRS adopted by the EU and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS, the EU (Credit Institutions: Financial Statements) Regulations 2015 and, in respect of the consolidated financial statements, Article 4 of the IAS Regulation. Company law requires the Directors to prepare Group and Bank financial statements for each financial year. The Directors are responsible for preparing the Bank financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 101 'Reduced disclosure framework' (FRS 101), and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

Under Irish law, the Directors shall not approve the Group's and Bank's financial statements unless they are satisfied that they give a true and fair view of the Group's and the Bank's assets, liabilities and financial position at the end of the financial year and of the profit or loss of the Group and the Bank for the financial year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the consolidated financial statements have been prepared in accordance with IFRS adopted by the EU, and the Group and Bank financial statements have been prepared in accordance with FRS 101, and ensure that they contain the additional information required by the Companies Act 2014; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Bank will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Group and the Bank; and
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Group and the Bank to be determined with reasonable accuracy.

The Directors are also responsible under section 282 of the Companies Act 2014 for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the relevant provisions of the Companies Act 2014, including Article 4 of the IAS Regulation and enable the financial statements to be audited. The Directors are responsible for monitoring the effectiveness of the Group and the Bank's systems of internal control in relation to the financial reporting process, and have a general responsibility for safeguarding the assets of the Group and the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and the requirements of the Listing Rules issued by the Irish and London stock exchanges, the Directors are also responsible for preparing a Directors' Report and reports relating to corporate governance. The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, and the Central Bank (Investment Market Conduct) Rules 2019 to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group and the Bank. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Bank's websites. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that, to the best of each Director's knowledge and belief:

- they have complied with the above requirements in preparing the financial statements;
- the consolidated financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Group and of the profit of the Group;
- the Bank financial statements, prepared in accordance with FRS 101, give a true and fair view of the assets, liabilities and financial position of the Bank;
- the management report contained in the Business Review includes a fair review of the development and performance of the business and the position of the Group and the Bank, together with a description of the principal risks and uncertainties that they face, and the Sustainability Statement referenced therein has been prepared in accordance with the European Sustainability Reporting Standards and the specifications adopted pursuant to Article 8(4) of the EU Taxonomy Regulation; and
- the Annual Report and the financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Signed on behalf of the Court by:

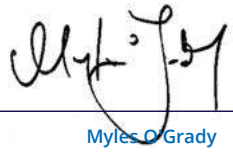
21 February 2025



**Akshaya Bhargava**
*Governor*



**Richard Goulding**
*Deputy Governor*



**Myles O'Grady**
*Group Chief Executive Officer*

# Independent Auditor's Report

to the members of The Governor and Company of the Bank of Ireland

## Report on the Audit of the financial statements

### Opinion

We have audited the financial statements of The Governor and Company of The Bank of Ireland ('the Company' or 'the Bank') and its consolidated undertakings ('the Group') for the year ended 31 December 2024 set out on pages 216 to 435, contained within the reporting package govcoboi-2024-12-31-0-en.zip, which comprise the consolidated income statement, consolidated statement of comprehensive income, balance sheet of the Group and Bank, consolidated statement of changes in equity, Bank statement of changes in equity, consolidated cash flow statement and related notes, including the summary of Group accounting policies set out in note 1. Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are incorporated in the financial statements by cross-reference and are identified as audited.

The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish Law, including the Commission Delegated Regulation 2019/815 regarding the single electronic reporting format (ESEF) and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our reporting to the Court Audit Committee (CAC).

We were appointed as auditor by the Court of Directors on 19 April 2018. The period of total uninterrupted engagement is therefore seven years ended 31 December 2024.

We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to public interest entities. No non-audit services prohibited by that standard were provided.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- we used our knowledge of the Group and Company, the financial services industry, and the general economic environment to identify the inherent risks to the business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group and Company's available financial resources over this period were;
  - the availability of funding and liquidity in the event of a market wide stress scenario; and
  - the impact on regulatory capital requirements in the event of an economic slowdown or recession.
- we also considered whether these risks could plausibly affect the availability of financial resources in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

# Independent Auditor's Report *(continued)*

**Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the Group's industry, regulatory environment and other external factors and inquiry with the Directors. In addition, our risk assessment procedures included:

- inquiring with management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims;
- inquiring of Directors, the CAC and Group Internal Audit (GIA) and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud;
- inquiring of the Directors, the CAC and GIA regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud;
- inspecting the Group's regulatory and legal correspondence, as applicable;
- reading minutes of meetings of the Court of Directors, the CAC and other relevant Court sub-committees;
- considering remuneration incentive schemes and performance targets for management;
- performing planning analytical procedures to identify any usual or unexpected relationships; and
- using our own forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Group.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. This included communication from the Group audit team to component audit teams of relevant laws and regulations and any fraud risks identified at the Group level and request to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We also identified fraud risks in relation to the Group's impairment loss allowance – under IFRS 9 – post model adjustments and valuation of insurance contract liabilities.

Further detail in respect of impairment loss allowance under IFRS 9 – post model adjustments and the valuation of insurance contract liabilities is set out in the key audit matter disclosures in this report.

In response to the fraud risks, we also performed procedures including:

- identifying journal entries to test for all in scope components based on risk criteria and comparing the identified entries to supporting documentation; and
- assessing significant accounting estimates for bias.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the Group's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**Key audit matters: our assessment of risks of material misstatement**

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above on the financial statements, the key audit matters, in decreasing order of audit significance, were as follows:

# Independent Auditor's Report *(continued)*

**Impairment loss allowance on loans and advances to customers at amortised cost €1,028 million (2023: €1,222 million)**

*Refer to pages 230 and 231 (accounting policy) and note 14, note 24 and note 25 (financial statement disclosures)*

**The key audit matter**

The measurement of Expected Credit Loss (ECL), also referred to as 'impairment loss allowance' on loans and advances to customers at amortised cost involves significant judgements and estimates. A heightened risk of material misstatement of ECL continues to arise in the current year due to the elevated judgement and estimation uncertainty in the context of ongoing geopolitical tensions and macroeconomic uncertainty.

The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's compliance with IFRS 9 include:

**Accuracy of certain Probability of Default (PD) models**

ECL may be inappropriate if certain models do not accurately predict defaults over time, become out of line with wider industry experience, or fail to reflect the credit risk of financial assets.

Owing to the complexity, subjectivity and estimation uncertainty in certain PD models, we have identified a significant risk of error over the accuracy of certain PD models.

**Economic Scenarios**

IFRS 9 requires the Group to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied to the determination of the economic scenarios and the weightings applied to them.

We have identified a significant risk of error with respect to management judgement applied in the selection of scenarios, the associated scenario probabilities and the material economic variables which drive the scenarios and the related weightings.

**Post model adjustments (PMAs)**

PMAs are raised by management to address known impairment model limitations, emerging trends or other risks not captured by the ECL models. These adjustments are inherently uncertain and significant management judgement is involved in identifying and estimating certain PMAs.

We have identified a significant risk of error associated with the completeness, as well as a significant risk of error and fraud associated with the valuation of those PMAs with the greatest degree of management judgement. There is a possibility that management could increase or decrease PMAs to meet market expectations for the Group's results.

**Identification and quantification of Stage 3 loans**

There is a risk that individually assessed ECLs held against counterparties are incorrectly or inappropriately calculated by management. Management judgement is applied to value the collateral, in determining the probability weighting of scenarios used to calculate the level of provisioning required, and the impact of the likely course of action with borrowers on ECL.

We have identified a significant risk of error with respect to the measurement of stage 3 individually assessed assets / loans. For the reasons outlined above, we determined this to be a key audit matter.

**How the matter was addressed in our audit**

**Accuracy of PD models**

- We performed end-to-end process walkthroughs to identify key systems, applications and key controls used in the ECL modelling processes.
- In conjunction with our own credit modelling specialists, we tested the design, implementation and operating effectiveness of key controls including:
  - model implementation, validation and monitoring for the PD models;
  - monitoring of staging effectiveness to assess whether the PD models are appropriately identifying assets which have experienced a significant increase in credit risk; and
  - controls over significant model inputs and outputs.
- In conjunction with our own credit modelling specialists, we held probing inquiries with the model development and validation teams to assess whether the basis for model changes and enhancements introduced during the period were reasonable.
- In conjunction with our own credit modelling specialists, we reperformed key aspects of the models underlying the calculation of ECL, including:
  - inspecting the Group's impairment methodologies to assess their compliance with IFRS 9;
  - reperforming of ECL calculations for a selection of models;
  - independently replicating a selection of IFRS 9 PD models;
  - inspecting model validation and model monitoring results and assessing whether the findings have been considered and addressed by management and/or model developers; and
  - inspecting model development and validation reports to assess whether model updates in the period were reasonable and in accordance with IFRS 9.
- We tested the completeness and accuracy of identified critical data elements used within the PD models by vouching a sample of critical data elements to the underlying source documentation.

**Economic scenarios**

- We performed an end-to-end process walkthrough and tested the design, implementation and operating effectiveness of key controls related to the estimation of macroeconomic forecasts used in measuring ECL including the economic scenarios and probability weightings applied to them.
- In conjunction with our own economic specialists, we held probing inquiries with the Group's Real Estate Advisory Unit (REAU) and Economic Research Unit (ERU) of the Group and inspected related documentation to assess whether the basis for significant management assumptions and judgements were reasonable and consistent with independent consensus forecasts.
- We challenged whether management's forward-looking information (FLI) upside / downside scenario weightings were reasonable, having regard to all relevant available information at year-end.
- In conjunction with our own economic specialists, we assessed and challenged the reasonableness of the significant assumptions underpinning management's economic scenarios by comparing them to independent and observable economic forecasts, leveraging a number of external data points.

# Independent Auditor's Report *(continued)*

**Post model adjustments**
- We performed end-to-end process walkthroughs and tested the design, implementation and operating effectiveness of the key controls over the identification, estimation, review and authorisation of PMAs.
- In conjunction with our own credit modelling specialists, we evaluated the appropriateness of the PMAs by critically assessing management's methodology, including the limitation and/or risk that the PMA is seeking to address, and the PMAs' compliance with the requirements of IFRS 9.
- We inspected the PMA calculation methodology and tested the completeness and accuracy of key data inputs into the PMA underlying calculation by vouching key data inputs to the underlying source documentation.
- We evaluated the completeness and accuracy of the PMAs having regard for our understanding of the risk profile of loan books, recent loss history, model limitations and/or data limitations.
- We challenged the overall reasonableness of PMAs by comparing the PMAs recognised by management to the various risks, model limitations and/or data limitations that we consider to exist in each loan portfolio.
- We assessed whether any PMAs identified for testing are indicative of fraud/management bias or other deficiencies based on the results of the procedures above.

**Identification and quantification of Stage 3 loans**
- We performed an end-to-end process walkthrough and tested the design, implementation and operating effectiveness of key controls relating to the assignment of credit risk grades and calculation of individual impairments.
- We held inquiries with Group and Divisional management and reviewed key relevant management information to understand the emerging and potential issues across the relevant portfolios.
- We performed independent credit file reviews over a selection of performing and credit-impaired loans to assess the reasonableness of the credit grade and staging allocations, with a particular focus on high-risk sectors, and:
  - for the performing loans selected, we critically assessed by reference to the underlying documentation and through inquiries with management, whether a trigger for an impairment has occurred, and
  - for the credit-impaired loans selected, we assessed the reasonableness of base case impairment loss allowance, challenging management in respect of significant assumptions underpinning the individually assessed impairment calculations, including the reasonableness of forecasts of future cash flows prepared by management to support the calculation, corroborating to external support where available.

We found the significant judgements used by management in determining the ECL charge and provision, including the accuracy of PD models, application of PMAs, economic scenarios and identification and quantification of stage 3 loans, to be reasonable.

### Valuation of the insurance contract liabilities €16,685 million (2023: €15,113 million)

*Refer to pages 239 to 241 (accounting policy) and note 18 (financial statement disclosures)*

**The key audit matter**

We consider the valuation of insurance contract liabilities to be a key audit matter owing to the use of detailed methodologies and significant judgements in the valuation of these amounts.

**How the matter was addressed in our audit**

In testing the valuation of insurance contract liabilities:
- In conjunction with our own actuarial specialists, we:
  - performed inquiries to obtain an understanding of any significant developments during the year, the actual versus expected experience, and any changes to methods or assumptions;
  - assessed the methodologies applied and significant assumptions and judgements used in the valuation of insurance contract liabilities;
  - assessed and challenged economic assumptions, and the methodology and basis used to set the underlying assumptions with reference to IFRS 17;
  - assessed the calculation of insurance contract liabilities through:
    - agreeing the relevant assumptions and key data inputs into the actuarial models to those we have evaluated;
    - evaluating the reports of the Group's external actuarial expert in relation to the examination of management's calculations; and
    - independently replicating the best estimate liability for a cohort of policies.
  - for a selection of products, we recalculated the Contractual Service Margin (CSM) amortisation and assessed other CSM movements during the year;
  - checked reconciliations between source administration systems, actuarial systems, data warehouse, the CSM calculation tool and the general ledger;
  - tested on a sample basis, the completeness and accuracy of significant data used within the valuation of insurance contract liabilities; and
  - assessed the disclosures in the Group's financial statements for compliance with the requirements of IFRS 17 and consistency with the methodologies applied.

We found that the significant methods and assumptions used in the valuation of insurance contract liabilities to be reasonable.

# Independent Auditor's Report *(continued)*

### Valuation of defined benefit pension net asset €994 million (2023: €682 million net asset)

*Refer to page 238 (accounting policy) and note 42 (financial statement disclosures)*

**The key audit matter**

The Group operates a number of defined benefit pension schemes which in total are significant in the context of both the overall balance sheet and the results of the Group.

The valuations of the pension obligations are calculated with reference to a number of actuarial assumptions. We identified a significant risk relating to the assumptions which we consider to be the most subjective and to which the valuation of the defined benefit pension net asset is most sensitive, being the discount rate and the inflation rate.

We regard the determination of the Group's defined benefit pension net asset as a key audit matter because its valuation is complex and requires judgement in the application of the appropriate actuarial assumptions.

**How the matter was addressed in our audit**

- We performed end-to-end process walkthroughs and tested the design, implementation and operating effectiveness of key controls related to the valuation of the defined benefit pension net asset.
- In conjunction with our own actuarial specialists, we held inquiries with management and the scheme actuary to understand any changes in the methodology.
- We challenged with input from our own actuarial specialist the reasonableness of significant assumptions, being the discount rate and the inflation rate, used by the Group through developing an independent range using observable market data against which to compare significant inputs used in the Group's valuation.
- We obtained details of data provided to the Group's actuary and selected a sample of data for testing through vouching to underlying systems and reports.
- We tested, on a sample basis, the valuation of the underlying pension scheme assets to third party sources.
- We assessed the reasonableness of movements in the pension position including income statement and other comprehensive income elements with a focus on key drivers of the movements such as changes in assumptions adopted.
- We assessed the reasonableness of management's quarterly back testing analysis, which determines if remeasurement of liabilities is required in the event of a special event or curtailment.
- We assessed the adequacy of the Group's disclosures relating to retirement benefit obligations having regard for IAS 19 requirements.

Overall, we found the significant assumptions used by management in the valuation of the defined benefit pension net asset, at 31 December 2024 to be reasonable.

### Recoverability of the carrying value of the investment by The Governor and Company of the Bank of Ireland in material subsidiaries (Company only risk and key audit matter) €4,083 million (2023: €4,009 million)

*Refer to page 242 (accounting policy) and note 27 (financial statement disclosures)*

**The key audit matter**

The Company balance sheet includes an €4,083 million investment in material subsidiaries.

The accounting policy followed by the Company is to carry the investment at cost less impairment. Impairment testing includes the comparison of the carrying value with its recoverable amount. The recoverable amount is the higher of the investment's fair value less costs of disposal or its value in use (VIU).

We consider this a key audit matter because of the significance of the material investments to the Company and the assumptions associated with their recovery which is predicated on the achievement of future projections.

**How the matter was addressed in our audit**

- We performed an end to end process walkthroughs and tested the design and implementation of key controls over the forecasting and approval of the projections of future profits.
- We assessed the investments for indicators of impairment and where there were indicators of impairment, we compared the carrying amount of the investment to its VIU.
- We challenged the assumptions used in the cash flow model based on our knowledge of the Group and the markets in which the subsidiaries operate.
- We compared management's historic forecasts against actual cash flows achieved in the previous year to ascertain their historical accuracy.
- We critically assessed the basis on which the VIU discount rate was calculated and tested the key calculation inputs for reasonableness.
- We assessed the adequacy of the disclosures in the financial statements in respect of the shares in Group undertakings balance in the company only financial statements.

Based on evidence obtained, we found that the key assumptions associated with recoverability of the carrying value of the investments, including the underlying projections in the Group's value in use calculations and the discount rate, to be reasonable.

**Our application of materiality and an overview of the scope of our audit**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

# Independent Auditor's Report *(continued)*

Materiality for the Group financial statements as a whole was set at €75.0 million (2023: €75.0 million), determined with reference to a benchmark of profit before taxation of €1,826 million, (of which it represents 4.1% (2023: 3.9%).

Materiality for the Company financial statements was set at €75.0 million (2023: €75.0 million) which represents 1% (2023: 1%) of net assets.

In applying our judgement in determining the most appropriate benchmarks, the factors, which had the most significant impact were:

- we consider profit before taxation to be one of the principal considerations for members of the Company in assessing the financial performance of the Group;
- net assets is a proxy for capital resources and is included in the audited financial statements. Capital resources is a key metric used externally by users of the Bank's financial statements; and
- the stability of the Group, resulting from its nature, where the Group is in its life cycle and the industry in which the Group operates.

In applying our judgement in determining the percentages to be applied to the benchmarks, the following qualitative factors, which had the most significant impact to our assessment of materiality were:

- the ownership structure of the Group and Company;
- debt arrangements;
- our understanding of the Group and Company and its environment; and
- earnings sensitivities.

We applied Group materiality to assist us determine the overall audit strategy.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to €56.3 million (2023: €56.3 million) for the Group and €56.3 million (2023: €56.3 million) for the Company.

In applying our judgement in determining performance materiality, we considered a number of factors including; the number and value of misstatements detected and the number and severity of deficiencies in control activities identified in the prior year financial statements audit.

We reported to the CAC any uncorrected identified misstatements exceeding €3.75 million (2023: €3.75 million) for the Group and Company financial statements, in addition to other identified misstatements that warranted reporting on qualitative grounds.

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement (RMMs). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

In total, we identified seven components, having considered our evaluation of the Group's operational and our ability to perform audit procedures centrally. Of those, we identified five quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures. We also identified one component as requiring special audit consideration, owing to risks residing in that component.

Accordingly, we performed audit procedures on six components, of which we involved component auditors in performing the audit work on two components. We also performed the audit of the parent company.

We performed audit procedures in relation to components that accounted for 99.7% of Group profit before tax and 99.5% of Group total assets.

For the remaining components for which we performed no audit procedures, no component represented more than 2.7% of Group total revenue, Group profit before tax or Group total assets. We performed analysis at an aggregated Group level to re-examine our assessment that there is not a reasonable possibility of a material misstatement in these components.

We instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back.

We set the component materiality, which ranged from €11 million to €41 million (2023: €26 million to €41 million), having regard to the mix of size and risk profile of the Group across the components.

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meeting with component auditors to discuss Group audit risks relevant to the components, including the key audit matters. We held meetings with all component auditors, to assess the audit risk and strategy. At these meetings, the results of planning procedures and audit procedures communicated to us were discussed in more detail.

We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on work related to key audit matters and significant risks.

# Independent Auditor's Report *(continued)*

### Other information

The Directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Business Review on pages 144 to 159, the Governance section (including Report of the Directors) on pages 160 to 205, and the unaudited parts of Other Information on pages 437 to 467.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit we report that, in those parts of the Directors' report specified for our consideration, which does not include the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017:

- we have not identified material misstatements in the Directors' report;
- in our opinion, the information given in the Directors' report is consistent with the financial statements; and
- in our opinion, those parts of the Directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

### Corporate governance statement

We have reviewed the Directors' statement in relation to going concern and longer-term viability, that form part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review by the Listing Rules of Euronext Dublin and the UK Listing Authority.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement are materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 204;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 205;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 205;
- Directors' statement on fair, balanced and understandable and the information necessary for shareholders to assess the Group's position and performance, business model and strategy set out on page 207;
- Court's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the Annual Report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated set out on page 176 to 179;
- section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 176; and
- section describing the work of the CAC set out on pages 192 to 197.

The Listing Rules of Euronext Dublin also requires us to review certain elements of disclosures in the report to shareholders by the Court Remuneration Committee.

We have nothing to report in this regard.

In addition as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on pages 160 to 205 that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC) Regulations 2006 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act;
- based on our knowledge and understanding of the Group and its environment obtained in the course of our audit, we have not identified any material misstatements in that information; and
- the Corporate Governance Statement contains the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017.

We also report that, based on work undertaken for our audit, the information required by the Act is contained in the Corporate Governance Statement including the Report of the Directors.

### Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion:

- the disclosures of Directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made; and

# Independent Auditor's Report *(continued)*

- the Company has not provided the information required by section 5(2) to (7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 for the year ended 31 December 2024 as required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (amendment) Regulations 2018.

We have nothing to report in this regard.

**Respective responsibilities and restrictions on use**

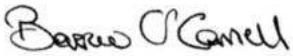
**Responsibilities of Directors for the financial statements**
As explained more fully in the Directors' responsibilities statement set out on page 207, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report, that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/.

**The purpose of our audit work and to whom we owe our responsibilities**
Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014.

Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Barrie O'Connell**

*for and on behalf of*
*KPMG*
*Chartered Accountants, Statutory Audit Firm*
*1 Harbourmaster Place, IFSC*
*Dublin 1, D01 F6F5*

*21 February 2025*

# Consolidated financial statements

## Consolidated income statement *(for the year ended 31 December 2024)*

| | Note | 2024 €m | 2023 €m |
|---|---|---|---|
| Interest income calculated using the effective interest method | 4 | 5,792 | 5,413 |
| Other interest income | 4 | 950 | 916 |
| **Interest income** | | **6,742** | **6,329** |
| Interest expense | 5 | (3,171) | (2,649) |
| **Net interest income** | | **3,571** | **3,680** |
| Insurance service result | 18 | 35 | 51 |
| *Insurance revenue* | | *536* | *518* |
| *Insurance service expense* | | *(476)* | *(428)* |
| *Net expense from reinsurance contracts held* | | *(25)* | *(39)* |
| Insurance investment and finance result | 18 | 26 | 110 |
| *Total investment gains* | | *1,526* | *1,198* |
| *Finance expense from insurance contracts issued* | | *(1,536)* | *(1,182)* |
| *Finance income from reinsurance contracts held* | | *36* | *94* |
| Fee and commission income | 6 | 731 | 673 |
| Fee and commission expense | 6 | (211) | (218) |
| Net trading income | 7 | 101 | 66 |
| Other leasing income | 8 | 109 | 92 |
| Other leasing expense | 8 | (87) | (63) |
| Gain on derecognition of financial asset | 9 | 33 | – |
| Other operating income | 10 | 74 | 44 |
| **Total operating income** | | **4,382** | **4,435** |
| Operating expenses | 11 | (2,433) | (2,092) |
| Cost of restructuring programme | 12 | (57) | (20) |
| **Operating profit before impairment losses on financial instruments** | | **1,892** | **2,323** |
| Net impairment losses on financial instruments at amortised cost | 14 | (107) | (425) |
| **Operating profit** | | **1,785** | **1,898** |
| Share of results of associates and joint ventures (after tax) | 15 | 34 | 25 |
| Gain / (Loss) on disposal / liquidation of business activities | 16 | 7 | (8) |
| **Profit before tax** | | **1,826** | **1,915** |
| Taxation charge | 17 | (320) | (334) |
| **Profit for the year** | | **1,506** | **1,581** |
| | | | |
| Attributable to stockholders | | 1,506 | 1,581 |
| Attributable to non-controlling interests | | – | – |
| **Profit for the year** | | **1,506** | **1,581** |

# Consolidated financial statements *(continued)*

## Consolidated statement of comprehensive income *(for the year ended 31 December 2024)*

| | 2024 €m | 2023 €m |
|---|---|---|
| **Profit for the year** | **1,506** | **1,581** |
| | | |
| **Other comprehensive income, net of tax:** | | |
| **Items that may be reclassified to profit or loss in subsequent years:** | | |
| | | |
| ***Debt instruments at FVOCI reserve, net of tax:*** | | |
| Changes in fair value | (1) | (5) |
| Transfer to income statement - asset disposal | – | – |
| **Net change in debt instruments at FVOCI reserve** | **(1)** | **(5)** |
| | | |
| ***Cash flow hedge reserve, net of tax:*** | | |
| Changes in fair value | (448) | (297) |
| Transfer to income statement | 450 | 285 |
| **Net change in cash flow hedge reserve** | **2** | **(12)** |
| | | |
| ***Foreign exchange reserve:*** | | |
| Foreign exchange translation gains / (losses) | 138 | 25 |
| Transfer to income statement | (13) | 4 |
| **Net change in foreign exchange reserve** | **125** | **29** |
| | | |
| **Total items that may be reclassified to profit or loss in subsequent years** | **126** | **12** |
| | | |
| **Items that will not be reclassified to profit or loss in subsequent years:** | | |
| Remeasurement of the net defined benefit pension liability, net of tax | 271 | (28) |
| Revaluation of property, net of tax | (2) | (6) |
| Net change in liability credit reserve, net of tax | – | (14) |
| **Total items that will not be reclassified to profit or loss in subsequent years** | **269** | **(48)** |
| | | |
| **Other comprehensive income for the year, net of tax** | **395** | **(36)** |
| | | |
| **Total comprehensive income for the year, net of tax** | **1,901** | **1,545** |
| | | |
| Total comprehensive income attributable to equity stockholders | 1,901 | 1,545 |
| Total comprehensive income attributable to non-controlling interests | – | – |
| **Total comprehensive income for the year, net of tax** | **1,901** | **1,545** |

The effect of tax on these items is shown in note 17.

# Consolidated financial statements *(continued)*

## Balance sheet *(at 31 December 2024)*

| | Note | Group 2024 €m | Group 2023 €m | Bank 2024 €m | Bank 2023 €m |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and balances at central banks | 46 | 32,436 | 31,843 | 29,941 | 29,297 |
| Items in the course of collection from other banks | | 114 | 126 | 33 | 44 |
| Trading securities | | 166 | 72 | – | – |
| Derivative financial instruments | 19 | 3,477 | 4,341 | 3,847 | 4,939 |
| Fair value changes due to interest rate risk of the hedged items in portfolio hedges | | 118 | (124) | 163 | (35) |
| Other financial assets at fair value through profit or loss | 20 | 24,008 | 20,905 | 366 | 311 |
| Loans and advances to banks | 21 | 1,738 | 1,907 | 19,396 | 16,394 |
| Debt securities at amortised cost | 22 | 6,387 | 5,715 | 6,763 | 7,347 |
| Financial assets at fair value through other comprehensive income | 23 | 3,384 | 3,968 | 3,384 | 3,968 |
| Loans and advances to customers | 24 | 82,538 | 79,729 | 48,850 | 46,950 |
| Shares in Group undertakings | 27 | – | – | 4,083 | 4,009 |
| Interest in associates | 28 | 133 | 108 | 57 | 29 |
| Interest in joint ventures | 28 | 80 | 79 | 6 | 2 |
| Intangible assets and goodwill | 29 | 1,500 | 1,408 | 1,092 | 984 |
| Investment properties | 30 | 771 | 793 | – | – |
| Property, plant and equipment | 31 | 811 | 800 | 492 | 529 |
| Current tax assets | | 37 | 3 | 3 | – |
| Deferred tax assets | 32 | 546 | 808 | 448 | 696 |
| Other assets | 33 | 1,137 | 1,134 | 745 | 824 |
| Reinsurance contract assets | 18 | 1,453 | 1,414 | – | – |
| Retirement benefit assets | 42 | 997 | 692 | 969 | 675 |
| **Total assets** | | **161,831** | **155,721** | **120,638** | **116,963** |
| | | | | | |
| **Equity and liabilities** | | | | | |
| Deposits from banks | 34 | 1,805 | 3,095 | 2,543 | 2,632 |
| Customer accounts | 35 | 103,349 | 100,385 | 92,619 | 89,502 |
| Items in the course of transmission to other banks | | 218 | 322 | 149 | 224 |
| Derivative financial instruments | 19 | 3,675 | 4,490 | 3,893 | 4,964 |
| Fair value changes due to interest rate risk of the hedged items in portfolio hedges | | (365) | (1,115) | (225) | (989) |
| Debt securities in issue | 36 | 9,139 | 8,681 | 6,991 | 6,463 |
| Liabilities to customers under investment contracts | | 9,203 | 7,692 | – | – |
| Insurance contract liabilities | 18 | 16,685 | 15,113 | – | – |
| Other liabilities | 37 | 2,773 | 2,537 | 869 | 790 |
| Lease liabilities | 38 | 366 | 404 | 328 | 366 |
| Current tax liabilities | | 29 | 24 | – | 10 |
| Provisions | 39 | 235 | 58 | 33 | 25 |
| Loss allowance provision on loan commitments and financial guarantees | 41 | 80 | 61 | 76 | 57 |
| Deferred tax liabilities | 32 | 58 | 61 | – | – |
| Retirement benefit obligations | 42 | 3 | 10 | 3 | 6 |
| Subordinated liabilities | 43 | 1,857 | 1,604 | 1,857 | 1,604 |
| **Total liabilities** | | **149,110** | **143,422** | **109,136** | **105,654** |

# Consolidated financial statements *(continued)*

## Balance sheet *(at 31 December 2024) (continued)*

| | Note | Group 2024 €m | Group 2023 €m | Bank 2024 €m | Bank 2023 €m |
|---|---|---|---|---|---|
| **Equity** | | | | | |
| Capital stock | 44 | 1,621 | 1,621 | 1,621 | 1,621 |
| Stock premium account | | 571 | 571 | 561 | 561 |
| Retained earnings | | 8,552 | 8,387 | 7,554 | 7,577 |
| Other reserves | | 908 | 743 | 697 | 575 |
| Own shares held by Group subsidiaries | 44 | – | – | – | – |
| **Stockholders' equity** | | **11,652** | **11,322** | **10,433** | **10,334** |
| Other equity instruments - Additional tier 1 | 45 | 1,069 | 975 | 1,069 | 975 |
| **Total equity excluding non-controlling interests** | | **12,721** | **12,297** | **11,502** | **11,309** |
| Non-controlling interests | | – | 2 | – | – |
| **Total equity** | | **12,721** | **12,299** | **11,502** | **11,309** |
| **Total equity and liabilities** | | **161,831** | **155,721** | **120,638** | **116,963** |

The Bank recorded a profit after tax of €1,305 million for the year ended 31 December 2024 (2023: €1,592 million).

**Akshaya Bhargava**
*Governor*

**Richard Goulding**
*Deputy Governor*

**Myles O'Grady**
*Group Chief Executive Officer*

**Sarah McLaughlin**
*Group Secretary*

# Consolidated financial statements *(continued)*

## Consolidated statement of changes in equity *(for the year ended 31 December 2024)*

| Group | Capital stock €m | Stock premium account €m | Retained earnings €m | Other reserves: Debt instruments at FVOCI reserve €m | Other reserves: Cash flow hedge reserve €m | Other reserves: Foreign exchange reserve €m | Other reserves: Capital reserve €m | Other reserves: Other reserves[1] €m | Own shares held by Group subsidiaries €m | Attributable to equity holders of Parent €m | Other equity instruments €m | Non-controlling interests €m | Total €m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2024** | **1,621** | **571** | **8,387** | **(22)** | **(43)** | **(757)** | **1,552** | **13** | **–** | **11,322** | **975** | **2** | **12,299** |
| Profit for the year | – | – | 1,506 | – | – | – | – | – | – | 1,506 | – | – | 1,506 |
| Other comprehensive income for the year | – | – | 271 | (1) | 2 | 125 | – | (2) | – | 395 | – | – | 395 |
| **Total comprehensive income for the year** | **–** | **–** | **1,777** | **(1)** | **2** | **125** | **–** | **(2)** | **–** | **1,901** | **–** | **–** | **1,901** |
| **Transactions with owners: Contributions by and distributions to owners of the Group** | | | | | | | | | | | | | |
| Dividends on ordinary capital stock | – | – | (1,505) | – | – | – | – | – | – | (1,505) | – | – | (1,505) |
| AT1 securities issued, net of expenses (note 45) | – | – | – | – | – | – | – | – | – | – | 600 | – | 600 |
| Repurchase of AT1 securities (note 45) | – | – | – | – | – | – | – | – | – | – | (506) | – | (506) |
| Distribution on other equity instruments - AT1 coupon | – | – | (64) | – | – | – | – | – | – | (64) | – | – | (64) |
| Dividends on preference equity interests paid in cash | – | – | (3) | – | – | – | – | – | – | (3) | – | – | (3) |
| Redemption of Preference Stock (note 44) | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total transactions with owners** | **–** | **–** | **(1,572)** | **–** | **–** | **–** | **–** | **–** | **–** | **(1,572)** | **94** | **–** | **(1,478)** |
| Transfer from retained earnings to capital reserve | – | – | (50) | – | – | – | 50 | – | – | – | – | – | – |
| Other movements | – | – | 10 | – | – | – | (13) | 4 | – | 1 | – | (2) | (1) |
| **Balance at 31 December 2024** | **1,621** | **571** | **8,552** | **(23)** | **(41)** | **(632)** | **1,589** | **15** | **–** | **11,652** | **1,069** | **–** | **12,721** |

[1] *Other reserves includes the amalgamation of the liability credit reserve (€5 million) and revaluation reserve €20 million.*

# Consolidated financial statements *(continued)*

## Consolidated statement of changes in equity *(for the year ended 31 December 2023) (continued)*

| | | | | Other reserves | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | **Capital stock €m** | **Stock premium account €m** | **Retained earnings €m** | **Debt instruments at FVOCI reserve €m** | **Cash flow hedge reserve €m** | **Foreign exchange reserve €m** | **Capital reserve €m** | **Other reserves[1] €m** | **Own shares held by Group subsidiaries €m** | **Attributable to equity holders of Parent €m** | **Other equity instruments €m** | **Non-controlling interests €m** | **Total €m** |
| **Balance at 1 January 2023** | **1,625** | **571** | **7,024** | **(17)** | **(31)** | **(786)** | **1,495** | **33** | **(1)** | **9,913** | **975** | **2** | **10,890** |
| Profit for the year | – | – | 1,581 | – | – | – | – | – | – | 1,581 | – | – | 1,581 |
| Other comprehensive income for the year | – | – | (28) | (5) | (12) | 29 | – | (20) | – | (36) | – | – | (36) |
| **Total comprehensive income for the year** | **–** | **–** | **1,553** | **(5)** | **(12)** | **29** | **–** | **(20)** | **–** | **1,545** | **–** | **–** | **1,545** |
| **Transactions with owners: Contributions by and distributions to owners of the Group** | | | | | | | | | | | | | |
| Dividends on ordinary capital stock | – | – | – | – | – | – | – | – | – | – | – | – | – |
| AT1 securities issued, net of expenses (note 45) | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Repurchase of AT1 securities (note 45) | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Distribution on other equity instruments - AT1 coupon | – | – | (72) | – | – | – | – | – | – | (72) | – | – | (72) |
| Dividends on preference equity interests paid in cash | – | – | (6) | – | – | – | – | – | – | (6) | – | – | (6) |
| Redemption of Preference Stock (note 44) | (4) | – | (59) | – | – | – | 4 | – | 1 | (58) | – | – | (58) |
| **Total transactions with owners** | **(4)** | **–** | **(137)** | **–** | **–** | **–** | **4** | **–** | **1** | **(136)** | **–** | **–** | **(136)** |
| Transfer from retained earnings to capital reserve | – | – | (53) | – | – | – | 53 | – | – | – | – | – | – |
| Other movements | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Balance at 31 December 2023** | **1,621** | **571** | **8,387** | **(22)** | **(43)** | **(757)** | **1,552** | **13** | **–** | **11,322** | **975** | **2** | **12,299** |

[1] *Other reserves includes the amalgamation of the liability credit reserve (€5 million) and revaluation reserve €18 million.*

# Consolidated financial statements *(continued)*

## Bank Statement of changes in equity *(for the year ended 31 December 2024)*

| Bank | Capital stock €m | Stock premium account €m | Retained earnings €m | Other reserves: Debt instruments at FVOCI reserve €m | Other reserves: Cash flow hedge reserve €m | Other reserves: Foreign exchange reserve €m | Other reserves: Capital reserve €m | Other reserves: Other reserves[1] €m | Attributable to equity holders of Parent €m | Other equity instruments €m | Total €m |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2024** | **1,621** | **561** | **7,577** | **(22)** | **(41)** | **(381)** | **980** | **39** | **10,334** | **975** | **11,309** |
| Profit for the year | – | – | 1,305 | – | – | – | – | – | 1,305 | – | 1,305 |
| Other comprehensive income for the year | – | – | 251 | (1) | 8 | 116 | | (1) | 373 | – | 373 |
| **Total comprehensive income for the year** | **–** | **–** | **1,556** | **(1)** | **8** | **116** | **–** | **(1)** | **1,678** | **–** | **1,678** |
| **Transactions with owners: Contributions by and distributions to owners of the Group** | | | | | | | | | | | |
| Dividends on ordinary capital stock | – | – | (1,505) | – | – | – | – | – | (1,505) | – | (1,505) |
| AT1 securities issued, net of expenses (note 45) | – | – | – | – | – | – | – | – | – | 600 | 600 |
| Repurchase of AT1 securities (note 45) | – | – | – | – | – | – | – | – | – | (506) | (506) |
| Distribution on other equity instruments - AT1 coupon | – | – | (64) | – | – | – | – | – | (64) | – | (64) |
| Dividends on preference equity interests paid in cash | – | – | (3) | – | – | – | – | – | (3) | – | (3) |
| Redemption of Preference Stock (note 44) | – | – | – | – | – | – | – | – | – | – | – |
| **Total transactions with owners** | **–** | **–** | **(1,572)** | **–** | **–** | **–** | **–** | **–** | **(1,572)** | **94** | **(1,478)** |
| Other movements | – | – | (7) | – | – | – | – | – | (7) | – | (7) |
| **Balance at 31 December 2024** | **1,621** | **561** | **7,554** | **(23)** | **(33)** | **(265)** | **980** | **38** | **10,433** | **1,069** | **11,502** |

[1] *Other reserves includes the amalgamation of the liability credit reserve €17 million and revaluation reserve €21 million.*

# Consolidated financial statements *(continued)*

## Bank Statement of changes in equity *(for the year ended 31 December 2023) (continued)*

| Bank | Capital stock €m | Stock premium account €m | Retained earnings €m | Other reserves: Debt instruments at FVOCI reserve €m | Other reserves: Cash flow hedge reserve €m | Other reserves: Foreign exchange reserve €m | Other reserves: Capital reserve €m | Other reserves[1] €m | Attributable to equity holders of Parent €m | Other equity instruments €m | Total €m |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **1,625** | **561** | **6,162** | **(17)** | **(30)** | **(395)** | **976** | **46** | **8,928** | **975** | **9,903** |
| Profit for the year | – | – | 1,592 | – | – | – | – | – | 1,592 | – | 1,592 |
| Other comprehensive income for the year | – | – | (40) | (5) | (11) | 14 | – | (7) | (49) | – | (49) |
| **Total comprehensive income for the year** | **–** | **–** | **1,552** | **(5)** | **(11)** | **14** | **–** | **(7)** | **1,543** | **–** | **1,543** |
| **Transactions with owners: Contributions by and distributions to owners of the Group** | | | | | | | | | | | |
| Dividends on ordinary capital stock | – | – | – | – | – | – | – | – | – | – | – |
| AT1 securities issued, net of expenses (note 45) | – | – | – | – | – | – | – | – | – | – | – |
| Repurchase of AT1 securities (note 45) | – | – | – | – | – | – | – | – | – | – | – |
| Distribution on other equity instruments - AT1 coupon | – | – | (72) | – | – | – | – | – | (72) | – | (72) |
| Dividends on preference equity interests paid in cash | – | – | (6) | – | – | – | – | – | (6) | – | (6) |
| Redemption of Preference Stock (note 44) | (4) | – | (59) | – | – | – | 4 | – | (59) | – | (59) |
| **Total transactions with owners** | **(4)** | **–** | **(137)** | **–** | **–** | **–** | **4** | **–** | **(137)** | **–** | **(137)** |
| Other movements | – | – | – | – | – | – | – | – | – | – | – |
| **Balance at 31 December 2023** | **1,621** | **561** | **7,577** | **(22)** | **(41)** | **(381)** | **980** | **39** | **10,334** | **975** | **11,309** |

[1] *Other reserves includes the amalgamation of the liability credit reserve €17 million and revaluation reserve €22 million.*

# Consolidated financial statements *(continued)*

## Consolidated cash flow statement *(for the year ended 31 December 2024)*

| | Note | 2024 €m | 2023 €m |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | 1,826 | 1,915 |
| Share of results of associates and joint ventures | 15 | (34) | (25) |
| (Gain) / loss on disposal / liquidation of business activities | 16 | (7) | 8 |
| Depreciation and amortisation | 8,11,18 | 311 | 273 |
| Net impairment losses on financial instruments, excluding cash recoveries | 14 | 168 | 451 |
| Impairment of property, plant and equipment | 11 | 2 | – |
| Impairment of intangible assets and goodwill | 29 | 100 | – |
| Reversal of impairment on property | 12 | – | (3) |
| Revaluation loss on property | 11 | – | 4 |
| Revaluation of investment property | 30 | 40 | 104 |
| Interest expense on subordinated liabilities | 5 | 98 | 87 |
| Interest expense on lease liabilities | 5 | 10 | 11 |
| Charge for pension and similar obligations | 42 | 34 | 19 |
| Net change in accruals and interest payable | | 36 | 287 |
| Net change in prepayments and interest receivable | | (12) | (56) |
| Charge for provisions | 39 | 231 | 17 |
| Non-cash and other items | | (33) | (20) |
| **Cash inflows from operating activities before changes in operating assets and liabilities** | | **2,770** | **3,072** |
| | | | |
| Net change in items in the course of collection from other banks | | (92) | 104 |
| Net change in trading securities | | (94) | (72) |
| Net change in derivative financial instruments | | (40) | (1,694) |
| Net change in fair value changes due to interest rate risk of the hedged items in portfolio hedges | | 508 | 1,095 |
| Net change in other financial assets at FVTPL | | (3,103) | (2,342) |
| Net change in loans and advances to banks | | 109 | (52) |
| Net change in loans and advances to customers | | (1,937) | (7,835) |
| Net change in other assets | | (1) | (307) |
| Net change in deposits from banks | | (1,391) | (406) |
| Net change in customer accounts | | 2,280 | 294 |
| Net change in debt securities in issue | | 553 | 995 |
| Net change in liabilities to customers under investment contracts | | 1,511 | 833 |
| Net change in insurance and reinsurance contracts | | 1,533 | 1,641 |
| Net change in other operating liabilities | | 177 | (53) |
| **Net cash outflows from operating assets and liabilities** | | **13** | **(7,799)** |
| | | | |
| **Net cash (outflows) / inflows from operating activities before tax** | | **2,783** | **(4,727)** |
| Tax paid | | (109) | (53) |
| **Net cash (outflows) / inflows from operating activities** | | **2,674** | **(4,780)** |
| | | | |
| Investing activities (section a below) | | (557) | (960) |
| Financing activities (section b below) | | (1,516) | (423) |
| Effect of exchange translation and other adjustments | | (68) | (38) |
| **Net change in cash and cash equivalents** | | **533** | **(6,201)** |
| | | | |
| Opening cash and cash equivalents | | 33,641 | 39,842 |
| **Closing cash and cash equivalents** | 46 | **34,174** | **33,641** |

# Consolidated financial statements *(continued)*

## Consolidated cash flow statement *(for the year ended 31 December 2024) (continued)*

| | Note | 2024 €m | 2023 €m |
|---|---|---|---|
| **(a) Investing activities** | | | |
| Additions to debt securities at amortised cost | | (736) | (1,273) |
| Disposal / redemption of financial assets at FVOCI | 23 | 533 | 486 |
| Additions to intangible assets | 29 | (380) | (297) |
| Additions to property, plant and equipment - owned assets | 31 | (140) | (116) |
| Disposal / redemption of debt securities at amortised cost | | 128 | 228 |
| Proceeds from disposal of property, plant and equipment | | 39 | 40 |
| Dividends received from joint ventures | 28 | 36 | 34 |
| Additions to investment property | 30 | (24) | – |
| Net change in interest in associates | 28 | (20) | (28) |
| Proceeds from disposal of investment property | | 11 | 3 |
| Additions to joint ventures | 28 | (4) | (1) |
| Additions to financial assets at FVOCI | 23 | – | (36) |
| **Cash (outflows) / inflows from investing activities** | | **(557)** | **(960)** |
| | | | |
| **(b) Financing activities** | | | |
| Dividends paid on ordinary capital stock | | (1,505) | – |
| Issuance of other-equity interests - AT1 securities | 45 | 600 | – |
| Redemption of other-equity interests - AT1 securities | 45 | (506) | – |
| Net proceeds from issue of subordinated liabilities | 47 | 499 | – |
| Redemption of subordinated liabilities | 47 | (300) | (128) |
| Interest paid on subordinated liabilities | 47 | (143) | (104) |
| Distribution paid on other equity instruments - AT1 coupon | | (64) | (72) |
| Payment of lease liabilities | 47 | (57) | (44) |
| Dividend paid to parent | 47 | (27) | – |
| Interest paid on lease liabilities | 38 | (10) | (11) |
| Dividend paid on other preference equity interests | | (3) | (6) |
| Redemption of preference stock | | – | (58) |
| **Cash outflows from financing activities** | | **(1,516)** | **(423)** |

Net cash flows from operating activities includes interest received of €6,969 million (2023: €6,360 million) and interest paid of €3,145 million (2023: €2,529 million).

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# 1 Group accounting policies

### Basis of preparation

These consolidated financial statements are the financial statements of the Governor and Company of the Bank of Ireland ( the 'Bank') and its subsidiaries (collectively the 'Group') and the separate financial statements of the Bank.

The financial statements comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Bank balance sheets, the Consolidated and Bank statements of changes in equity, the Consolidated cash flow statement and the notes to the consolidated financial statements and Bank financial statements on pages 226 to 435.

The separate financial statements of the Bank reflect the financial statements of the Bank only and do not consolidate the results of any subsidiaries.

The consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the EU and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS and with the EU (Credit Institutions: Financial Statements) Regulations 2015 and the Asset Covered Securities Acts 2001 and 2007. The financial statements of the Bank are prepared under FRS 101 'Reduced disclosure framework' and in accordance with Section 290 (1) of the Companies Act 2014.

In preparing these financial statements the Bank applies the recognition, measurement and disclosure requirements of IFRS as adopted by the EU (but makes amendments where necessary in order to comply with the Companies Act 2014). The Bank has applied the exemptions available under FRS 101 in respect of the following disclosures:

- statement of Cash Flows;
- disclosures in respect of transactions with wholly-owned subsidiaries;
- certain requirements of IAS 1 'Presentation of Statements';
- certain disclosure requirements in respect of IFRS 15 'Revenue from Contracts with Customers'; and
- the effects of new but not yet effective IFRSs.

Where relevant, equivalent disclosures have been given in the Group financial statements. Accounting policies that are relevant to the Bank only are set out from page 242.

The financial statements have been prepared under the historical cost convention as modified to include the fair valuation of certain financial instruments and land and buildings.

The preparation of the financial statements in conformity with IFRS or FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. A description of the critical estimates and judgements applied is set out in note 2.

FX rates used during the year are as follows:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Average | Closing | Average | Closing |
| € / Stg£ | 0.8466 | 0.8292 | 0.8698 | 0.8691 |
| € / US$ | 1.0824 | 1.0389 | 1.0813 | 1.1050 |

References to the 'State' throughout this document should be taken to refer to the Republic of Ireland (RoI), its Government and, where and if relevant, Government departments, agencies and local Government bodies.

### Going concern

The time period that the Directors have considered in evaluating the appropriateness of the going concern basis in preparing the financial statements for 2024 is a period of twelve months from the date of approval of these financial statements (the 'period of assessment').

In making this assessment, the Directors considered the Group's business, profitability projections, funding and capital plans, together with a range of other factors such as the economic outlook for the Irish economy and the current global macroeconomic and geopolitical environment.

The matters of primary consideration by the Directors are set out below:

#### Capital

The Group has developed capital plans under base and stress scenarios and the Directors believe that the Group has sufficient capital to meet its regulatory capital requirements throughout the period of assessment.

#### Funding and liquidity

The Directors have considered the Group's funding and liquidity position and are satisfied that the Group has sufficient funding and liquidity throughout the period of assessment.

#### Conclusion

On the basis of the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis having concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern over the period of assessment.

#### Comparatives

Comparative figures have been restated where necessary, to conform with changes in presentation or where additional analysis has been provided in the current period. Any adjustments to comparatives are disclosed in the relevant note or supplementary asset disclosures as appropriate.

# 1 Group accounting policies *(continued)*

**Adoption of new and amended accounting standards**
There have been no new standards or amendments to standards, adopted by the Group during the year ended 31 December 2024 which have had a material impact on the Group.

**The accounting policies set out below are the Group's material accounting policies:**

**Interest income and expense**
Interest income and expense are recognised in the income statement using the effective interest method for financial instruments measured at amortised cost and financial assets which are debt instruments measured at FVOCI, in accordance with IFRS 9.

The Group presents interest resulting from negative effective interest rates on financial liabilities as interest income. The Group presents interest resulting from negative effective interest rates on financial assets as interest expense.

The effective interest method is the method that is used in the calculation of the amortised cost of a financial asset or liability and in the allocation and recognition of interest revenue or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the ECL (except, in accordance with IFRS 9 in the case of POCI financial assets where ECL is included in the calculation of a 'credit-adjusted effective interest rate'). The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

In the case of a financial asset that is neither credit-impaired nor a POCI financial asset, interest revenue is calculated by applying the effective interest rate to the gross carrying amount.

In the case of a financial asset that is not a POCI financial asset but is credit-impaired at the reporting date, interest revenue is calculated by applying the effective interest rate to the amortised cost, which is the gross carrying amount adjusted for any impairment loss allowance.

In the case of a Purchased or Originated Credit-impaired (POCI) financial asset, interest revenue is recognised by applying the credit-adjusted effective interest rate to the amortised cost.

Where the Group revises its estimates of payments or receipts on a financial instrument (excluding modifications of a financial asset and changes in ECL), it recalculates the gross carrying amount of the financial asset or amortised cost of the financial liability as the present value of the estimated future contractual cash flows that are discounted at the financial instrument's original effective interest rate (or credit-adjusted effective interest rate for POCI financial assets). The adjustment is recognised as interest income or expense.

Interest income or expense on derivatives designated as hedging instruments are presented in net interest income, in line with the underlying hedged asset or liability.

For portfolio fair value hedges of financial liabilities and portfolio fair value hedges and cash flow hedges of financial assets, the Group aggregates the interest income or expense on the hedged assets or liabilities with the interest income or expense on the related derivatives designated as hedging instruments. Where the resulting total is an expense, the amount is presented as interest expense on the assets or liabilities. Where the resulting total is income, it is presented as interest income on the assets or liabilities.

For micro fair value hedges of financial assets or liabilities, the Group aggregates, for each hedged asset or liability separately, the interest income or expense on the asset or liability with the interest income or expense on the related derivative or derivatives designated as hedging instruments. Where the resulting total for an asset or liability is an expense, the amount is presented as interest expense on the asset or liability. Where the resulting total is income, it is presented as interest income on the asset or liability.

Interest income or expense on derivatives that are held with hedging intent, but for which hedge accounting is not applied (economic hedges) is included in other interest income or expense. Interest income or expense on derivatives held with trading intent is included in trading income.

Interest income on debt financial assets measured at fair value through profit or loss (FVTPL), excluding assets held for trading and those within the Group's life assurance operations, is recognised when earned and presented within other interest income.

Interest expense on debt financial liabilities measured at FVTPL, excluding liabilities held for trading, is recognised when incurred and presented in other interest expense.

**Modifications**
Where the contractual cash flows of a financial asset are modified and the modification does not result in derecognition of the financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises a modification gain or loss in the income statement. Where a modification is a forbearance measure which does not result in derecognition, the modification gain or loss is included in the income statement within net impairment gains or losses. Otherwise, the modification gain or loss is included within interest income.

As a result of the Interest Rate Benchmark Reform (BMR), on transition to an alternative benchmark rate, changes in the basis of determining the contractual cash flows of a financial instrument are treated in the same way as changes to market rates for a floating rate instrument by updating the effective interest rate, without the recognition of a modification gain or loss. This practical expedient was only applied where:

- the change to the contractual cash flows was necessary as a direct consequence of the BMR reform; and
- the new basis for determining the contractual cash flows was economically equivalent to the previous basis.

Where additional changes to the basis for determining the contractual cash flows of a financial instrument were made at the same time as changes required by the BMR reform, the Group first applied the practical expedient noted above to the changes arising as a direct consequence of the BMR reform and then applied its existing policy to account for the additional modifications.

# 1 Group accounting policies *(continued)*

### Financial assets

**Recognition, classification and measurement**

A financial asset is recognised in the balance sheet when and only when, the Group becomes a party to its contractual provisions.

At initial recognition, a financial asset is measured at fair value (plus, in the case of a financial asset not at FVTPL, directly attributable transaction costs) and is assigned one of the following classifications for the purposes of subsequent measurement:

- financial assets at amortised cost;
- financial assets at FVOCI; or
- financial assets at FVTPL.

The Group determines the appropriate classification based on the contractual cash flow characteristics of the financial asset and the objective of the business model within which the financial asset is held.

In determining the business model for a group of financial assets, the Group considers factors such as how performance is evaluated and reported to key management personnel (KMP); the risks that affect performance and how they are managed; how managers are compensated; and the expected frequency, value and timing of sales of financial assets.

In considering the contractual cash flow characteristics of a financial asset, the Group determines whether the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In this context, 'principal' is the fair value of the financial asset on initial recognition and 'interest' is consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In making the determination, the Group assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Group considers contingent events, leverage features, prepayment and term extensions, terms which limit the Group's recourse to specific assets and features that modify consideration of the time value of money.

### Financial assets at amortised cost

**Debt instruments**

A debt instrument is measured, subsequent to initial recognition, at amortised cost where it meets both of the following conditions and has not been designated as measured at FVTPL:

- the financial asset has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model whose objective is achieved by holding financial assets to collect contractual cash flows.

Purchases and sales of debt securities at amortised cost are recognised on trade date: the date on which the Group commits to purchase or sell the asset.

Loans measured at amortised cost are recognised when cash is advanced to the borrowers.

Interest revenue using the effective interest method is recognised in the income statement. An impairment loss allowance is recognised for ECL with corresponding impairment gains or losses recognised in the income statement.

**Debt instruments at fair value through other comprehensive income**

A debt instrument is measured, subsequent to initial recognition, at FVOCI where it meets both of the following conditions and has not been designated as measured at FVTPL:

- the financial asset has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Purchases and sales of debt instruments at FVOCI are recognised on trade date. Gains and losses arising from changes in fair value are included in other comprehensive income (OCI). Interest revenue using the effective interest method and FX gains and losses on the amortised cost of the financial asset are recognised in the income statement.

The impairment loss allowance for ECL does not reduce the carrying amount but an amount equal to the allowance is recognised in OCI as an accumulated impairment amount, with corresponding impairment gains or losses recognised in the income statement. On derecognition, the cumulative gain or loss previously recognised in OCI is reclassified to the income statement.

Regular way purchases and sales of financial assets measured at FVOCI are recognised on trade date.

**Financial assets at fair value through profit or loss**

All other financial assets are measured, subsequent to initial recognition, at FVTPL. Financial assets at FVTPL comprise:

***Financial assets mandatorily measured at fair value through profit or loss***

Financial assets meeting either of the conditions below are mandatorily measured at FVTPL:

- financial assets with contractual terms that do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- financial assets held within a business model whose objective is achieved neither by collecting contractual cash flows nor both collecting contractual cash flows and selling financial assets. This includes financial assets held within a portfolio that is managed and whose performance is evaluated on a fair value basis, such as investments held by the Group's life assurance business. It further includes portfolios of financial assets which are 'held for trading', which includes financial assets acquired principally for the purpose of selling in the near term and financial assets that on initial recognition are part of an identified portfolio where there is evidence of a recent pattern of short-term profit-taking.

# 1 Group accounting policies *(continued)*

***Financial assets designated as measured at fair value through profit or loss***
A financial asset may be designated at FVTPL only if doing so eliminates or significantly reduces measurement or recognition inconsistencies (an 'accounting mismatch') that would otherwise arise from measuring financial assets or liabilities or recognising gains and losses on them on different bases.

The Group designates certain investments in associates at FVTPL as set out in note 28.

Regular way purchases and sales of financial assets at FVTPL are recognised on trade date. They are carried on the balance sheet at fair value, with all changes in fair value included in the income statement.

***Reclassification***
When and only when, the Group changes its business model for managing financial assets, it reclassifies all affected financial assets. Reclassification is applied prospectively.

***Derecognition***
A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the Group has transferred substantially all the risks and rewards of ownership. Where the Group retains the obligation to service the transferred financial asset, the transferred asset is derecognised if it meets the derecognition criteria and an asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (an asset) or is less than adequate (a liability) for performing the servicing.

Where a modification results in a substantial change on a quantitative or qualitative basis, to the contractual cash flows of a financial asset, it may be considered to represent expiry of the contractual cash flows, resulting in derecognition of the original financial asset and recognition of a new financial asset at fair value.

The Group reduces the gross carrying amount of a financial asset and the associated impairment loss allowance when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**Impairment of financial instruments**
**Scope**
The Group recognises impairment loss allowances for ECL on the following categories of financial instruments unless measured at FVTPL:
- financial assets that are debt instruments;
- loan commitments;
- lease receivables recognised under IFRS 16 'Leases';
- financial guarantee contracts issued and not accounted for under IFRS 4 'Insurance Contracts'; and
- receivables and contract assets recognised under IFRS 15 'Revenue from Contracts with Customers'.

**Basis for measuring impairment**
The Group allocates financial instruments into the following categories at each reporting date to determine the appropriate accounting treatment.

***Stage 1: 12-month expected credit losses (not credit-impaired)***
These are financial instruments where there has not been a significant increase in credit risk since initial recognition. An impairment loss allowance equal to 12-month ECL is recognised.

This is the portion of lifetime ECL resulting from default events that are possible within the next 12 months.

***Stage 2: Lifetime expected credit losses (not credit-impaired)***
These are financial instruments where there has been a significant increase in credit risk since initial recognition, but which are not credit-impaired. An impairment loss allowance equal to lifetime ECL is recognised. Lifetime ECL are the ECL resulting from all possible default events over the expected life of the financial instrument.

***Stage 3: Lifetime expected credit losses (credit-impaired)***
These are financial instruments which are credit-impaired at the reporting date but were not credit-impaired at initial recognition. An impairment loss allowance equal to lifetime ECL is recognised.

**Purchased or Originated Credit-impaired financial assets**
These are financial assets that were credit-impaired at initial recognition. They are not subject to any initial impairment loss allowance but an impairment loss allowance is subsequently recognised for the cumulative changes in lifetime ECL since initial recognition. A POCI financial asset remains classified as such until it is derecognised, even if assessed as no longer credit-impaired at a subsequent reporting date.

With the exception of POCI financial assets, a financial instrument may migrate between stages from one reporting date to the next.

**Significant increase in credit risk**
In determining if a financial instrument has experienced a significant increase in credit risk since initial recognition, the Group assesses whether the risk of default over the remaining expected life of the financial instrument is significantly higher than had been anticipated at initial recognition, taking into account changes in prepayment expectations where relevant.

The Group uses reasonable and supportable information available without undue cost or effort at the reporting date, including forward-looking information. A combination of quantitative, qualitative and backstop indicators are generally applied in making the determination. For certain portfolios, the Group assumes that no significant increase in credit risk has occurred if credit risk is 'low' at the reporting date.

**Credit-impaired**
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired.

# 1 Group accounting policies *(continued)*

**Measurement of expected credit losses and presentation of impairment loss allowances**
ECL are measured in a way that reflects:
- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL are measured as follows:
- financial assets that are not credit-impaired at the reporting date: the present value of the difference between all contractual cash flows due to the Group in accordance with the contract and all the cash flows the Group expects to receive;
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: the present value difference between the contractual cash flows that are due to the Group if the commitment is drawn and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover, discounted at an appropriate risk-free rate.

Expected cash flows arising from the sale on default of a loan are included in the measurement of expected credit losses under IFRS 9 where the following conditions are met:
- selling the loan is one of the recovery methods that the Group expects to pursue in a default scenario;
- the Group is neither legally nor practically prevented from realising the loan using that recovery method; and
- the Group has reasonable and supportable information upon which to base its expectations and assumptions.

For financial assets, the discount rate used in measuring ECL is the effective interest rate (or 'credit-adjusted effective interest rate' for a POCI financial asset) or an approximation thereof. For undrawn loan commitments, it is the effective interest rate, or an approximation thereof, that will be applied when recognising the financial asset resulting from the loan commitment.

Impairment loss allowances for ECL are presented in the financial statements as follows:

***Financial assets at amortised cost:*** as a deduction from the gross carrying amount in the balance sheet.

***Loan commitments and financial guarantee contracts:*** generally, as a provision in the balance sheet.

***Debt instruments at fair value through other comprehensive income:*** an amount equal to the allowance is recognised in OCI as an accumulated impairment amount.

**Utilisation of impairment loss allowances**
The Group reduces the gross carrying amount of a financial asset and the associated impairment loss allowance when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Indicators that there is no reasonable expectation of recovery include the collection process having been exhausted or it becoming clear during the collection process that recovery will fall short of the amount due to the Group.

The Group considers, on a case-by-case basis, whether enforcement action in respect of an amount that has been written off from an accounting perspective is or remains appropriate. Any subsequent recoveries are included in the income statement as an impairment gain.

**Forbearance**
Forbearance occurs when a borrower is granted a concession or agreed change to a loan ('forbearance measure') for reasons relating to the actual or apparent financial stress or distress of that borrower. Forbearance has not occurred if the concession or agreed change to a loan granted to a borrower is not related to the actual or apparent financial stress or distress of that borrower.

Prior to any decision to grant forbearance, the Group performs an assessment of a customer's financial circumstances and ability to repay and assesses whether the loan is credit-impaired. Where the loan is credit-impaired, it is allocated to Stage 3 (unless a POCI financial asset). If a forborne loan has a variable interest rate, the discount rate for measuring ECL is the current effective interest rate determined under the contract before the modification of terms.

Financial assets to which forbearance has been applied continue to be reported as forborne until such time as they satisfy conditions to exit forbearance in line with EBA guidance on non-performing and forborne classifications. Forborne financial assets which are not credit-impaired are generally classified as Stage 2. A financial asset can only be reclassified from Stage 3 when certain conditions are met over a pre-defined period of time or probation period, in line with regulatory requirements.

Where the cash flows from a forborne loan are considered to have expired, due to the loan being restructured in such a way that results in a substantial modification, the original financial asset is derecognised and a new financial asset is recognised, initially measured at fair value. Any difference between the carrying value of the original financial asset and the fair value of the new financial asset on initial recognition are recognised in the income statement. The new financial asset may be initially allocated to Stage 1 or, if credit-impaired, be categorised as a POCI financial asset.

Where a forbearance measure represents a modification of the contractual cash flows of a financial asset and does not result in its derecognition, the Group recalculates the gross carrying amount of the financial asset as the present value of the modified contractual cash flows that are discounted at the financial asset's original effective interest rate (before any modification of terms) and a modification gain or loss is included in the income statement within net impairment gains or losses.

**Financial liabilities**
The Group classifies its financial liabilities as being measured at amortised cost unless it has designated liabilities at FVTPL or is required to measure liabilities mandatorily at FVTPL, such as derivative liabilities. Financial liabilities are initially recognised at fair value, (normally the issue proceeds i.e. the fair value of consideration received) less, in the case of financial liabilities subsequently carried at amortised cost, transaction costs. For financial liabilities carried at amortised cost, any difference between the proceeds, net of transaction costs and the redemption value is recognised in the income statement using the effective interest method.

# 1 Group accounting policies *(continued)*

When a financial liability that is measured at amortised cost is modified without resulting in derecognition, a gain or loss is recognised in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified contractual cash flows discounted at the original effective interest rate.

Preference shares which carry a mandatory coupon are classified as financial liabilities. The dividends on these preference shares are recognised in the income statement as interest expense using the effective interest method.

A financial liability may be designated as at FVTPL only when:
- it eliminates or significantly reduces a measurement or recognition inconsistency (an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis in accordance with documented risk management or investment strategy; or
- a contract contains one or more embedded derivatives that significantly changes the cash flows of the contract and the separation of the embedded derivative(s) is not prohibited.

The Group designates certain financial liabilities at FVTPL as set out in note 52 to the financial statements.

The movement in own credit risk related to financial liabilities designated at FVTPL is recorded in OCI unless this would create or enlarge an accounting mismatch in profit or loss for the Group (in which case all gains or losses are recognised in profit or loss).

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

### Sale and repurchase agreements and lending of assets

Assets sold subject to repurchase agreements ('repos') are retained on the balance sheet and reclassified as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or customer accounts, as appropriate.

Securities purchased under agreements to resell ('reverse repos') are treated as collateralised loans and recorded as loans and advances to banks or customers, as appropriate.

The difference between sale and repurchase price is treated as interest and recognised in the income statement over the life of the agreement using the effective interest method.

Securities lent to counterparties are also retained on the balance sheet. Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in trading income. The obligation to return the securities is recorded at fair value as a trading liability.

### Issued debt and equity securities

The classification of instruments as a financial liability or an equity instrument is dependent upon the substance of the contractual arrangement. Instruments which carry a contractual obligation to deliver cash or another financial asset to another entity are classified as financial liabilities. The coupons on these instruments are recognised in the income statement as interest expense using the effective interest method.

Where the Group has absolute discretion in relation to the payment of coupons and repayment of principal, the instrument is classified as equity and any coupon payments are classified as distributions in the period in which they are made.

If the Group purchases its own debt, it is removed from the balance sheet and the difference between the carrying amount of the liability and the consideration paid is included in other operating income, net of any costs or fees incurred.

### Derivative financial instruments and hedge accounting

The Group has made the accounting policy choice allowed under IFRS 9 to continue to apply the hedge accounting requirements of IAS 39.

Derivatives are initially recognised at fair value on the date on which the contract is entered into and are subsequently remeasured at their fair value at each reporting date. All derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Certain derivatives embedded in other financial instruments that are not financial assets are separated from the host contract and accounted for as derivatives, when their economic characteristics and risks are not closely related to those of the host contract and the entire host contract is not carried at FVTPL.

Fair value gains or losses on derivatives are normally recognised in the income statement. However where they are designated as hedging instruments, the treatment of the fair value gains and losses depends on the nature of the hedging relationship.

The Group designates certain derivatives as either:
- hedges of the exposure to changes in the fair value of recognised assets or liabilities that is attributable to a particular risk (fair value hedge); or
- hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecast transaction (cash flow hedge).

Hedge accounting is applied to these derivatives provided certain criteria are met. The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Hedge relationships are concluded to be effective if the hedging instruments that are used in hedging transactions offset the changes in fair value or cash flow of the hedged items within a range of 80% to 125%.

Where a hedging instrument is novated to a clearing counterparty, the Group does not discontinue hedge accounting where the following criteria are met:
- the novation arises due to laws or regulations, or the introduction of laws and regulations;
- the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and

# 1 Group accounting policies *(continued)*

- the novation does not result in changes to the terms of the original instrument except for those changes necessary to effect the change in counterparty.

**Hedges directly affected by the BMR reform**

All hedge accounting relationships subject to BMR reform were transitioned before 30 June 2023.

***Fair value hedge***
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The hedged item in a micro fair value hedge is a single specified item e.g. a fixed rate commercial loan or a FVOCI bond.

The hedged item in a portfolio fair value hedge is a pool of assets or liabilities with similar risk characteristics and profiles, such as a pool of fixed rate mortgages. Unlike micro fair value hedge accounting, portfolio fair value hedge accounting is not discontinued if an individual asset or liability within the pool of hedged items is sold, so long as the overall pool of hedged items retains its characteristics as documented at inception of the hedge.

In addition, hedge effectiveness testing is performed on a portfolio basis rather than on an individual hedge relationship by hedge relationship basis.

For micro fair value hedges, the hedge adjustment is presented as an adjustment to the carrying amount of the hedged item.

For portfolio fair value hedges, the hedge adjustment is presented on the balance sheet as a separate line item "Fair value changes due to interest rate risk of the hedged items in portfolio hedges." Where the underlying hedged item is an asset, the portfolio hedge adjustment is presented separately within assets. Where the underlying hedged item is a liability, the portfolio hedge adjustment is presented separately within liabilities.

The Group also avails of the relaxed hedge accounting provisions permitted by IAS 39 'Financial Instruments: recognition and measurement' as adopted by the EU. The Group applies these relaxed provisions to portfolio fair value hedges of interest rate risk on its demand deposit and mortgage lending books. The Group resets portfolio fair value hedges of its demand deposit book on a weekly basis and other portfolio fair value hedges are reset either fortnightly or on a monthly basis.

If the criteria for hedge accounting cease to be met, no further adjustments are made to the hedged item for fair value changes attributable to the hedged risk. The cumulative adjustment to the carrying amount of a hedged item is amortised to profit or loss over the period to maturity using the straight line method for macro hedges and the effective interest method for micro hedges.

When a hedged item held at amortised cost that is designated in a micro fair value hedge or included in a repricing time period of a portfolio hedge is derecognised, the unamortised fair value adjustment included in the carrying value of that hedged item is immediately reclassified to the income statement.

***Cash flow hedge***
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in OCI. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in OCI are reclassified to the income statement in the periods in which the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in OCI at that time remains in OCI and is recognised in the income statement when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately reclassified to the income statement.

**Embedded derivatives**
An embedded derivative is a component of a hybrid contract that also includes a non-derivative host, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If a hybrid contract contains a host that is not a financial asset within the scope of IFRS 9, an embedded derivative is separated from the host and accounted for as a derivative if and only if, its economic characteristics and risks are not closely related to those of the host, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid contract is not measured at FVTPL.

**Financial guarantees**
Financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the original or modified terms of a debt instrument.

**Financial guarantees held by the Group**
A financial guarantee contract requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Where the Group is the holder of such a guarantee and it is considered integral to the contractual terms of the guaranteed debt instrument(s), the guarantee is not accounted for separately but is considered in the determination of the impairment loss allowance for ECL of the guaranteed instrument(s).

**Financial guarantees issued by the Group**
The Group issues financial guarantees to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities and in connection with the performance of customers under payment obligations related to contracts and the payment of import duties. The Group's liability under an issued financial guarantee contract is initially measured at fair value. The liability is subsequently measured at the higher of the amount of the impairment loss allowance for ECL determined in accordance with the requirements of IFRS 9 and the initial measurement less the cumulative amount of income recognised in accordance with the principles of IFRS 15.

# 1 Group accounting policies *(continued)*

Any change in the liability is taken to the income statement and recognised on the balance sheet within provisions. Where the Group issues a financial liability which contains a financial guarantee, the liability is measured at amortised cost using the effective interest method.

### Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is currently a legally enforceable right of set off and there is an intention to settle

on a net basis, or realise the asset and settle the liability simultaneously. No impairment loss allowance for ECL is recognised on a financial asset, or portion thereof, which has been offset.

### Valuation of financial instruments

The Group recognises trading securities, other financial assets and liabilities designated at FVTPL, derivatives and financial assets at FVOCI at fair value in the balance sheet. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date.

The fair values of financial assets and liabilities traded in active markets are based on unadjusted bid and offer prices respectively. If an active market does not exist, the Group establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow (DCF) analysis, option pricing models and other valuation techniques commonly used by market participants. To the extent possible, these valuation techniques use observable market data. Where observable data does not exist, the Group uses estimates based on the best information available.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price in an arm's length transaction, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique which uses only observable market inputs. When such evidence exists, the initial valuation of the instrument may result in the Group recognising a profit on initial recognition. In the absence of such evidence, the instrument is initially valued at the transaction price. Any day one profit is deferred and recognised in the income statement to the extent that it arises from a change in a factor that market participants would consider in setting a price. Straight line amortisation is used where it approximates to that amount. Subsequent changes in fair value are recognised immediately in the income statement without the reversal of deferred day one profits or losses.

Where a transaction price in an arm's length transaction is not available, the fair value of the instrument at initial recognition is measured using a valuation technique.

For liabilities designated at FVTPL, the fair values reflect changes in the Group's own credit spread.

### Transfers between levels of the fair value hierarchy

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

### Group accounts

#### Subsidiaries

Subsidiary undertakings are investees controlled by the Group. The Group controls an investee when it has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether it controls an investee when facts and circumstances indicate that there are changes to one or more elements of control. The existence and effect of potential voting rights are considered when assessing whether the Group controls an investee only if the rights are substantive.

A structured entity is an entity designed so that its activities are not governed by way of voting rights. The Group assesses whether it has control over such entities by considering factors such as: the purpose and design of the entity; the nature of its relationship with the entity; and the size of its exposure to the variability of returns from the entity.

Assets, liabilities and results of all Group undertakings have been included in the Group financial statements on the basis of financial statements or, where relevant, additional financial information, made up to the end of the financial year.

#### Business combinations

Except for where predecessor accounting applies, subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired, is recorded as goodwill.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. In addition, FX gains and losses which arise on the retranslation to functional currency of intercompany monetary assets and liabilities are not eliminated.

Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

#### Associates and Joint Ventures

Associates are all entities over which the Group has significant influence, but not control, over the entity's financial and operating decisions, generally accompanying a shareholding of between 20% and 50% of the voting rights. A joint arrangement is an arrangement of which two or more parties have joint control.

# 1 Group accounting policies *(continued)*

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint ventures.

Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost.

The Group utilises the venture capital exemption for investments where significant influence is present and the business operates as a venture capital business. These investments are designated at initial recognition at FVTPL.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in joint operations in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Accounting policies of associates and joint ventures have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

**Non-controlling interests**
Non-controlling interests comprise equity in a subsidiary that is not directly or indirectly attributable to the Parent. Transactions with non-controlling interests where the Group has control over the entity are accounted for using the Economic entity model. This accounting model requires that any surplus or deficit that arises on any transaction(s) with non-controlling interests to dispose of or to acquire additional interests in the entity that does not result in loss of control is recognised in equity.

**Securitisations**
Certain Group undertakings have entered into securitisation transactions in order to finance specific loans and advances to customers.

All financial assets continue to be held on the Group balance sheet and a liability recognised for the proceeds of the funding transaction, unless:

- the rights to the cash flows have expired or been transferred;
- substantially all the risks and rewards associated with the financial instruments have been transferred outside the Group, in which case the assets are derecognised in full; or
- a significant portion, but not all, of the risks and rewards have been transferred outside the Group. In this case the asset is derecognised entirely if the transferee has the ability to sell the financial asset. Otherwise the asset continues to be recognised only to the extent of the Group's continuing involvement.

Where the above conditions apply to a fully proportionate share of all or specifically identified cash flows, the relevant accounting treatment is applied to that proportion of the asset.

### Foreign currency translation
Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements of the Group and the financial statements of the Company are presented in euro.

Foreign currency transactions are translated into functional currency at the exchange rates prevailing at the dates of the transactions.

FX gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated into the appropriate functional currency using the exchange rate at the transaction date and those measured at fair value are translated at the exchange rate at the date the fair value was determined. Exchange rate differences on non-monetary items are recognised based on the classification of the underlying items.

Assets, liabilities and equity of all the Group entities that have a functional currency different from the presentation currency ('foreign operations') are translated at the closing rate at the reporting date and items of income and expense are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions). All resulting exchange differences are recognised in OCI and accumulated in a separate component of equity.

On disposal of a foreign operation the amount accumulated in the separate component of equity is reclassified from equity to profit or loss. The Group may dispose of its interest in a foreign operation through sale, liquidation, repayment of share capital, abandonment or through loss of control or significant influence.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### Fee and commission income
The Group accounts for fee and commission income when the contract with the customer is agreed and each party's rights under the contract, together with the payment terms, are identified. In addition it must be probable that the Group will collect the consideration to which it is entitled. Fee and commission income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. Fee income on the provision of current accounts to customers is recognised as the service is provided. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts usually on a time apportioned basis. Asset management fees related to investment funds are recognised rateably over the period the service is provided. The same principle is applied for wealth management, financial planning and custody services that are continuously provided over an extended period of time.

Loan syndication and arrangement fees are recognised at a point in time when the performance obligation is completed. Stockbroking commission income arising from the Davy Stockbroking business is recognised as earned in the period in which the related deals are executed on behalf of clients and the performance obligation is satisfied.

# 1 Group accounting policies *(continued)*

Other fees including interchange income, ATM fees and FX fees are recognised on completion of the transaction and once the Group has completed its performance obligations under the contract.

### Leases

**Identifying a lease**

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**A Group company is the lessee**

The Group recognises a Right of Use (RoU) asset and lease liability at the lease commencement date. RoU assets are initially measured at cost and subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurement of lease liabilities. The recognised RoU assets are depreciated on a straight-line basis over the shorter of their estimated useful lives and the lease term. RoU assets are subject to impairment under IAS 36 'Impairment of Assets'.

The Group has elected not to recognise RoU assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

RoU assets, comprised of leases of buildings which do not meet the definition of investment properties and computer equipment, are presented in property, plant and equipment. RoU assets which meet the definition of investment properties are presented within investment properties.

Lease liabilities are initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the Incremental Borrowing Rate (IBR) if the interest rate implicit in the lease is not readily determinable. Lease payments include fixed rental payments. Generally, the Group uses its IBR as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

It is remeasured if there is a change in future lease payments, a change in the lease term, or as appropriate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured a corresponding adjustment is made to the RoU asset and / or profit or loss, as appropriate.

The Group has applied judgement in determining the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and RoU assets recognised.

The Group has a number of leases which contain break options and applies judgement in evaluating whether it is reasonably certain not to exercise the option. That is, on commencement of a lease the Group considers all relevant factors that create an incentive for it to exercise the option.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option.

Under IFRS 16, where the Group is an intermediate lessor the subleases are classified with reference to the RoU asset arising from the head lease, not with reference to the underlying asset. Where the Group continues to retain the risks and rewards of ownership as the intermediate lessor, it retains the lease liability and the RoU asset relating to the head lease in its balance sheet. If the Group does not retain the risks and rewards of ownership as the intermediate lessor, these subleases are deemed finance leases. During the term of the sublease, the Group recognises both finance lease income on the sublease and interest expense on the head lease.

**A Group company is the lessor**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are held under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Lease income is included within net interest income and is recognised over the term of the lease reflecting a constant periodic rate of return on the net investment in the lease.

Assets leased to customers under operating leases are included within property, plant and equipment on the statement of financial position and depreciation is provided on the depreciable amount of these assets on a systematic basis over their estimated useful lives. Depreciation on assets acquired for the purpose of leasing under operating leases is recognised in other leasing expense. Lease income is recognised on a straight line basis over the period of the lease unless another systematic basis is more appropriate.

### Property, plant and equipment

Freehold land and buildings are initially recognised at cost and subsequently are revalued annually to fair value by independent external valuers. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from the open market value at the reporting date.

RoU assets recognised as property, plant and equipment are measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurement of lease liabilities.

All other property, plant and equipment, including freehold and leasehold adaptations, are stated at historical cost less accumulated depreciation.

Increases in the carrying amount arising on the revaluation of land and buildings, are recognised in OCI. Decreases that offset previous increases on the same asset are recognised in OCI: all other decreases are charged to the income statement.

# 1 Group accounting policies *(continued)*

The Directors consider that residual values of freehold and long leasehold property based on prices prevailing at the time of acquisition or subsequent valuation are such that depreciation is not material.

Depreciation is calculated on the straight line method to write down the carrying value of other items of property, plant and equipment to their residual values over their estimated useful lives as follows:

- adaptation works on freehold and leasehold property - fifteen years, or the remaining period of the lease;
- computer and other equipment - maximum of ten years; and
- the recognised RoU assets are depreciated on a straight-line basis over the earlier of the end of the useful life of the RoU asset or the end of the lease term.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount. The estimated recoverable amount is the higher of the asset's fair value less costs to sell or its Value in Use (VIU).

Gains and losses on the disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining profit before tax. If the asset being disposed of had previously been revalued then any amount in OCI relating to that asset is reclassified directly to retained earnings on disposal rather than the income statement.

### Investment property

Property held for long-term rental yields and capital appreciation is classified as investment property, except where the property is used by the Group for administrative purposes or the supply of services, in which case it is classified as owner occupied property. Investment property comprises freehold and long leasehold land and buildings.

It is carried at fair value in the balance sheet based on annual revaluations at open market value as determined by external qualified property surveyors and is not depreciated. Changes in fair values are recorded in the income statement. Rental income from investment properties is recognised as it becomes receivable over the term of the lease.

### Intangible assets

#### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful lives, which is normally five years.

Costs associated with research activities or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include software development, employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised using the straight line method over their useful lives, which is normally between five and ten years.

#### Other intangible assets

Other intangible assets are carried at cost less amortisation and impairment, if any and are amortised on a straight line basis over their useful lives, which range from five years to twenty years.

Computer software and other intangible assets are assessed for impairment indicators annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indicators exist, the asset's recoverable amount is estimated. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount. The estimated recoverable amount is the higher of the asset's fair value less costs to sell and its VIU.

#### Goodwill

Goodwill represents the excess of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree, over the fair value of the Group's share of identifiable net assets acquired. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment or more frequently if there is any indication that it may be impaired and carried at cost less accumulated impairment losses.

Goodwill is allocated to cash generating units (CGU) for the purpose of impairment testing. An impairment loss arises if the carrying value of the CGU exceeds the recoverable amount.

The recoverable amount of a CGU is the higher of its fair value less costs to sell and its VIU, where the VIU is the present value of the future cash flows expected to be derived from the CGU.

#### Client property

In the normal course of business, the Group (through Davy) provides the following services to certain of its clients:

- investment of funds at the sole discretion of the Group in securities and the placing of deposits in separately designated accounts with recognised banks and building societies, the income from which accrues for the benefit of these clients, and
- custodianship of securities held on behalf of clients.

Client property placed with third parties is not recognised on the Group's balance sheet as the Group does not have any rights to the benefits from this property nor have any control over the property and therefore the property is not considered an asset of the Group.

Where the client property is placed on deposit with the Group, these are considered liabilities of the Group and are recognised in customer accounts

### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

# 1 Group accounting policies *(continued)*

Provision is made for the anticipated costs of restructuring, including related redundancy costs, when an obligation exists. An obligation exists when the Group has a detailed formal plan for restructuring a business and has raised valid expectations in those affected by the restructuring by starting to implement the plan or announcing its main features. A levy payable to a Government is provided for on the occurrence of the event identified by the legislation that triggers the obligation to pay the levy.

Contingent liabilities are not recognised but are disclosed unless the probability of their occurrence is remote.

### Employee benefits

#### Pension obligations

The Group operates both defined contribution and defined benefit plans. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods.

The asset or liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. Plans in surplus are shown as assets and plans in deficit are shown as liabilities. A surplus is only recognised as an asset to the extent that it is recoverable through a refund from the plan or through reduced contributions in the future.

Where a plan amendment, curtailment or settlement occurs and the net defined benefit liability is remeasured to determine past service cost or the gain or loss on settlement, the current service cost and net interest for the remainder of the period are remeasured using the same assumptions.

Service cost and net interest on the net defined benefit liability / (asset) are recognised in profit or loss, within operating expenses. Remeasurements of the net defined benefit liability / (asset) that are recognised in OCI include:

- actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions; and
- the return on plan assets, excluding amounts included in net interest on the net defined benefit liability / (asset).

A settlement is a transaction that eliminates all further legal and constructive obligations for part or all of the benefits provided under a defined benefit plan, other than a payment of benefits to, or on behalf of, employees that is set out in the terms of the plan and included in the actuarial assumptions.

For defined contribution plans, contributions are recognised as employee benefit expense when they are due.

#### Short-term employee benefits

Short-term employee benefits, such as salaries and other benefits, are accounted for on an accruals basis over the period in which the employees' service is rendered.

#### Termination payments

Termination payments are recognised as an expense at the earlier of:

- when the Group can no longer withdraw the offer of those benefits; and
- when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

For this purpose, in relation to termination benefits for voluntary redundancies, the Group is considered to be no longer able to withdraw the offer on the earlier of the following dates:

- when the employee accepts the offer; and
- when a restriction (e.g. a legal, regulatory or contractual requirement) on the Group's ability to withdraw the offer takes effect.

### Income taxes

#### Current income tax

Income tax payable on profits, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date, is recognised as an expense in the period in which profits arise.

Tax provisions are provided on a transaction by transaction basis using either the 'most likely amount' method or the 'expected value' method as appropriate for the particular uncertainty and by management assessing the relative merits and risks of tax treatments assumed, taking into account statutory, judicial and regulatory guidance and, where appropriate, external advice.

A current tax provision is recognised when the Group has a present obligation as a result of a past event and it is probable that there will be a future outflow of funds to a fiscal authority to settle the obligation. Interest on tax liabilities is recognised as interest expense.

The Group has determined that the global minimum top-up tax - which it is required to pay under Pillar 2 legislation - is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

#### Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

# 1 Group accounting policies *(continued)*

The tax effects of income tax losses available for carry forward are recognised as DTAs to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised and by reference to the expiry dates (if any) of the relevant unused tax losses or tax credits. DTAs and deferred tax liabilities are not discounted.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax on items taken to OCI is also recognised in OCI and is subsequently reclassified to the income statement together with the deferred gain or loss. Income tax on items recognised directly in equity is recognised directly in equity, except for the income tax consequences of dividends on a financial instrument classified as equity, which are recognised according to where the previous transactions or events that generated distributable profits were recognised.

**Uncertain tax positions**
The Group considers uncertain tax positions together or separately depending on which approach better predicts how the uncertainties will be resolved. Where the Group concludes it is not probable that a tax authority will accept its assessment of an uncertain tax position, it reflects the effect of the uncertainty using either the 'most likely amount' method or the 'expected value' method, as appropriate for the particular uncertainty.

Where the Group concludes it is probable that a tax authority will accept its assessment of an uncertain tax position, the taxable profit or loss, the tax bases, unused tax losses, unused tax credits and the tax rates are determined consistently with the tax treatment used or planned to be used in the income tax filing.

**Life Insurance operations**
An insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The Group issues insurance contracts through its subsidiary NIAC, which forms part of the Wealth and Insurance operating segment.

On transition to IFRS 17, the Group applied the FRA to contracts issued on or after 1 January 2019. The fair value approach has been applied to contracts which were issued before 1 January 2019, as it was considered impracticable to apply the FRA prior to this date as a result of material changes to cash flow models due to data limitations. Under the fair value approach, the CSM or loss component is calculated as the difference between the fair value of a group of insurance contracts, applying IFRS 13 (income approach) and the present value of the fulfilment cash flows (best estimate plus risk adjustment) , applying IFRS 17, at the transition date.

Contracts within the scope of IFRS 17 must apply the prescribed measurement models. IFRS 17 permits three possible measurement models: the General Measurement Model (GMM), the Premium Allocation Approach (PAA) and the Variable Fee Approach (VFA). The GMM is the default measurement model in IFRS 17 and the PAA is a simplified approach which may be applied where certain eligibility criteria are met. The VFA must be applied to contracts with direct participation features. On transition to IFRS 17, the Group has measured insurance contracts issued and reinsurance contracts held using the GMM, except where the VFA is applied. The Group applies the VFA to insurance contracts in the unit-linked life and pension portfolio. Further detail is provided below as to how a portfolio is defined.

The Group has elected to apply the following accounting policies on first time adoption of IFRS 17:
- changes in the risk adjustment for non-financial risk have been disaggregated between the insurance services result and the insurance finance income or expenses (IFIE);
- the IFIE has not been disaggregated between amounts included in profit or loss and amounts included in other comprehensive income; and
- the financial performance of groups of reinsurance contracts held is presented on a net basis in net income / (expense) from reinsurance contracts held.

**Investment components**
IFRS 17 requires the identification and separation of distinct investment components from contracts within the scope of IFRS 17, unless it is an investment contract with discretionary participation features.

For contracts that include both insurance coverage and investment-related service the Group has separated distinct investment components that are not highly inter-related to the insurance component. The distinct investment components are measured in accordance with IFRS 9 and presented as financial instruments.

**Contract boundary**
The measurement of a group of insurance contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services. The Group has determined that expected future single premium injections and regular premium increases for unit-linked life and pensions contracts, even though at the discretion of policyholders, are within the contract boundaries as the Group may not adjust the terms and conditions for such increases.

**Level of aggregation (LoA)**
IFRS 17 requires an entity to determine the LoA for applying its requirements. The LoA for the Group has been determined firstly by dividing the business written into portfolios. Portfolios as described by IFRS 17 comprise groups of contracts with similar risks which are managed together.

# 1 Group accounting policies *(continued)*

Portfolios have been further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant possibility of becoming onerous, and the remainder.

Contracts issued more than one year apart have not been allocated to the same group, except for contracts measured using the fair value approach at transition to IFRS 17.

**Measurement**
Under IFRS 17 the carrying value of insurance contracts comprises the present value of future cash flows (separated into liability for remaining coverage (LRC) and liability for incurred claims (LIC), a risk adjustment for non-financial risk, and the CSM, which is calculated retrospectively and represents expected future profits to be recognised over the lifetime of contracts. In estimating future cash flows, the Group has incorporated, in an unbiased way, all reasonable and supportable information that is available at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events. The estimates of future cash flows reflects the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

**GMM**
Changes in LIC and LRC are reflected in insurance revenue, insurance service expense, IFIE, or by adjusting the CSM. The amount of CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units. Services provided are estimated using coverage units, which reflect the quantity of benefits and the coverage duration.

**VFA**
For insurance contracts under the VFA there are adjustments that relate to future service which change the CSM. These include changes in the Group's share of the fair value of underlying items and changes in the fulfilment cashflows that would not vary based on the returns of underlying items and relate to future service. Other changes in cashflows are reflected in profit or loss.

**Coverage units**
The Group determines coverage units applying equal weight to the expected benefits resulting from insurance coverage to which policyholders may become entitled, investment-return service and investment-related service. Coverage units for future years are discounted at rates determined at the inception of a group of contacts (locked-in rates), except for the unit-linked life and pensions portfolio, where current discount rates are used.

**Reinsurance**
The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- measurement of the cash flows includes an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including allowing for the effects of collateral and losses from disputes;
- the Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer;
- the Group recognises both day 1 gains and day 1 losses at initial recognition in the balance sheet as a CSM and this is released to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition. The amount of the CSM recognised in profit or loss for services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units, representing the proportion of insurance coverage and investment gains and losses of underlying contracts that is reinsured. Equal weights are applied to insurance coverage and investment-return service;
- changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM; and
- the VFA does not apply to reinsurance contracts.

**Risk adjustment for non-financial risk**
The risk adjustment reflects the compensation that the Group requires to compensate for the risk in the level and timing of future cash flows arising from non-financial risks. The Group determines the risk adjustment for non-financial risk as follows:

- a value at risk approach (also referred to as a confidence interval approach) is applied at a confidence interval of 90% over one year, which reflects the Group's risk appetite for insurance business. In addition to the disclosure of the one year confidence interval of 90% the Group discloses the approximate confidence interval over the run-off of the in force business (ultimate confidence interval of 70.1%);
- the effect of assumed adverse experience is determined as a one-off sensitivity at the reporting date that persists for the duration of contracts;
- the Group allows for diversification of non-financial risks with financial risks and with investment contracts, based on the Solvency II (the prudential regime for insurance and reinsurance undertakings in the EU) standard formula diversification factors;
- the risk adjustment for contracts issued allows for the effect of sensitivities net of reinsurance plus the expected cost of reinsurance; and
- the risk adjustment for reinsurance contracts held is based on the reinsured proportions of risks included in the risk adjustment for contracts issued.

***Discount rates***
Discount rates are based on market information where available and are determined using the top-down approach for the annuity portfolios and the bottom-up approach for other contracts. For long durations where there is no observable market information interest rates are estimated applying a small excess return of between 0.5% and 1% above expected long-term inflation rates, based on the excess return above expected long-term inflation rates at long durations where the market is liquid. An illiquidity premium, depending on the nature of contracts, is included in discount rates except for contracts in the unit-linked life and pensions portfolio, as these contracts are considered to be liquid. The reference portfolios for the top down approach are based on assets backing the liabilities with characteristics similar to the liabilities.

# 1 Group accounting policies *(continued)*

The implied investment gains and losses on these assets are adjusted to allow for credit risk based on Solvency II fundamental spreads. The bottom-up risk-free discount rate curve is based on a similar methodology as the Solvency II risk-free curve, but non-market constraints are removed and the ultimate forward rate reduced.

**Directly Attributable Expenses (DAE)**
DAE, which include both acquisition and maintenance costs, are incorporated in actual and estimated future cash flows and recognised in the result of insurance services. Acquisition costs are amortised, and for contracts not measured under the PAA, this amortisation is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cashflows. Costs that are not directly attributable remain in operating expenses.

DAE, in accordance with IFRS 17, are incorporated in the CSM and recognised in the result of insurance services as a reduction in reported revenue, as profit is recognised over the duration of insurance contracts. Costs that are not directly attributable remain in operating expenses.

**Difference between IFRS and Solvency II**
Solvency II is NIAC's capital and regulatory framework and the Solvency II ratio of NIAC is unchanged as a result of the Group's transition to IFRS 17. NIAC's ability to pay dividends to its parent company within the Group will therefore not be affected. As a general principle the Solvency II cash flows and IFRS 17 best estimate of future cashflows are aligned to the extent appropriate. IFRS 17 best estimate of future cashflows deviate from Solvency II best estimate mainly due to the following key differences:

- level of aggregation of projected cashflows;
- contract boundaries; and
- directly attributable and non-directly attributable expenses.

## Capital Stock and reserves

**Equity transaction costs**
Incremental external costs directly attributable to equity transactions, including the issue of new equity shares or options, are shown as a deduction from the component of equity in which the equity transaction is recognised, net of tax.

**Dividends on ordinary shares**
Final dividends on ordinary shares are recognised in equity in the period in which they are approved by the Bank's shareholders on the recommendation of the Court of Directors, or approved by the Court of Directors, as appropriate. Interim dividends are recognised in equity in the period in which they are paid.

**Treasury shares**
Where the Bank or its subsidiaries purchase the Bank's equity share capital, the consideration paid is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity. Any changes in the value of treasury shares held are recognised in equity at the time of the disposal and dividends are not recognised as income or distributions.

**Capital reserve**
The capital reserve represents transfers from share capital, retained earnings and other reserves in accordance with relevant legislation. The capital reserve is not distributable.

**Foreign exchange reserve**
The FX reserve represents the cumulative gains and losses on the translation of the Group's net investment in its foreign operations since the date of transition to IFRS (1 April 2004). Gains and losses accumulated in this reserve are reclassified to the income statement when the Group loses control, joint control or significant influence over the foreign operation or on disposal or partial disposal of the operation.

**Revaluation reserve**
The revaluation reserve represents the cumulative gains and losses on the revaluation of property occupied by Group businesses, included within property, plant and equipment and non-financial assets classified as held for sale. The revaluation reserve is not distributable.

**Share premium account**
Where the Company issues shares at a premium, a sum equal to the aggregate amount or value of the premiums on those shares is transferred to the share premium account.

Where, pursuant to Section 84 of the Companies Act 2014, there has been a reduction of the Company's share capital by the cancellation of share premium, the resulting profits available for distribution, as defined by Section 117 of the Companies Act 2014, are reclassified from the share premium account to retained earnings.

**Cash flow hedge reserve**
The cash flow hedge reserve represents the cumulative changes in fair value, excluding any ineffectiveness, of cash flow hedging derivatives. These are transferred to the income statement when hedged transactions impact the Group's profit or loss.

**Debt instruments at fair value through other comprehensive income reserve**
The debt instruments at FVOCI reserve comprises the cumulative net change in the fair value of debt securities measured at FVOCI together with the impact of fair value hedge accounting, less the ECL allowance recognised in profit or loss.

**Liability credit reserve**
The liability credit reserve represents the cumulative changes in the fair value of financial liabilities designated as at FVTPL that are attributable to changes in the credit risk of those liabilities, other than those recognised in profit or loss.

## Collateral

The Group enters into master agreements with counterparties, to ensure that if an event of default occurs, all amounts outstanding with those counterparties will be settled on a net basis. The Group obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of a lien over the customers' assets and gives the Group a claim on these assets for both existing and future liabilities. The collateral is, in general, not recorded on the Group balance sheet.

The Group also receives collateral in the form of cash or securities in respect of other credit instruments, such as stock borrowing contracts and derivative contracts, in order to reduce credit risk. Collateral received in the form of securities is not recorded on the balance sheet. Collateral received in the form of cash is recorded on the balance sheet, with a corresponding liability recognised within deposits from banks or deposits from customers. Any interest payable arising is recorded as interest expense.

# 1 Group accounting policies *(continued)*

In certain circumstances, the Group pledges collateral in respect of liabilities or borrowings. Collateral pledged in the form of securities or loans and advances continues to be recorded on the balance sheet. Collateral placed in the form of cash is recorded in loans and advances to banks or customers. Any interest receivable arising is recorded as interest income.

### Operating segments

The Group's reportable operating segments have been identified on the basis that the chief operating decision maker uses information based on these segments to make decisions about assessing performance and allocating resources. The analysis of results by operating segment is based on management accounts information.

### Accounting Policies relevant to the Bank only

#### Common control transactions

A business combination involving entities or businesses under common control is excluded from the scope of IFRS 3: Business Combinations. The exemption is applicable where the combining entities or businesses are controlled by the same party both before and after the combination.

Where such transactions occur, the Bank, in accordance with IAS 8, uses its judgement in developing and applying an accounting policy that is relevant and reliable. Where the transactions meet the definition of a group reconstruction or achieve a similar result, predecessor accounting is applied.

The assets and liabilities of the business transferred are measured in the acquiring entity upon initial recognition at their existing book value in the Group, as measured under IFRS.

The Bank incorporates the results of the acquired businesses only from the date on which the business combination occurs.

### Shares in Group undertakings

The Bank's shares in Group undertakings are stated at cost less any impairment. The Bank reviews its shares in Group undertakings for impairment at each reporting date.

Impairment testing involves the comparison of the carrying value of the investment with its recoverable amount. The recoverable amount is the higher of the investment's fair value and its VIU.

VIU is the present value of expected future cash flows from the investment. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Impairment testing inherently involves a number of judgemental areas: the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting; the assessment of the discount rate appropriate to the business; estimation of the fair value of the investment; and the valuation of the separable assets comprising the overall investment in the Group undertaking. The use of reasonably possible alternative assumptions would not materially impact the carrying value of the Bank's shares in Group undertakings. See note 27 for further information.

### Impact of new accounting standards not yet adopted

The following standards will be relevant to the Group but were not effective at 31 December 2024 and have not been applied in preparing these financial statements.

There are no other standards that are not yet effective and that would have a material impact on the Group in future reporting periods. The Group's current view of the impact of these standards is outlined below.

### Pronouncement: Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability',

#### Nature of change

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The amendments were endorsed on 12 November 2024.

#### Effective date

The effective date is for financial periods beginning on or after 1 January 2025, with early application permitted.

#### Impact

The amendments are not expected to have a significant impact on the Group.

### Pronouncement: IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. Amendments to the Classification and Measurement of Financial Instruments

#### Nature of change

The amendments clarify the date of recognition and derecognition of some financial assets and liabilities with a new exception for some financial liabilities settled through an electronic cash transfer system. In addition, they clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion. New disclosures are added for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets) and the amendment updates disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments are subject to endorsement by the EU.

#### Effective date

The effective date is for financial periods beginning on or after 1 January 2026, with early application permitted.

#### Impact

The Group is currently assessing any impact.

### Pronouncement: IFRS 18 'Presentation and Disclosure in Financial Statements'

#### Nature of change

IFRS 18 aims to give users of financial statements more transparent and comparable information about an entity's financial performance. The new standard will replace IAS 1 'Presentation of Financial Statements but will retain many of the requirements from that standard.

# 1 Group accounting policies *(continued)*

The key new concepts introduced in IFRS 18 relate to:
- the structure of Income Statement;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (management-defined performance measures); and
- enhance principles on aggregation and disaggregation which apply to the primary statements and notes.

The amendments are subject to endorsement by the EU.

**Effective date**
The effective date is for financial periods beginning on or after 1 January 2027.

**Impact**
While IFRS 18 will not change recognition criteria or measurement basis, it may have a significant impact on presenting information in the financial statements. The Group is currently assessing any impact.

**Pronouncement: Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'**

**Nature of change**
The objective of IFRS 19 is to allow eligible entities to apply the reduced disclosure requirements set out in the standard, while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards to its financial records for group reporting.

The amendments are subject to endorsement by the EU.

**Effective date**
The effective date is for financial periods beginning on or after 1 January 2027.

**Impact**
The amendments are not expected to have a significant impact on the Group.

# 2 Critical accounting estimates and judgements

In preparing the financial statements, the Group makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Due to the inherent uncertainty involved in estimating the likelihood of future events, actual results could differ from those estimates, which could affect the future reported amounts of assets and liabilities. The estimates and judgements that have had the most significant effect on the amounts recognised in the Group's financial statements are set out below.

### Impairment loss allowance on financial assets

The measurement of impairment loss allowance requires significant judgement and estimation and is dependent on complex impairment models.

In arriving at impairment loss allowances, accounting estimates which could change and have a material influence on the quantum of impairment loss allowance and net impairment charge within the next financial year include:

- generation of forward-looking macroeconomic scenarios and their probability weightings which are used in both the assessment of 'significant increase in credit risk' and in the measurement of impairment loss allowances;
- valuing property collateral (including residential property); and
- the selection of appropriate methodologies and model factors for internal risk rating and impairment models.

Accounting judgements which could change and have a material influence on the quantum of impairment loss allowance and net impairment charge within the next financial year include determining if Group / post-model management adjustments may be necessary to impairment model outputs to address impairment model / data limitations or late breaking events.

Other key accounting estimates which are not expected to change and materially influence the quantum of impairment loss allowance and net impairment charge within the next financial year, include:

- determining the period over which to measure ECL for uncommitted Revolving Credit Facility (RCFs); and
- determining timeframes to realisation and likely net sale proceeds.

Other key accounting judgements which are not expected to change and materially influence the quantum of impairment loss allowance and net impairment charge within the next financial year, include:

- the Group's criteria for assessing if there has been a significant increase in credit risk since initial recognition such that a loss allowance for lifetime rather than 12 month ECL is required;
- the approximation made at transition to IFRS 9 of the residual lifetime PD expectations for most exposures originated prior to adoption of IFRS 9; and
- selection of the most relevant macroeconomic variables for particular portfolios and determining associations between and model components such as PD and LGD.

The Group's approach to measurement of impairment loss allowances and associated methodologies is set out in the credit risk methodologies section on pages 320 to 325.

### Changes in estimates

#### Forward-Looking Information

FLI refers to probability weighted future macroeconomic scenarios approved semi-annually by the Executive Risk Committee and used in the assessment of 'significant increase in credit risk' and in the measurement of impairment loss allowances under IFRS 9.

The Group has used four RoI FLI scenarios and four UK FLI scenarios at 31 December 2024, comprising a central scenario, an upside scenario, and two downside scenarios, all extending over a five year forecast period, with reversion to long run averages for property for years beyond the forecast period. The Group keeps under review the number of FLI scenarios and the need to produce projections for other jurisdictions.

The central FLI scenario for the year ending 31 December 2024 was based on internal and external information and management judgement and follows the same process as used in prior years. The alternative scenarios, comprised one upside and two downside scenarios, are narrative-driven and have been constructed incorporating available reasonable and supportable information. This was the same approach as used in prior years.

The FLI methodology framework was leveraged to assign an initial set of probability weightings to the narrative-driven scenarios. The FLI methodology is a simulation tool that uses recent actual observed values and historical data to produce a number of possible paths for the relevant economic variables based on their historical relationships and volatilities. The FLI model is used for scenario generation for a defined probability weighting and for assessing probability weights for a given scenario.

The narrative-driven scenarios were assessed relative to the simulated distribution.

The probability weightings attached to the scenarios are a function of their relative position on the distribution, with a lower probability weighting attached to the scenarios that were assessed to be more distant from the centre of the distribution.

The final set of probability weightings used in ECL estimates are less weighted to the downside scenarios than at 31 December 2023, however they continue to reflect the application of management judgement to the initial modelled probability weightings, with increased weight assigned to the central scenario, with an offsetting decrease in the modelled upside scenario weight.

External forward-looking information (e.g. external forecasts and equity market indicators) informed the application of this management judgement, and reflected ongoing economic uncertainty at 31 December 2024 associated with a combination of factors including the potential impact of geopolitical risk, trade tensions and prevailing interest rates in the Group's key economies. The estimated ECL impact of this judgement was a c.€7 million (2023: c.€31 million) increase in reported impairment loss allowance.

## 2 Critical accounting estimates and judgements *(continued)*

The table below shows the mean average forecast values for the key macroeconomic variables under each scenario for the forecast period 2025 to 2029, together with the scenario weightings for both the RoI and the UK.

| | Republic of Ireland | | | | United Kingdom | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Downside | | | | Downside | |
| 2024 | Central scenario | Upside scenario | Scenario 1 | Scenario 2 | Central scenario | Upside scenario | Scenario 1 | Scenario 2 |
| **Scenario probability weighting** | **45%** | **25%** | **20%** | **10%** | **45%** | **25%** | **20%** | **10%** |
| Modified Domestic Demand - annual growth rate | 2.8% | 3.5% | 2.0% | 0.6% | n/a | n/a | n/a | n/a |
| Gross Domestic Product - annual growth rate | 3.2% | 3.9% | 2.4% | 1.1% | 1.4% | 2.1% | 0.7% | (0.3%) |
| Gross National Product - annual growth rate | 2.7% | 3.4% | 1.9% | 0.6% | n/a | n/a | n/a | n/a |
| Unemployment - average yearly rate | 4.5% | 3.9% | 6.8% | 9.5% | 4.1% | 3.6% | 6.1% | 8.1% |
| Residential property price growth - year end figures | 2.8% | 5.0% | (0.7%) | (3.0%) | 2.5% | 4.5% | (1.4%) | (3.7%) |
| Commercial property price growth - year end figures | 1.9% | 3.3% | (1.4%) | (3.7%) | 2.4% | 3.6% | (1.2%) | (3.6%) |

| | Republic of Ireland | | | | United Kingdom | | | |
|---|---|---|---|---|---|---|---|---|
| | | | Downside | | | | Downside | |
| 2023 | Central scenario | Upside scenario | Scenario 1 | Scenario 2 | Central scenario | Upside scenario | Scenario 1 | Scenario 2 |
| **Scenario probability weighting** | **45%** | **20%** | **25%** | **10%** | **45%** | **20%** | **25%** | **10%** |
| Modified Domestic Demand - annual growth rate | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Gross Domestic Product - annual growth rate | 3.6% | 4.2% | 2.8% | 1.8% | 1.3% | 1.8% | 0.5% | (0.3%) |
| Gross National Product - annual growth rate | 3.8% | 4.2% | 2.8% | 1.7% | n/a | n/a | n/a | n/a |
| Unemployment - average yearly rate | 4.4% | 3.8% | 6.2% | 8.3% | 4.6% | 3.8% | 6.2% | 7.9% |
| Residential property price growth - year end figures | 1.0% | 2.4% | (2.8%) | (4.8%) | 0.6% | 1.8% | (2.6%) | (4.6%) |
| Commercial property price growth - year end figures | (1.2%) | 1.6% | (4.3%) | (6.4%) | (0.8%) | 1.4% | (4.1%) | (6.0%) |

# 2 Critical accounting estimates and judgements *(continued)*

The tables below set out the forecast values for 2025 and 2026 and the average forecast values for the period 2027 to 2029 for the key macroeconomic variables which underpin the mean average values for the period of 2025 to 2029.

| | Republic of Ireland | | | United Kingdom | | |
|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027-2029 | 2025 | 2026 | 2027-2029 |
| **Central scenario - 45% weighting** | | | | | | |
| Modified Domestic Demand - annual growth rate | 3.0% | 2.8% | 2.8% | n/a | n/a | n/a |
| Gross Domestic Product - annual growth rate | 3.5% | 3.5% | 3.0% | 1.5% | 1.5% | 1.4% |
| Gross National Product - annual growth rate | 2.7% | 3.0% | 2.6% | n/a | n/a | n/a |
| Unemployment - average yearly rate | 4.4% | 4.5% | 4.5% | 4.2% | 4.1% | 4.1% |
| Residential property price growth - year end figures | 4.0% | 3.3% | 2.2% | 2.5% | 2.5% | 2.5% |
| Commercial property price growth - year end figures | (0.5%) | 2.0% | 2.7% | 1.5% | 2.5% | 2.7% |
| **Upside scenario - 25% weighting** | | | | | | |
| Modified Domestic Demand - annual growth rate | 4.1% | 3.6% | 3.3% | n/a | n/a | n/a |
| Gross Domestic Product - annual growth rate | 4.6% | 4.3% | 3.5% | 2.4% | 2.3% | 1.9% |
| Gross National Product - annual growth rate | 3.8% | 3.8% | 3.1% | n/a | n/a | n/a |
| Unemployment - average yearly rate | 4.0% | 3.9% | 3.8% | 3.8% | 3.7% | 3.6% |
| Residential property price growth - year end figures | 7.0% | 6.0% | 4.0% | 5.5% | 5.0% | 4.0% |
| Commercial property price growth - year end figures | 3.5% | 3.0% | 3.3% | 3.5% | 3.0% | 3.8% |
| **Downside scenario 1 - 20% weighting** | | | | | | |
| Modified Domestic Demand - annual growth rate | 1.1% | 1.3% | 2.5% | n/a | n/a | n/a |
| Gross Domestic Product - annual growth rate | 1.8% | 2.2% | 2.7% | (0.3%) | (0.2%) | 1.3% |
| Gross National Product - annual growth rate | 1.0% | 1.7% | 2.3% | n/a | n/a | n/a |
| Unemployment - average yearly rate | 5.8% | 6.8% | 7.2% | 5.4% | 6.1% | 6.4% |
| Residential property price growth - year end figures | (4.5%) | (2.5%) | 1.2% | (6.0%) | (4.0%) | 1.0% |
| Commercial property price growth - year end figures | (6.0%) | (2.0%) | 0.3% | (5.0%) | (2.0%) | 0.3% |
| **Downside scenario 2 - 10% weighting** | | | | | | |
| Modified Domestic Demand - annual growth rate | (1.6%) | (1.2%) | 1.9% | n/a | n/a | n/a |
| Gross Domestic Product - annual growth rate | (1.0%) | (0.4%) | 2.3% | (2.0%) | (1.5%) | 0.7% |
| Gross National Product - annual growth rate | (1.8%) | (0.9%) | 1.9% | n/a | n/a | n/a |
| Unemployment - average yearly rate | 7.3% | 9.5% | 10.3% | 6.5% | 8.1% | 8.6% |
| Residential property price growth - year end figures | (10.0%) | (5.0%) | – | (10.0%) | (7.0%) | (0.5%) |
| Commercial property price growth - year end figures | (12.5%) | (5.0%) | (0.3%) | (12.0%) | (5.5%) | (0.2%) |

The central, upside and downside scenarios are described below for both the RoI and the UK:

**Central scenario - RoI**
Although GDP growth has been weak over the past 18 months or so, this has primarily been due to temporary factors related to Ireland's large multinational sector - particularly contract manufacturing - which have only a very limited effect on the domestic economy. GDP growth is expected to pick up again next year as these temporary distortions end, driven by still healthy underlying export demand, with growth about 3.5% in 2025 and 2026, followed by a slight deceleration to a trend-like growth rate of 3% thereafter. Indicators of domestic economic activity have remained quite solid, with Modified Domestic Demand (MDD) registering healthy growth in 2024 to date.

MDD growth is expected to pick up to an average of just under 3% over the rest of the forecast horizon - solid household income growth should translate into rising consumption while economic activity will also be supported as investment strengthens (business capital spending, infrastructure and housing). Employment growth is expected to remain solid over the forecast horizon, though it is likely to gradually decelerate over time as labour supply tightens, while unemployment is expected to remain low. Having dropped considerably from elevated rates in 2022 and 2023 inflation is expected to stabilise at close to 2%. House price inflation has strengthened over the past year and a number of factors, including solid wage growth and lower interest rates, are likely to drive gains in the next few years – later in the forecast period slightly slower wage growth, affordability constraints and a rise in housing supply are likely to lead to a moderation in price inflation.

# 2 Critical accounting estimates and judgements *(continued)*

***Key features - Solid growth, stable on-target inflation, low unemployment, steady house price increase***

**Central scenario - UK**
After a weak patch in 2022 and 2023, when they UK economy was adjusting to higher energy prices and the tightening of monetary policy, growth has picked up somewhat this year as the negative impulse from these shocks fades. Expectations for GDP growth in 2024 have been steadily revised up over recent quarters and now stand at roughly 1%. Looking forward GDP growth is expected to pick up to about 1.5% in 2025, helped by easier monetary and fiscal policy. Growth is expected to remain at about that rate over the remainder of the forecast horizon. Employment growth is expected to rebound in 2025 after a soft patch, gradually decelerating over the forecast period in line with lower labour force growth (due to demographic factors). The unemployment rate is expected to remain low, at a little above 4%. Inflation is expected to continue to gradually ease, reaching the 2% target in a couple of years. With price pressures easing the Bank of England is expected to cut the base rate further, reaching 4% by the end of 2025 (from 4.75% currently) and declining further to 3.75% in 2028. House price inflation has picked up over recent quarters and is expected to reach about 3.25% by year end. Further fairly moderate growth of 2.5% per annum - slightly above inflation, though slightly below income growth - is anticipated over the remainder of the period to 2029. Solid wage growth is likely to be supportive of prices in the near term, while stretched affordability is likely to be a drag in the medium to longer run.

***Key features - Solid growth, stable on-target inflation, low unemployment, moderate house price gains***

**Upside scenario**
In the Upside Scenario, an easing of geopolitical tensions leads to a decline in global energy and other commodity prices and provides a boost to household and business confidence in Ireland and the UK. This contributes to lower inflation in the near term, boosting consumer spending in both economies. Central banks initially ease monetary policy to a greater extent than in the Central Scenario, supporting stronger investment and leading to a pickup in global growth and demand for Irish and UK exports. In addition new technologies, including Artificial Intelligence (AI), boost productivity growth. Stronger growth in output pushes unemployment down and it remains low throughout the forecast horizon in Ireland and the UK. Stronger employment and wage growth leads to higher house price inflation than in the Central Scenario. Strong activity and low levels of spare capacity eventually leads to higher inflation and as a result monetary policy is tightened by the ECB and BoE, with interest rates above the Central Scenario later in the forecast period – this leads to a gradual easing of house price inflation.

***Key features – Easing geopolitical tensions, stronger growth, low unemployment, higher house price inflation***

**Downside scenario 1**
In Downside Scenario 1, financial system stress, including asset price corrections, depresses consumer and business confidence globally. In addition, changes to US trade and tax policy prove to be disruptive to global trade. These shocks combine to place downward pressure on economic activity worldwide - global GDP growth slows and inflation declines. This leads to a deterioration in the public finances of a range of economies, including Ireland and the UK, requiring a period of fiscal consolidation (while Ireland's fiscal position is quite healthy at the outset, a sharp decline in corporate tax revenues, due to lower Multinational Corporation (MNC) profitability and global / US taxation policy changes, leaves the public finances exposed). As a result of lower growth in key trading partners, and tighter fiscal policy, output and employment growth are weaker than in the Central Scenario in both economies, particularly in the first few years of the forecast period, leading to a rise in the unemployment rate. Spare capacity in labour and product markets leads to lower inflation, allowing central banks to ease monetary policy. With higher unemployment and weaker wage growth the Irish and UK housing markets come under pressure and house prices fall, though the extent of the decline is limited by lower interest rates. Later in the forecast period fiscal consolidation ends as deficits are brought under control and this, combined with supportive monetary policy from the ECB and BoE, leads to a pickup in growth while unemployment stabilises before starting to decline, and house price growth returns to positive territory.

***Key features – Financial stress, trade disruption, fiscal tightening, weak growth, rising unemployment, house price declines***

**Downside scenario 2**
In Downside Scenario 2, geopolitical tensions, including the Russia-Ukraine war, conflict in the Middle-East and stress in the relationship between the US and China, escalate. This leads to a rise in energy and other commodity prices on world markets and disrupts global supply chains. In addition, significant changes to US trade and tax policy proves to be highly disruptive to global trade. These shocks push up inflation globally, as does a climate stress related rise in the price of carbon in the EU, leading to a significant decline in global trade and economic activity. Central banks initially keep monetary policy tight in response to rising inflation, while global financial market stresses emerge. Amid a sharp decline in consumer and business confidence, tighter monetary, financial and credit conditions, and weaker export demand, the Irish and UK economies go into recession. The situation is compounded in Ireland by a slowdown in the tech sector along with lower FDI inflows and corporate tax revenues. In the UK business investment falls sharply. Unemployment increases significantly in both economies and remains high over the entire forecast period. This puts household finances under pressure and pushes house price inflation well into negative territory. Eventually geopolitical tensions decline, the global trading system adjusts, and inflation falls back, allowing central banks to ease monetary policy. GDP starts to expand again in Ireland and the UK, picking up towards the end of the forecast horizon, and unemployment stabilises before beginning to decline. House prices in both economies also begin to recover, albeit gradually.

***Key features – Escalating geopolitical tensions, significant trade disruption, climate stress, higher inflation, recessions in Ireland and the UK, elevated unemployment, sharper house price decline***

**Property price growth, all scenarios**
In the central scenario, both RoI and UK experience growth in 2024. RoI growth of 7.8% will be stronger as supply remains low and demand remains, while the UK manages more moderate growth of 3.3% as it recovers from a period of high mortgage rates and cost of living pressures. Growth will cool off in RoI over the rest of the forecast period, stabilising at 2% by 2028 and 2029, while growth will remain consistent at 2.5% throughout the period in the UK.

# 2 Critical accounting estimates and judgements *(continued)*

Commercial prices in RoI will show an improvement on the first six months of the year in 2024 and also in 2025, with price declines receding before a return to growth of 2% in 2025, 2.5% in 2027 and 2028, and 3% in 2029.

This is predicated on strong growth in the retail and Private Rented Sectors (PRS), while the office sector remains in transition until it recovers in 2026. UK commercial prices have also improved from the first six months of the year, particularly in 2024 and also buoyed by strong retail, industrial and PRS performance as well as a recovering retail sector.

In the upside scenario, RoI property price growth will gradually cool off over the forecast period. to reach 3% growth in 2029. UK price growth will climb in 2025 to 5.5%, before climbing back down to 3.5% growth in 2029. Commercial prices in both RoI and UK will see growth of 3.5% in 2025, coming from varied levels of decline in 2024 (-5% and -2% respectively). Both will see further growth in the range of 3% to 4% per annum for the rest of the forecast period.

In the downside 1 scenario, property prices will see a sharp reversal in growth, reaching a trough of -4.5% and -6% in RoI and UK respectively in 2025, before a quick recovery within two years to return to moderate growth by 2027-2029. Commercial prices will see further negative growth, dropping to -6% and -5% respectively before gradually returning to zero growth in 2028 and 2% growth in both territories by 2029.

In the downside 2 scenario, property prices will see a deeper negative price growth than in downside 1, reaching troughs of -10% in both territories in 2025 before a slower recovery into moderate growth in 2028 and 2029. Commercial prices will also decline by further levels than downside 1, as far as 12.5% in RoI and 12% in UK in 2025 before recovering to zero growth in 2028 and moderate growth in 2029 of 1% / 1.5%.

The quantum of impairment loss allowance is impacted by the application of four probability weighted future macroeconomic scenarios.

The following table indicates the approximate extent to which the impairment loss allowance at 31 December 2024, excluding PMAs to impairment loss allowances, was increased by virtue of applying multiple scenarios rather than only a central scenario. This analysis excludes PMAs, as such adjustments to impairment loss allowance are applied using management judgement outside of the macro-economic conditioned ECL model framework (refer to the Management Judgement in Impairment Measurement section below). The scenarios outlined in the following tables are based on the FLI weightings outlined on page 246.

Comparative figures as at 31 December 2023 are also outlined below (and in subsequent tables in this section). Changes in the figures as at 31 December 2024 compared to the previous reporting date reflect a number of inter related dynamics including changes in forward-looking scenarios and associated probability weights; impairment model methodology updates since 31 December 2023; and the composition of the underlying portfolios at the respective reporting dates.

| 2024 | Additional impairment loss allowance | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Stage 3 | | Total | |
| **Impact of applying multiple scenarios rather than only central scenario** | **Impact €m** | **Impact %** | **Impact €m** | **Impact %** | **Impact €m** | **Impact %** | **Impact €m** | **Impact %** |
| Residential mortgages | 6 | 25% | 20 | 119% | 6 | 6% | 32 | 22% |
| *Retail Ireland* | *4* | *22%* | *14* | *230%* | *4* | *7%* | *22* | *25%* |
| *Retail UK* | *2* | *33%* | *6* | *57%* | *2* | *4%* | *10* | *17%* |
| Non-property SME and corporate | 8 | 10% | 33 | 23% | 3 | 1% | 44 | 8% |
| Property and construction | 2 | 17% | 20 | 43% | 2 | 2% | 24 | 16% |
| Consumer | 2 | 6% | 3 | 16% | – | – | 5 | 5% |
| **Total** | **18** | **13%** | **76** | **34%** | **11** | **2%** | **105** | **11%** |

| 2023 | Additional impairment loss allowance | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Stage 3 | | Total | |
| **Impact of applying multiple scenarios rather than only central scenario** | **Impact €m** | **Impact %** | **Impact €m** | **Impact %** | **Impact €m** | **Impact %** | **Impact €m** | **Impact %** |
| Residential mortgages | 4 | 14% | 20 | 70% | 11 | 8% | 35 | 18% |
| *Retail Ireland* | *2* | *11%* | *12* | *85%* | *6* | *6%* | *20* | *16%* |
| *Retail UK* | *2* | *21%* | *8* | *55%* | *5* | *10%* | *15* | *21%* |
| Non-property SME and corporate | 5 | 8% | 28 | 22% | 2 | 1% | 35 | 7% |
| Property and construction | 3 | 24% | 25 | 30% | 2 | 3% | 30 | 17% |
| Consumer | 3 | 6% | 4 | 7% | – | – | 7 | 4% |
| **Total** | **15** | **10%** | **77** | **26%** | **15** | **3%** | **107** | **10%** |

## 2 Critical accounting estimates and judgements *(continued)*

The following table indicates the approximate extent to which impairment loss allowance, excluding post-model management adjustments, would be higher or lower than reported were a 100% weighting applied to the central, upside and downside future macroeconomic scenarios respectively:

| 2024<br>Impact of applying only a central, upside or downside scenarios rather than multiple probability weighted scenarios | Multiple scenarios | Central scenario | | Upside scenario | | Downside scenario 1 | | Downside scenario 2 | |
|---|---|---|---|---|---|---|---|---|---|
| | Impairment loss allowance €m | Impairment loss allowance €m | Impact % | Impairment loss allowance €m | Impact % | Impairment loss allowance €m | Impact % | Impairment loss allowance €m | Impact % |
| Residential mortgages | 181 | (32) | (22%) | (55) | (30%) | 318 | 175% | 592 | 326% |
| *Retail Ireland* | *111* | *(22)* | *(25%)* | *(41)* | *(37%)* | *190* | *171%* | *361* | *325%* |
| *Retail UK* | *70* | *(10)* | *(17%)* | *(14)* | *(20%)* | *128* | *182%* | *231* | *327%* |
| Non-property SME and corporate | 515 | (44) | (8%) | (103) | (18%) | 124 | 22% | 356 | 63% |
| Property and construction | 167 | (24) | (16%) | (38) | (23%) | 44 | 26% | 180 | 108% |
| Consumer | 108 | (5) | (5%) | (12) | (11%) | 12 | 11% | 35 | 33% |
| **Total** | **971** | **(105)** | **(11%)** | **(208)** | **(20%)** | **498** | **49%** | **1,163** | **113%** |

| 2023<br>Impact of applying only a central, upside or downside scenarios rather than multiple probability weighted scenarios | Multiple scenarios | Central scenario | | Upside scenario | | Downside scenario 1 | | Downside scenario 2 | |
|---|---|---|---|---|---|---|---|---|---|
| | Impairment loss allowance €m | Impairment loss allowance €m | Impact % | Impairment loss allowance €m | Impact % | Impairment loss allowance €m | Impact % | Impairment loss allowance €m | Impact % |
| Residential mortgages | 233 | (35) | (18%) | (50) | (22%) | 158 | 68% | 289 | 124% |
| *Retail Ireland* | *145* | *(20)* | *(16%)* | *(28)* | *(19%)* | *84* | *58%* | *159* | *110%* |
| *Retail UK* | *88* | *(15)* | *(21%)* | *(22)* | *(25%)* | *74* | *86%* | *130* | *149%* |
| Non-property SME and corporate | 535 | (35) | (7%) | (84) | (16%) | 80 | 15% | 290 | 54% |
| Property and construction | 200 | (30) | (17%) | (63) | (31%) | 58 | 29% | 191 | 95% |
| Consumer | 169 | (7) | (4%) | (22) | (13%) | 15 | 9% | 51 | 30% |
| **Total** | **1,137** | **(107)** | **(10%)** | **(219)** | **(19%)** | **311** | **27%** | **821** | **72%** |

The following table indicates the approximate extent to which impairment loss allowances for the residential mortgage portfolios, excluding post-model management adjustments, would be higher or lower than the application of a central scenario if there was an immediate change in residential property prices at the reporting date. Although such changes would not be observed in isolation, as economic indicators tend to be correlated in a coherent scenario, this gives insight into the sensitivity of the Group's impairment loss allowance to a once-off change in residential property values.

| 2024<br>Impact of an immediate change in residential property prices compared to central scenario impairment loss allowances | Impairment loss allowance-central scenario €m | Residential property price reduction of 10% | | Residential property price reduction of 5% | | Residential property price increase of 5% | | Residential property price increase of 10% | |
|---|---|---|---|---|---|---|---|---|---|
| | | Impact €m | Impact % | Impact €m | Impact % | Impact €m | Impact % | Impact €m | Impact % |
| Residential mortgages | 149 | 15 | 10% | 5 | 3% | (10) | (7%) | (15) | (10%) |
| *Retail Ireland* | *89* | *2* | *2%* | *1* | *1%* | *(1)* | *(1%)* | *(1)* | *(2%)* |
| *Retail UK* | *60* | *13* | *22%* | *4* | *7%* | *(9)* | *(15%)* | *(14)* | *(23%)* |

# 2 Critical accounting estimates and judgements *(continued)*

| 2023<br>Impact of an immediate change in residential property prices compared to central scenario impairment loss allowances | Impairment loss allowance-central scenario €m | Residential property price reduction of 10% | | Residential property price reduction of 5% | | Residential property price increase of 5% | | Residential property price increase of 10% | |
|---|---|---|---|---|---|---|---|---|---|
| | | Impact €m | Impact % | Impact €m | Impact % | Impact €m | Impact % | Impact €m | Impact % |
| Residential mortgages | 198 | 39 | 20% | 18 | 9% | (13) | (7%) | (26) | (13%) |
| *Retail Ireland* | *126* | *19* | *15%* | *8* | *6%* | *(7)* | *(6%)* | *(13)* | *(11%)* |
| *Retail UK* | *72* | *20* | *28%* | *10* | *14%* | *(6)* | *(9%)* | *(13)* | *(18%)* |

The sensitivity of impairment loss allowances to stage allocation is such that, based on the respective impairment cover ratios, a transfer of 1% of Stage 1 balances at 31 December 2024 to Stage 2 would increase the Group's impairment loss allowance by c.€19 million excluding post-model management adjustments.

**Management judgement in impairment measurement**

Management judgement has been incorporated into the Group's impairment measurement process for the year end. Management judgement can be described with reference to:

- credit risk assessment for significant increase in credit risk;
- management judgement in impairment model parameters; and
- PMAs to impairment loss allowance and staging classification.

**Credit risk assessment for significant increase in credit risk**

As outlined on page 323 of the credit risk methodologies section, the Group considers other reasonable and supportable information that would not otherwise be taken into account that would indicate that a significant increase in credit risk had occurred. In this regard at 31 December 2024, the Group has assessed the impact of elevated affordability risk including impacts on UK residential mortgage interest only maturities and the possible lag effect of higher interest rates passing through on both RoI and UK residential mortgage customers rolling off fixed rate contracts.

Accordingly, credit risk assessments have been implemented across the residential mortgage portfolios. Where appropriate, outputs have been utilised to identify significant increases in credit risk and the classification of assets in stage 2. The credit risk assessments, which leveraged qualitative information not already captured in impairment models, resulted in a management decision to reclassify €0.9 billion of stage 1 assets to stage 2 at the reporting date, with an associated €9 million increase in impairment loss allowance.

**Management judgement in impairment model parameters**

As outlined on page 323 of the credit risk methodologies section, the calibration of the PD, LGD and EAD components within the model utilised for the Commercial Finance segment of the SME portfolio were enhanced to address observations arising from model performance monitoring, primarily related to LGD estimation and back-testing, identified as part of the Group's internal model validation process. The updates resulted in a c.€10 million increase in impairment loss allowance. The Retail Ireland residential mortgage LGD model was enhanced in 2024 to include a higher degree of macro-economic sensitivity. The enhancements resulted in an increase in impairment loss allowance of c.€5 million.

Assessment of the relationship between macroeconomic model factors and default rates during 2020 and 2021 considered default experience to be unrepresentative in certain retail portfolios due to Covid related supports and payment breaks available to borrowers during this period. As a result data points from the 2020 and 2021 period were excluded from the residential mortgage and Commercial Finance PD macro regression models.

**Post-model Group management adjustments (PMAs)**

To ensure that the measurement of impairment reflects reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions, the need for a PMA to the outputs of the Group's staging and impairment measurement methodologies is considered at each reporting date in arriving at the final impairment loss allowance. Such a need may arise, for example, due to a model limitation or late breaking event.

At 31 December 2024, the Group's stock of impairment loss allowance of €1.0 billion (2023: €1.2 billion) includes a €57 million total PMA (2023: €85 million). Details of the components of the PMAs are outlined on the following pages with a table providing an overview of Group PMAs.

## 2 Critical accounting estimates and judgements *(continued)*

| 2024 | Impairment loss allowance before PMAs €m | Post - model Group management adjustments | | | | | | | | Total impairment loss allowance €m |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Investment property €m | Retail Ireland residential mortgages NPEs €m | Climate risk[1] €m | Retail UK mortgage potential affordability risk assessment | NPE disposal €m | Retail Ireland residential mortgage LGD €m | KBCI potential affordability risk assessment €m | Total PMAs €m | |
| Residential mortgages | 181 | – | 5 | 3 | 1 | – | – | – | 9 | 190 |
| *Retail Ireland*[1] | *111* | – | *5* | – | – | – | – | – | *5* | *116* |
| *Retail UK* | *70* | – | – | *3* | *1* | – | – | – | *4* | *74* |
| Non-property SME and corporate | 515 | – | – | – | – | – | – | – | – | 515 |
| Property and construction | 167 | 48 | – | – | – | – | – | – | 48 | 215 |
| Consumer | 108 | – | – | – | – | – | – | – | – | 108 |
| **Total loans and advances to customers** | **971** | **48** | **5** | **3** | **1** | **–** | **–** | **–** | **57** | **1,028** |
| Other financial instruments | 87 | – | – | – | – | – | – | – | – | 87 |
| **Total financial assets** | **1,058** | **48** | **5** | **3** | **1** | **–** | **–** | **–** | **57** | **1,115** |

[1] *The table above includes a €0.3 million PMA for climate risk within Retail Ireland mortgages.*

| 2023 | Impairment loss allowance- before PMAs €m | Post - model Group management adjustments | | | | | | | | Total impairment loss allowance €m |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Investment property €m | Retail Ireland residential mortgages NPEs €m | Climate risk €m | Retail UK mortgage potential affordability risk assessment | NPE disposal €m | Retail Ireland residential mortgage LGD €m | KBCI potential affordability risk assessment €m | Total PMAs €m | |
| Residential mortgages | 233 | – | – | – | – | – | 9 | 4 | 13 | 246 |
| *Retail Ireland* | *145* | – | – | – | – | – | *9* | *4* | *13* | *158* |
| *Retail UK* | *88* | – | – | – | – | – | – | – | – | *88* |
| Non-property SME and corporate | 535 | – | – | – | – | 14 | – | – | 14 | 549 |
| Property and construction | 200 | 48 | – | – | – | 1 | – | – | 49 | 249 |
| Consumer[1] | 169 | – | – | – | – | 9 | – | – | 9 | 178 |
| **Total loans and advances to customers** | **1,137** | **48** | **–** | **–** | **–** | **24** | **9** | **4** | **85** | **1,222** |
| Other financial instruments | 69 | – | – | – | – | – | – | – | – | 69 |
| **Total financial assets** | **1,206** | **48** | **–** | **–** | **–** | **24** | **9** | **4** | **85** | **1,291** |

[1] *The table above includes a €0.4 million PMA for UK PCP exposures within the Consumer portfolio.*

# 2 Critical accounting estimates and judgements *(continued)*

### Post-model management adjustment for Investment Property

A €48 million PMA has been retained at 31 December 2024 (2023: €48 million) to reflect the estimated impact of enhancements to Investment Property impairment models now planned in 2025. The PMA also reflects the estimated ECL impact of planned implementation of new IRB models for the Property and Construction portfolios in 2025.

As outlined on page 325 of note 25, the impact of prevailing interest rates on property loans has been separately considered within individual credit assessments in relationship-managed commercial portfolios with the Group continuing to classify all US Commercial Real Estate Office property exposures as stage 2 or stage 3.

This PMA is recognised in the Property and the construction portfolio at 31 December 2024 and is allocated to stage 1 (€7 million) (2023: €7 million) and stage 2 (€41 million) (2023: €41 million) assets. The requirement for this adjustment is expected to expire upon implementation of impairment model updates in 2025.

### Post-model management adjustment for Retail Ireland Residential Mortgage NPEs

The impairment loss allowance at 31 December 2024 includes a €5 million PMA (2023: €nil) to reflect the Group's revised resolution strategy for a cohort of long term NPEs in the RoI Mortgage portfolio. The quantum of the PMA was calculated with reference to internal impairment cover for the identified cohort of NPEs. The full post model adjustment is applied to Stage 3 assets within the Retail Ireland residential mortgage portfolio.

### Post-model management adjustment for Climate Risk

The Group has considered the impact of physical and transitional climate-related risks on asset valuations within the Retail Ireland and UK residential mortgage portfolios.

The PMA was quantified through scenario analysis generated using the Group's internal climate risk scenario analysis framework. Accordingly a €3 million (2023: €nil) PMA has been recognised to reflect the estimated ECL impact of climate-related risks within residential mortgage portfolios.

This PMA is recognised in the residential mortgage portfolio Retail Ireland (€0.3 million) and Retail UK (€2.9 million).

### Post-model adjustment for potential affordability risk assessment on Retail UK residential mortgages

Credit risk assessments in relation to the impact of prevailing interest rates continue to be implemented across the residential mortgage portfolios with outputs utilised to identify significant increases in credit risk and classify stage 1 assets to stage 2.

For operational reasons exposure level identification for cases to transfer to stage 2 has not been possible for a small subset of Retail UK residential mortgage exposures included in the credit risk assessment. This limitation necessitates a PMA. Accordingly, the Group considers that it is appropriate to recognise a €1 million (2023: €nil) post-model adjustment which has been applied to stage 1 assets in the Retail UK residential mortgage portfolio.

### Taxation

The current taxation charge of €98 million (2023: €115 million) (note 17) accounts for amounts due to fiscal authorities in the various territories in which the Group operates and includes estimates, based on a judgement of the application of law and practice in certain cases, to determine the quantification of any liabilities arising. At 31 December 2024, the net DTA was €488 million (2023: €747 million) which included €624 million (2023: €845 million) related to trading losses, comprising €574 million related to Irish trading losses, €46 million to UK trading losses and €4 million to US trading losses.

A significant judgement relates to the Group's assessment of the recoverability of the portion of the DTA relating to trading losses. The recognition of a DTA relies on management's estimate of the probability and sufficiency of future taxable profits, and the future reversals of existing taxable temporary differences against which the losses can be utilised. Under current UK and Irish legislation, there is no time limit on the utilisation of these losses.

#### RoI deferred tax asset

***Judgement***

The Group's judgement takes into consideration the impact of both positive and negative evidence in assessing the recoverability of the deferred tax asset. Positive factors which have been considered include:

- as evidenced by the profitability of the current year, and with the exception of 2020 and the years of the financial crisis, the Group has a sustained history of Irish operating profits and a large market share and it is considered likely that the Group's Irish activities will be profitable into the future;
- the absence of any expiry dates for Irish and UK tax losses; and
- external economic forecasts for Ireland and the UK which indicate continued economic growth and employment levels.

The Group also considered the following in assessing the financial assumptions and projections:

- the absolute level of deferred tax assets compared to the Group's equity;
- the quantum of profits required to be earned and the period over which it is projected that the tax losses will be utilised;
- the challenges of projecting, taking account of the level of competition and the evolving interest rate environment; and
- accelerated transformation of banking business models.

Based on the Group's financial projections, the DTA in respect of tax losses is estimated to be recoverable in full by the end of 2028 (2023: 2028). Based on the Group's proven earnings history, its strong position within the Irish financial services market and its strategic priorities to deliver sustained future Irish profits, the Directors believe that the Group will continue to be profitable but acknowledge the external challenges facing the banking industry, in particular, the traditional, full service banks and the inherent uncertainties of financial projections.

# 2 Critical accounting estimates and judgements *(continued)*

There is a risk that the final taxation outcome could be different to the amounts currently recorded. If future profits or subsequent forecasts differ from current forecasts, an adjustment may be required to the DTA.

**UK deferred tax assets**
***Judgement***
UK legislation restricts the proportion of a bank's annual taxable profit that can be offset by carried forward losses to 25%. This restriction lengthens the period over which the Group could use its UK trading losses and has been considered in the context of the measurement and recognition of the deferred tax assets at 31 December 2024.

**UK branch**
***Judgement***
Notwithstanding the absence of any expiry date for trading losses in the UK, the Group continues to conclude that, for the purpose of valuing its DTA, its brought forward trading losses within the Bank's UK branch (the 'UK branch') will be limited by reference to a ten year period of projected UK branch profits at the prevailing UK tax rates. This ten year timescale is the period over which the Group believes it can conclude that it is probable that future taxable profits will be available in the UK branch.

On this basis, the DTA of the Bank's UK branch is currently €nil (2023: €nil). However, any remaining unutilised carried forward trading losses of the UK branch have been recognised for DTA purposes at the Irish tax rate, on the basis that it is expected that these will be utilised against future Bank profits in Ireland as permitted by current tax legislation.

**BoI (UK) plc**
***Judgement***
Based on the Group's financial projections, the Directors believe that BoI (UK) plc will continue to be profitable for the foreseeable future and the DTA in respect of tax losses is estimated to be recoverable in full by the end of 2029 (2023: 2030).

There is a risk that the final taxation outcome could be different to the amounts currently recorded. If future profits or subsequent forecasts differ from current forecasts, a further adjustment may be required to the DTA.

***Sources of estimation uncertainty***
To the extent that the recognition of a DTA is dependent on sufficient future profitability, a degree of estimation and the use of assumptions are required to support the conclusion that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

The Group's profitability projections are based on its strategic priorities which also reflect the external challenges facing the banking industry.

The Group's assessment of deferred tax recoverability is based on its financial projections covering its five year initial planning period.

If the projections were decreased by two percentage points or increased by one percentage point, the Group estimates that this would have no impact on the DTA recovery periods.

**Retirement benefit obligations**
The Group sponsors a number of defined benefit pension schemes. In determining the actual pension cost, the actuarial values of the liabilities of the schemes are calculated by external actuaries.

This involves modelling their future development and requires management to make assumptions as to discount rates, price inflation, salary and pensions increases, member mortality and other demographic assumptions.

***Sources of estimation uncertainty***
There are acceptable ranges in which these estimates can validly fall. The impact on the results for the period and financial position could be materially different if alternative assumptions were used. A quantitative analysis of the sensitivity of the defined benefit pension liability to changes in the key assumptions is set out in note 42.

**Life assurance operations**
The Group accounts for its insurance and reinsurance contracts in accordance with IFRS 17. Under IFRS 17, the expected future cash flows used to measure insurance contracts are estimated using best estimate and market consistent assumptions. The expected future profits are captured in the CSM and are then released over time in line with the provision of insurance contract services.

***Judgement***
Management have made judgements in applying IFRS 17 which have a significant effect on the amounts recognised in the financial statements.

These key judgements are:
- as IFRS 17 does not prescribe an approach to calculation of risk adjustment for non-financial risk, the Group has applied judgement to determine the most appropriate approach to the calculation of this key component of insurance contract measurement. Similarly, judgement has been applied to determine the confidence level to apply to this calculation;
- judgement has been applied to the construction of an appropriate IFRS 17 discount rate for use in discounting insurance contracts. Furthermore, IFRS 17 does not prescribe an approach to the determination of an appropriate illiquidity premium and management have made judgements in calculating this premium;
- determination of coverage units for each contract type, which influence the recognition of revenue for insurance contracts, is not prescribed by IFRS 17. Management have made judgements to determine a suitable approach to deriving coverage units; and
- judgements were made during the assessment of directly attributable expenses for inclusion in estimates of future cash flows used in measuring insurance contracts.

***Sources of estimation uncertainty***
The calculation of insurance contract liabilities relies on the estimation of future cash flows which depend on experience in a number of areas such as investment gains and losses, lapse rates, mortality and investment expenses.

Also involved in the calculation of insurance contract liabilities are projections determined by making assumptions about future experience, having regard to both actual experience and projected long-term economic trends.

Changes to these assumptions may cause the present value of future cash flows to differ from those modelled at the reporting date and could significantly affect the changes in the assumptions underlying the calculation of the liabilities impacts the present value of the future cashflows and the value attributed to the business.

# 2 Critical accounting estimates and judgements *(continued)*

In addition, the extent to which actual experience is different from expectations will be recognised in the income statement for the period. A quantitative analysis of the sensitivity of insurance related liabilities and assets to changes in the key assumptions is set out in note 18.

### Impairment review of goodwill in relation to Davy acquisition

On 1 June 2022, following receipt of all regulatory approvals, the Group acquired 100% of the voting equity interests of Amber Note Unlimited Company and its subsidiaries including J&E Davy Holdings ('Davy') and goodwill of €273 million was recognised.

Goodwill is reviewed annually for impairment or more frequently if events or circumstances indicate that impairment may have occurred, by comparing the carrying value of goodwill to its recoverable amount. An impairment charge arises if the carrying value exceeds the recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its Value in Use ('VIU'), where the VIU is the present value of the future cash flows expected to be derived from the asset. As it is not possible to estimate the recoverable amount of the goodwill recognised, the recoverable amount of the Davy CGU has been determined. The recoverable amount is based on VIU.

The VIU of the Davy CGU was determined to be €50 million (2023: €64 million) higher than the carrying amount. As a result, no impairment of the assets in the Davy CGU was recognised at 31 December 2024.

***Judgement***

Impairment testing inherently involves a number of judgemental areas: the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting and the assessment of the discount rate and growth rate appropriate to the business.

***Sources of estimation uncertainty***

*Cash flow forecasts*

Cash flow forecasts are based on internal management information for a period of up to five years, after which a long-term growth rate appropriate for the business is applied. The initial five years' cash flows are consistent with approved plans for each business prepared under the Group's ICAAP. Underpinning the ICAAP, the Group prepares detailed financial projections, with the base case projections prepared using consensus macroeconomic forecasts together with Group-specific assumptions.

*Growth rates*

Growth rates beyond five years are determined by reference to local economic growth rates. The assumed long term growth rate for the purpose of the impairment assessment is 2%.

*Discount rate*

At 31 December 2024 the discount rate applied is the post-tax weighted average cost of capital for the Group which is 10.71% (2023: 10.99%).

A reasonably possible change in the above assumptions could result in the carrying amount of the Davy CGU exceeding its recoverable amount.

The amount by which each assumption must change in order for the recoverable amount to equal the carrying amount is as follows:

| Key assumption | Change in assumption Increase / (decrease) |
|---|---|
| Cash flow projections (Year 5) | (€6.3m) |
| Growth rate | (1.34%) |
| Weighted average cost of capital (WACC) | 0.97% |

### UK motor finance business

At 31 December 2024, in line with the requirements of IAS 37, the Group has recognised a provision of €172 million in connection with the Group's UK motor finance business historical commission arrangements. The provision represents the Group's best estimate of the redress and compensation that may be payable to impacted customers, along with costs that may be incurred by the Group in connection with any FCA consumer redress scheme and / or legal proceedings. It includes estimates for operational and legal costs, the potentially impacted customer population, claim rates and redress amounts.

In establishing the provision estimate, the Group has created a number of scenarios to address uncertainties around a number of key assumptions. The key judgemental items include the assessment that the FCA will implement a redress scheme in all scenarios, the claims rate applied to each scenario and the probability weighting associated with each of the scenarios modelled. The scenarios considered by the Group include consideration of the Court of Appeal judgement being upheld or overturned, the use of different bases for the calculation of redress, the application of varying time periods, customer behaviours, and of the form of the FCA redress scheme for eligible customers. Given these recent developments and the highlighted significant uncertainties, it is possible that the ultimate financial impact in future periods could materially differ from the current amount the Group has provided, either higher or lower.

# 3 Operating segments

The Group has five reportable operating segments which reflect the internal financial and management reporting structure and are organised as follows:

### Retail Ireland

Retail Ireland serves its customers delivering day-to-day services, products, propositions and a financial wellbeing programme tailored to meet customers' individual needs. Customers use their preferred channels to request and fulfil their banking requirements. These channels include our branches, 24/7 ATMs, digital, contact centre and our post office partnership for day-to-day banking services.

### Wealth and Insurance

Wealth and Insurance includes the Group's life assurance subsidiary NIAC and Davy, Ireland's leading provider of wealth management and capital markets services. NIAC distributes protection, investment and pension products to the Irish market, across three core channels made up of the Group's distribution channels, independent financial brokers and its own financial advisor network as well as corporate partners. Wealth and Insurance also includes investment markets, and the Group's general insurance brokerage, Bank of Ireland Insurance Services, which offers home, car and travel insurance cover through its agency with insurance providers.

### Retail UK

Retail UK incorporates the UK residential mortgage business, the Group's branch network in NI, the Group's business banking business in NI, asset finance and contract hire, vehicle leasing and fleet management, incorporating Northridge Finance, as well as the financial services partnership and FX joint venture with the UK Post Office. The Retail UK division includes the activities of Bank of Ireland (UK) plc, the Group's wholly owned UK licenced banking subsidiary.

### Corporate and Commercial

The Corporate and Commercial division provides a full range of lending, banking and treasury risk management services to the Group's national and international Corporate and Business customers, many of which are at the heart of the Irish economy. Our relationship teams are based in offices in Ireland and the UK with niche international businesses across Europe and in the US. Teams have a wealth of experience across a broad range of segments and sectors, including corporate and business banking, commercial real estate, acquisition finance, foreign direct investment and treasury solutions.

### Group Centre

Group Centre incorporates the Group's central support and control functions. Core responsibilities of the function include overseeing the Group wide Customer Strategy, establishing clear governance and control frameworks with appropriate oversight, providing management services to the Group, and managing the key processes and IT delivery platforms for the trading divisions.

### Other reconciling items

Other reconciling items represent transactions between operating segments which are eliminated upon consolidation and the application of hedge accounting at Group level.

### Basis of preparation of segmental information

The analysis of results by operating segment is based on the information used by the chief operating decision maker to allocate resources and assess performance.

The CEO and CFO are considered to be the chief operating decision makers for the Group. The Group's operating segments reflect its organisational and management structures. The CEO and CFO review the Group's internal reporting based around these segments to assess performance and allocate resources. Transactions between the business segments are on normal commercial terms and conditions. Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis.

The measures of segmental assets and liabilities provided to the chief operating decision makers are not adjusted for transfer pricing adjustments or revenue sharing agreements as the impact on the measures of segmental assets and liabilities is not significant. They also do not include adjustments for the impact of the assets and liabilities of BoIG plc, the Bank's holding company.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

Non-current assets comprises intangible assets and goodwill and property, plant and equipment.

On an ongoing basis, the Group reviews the methodology for allocating funding and liquidity costs in order to ensure that the allocations continue to reflect each division's current funding requirement.

There were no revenues deriving from transactions with a single external customer that amounted to 10% or more of the Group's revenues.

The Group measures the performance of its operating segments through a measure of segment profit or loss which is referred to as 'underlying profit or loss' in its internal management reporting systems.

Underlying profit or loss excludes the impact of the following non-core items:

- customer redress charges;
- impairment of internally generated computer software;
- portfolio divestments (net);
- transformation programme costs;
- acquisition costs;
- gross-up for policyholder tax in the Wealth and Insurance business;
- gain / (loss) on disposal / liquidation of business activities;
- liability management exercises; and
- investment loss on treasury stock held for policyholders.

Underlying profit or loss excludes any operating profit or loss attributable to BoIG plc.

# 3 Operating segments *(continued)*

In the tables below, 'Other reconciling items' represent inter segment transactions which are eliminated upon consolidation and the application of hedge accounting at Group level.

| Group 2024 | Retail Ireland €m | Wealth and Insurance €m | Retail UK €m | Corporate and Commercial €m | Group Centre €m | Other reconciling items €m | BoIG plc Group €m | BoIG plc €m | Group €m |
|---|---|---|---|---|---|---|---|---|---|
| **Net interest income** | 1,442 | (9) | 577 | 1,554 | 1 | – | 3,565 | (30) | 3,535 |
| Other income | 159 | 349 | 2 | 271 | (23) | (11) | 747 | (1) | 746 |
| **Total operating income** | **1,601** | **340** | **579** | **1,825** | **(22)** | **(11)** | **4,312** | **(31)** | **4,281** |
| Other operating expenses | (413) | (208) | (256) | (483) | (492) | 9 | (1,843) | 2 | (1,841) |
| *Other operating expenses (before levies and regulatory charges)* | *(413)* | *(203)* | *(249)* | *(483)* | *(381)* | *9* | *(1,720)* | *2* | *(1,718)* |
| *Levies and regulatory charges* | – | *(5)* | *(7)* | – | *(111)* | – | *(123)* | – | *(123)* |
| Depreciation and amortisation | (111) | (27) | (26) | (17) | (68) | (3) | (252) | – | (252) |
| **Total operating expenses** | **(524)** | **(235)** | **(282)** | **(500)** | **(560)** | **6** | **(2,095)** | **2** | **(2,093)** |
| **Underlying operating profit / (loss) before impairment charges on financial instruments** | **1,077** | **105** | **297** | **1,325** | **(582)** | **(5)** | **2,217** | **(29)** | **2,188** |
| Net impairment (losses) / gains on financial instruments | (18) | – | 29 | (134) | – | – | (123) | – | (123) |
| Share of results of associates and joint ventures | – | – | 29 | 5 | – | – | 34 | – | 34 |
| Gain / (loss) on disposal / liquidation of business activities | – | 2 | – | – | – | – | 2 | – | 2 |
| **Underlying profit / (loss) before tax** | **1,059** | **107** | **355** | **1,196** | **(582)** | **(5)** | **2,130** | **(29)** | **2,101** |

| 2024<br>Reconciliation of underlying profit before tax to profit before tax | Group €m |
|---|---|
| Underlying profit before tax | 2,101 |
| Customer redress charges | (182) |
| Impairment of internally generated computer software | (108) |
| Portfolio divestments (net) | 85 |
| Transformation programme costs | (57) |
| Acquisition costs | (39) |
| Gross-up for policyholder tax in the Wealth and Insurance business | 27 |
| Gain on disposal / liquidation of business activities | 5 |
| Liability management exercises | (4) |
| Investment loss on treasury shares held for policyholders | (2) |
| **Profit before tax** | **1,826** |

# 3 Operating segments *(continued)*

| Group 2023 | Retail Ireland €m | Wealth and Insurance €m | Retail UK €m | Corporate and Commercial €m | Group Centre €m | Other reconciling items €m | BoIG plc Group €m | BoIG plc €m | Group €m |
|---|---|---|---|---|---|---|---|---|---|
| **Net interest income** | **1,409** | **(7)** | **619** | **1,667** | **(7)** | **1** | **3,682** | **(27)** | **3,655** |
| Other income | 146 | 368 | (18) | 257 | (19) | 12 | 746 | 2 | 748 |
| **Total operating income** | **1,555** | **361** | **601** | **1,924** | **(26)** | **13** | **4,428** | **(25)** | **4,403** |
| Other operating expenses | (374) | (210) | (249) | (493) | (481) | 7 | (1,800) | 2 | (1,798) |
| *Other operating expenses (before levies and regulatory charges)* | *(374)* | *(206)* | *(245)* | *(493)* | *(319)* | *7* | *(1,630)* | *2* | *(1,628)* |
| *Levies and regulatory charges* | *–* | *(4)* | *(4)* | *–* | *(162)* | *–* | (170) | *–* | *(170)* |
| Depreciation and amortisation | (111) | (18) | (21) | (12) | (70) | 5 | (227) | – | (227) |
| **Total operating expenses** | **(485)** | **(228)** | **(270)** | **(505)** | **(551)** | **12** | **(2,027)** | **2** | **(2,025)** |
| **Underlying operating profit / (loss) before impairment charges on financial instruments** | **1,070** | **133** | **331** | **1,419** | **(577)** | **25** | **2,401** | **(23)** | **2,378** |
| Net impairment losses on financial instruments | (109) | – | (84) | (210) | – | – | (403) | – | (403) |
| Share of results of associates and joint ventures | (7) | – | 28 | 4 | – | – | 25 | – | 25 |
| Gain / (loss) on disposal / liquidation of business activities | – | – | – | – | – | – | – | – | – |
| **Underlying profit / (loss) before tax** | **954** | **133** | **275** | **1,213** | **(577)** | **25** | **2,023** | **(23)** | **2,000** |

| 2023<br>Reconciliation of underlying profit before tax to profit before tax | Group €m |
|---|---|
| Underlying profit before tax | 2,000 |
| Customer redress charges | – |
| Impairment of internally generated computer software | – |
| Portfolio divestments (net) | (18) |
| Transformation programme costs | (2) |
| Acquisition costs | (61) |
| Gross-up for policyholder tax in the Wealth and Insurance business | 26 |
| Loss on disposal / liquidation of business activities | (8) |
| Liability management exercises | (22) |
| Investment loss on treasury shares held for policyholders | – |
| **Profit before tax** | **1,915** |

| Group 2024<br>Income statement analysis by operating segment | Retail Ireland €m | Wealth and Insurance €m | Retail UK €m | Corporate and Commercial €m | Group Centre €m | Other reconciling items €m | BoIG plc Group €m | BoIG plc €m | Group €m |
|---|---|---|---|---|---|---|---|---|---|
| **Gross external revenue** | **1,523** | **852** | **1,413** | **3,471** | **995** | **76** | **8,330** | **(2)** | **8,328** |
| Inter segment revenue | 1,143 | 55 | 137 | 6,390 | 1,631 | (9,356) | – | – | – |
| **Total revenue** | **2,666** | **907** | **1,550** | **9,861** | **2,626** | **(9,280)** | **8,330** | **(2)** | **8,328** |
| **Capital expenditure** | **86** | **16** | **136** | **63** | **224** | **–** | **525** | **–** | **525** |

# 3 Operating segments *(continued)*

| Group 2023 Income statement analysis by operating segment | Retail Ireland €m | Wealth and Insurance €m | Retail UK €m | Corporate and Commercial €m | Group Centre €m | Other reconciling items €m | BoIG plc Group €m | BoIG plc €m | Group €m |
|---|---|---|---|---|---|---|---|---|---|
| **Gross external revenue** | **1,365** | **848** | **1,384** | **3,314** | **886** | **20** | **7,817** | **1** | **7,818** |
| Inter segment revenue | 678 | 7 | 27 | 5,741 | 1,235 | (7,688) | – | – | – |
| **Total revenue** | **2,043** | **855** | **1,411** | **9,055** | **2,121** | **(7,668)** | **7,817** | **1** | **7,818** |
| **Capital expenditure** | **34** | **23** | **130** | **50** | **194** | **–** | **431** | **–** | **431** |

| Group 2024 Balance sheet analysis by operating segment | Retail Ireland €m | Wealth and Insurance €m | Retail UK €m | Corporate and Commercial €m | Group Centre €m | Other reconciling items €m | BoIG plc Group €m | Other Bank assets and liabilities €m | Group €m |
|---|---|---|---|---|---|---|---|---|---|
| **Total assets** | **115,160** | **28,075** | **26,176** | **252,699** | **83,103** | **(343,400)** | **161,813** | **18** | **161,831** |
| **Total liabilities** | **111,249** | **26,898** | **23,750** | **251,903** | **78,391** | **(343,387)** | **148,804** | **306** | **149,110** |
| Investment in associates and joint ventures | 57 | – | 74 | 76 | 6 | – | 213 | – | 213 |

| Group 2023 Balance sheet analysis by operating segment | Retail Ireland €m | Wealth and Insurance €m | Retail UK €m | Corporate and Commercial €m | Group Centre €m | Other reconciling items €m | BoIG plc Group €m | Other Bank assets and liabilities €m | Group €m |
|---|---|---|---|---|---|---|---|---|---|
| **Total assets** | **112,262** | **24,683** | **26,215** | **248,207** | **91,921** | **(347,580)** | **155,708** | **13** | **155,721** |
| **Total liabilities** | **107,260** | **23,583** | **24,094** | **248,711** | **87,064** | **(347,565)** | **143,147** | **275** | **143,422** |
| Investment in associates and joint ventures | 29 | – | 77 | 79 | 2 | – | 187 | – | 187 |

| Group 2024 Geographical analysis | Republic of Ireland €m | United Kingdom €m | Rest of World €m | Other reconciling items €m | BoIG plc Group €m | BoIG plc €m | Group €m |
|---|---|---|---|---|---|---|---|
| **Gross external revenue** | **6,455** | **1,715** | **160** | **–** | **8,330** | **(2)** | **8,328** |
| **Non-current assets** | **1,871** | **435** | **5** | **–** | **2,311** | **–** | **2,311** |

| Group 2023 Geographical analysis | Republic of Ireland €m | United Kingdom €m | Rest of World €m | Other reconciling items €m | BoIG plc Group €m | BoIG plc €m | Group €m |
|---|---|---|---|---|---|---|---|
| **Gross external revenue** | **5,991** | **1,678** | **148** | **–** | **7,817** | **1** | **7,818** |
| **Non-current assets** | **1,804** | **398** | **6** | **–** | **2,208** | **–** | **2,208** |

# 4 Interest income

| | 2024 €m | 2023 €m |
|---|---|---|
| **Financial assets measured at amortised cost** | | |
| Loans and advances to customers | 4,104 | 3,901 |
| Loans and advances to banks | 1,269 | 1,155 |
| Debt securities at amortised cost | 251 | 194 |
| **Interest income on financial assets measured at amortised cost** | **5,624** | **5,250** |
| | | |
| **Financial assets at fair value through other comprehensive income** | | |
| Debt securities at fair value through other comprehensive income | 168 | 163 |
| **Interest income on financial assets at fair value through other comprehensive income** | **168** | **163** |
| | | |
| **Interest income calculated using the effective interest method** | **5,792** | **5,413** |
| | | |
| **Other interest income** | | |
| Non-trading derivatives (not in hedge accounting relationships - economic hedges) | 645 | 676 |
| Finance leases and hire purchase receivables | 294 | 229 |
| Loans and advances to customers at FVTPL | 8 | 8 |
| Other financial assets at FVTPL | 3 | 3 |
| **Other interest income** | **950** | **916** |
| | | |
| **Interest income** | **6,742** | **6,329** |

### Interest income on loans and advances to customers

In 2024, interest income of €87 million (2023: €97 million) was recognised and €102 million was received (2023: €76 million) on credit-impaired loans and advances to customers.

In 2024, interest income of €219 million (2023: €241 million) was recognised and €229 million (2023: €225 million) was received on total forborne loans and advances to customers.

For 2024, interest income was reduced by €65 million (2023: €89 million) relating to changes in the fair value of derivative financial instruments which economically hedge the performing mortgage book of KBCI acquired by the Group, which partly offsets interest income earned and recognised on these derivative financial instruments.

### Transferred from cash flow hedge reserve

Interest income is presented net of a charge of €143 million (2023: €137 million) transferred from the cash flow hedge reserve (note 17).

### Interest income recognised on non-trading derivatives

Interest income on non-trading derivatives was earned principally on pay fixed, receive floating interest rate swaps which are held with hedging intent, but for which hedge accounting is not applied.

# 5 Interest expense

| Group | 2024 €m | 2023 €m |
|---|---|---|
| **Financial liabilities measured at amortised cost** | | |
| Customer accounts | 1,618 | 1,122 |
| Debt securities in issue | 597 | 493 |
| Subordinated liabilities | 145 | 126 |
| Deposits from banks | 120 | 143 |
| Lease liabilities | 10 | 11 |
| **Interest expense calculated using the effective interest rate method** | **2,490** | **1,895** |
| | | |
| **Other interest expense** | | |
| Non-trading derivatives (not in hedge accounting relationships - economic hedges) | 669 | 747 |
| Customer accounts at FVTPL | 12 | 6 |
| Other interest expense | – | 1 |
| **Other interest expense** | **681** | **754** |
| | | |
| **Interest expense** | **3,171** | **2,649** |

### Interest expense recognised on customer accounts

Interest expense on customer accounts includes interest expense of €1,061 million (2023: €837 million) arising on related derivatives which are in a hedge relationship with the relevant liability. The year on year increase was caused by higher interest rates.

### Interest expense recognised on debt securities in issue

Interest expense on debt securities in issue is recognised on an Effective Interest Rate basis and includes €198 million of interest expense (2023: €186 million) on derivatives which are in a hedge relationship with the relevant liability.

### Interest expense recognised on subordinated liabilities

Interest expense on subordinated liabilities is recognised on an Effective Interest Rate basis and includes €47 million of interest expense (2023: €39 million) on derivatives which are in a hedge relationship with the relevant liability.

### Interest expense recognised on non-trading derivatives

Interest expense on non-trading derivatives was incurred principally on receive fixed, pay floating interest rate swaps which are held with hedging intent, but for which hedge accounting is not applied.

# 6 Fee and commission income and expense

| 2024 Income | Retail Ireland €m | Wealth and Insurance €m | Retail UK €m | Corporate and Commercial €m | Group Centre €m | Group €m |
|---|---|---|---|---|---|---|
| Retail banking customer fees | 199 | – | 33 | 211 | – | 443 |
| Asset management fees | – | 173 | – | – | – | 173 |
| Credit related fees | 5 | – | 2 | 15 | – | 22 |
| Insurance commissions | – | 11 | – | – | – | 11 |
| Other | 16 | 26 | 4 | 36 | – | 82 |
| **Fee and commission income** | **220** | **210** | **39** | **262** | **–** | **731** |

Fee and commission income and expense includes €167 million (2023: €126 million) million arising from trust and other fiduciary activities.

### Expense

Fee and commission expense of €211 million (2023: €218 million) primarily comprises brokerage fees, sales commissions and other fees paid to third parties.

| 2023 Income | Retail Ireland €m | Wealth and Insurance €m | Retail UK €m | Corporate and Commercial €m | Group Centre €m | Group €m |
|---|---|---|---|---|---|---|
| Retail banking customer fees | 198 | – | 34 | 203 | – | 435 |
| Asset management fees | – | 139 | – | – | – | 139 |
| Credit related fees | 2 | – | 2 | 14 | – | 18 |
| Insurance commissions | – | 10 | 1 | – | – | 11 |
| Other | 11 | 21 | 6 | 32 | – | 70 |
| **Fee and commission income** | **211** | **170** | **43** | **249** | **–** | **673** |

# 7 Net trading income

Net trading income includes the gains and losses on financial instruments mandatorily measured at FVTPL and those designated at FVTPL (other than unit linked life assurance assets and investment contract liabilities). It includes the fair value movement on these instruments and the realised gains and losses arising on the purchase and sale. It also includes the interest income receivable and expense payable on financial instruments held for trading and €11 million of a net gain arising from FX (2023: €23 million).

It does not include interest income on debt financial assets mandatorily measured at FVTPL, interest expense on financial liabilities designated at FVTPL and interest income or expense on derivatives that are held with hedging intent, but for which hedge accounting is not applied (economic hedges).

Net income from financial instruments mandatorily measured at FVTPL includes dividend income from equities, realised and unrealised gains and losses. Non-trading equities and debt securities mandatorily measured at FVTPL are reported in the balance sheet under the caption 'other financial assets at fair value through profit or loss'. The income from life assurance investments which also comprise other financial assets at FVTPL is reported in note 20.

Net fair value hedge ineffectiveness reflects a net charge from hedged items of €456 million (2023: €938 million) offsetting a net gain from hedging instruments of €456 million (2023: €935 million).

| | 2024 €m | 2023 €m |
|---|---|---|
| **Net income from financial instruments designated at FVTPL** | | |
| Financial liabilities designated at fair value | (25) | (77) |
| Related derivatives held for trading | 26 | 72 |
| | **1** | **(5)** |
| **Net income from financial instruments mandatorily measured at FVTPL** | | |
| Other financial instruments held for trading | 55 | 48 |
| Equities | 38 | 19 |
| Loans and advances | 4 | 8 |
| Non-trading debt securities | 3 | (1) |
| | **101** | **69** |
| Net fair value hedge ineffectiveness | – | (3) |
| **Net trading income** | **101** | **66** |

# 8 Other leasing income and expense

Other leasing income and expense relate to the business activities of Marshall Leasing, which is a car and commercial leasing and fleet management business based in the UK.

| | 2024 €m | 2023 €m |
|---|---|---|
| **Other leasing income** | **109** | **92** |
| *Operating lease payments* | *64* | *53* |
| *Sale of leased assets* | *38* | *33* |
| *Other income* | *7* | *6* |
| **Other leasing expense** | **(87)** | **(63)** |
| *Depreciation of rental vehicles* | *(51)* | *(35)* |
| *Other selling and disposal costs* | *(36)* | *(28)* |
| **Net other leasing income** | **22** | **29** |

# 9 Gain / (loss) on derecognition of financial assets

In line with the Group's transformation strategy in the UK, the Group sold its UK personal loans portfolio in October 2024 with a net carrying value of €0.8 billion. The gain on disposal and derecognition was €39 million after adjusting for transaction costs and other costs associated with migration of the portfolio (2023: €nil).

In addition, Retail UK also disposed of a small portfolio of UK mortgages with a carrying value of €21 million. The loss recognised on derecognition was €5 million.

| | 2024 €m | 2023 €m |
|---|---|---|
| **Gain / (loss) on derecognition of financial assets** | | |
| Retail UK personal loans portfolio | 39 | – |
| Retail UK mortgage portfolio | (5) | – |
| Other | (1) | – |
| **Gain on derecognition of financial assets** | **33** | **–** |

# 10 Other operating income

| | 2024 €m | 2023 €m |
|---|---|---|
| Other insurance income | 79 | 64 |
| Loss on liability management exercises | (4) | (22) |
| Dividend income | – | 2 |
| Elimination of investment return on treasury shares held for the benefit of policyholders in the Wealth and Insurance business | (1) | – |
| **Other operating income** | **74** | **44** |

Other insurance income relates to investment classified business in the Wealth and Insurance division consisting of investment business income, change in policyholder investment contract liabilities, actual investment premiums and claims, gain/loss on disposal and revaluation of investment properties.

During 2024, expenses of €4 million (2023: €22 million) were incurred as part of a liability management exercise undertaking to repurchase certain Group perpetual non-call instruments.

# 11 Other operating expenses

| Group<br>Administrative expenses and staff costs | Note | 2024<br>€m | 2023<br>€m |
|---|---|---|---|
| Staff costs excluding transformation programme staff costs | | 979 | 924 |
| Amortisation of intangible assets | 29 | 193 | 168 |
| Levies and regulatory charges | | 125 | 170 |
| *Irish bank levy* | | *85* | *25* |
| *Other* | | *40* | *145* |
| Impairment of intangible assets | 29 | 100 | – |
| Depreciation of property, plant and equipment | 31 | 60 | 59 |
| Lease expenses | 38 | 31 | 5 |
| Impairment of property, plant and equipment | 31 | 2 | – |
| Revaluation loss on property | 31 | – | 4 |
| Other administrative expenses | | 943 | 762 |
| **Total** | | **2,433** | **2,092** |
| | | | |
| **Total staff costs are analysed as follows:** | | | |
| Wages and salaries | | 854 | 786 |
| Social security costs | | 92 | 83 |
| Retirement benefit costs (defined benefit plans) | 42 | 31 | 17 |
| Retirement benefit costs (defined contribution plans) | | 58 | 49 |
| Other staff expenses | | 15 | 39 |
| | | **1,050** | **974** |
| Staff costs capitalised | | (71) | (50) |
| **Staff costs excluding transformation programme staff costs** | | **979** | **924** |
| Other staff expenses included in transformation programme costs | 12 | 24 | 15 |
| **Total staff costs recognised in the income statement** | | **1,003** | **939** |

### Pension costs

Pension costs of €89 million (Bank: €72 million) for 2024 were €23 million higher than 2023 (Bank: €23 million higher). Defined benefit pension costs have increased by €14 million (Bank: €15 million). Pension costs included a negative past service cost of €5 million relating to the Life Balance UK pension scheme (2023: €17 million in respect of the Life Balance RoI scheme) (Bank 2024: €5 million, 2023: €17 million in respect of the Life Balance RoI scheme). New joiners are added to the Group's defined contribution plans, the cost of which has increased by €9 million compared to 2023 (Bank: increased by €8 million).

### Staff numbers *S1-6*

At 31 December 2024, the number of staff for Group FTE was 11,188 (2023: 10,845) (Bank 2024: 8,778, 2023: 8,578). The average number of FTE for the Group for the year ended 31 December 2024 was 11,131 (2023: 10,562) (Bank 2024: 8,754, 2023: 8,387). The increase in FTEs was primarily due to business growth and in-sourcing of IT capability.

### Customer redress charges

At 31 December 2024, the Group has recognised a provision of €172 million in connection with the Group's UK motor finance business historical commission arrangements. This is included within other administrative expenses in the table above. The provision represents the Group's best estimate of the redress and compensation that may be payable to impacted customers, along with costs that may be incurred by the Group in connection with any FCA consumer redress scheme and / or legal proceedings. It includes estimates for operational and legal costs, the potentially impacted customer population, claim rates and redress amounts. For more details see note 39 provisions.

The following table outlines the increase in the average number of staff employed by the Group.

| Average number of staff (full time equivalents) | 2024 | 2023 |
|---|---|---|
| Retail Ireland | 3,568 | 3,458 |
| Retail UK | 1,398 | 1,270 |
| Wealth and Insurance | 1,855 | 1,755 |
| Corporate and Commercial | 1,270 | 1,265 |
| Group Centre | 3,040 | 2,814 |
| **Total** | **11,131** | **10,562** |

# 11 Other operating expenses *(continued)*

| Bank<br>Staff costs | 2024<br>€m | 2023<br>€m |
|---|---|---|
| **Total staff costs are analysed as follows:** | | |
| Wages and salaries | 641 | 603 |
| Social security costs | 73 | 67 |
| Retirement benefit costs (defined benefit plans) (note 42) | 30 | 15 |
| Retirement benefit costs (defined contribution plans) | 42 | 34 |
| Other staff expenses | (7) | 4 |
| | **779** | **723** |
| Staff costs capitalised | (65) | (47) |
| **Staff costs excluding transformation programme staff costs** | **714** | **676** |
| Staff costs included in transformation programme costs | 20 | 14 |
| **Total staff costs recognised in the income statement** | **734** | **690** |
| | | |
| Average number of staff (full time equivalents) | 8,754 | 8,387 |

# 12 Cost of restructuring programme

In 2024, the Group recognised a restructuring charge of €57 million (2023: €20 million).

| | 2024<br>€m | 2023<br>€m |
|---|---|---|
| **Transformation programme costs** | | |
| Programme management costs | 25 | 5 |
| Staff costs | 24 | 15 |
| UK Strategic review costs | 7 | 3 |
| Property-related costs / (gain) | 1 | (3) |
| **Total** | **57** | **20** |

# 13 Auditor's remuneration (excluding Value Added Tax)

| Audit and assurance services | Note | RoI (i)<br>€m | Overseas (ii)<br>€m | 2024<br>€m | *Restated*[1]<br>2023<br>€m |
|---|---|---|---|---|---|
| Statutory audit of financial statements | | 3.3 | 3.2 | 6.5 | 6.7 |
| Other assurance services | iii | 2.1 | 0.2 | 2.3 | 1.2 |
| **Total Auditor's remuneration** | | **5.4** | **3.4** | **8.8** | **7.9** |

[1] *As outlined in the Group accounting policies (note 1), comparative figures have been restated to reflect the additional audit fees recognised in 2024 income statement for incremental audit demands in the period.*

# 13 Auditor's remuneration (excluding Value Added Tax) *(continued)*

Disclosure of Auditor's fees is made in accordance with Section 322 of the Companies Act which mandates the disclosure of fees in particular categories and that fees payable to the Group Auditor (KPMG) for services provided to the Group be disclosed in this format. All years presented are on that basis.

The CAC has reviewed the level of fees and is satisfied that it has not affected the independence of the auditors.

i. Fees paid to the Statutory Auditor, KPMG.
ii. Fees paid to overseas auditors consist of fees paid to KPMG UK in the UK.
iii. Other assurance services consist primarily of review of the CSRD reporting, Enterprise-Wide Risk Assessment review of BOI's AML/CFT and Sanctions, J&E Davy assurance services, letters of comfort, Solvency II return, ESG related reporting, fees in connection with reporting to regulators including the CBI and review of compliance with the Government Guarantee Schemes.

# 14 Net impairment (losses) / gains on financial instruments

| | 2024 €m | 2023 €m |
|---|---|---|
| Loans and advances to customers at amortised cost | (90) | (419) |
| *Movement in impairment loss allowance (note 24)* | *(151)* | *(445)* |
| *Cash recoveries* | *61* | *26* |
| Loan commitments | (18) | (9) |
| Guarantees and irrevocable letters of credit | 1 | 2 |
| Other financial assets | – | 1 |
| **Net impairment losses on financial instruments** | **(107)** | **(425)** |

## Net impairment (losses) / gains on loans and advances to customers at amortised cost

| | 2024 €m | 2023 €m |
|---|---|---|
| Residential mortgages | 31 | (108) |
| *Retail Ireland* | *13* | *(71)* |
| *Retail UK* | *18* | *(37)* |
| Non-property SME and corporate | (95) | (29) |
| *Republic of Ireland SME* | *(44)* | *10* |
| *UK SME* | *22* | *1* |
| *Corporate* | *(73)* | *(40)* |
| Property and construction | 1 | (173) |
| *Investment* | *5* | *(168)* |
| *Development* | *(4)* | *(5)* |
| Consumer | (27) | (109) |
| **Total** | **(90)** | **(419)** |

During 2024, the Group completed two NPE disposal transactions whereby it derecognised €58 million (2023: €139 million) of loans and advances to customers (after an impairment loss allowance of €125 million). Expected cash flows arising from the sale of a loan are included in the measurement of expected credit losses under IFRS 9, where certain conditions are met. As the transactions satisfied these conditions, the cash flows have been included in the impairment calculation.

As a result, net impairment (losses) / gains on financial instruments includes a net impairment gain of €21 million (2023: €6 million loss) arising on the transactions. See note 24 for further information.

# 15 Share of results of associates and joint ventures (after tax)

| | 2024 €m | 2023 €m |
|---|---|---|
| First Rate Exchange Services (note 28) | 29 | 28 |
| Associates (note 28) | 5 | (3) |
| **Share of results of associates and joint ventures (after tax)** | **34** | **25** |

# 16 Gain / (Loss) on disposal / liquidation of business activities

As part of the Group's focus on simplifying its corporate structure, the Group has an ongoing programme of winding up a number of wholly owned, dormant and non-trading companies, a number of which are foreign operations. During 2024, the Group voluntarily appointed a liquidator to manage the winding up of Midasgrange Limited. Upon appointment of the liquidator, the Group is considered to have lost control of the operations and accounted for this loss of control as a disposal. In accordance with IAS 21, the Group has reclassified the net cumulative FX gain of €5 million relating to these foreign operations from the FX reserve to the income statement during 2024 (2023: €8 million loss). During 2024, the Group also sold a business within Davy, resulting in a gain of €2 million (2023; €nil).

| | 2024 €m | 2023 €m |
|---|---|---|
| Transfer of foreign exchange reserve to income statement on liquidation of non-trading entities | 5 | (8) |
| Other disposals | 2 | – |
| **Gain / (loss) on disposal / liquidation of business activities** | **7** | **(8)** |

# 17 Taxation

The taxation charge for the year is €320 million (2023: €334 million) with an effective statutory taxation rate of 18% (2023: 17%). The effective tax rate is influenced by changes in the jurisdictional mix of profits and the bank levy.

| **Recognised in income statement** | 2024 €m | 2023 €m |
|---|---|---|
| **Current tax** | | |
| **Irish Corporation Tax** | | |
| Current year | 28 | 16 |
| Adjustments in respect of prior year | (2) | – |
| **Foreign tax** | | |
| Current year | 66 | 92 |
| Adjustments in respect of prior year | 6 | 7 |
| **Current tax charge**[1] | **98** | **115** |
| **Deferred tax** | | |
| Utilisation of brought forward tax losses | 221 | 186 |
| Adjustments in respect of prior year | (2) | 5 |
| Origination and reversal of temporary differences | 3 | 28 |
| **Deferred tax charge** | **222** | **219** |
| **Taxation charge** | **320** | **334** |

[1] *The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) 15% minimum effective tax rate Model Rules (Pillar 2). However, the impact of Pillar 2 on the current tax charge in the current period is nil due primarily to the ability to take into account certain historic tax losses in the Bank at 15% and also due to profits arising in jurisdictions with an effective tax rate in excess of 15%. See note 32 for further details.*

# 17 Taxation *(continued)*

| Reconciliation of tax on the profit before taxation at the standard Irish corporation tax rate to actual tax charge | 2024 €m | 2023 €m |
|---|---|---|
| Profit before tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2023: 12.5%) | 228 | 240 |
| *Effects of:* | | |
| Foreign earnings subject to different rates of tax | 68 | 67 |
| Non-deductible bank levy[1] | 11 | 3 |
| Wealth & Insurance companies - different basis of accounting | 11 | 10 |
| Adjustments in respect of prior year | 2 | 12 |
| Share of results of associates and joint ventures shown post tax in the income statement | (2) | (4) |
| Other adjustments for tax purposes[1] | 2 | 6 |
| **Taxation charge** | **320** | **334** |

[1] *The tax impact of the non-deductible bank levy was previously included within the 'other adjustments for tax purposes' in the comparative year but has been re-presented on a separate line in the current year*

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| Analysis of selected other comprehensive income | Pre-tax €m | Tax €m | Net of Tax €m | Pre-tax €m | Tax €m | Net of Tax €m |
| **Debt instruments at FVOCI reserve** | | | | | | |
| Changes in fair value | (1) | – | (1) | (6) | 1 | (5) |
| **Net change in debt instruments at FVOCI reserve** | **(1)** | **–** | **(1)** | **(6)** | **1** | **(5)** |
| **Remeasurement of the net defined benefit pension asset** | **314** | **(43)** | **271** | **(35)** | **7** | **(28)** |
| **Cash flow hedge reserve** | | | | | | |
| Changes in fair value | (520) | 72 | (448) | (338) | 41 | (297) |
| Transfer to income statement | 524 | (74) | 450 | 326 | (41) | 285 |
| *Net trading income / (expense)* | *381* | *(54)* | *327* | *189* | *(24)* | *165* |
| *Net interest income* | *143* | *(20)* | *123* | *137* | *(17)* | *120* |
| **Net change in cash flow hedge reserve** | **4** | **(2)** | **2** | **(12)** | **–** | **(12)** |
| **Net change in foreign exchange reserve** | **125** | **–** | **125** | **29** | **–** | **29** |
| **Net change in revaluation reserve** | **(2)** | **–** | **(2)** | **(8)** | **2** | **(6)** |
| **Liability credit reserve** | | | | | | |
| Changes in fair value of liabilities designated at FVTPL due to own credit risk | – | – | – | (14) | – | (14) |
| **Other comprehensive income for the year** | **440** | **(45)** | **395** | **(46)** | **10** | **(36)** |

# 18 Insurance contracts

Under IFRS 17, there are three financial statement line items within insurance service result in the income statement which comprises insurance revenue, insurance service expense and net expense from reinsurance contracts held. The insurance finance income or expense is presented separately for both insurance and reinsurance in the notes to the financial statements, and aggregated together with total investment gains as insurance investment and finance result in the income statement. Disclosure is provided for both insurance contracts issued and reinsurance contracts held.

### Insurance investment and finance result

The table below comprises the investment gains and losses, realised gains and losses and unrealised gains and losses which accrue to the Group on all investment assets held by the Wealth and Insurance division (excluding Davy), other than those held for the benefit of policyholders whose contracts are considered to be investment contracts. These instruments are mandatorily measured at FVTPL.

Total investment gains of €1,526 million in 2024 (2023: €1,198 million) were consistent with positive investment market performance during the year, due in large part to external economic environmental factors. The gains on the assets held on behalf of the insurance policyholders were consistent with the increase in the insurance contract liabilities.

| Insurance investment and finance result | 2024 €m | 2023 €m |
|---|---|---|
| Gains on other financial assets held on behalf of Wealth and Insurance policyholders | 1,526 | 1,238 |
| Losses on investment property held on behalf of Wealth and Insurance policyholders | – | (40) |
| **Total investment gains** | **1,526** | **1,198** |
| | | |
| **Finance expense from insurance contracts issued** | **(1,536)** | **(1,182)** |
| *Effect of changes in interest rates and other financial assumptions* | *(1,517)* | *(1,174)* |
| *Interest accreted using locked-in rate* | *(19)* | *(8)* |
| **Finance income from reinsurance contracts held** | **36** | **94** |
| *Effect of changes in interest rates and other financial assumptions* | *28* | *91* |
| *Interest accreted using locked-in rate* | *8* | *3* |
| **Net insurance and reinsurance finance result** | **(1,500)** | **(1,088)** |
| | | |
| **Total insurance investment and finance result** | **26** | **110** |

### Insurance revenue

The table below provides a breakdown of the composition of insurance revenue for all insurance contracts issued. Key components of revenue are the release of expected incurred claims and expenses in 2024 of €405 million (2023: €394 million) and the release of CSM in 2024 €74 million (2023: €76 million).

| Insurance revenue | 2024 €m | 2023 €m |
|---|---|---|
| Expected incurred claims and other expenses | 405 | 394 |
| CSM recognised in income statement for services | 74 | 76 |
| Recovery of insurance acquisition cash flows | 31 | 23 |
| Change in risk adjustment for non-financial risk expired | 14 | 10 |
| Premium variance | 12 | 15 |
| **Total insurance revenue** | **536** | **518** |

# 18 Insurance contracts *(continued)*

### Insurance contract liabilities

The table below provides a comprehensive reconciliation from opening to closing balance of insurance contract liabilities, disaggregated between the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). Included in the total insurance service result is an allocation of depreciation expense of €7 million (2023: €11 million) and an allocation of defined benefit pension costs of €3 million (2023: €3 million) attributable to insurance contracts.

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Liability for remaining coverage | | Liability for incurred claims | Total | Liability for remaining coverage | | Liability for incurred claims | Total |
| **Insurance contract liabilities** | **Excluding loss component €m** | **Loss component €m** | **€m** | **€m** | **Excluding loss component €m** | **Loss component €m** | **€m** | **€m** |
| **Opening liabilities** | **(14,499)** | **(40)** | **(574)** | **(15,113)** | **(12,833)** | **(48)** | **(529)** | **(13,410)** |
| **Insurance revenue** | **536** | **–** | **–** | **536** | **518** | **–** | **–** | **518** |
| *Contracts measured using the fair value approach that existed at transition date* | *296* | *–* | *–* | *296* | *308* | *–* | *–* | *308* |
| *New business and all other contracts* | *240* | *–* | *–* | *240* | *210* | *–* | *–* | *210* |
| **Insurance service expense** | **(31)** | **(14)** | **(431)** | **(476)** | **(23)** | **8** | **(413)** | **(428)** |
| *Incurred claims and other insurance service expenses* | *–* | *16* | *(460)* | *(444)* | *–* | *10* | *(427)* | *(417)* |
| *Insurance acquisition cash flows amortisation* | *(31)* | *–* | *–* | *(31)* | *(23)* | *–* | *–* | *(23)* |
| *Changes that relate to future service - losses on onerous groups of contracts and reversal of such losses* | *–* | *(30)* | *–* | *(30)* | *–* | *(2)* | *–* | *(2)* |
| *Changes that relate to past service - adjustment to the LIC* | *–* | *–* | *29* | *29* | *–* | *–* | *14* | *14* |
| **Total insurance service result** | **505** | **(14)** | **(431)** | **60** | **495** | **8** | **(413)** | **90** |
| Finance expense from insurance contracts issued | (1,524) | (1) | (11) | (1,536) | (1,168) | – | (14) | (1,182) |
| Investment components | 1,613 | – | (1,613) | – | 1,177 | – | (1,177) | – |
| **Total amounts recognised in comprehensive income** | **594** | **(15)** | **(2,055)** | **(1,476)** | **504** | **8** | **(1,604)** | **(1,092)** |
| **Cash flows** | | | | | | | | |
| Premiums received | (2,166) | – | – | (2,166) | (2,239) | – | – | (2,239) |
| Claims and other directly attributable expenses | – | – | 1,993 | 1,993 | – | – | 1,559 | 1,559 |
| Insurance acquisition cash flows | 77 | – | – | 77 | 69 | – | – | 69 |
| **Total cash flows** | **(2,089)** | **–** | **1,993** | **(96)** | **(2,170)** | **–** | **1,559** | **(611)** |
| **Closing liabilities** | **(15,994)** | **(55)** | **(636)** | **(16,685)** | **(14,499)** | **(40)** | **(574)** | **(15,113)** |

# 18 Insurance contracts *(continued)*

### Reinsurance contract assets

The table below provides a comprehensive reconciliation from opening to closing balance of reinsurance contract assets, disaggregated between the remaining coverage and the incurred claims components.

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Assets for remaining coverage | | | | Assets for remaining coverage | | | |
| Reinsurance contract assets | Excluding loss recovery component €m | Loss recovery component €m | Assets for incurred claims €m | Total €m | Excluding loss recovery component €m | Loss recovery component €m | Assets for incurred claims €m | Total €m |
| **Opening assets** | **1,159** | **28** | **227** | **1,414** | **1,104** | **36** | **212** | **1,352** |
| **Net (expense) / income from reinsurance contracts held** | | | | | | | | |
| Reinsurance expenses | (23) | – | – | (23) | (20) | – | – | (20) |
| Claims recovered and other directly attributable expenses | (172) | (5) | 171 | (6) | (171) | (6) | 165 | (12) |
| Changes relating to past service - adjustments to incurred claims | – | – | (7) | (7) | – | – | (5) | (5) |
| Changes in recoveries of gains / (losses) on onerous underlying contracts | – | 11 | – | 11 | – | (2) | – | (2) |
| **Total net (expense) / income from reinsurance contracts held** | **(195)** | **6** | **164** | **(25)** | **(191)** | **(8)** | **160** | **(39)** |
| Finance income from reinsurance contracts held | 32 | – | 4 | 36 | 89 | – | 5 | 94 |
| Investment components | (4) | – | 4 | – | (5) | – | 5 | – |
| **Total amounts recognised in comprehensive income** | **(167)** | **6** | **172** | **11** | **(107)** | **(8)** | **170** | **55** |
| **Cash flows** | | | | | | | | |
| Premiums paid net of ceding commissions and other deferred acquisition costs paid | 183 | – | – | 183 | 162 | – | – | 162 |
| Recoveries from reinsurance | – | – | (155) | (155) | – | – | (155) | (155) |
| **Total cash flows** | **183** | **–** | **(155)** | **28** | **162** | **–** | **(155)** | **7** |
| **Closing assets** | **1,175** | **34** | **244** | **1,453** | **1,159** | **28** | **227** | **1,414** |

# 18 Insurance contracts *(continued)*

### Analysis of insurance contracts by measurement component

The analysis below provides a reconciliation from opening to closing balance for each of the key measurement components of insurance contract liabilities.

| 2024<br>Insurance contract liabilities | Estimates of present value of future cash flows €m | Risk adjustment for non-financial risk €m | CSM: Contracts measured using the fair value approach at transition date €m | CSM: New business and all other contracts €m | Total €m |
|---|---|---|---|---|---|
| **Opening liabilities** | **(14,265)** | **(99)** | **(639)** | **(110)** | **(15,113)** |
| **Changes relating to current services** | | | | | |
| CSM recognised in income statement for services | – | – | 61 | 13 | 74 |
| Change in risk adjustment for non-financial risk expired | – | 14 | – | – | 14 |
| Experience adjustments | (27) | – | – | – | (27) |
| **Changes relating to future services** | | | | | |
| Contracts initially recognised in the year | 31 | (12) | – | (19) | – |
| Changes in estimates that adjust the contractual service margin | 25 | (2) | 7 | (30) | – |
| Changes in estimates that result in loss on onerous contracts | (27) | (3) | – | – | (30) |
| **Changes relating to past services** | | | | | |
| Adjustments to liabilities for incurred claims | 29 | – | – | – | 29 |
| **Insurance service result** | **31** | **(3)** | **68** | **(36)** | **60** |
| Finance expense from insurance contracts issued | (1,534) | (1) | (1) | – | (1,536) |
| **Total amounts recognised in comprehensive income** | **(1,503)** | **(4)** | **67** | **(36)** | **(1,476)** |
| **Cash flows** | | | | | |
| Premiums received | (2,166) | – | – | – | (2,166) |
| Claims and other directly attributable expenses | 1,993 | – | – | – | 1,993 |
| Insurance acquisition cash flows | 77 | – | – | – | 77 |
| **Total cash flows** | **(96)** | **–** | **–** | **–** | **(96)** |
| **Closing liabilities** | **(15,864)** | **(103)** | **(572)** | **(146)** | **(16,685)** |

# 18 Insurance contracts *(continued)*

| 2023<br>Insurance contract liabilities | Estimates of present value of future cash flows<br>€m | Risk adjustment for non-financial risk<br>€m | CSM<br>Contracts measured using the fair value approach at transition date<br>€m | CSM<br>New business and all other contracts<br>€m | Total<br>€m |
|---|---|---|---|---|---|
| **Opening liabilities** | **(12,629)** | **(91)** | **(630)** | **(60)** | **(13,410)** |
| **Changes relating to current services** | | | | | |
| CSM recognised in income statement for services | – | – | 67 | 9 | 76 |
| Change in risk adjustment for non-financial risk expired | – | 11 | – | – | 11 |
| Experience adjustments | (8) | – | – | – | (8) |
| **Changes relating to future services** | | | | | |
| Contracts initially recognised in the year | 37 | (13) | – | (25) | (1) |
| Changes in estimates that adjust the contractual service margin | 111 | (1) | (76) | (34) | – |
| Changes in estimates that result in loss on onerous contracts | 1 | (3) | – | – | (2) |
| **Changes relating to past services** | | | | | |
| Adjustments to liabilities for incurred claims | 14 | – | – | – | 14 |
| **Insurance service result** | **155** | **(6)** | **(9)** | **(50)** | **90** |
| Finance expense from insurance contracts issued | (1,180) | (2) | – | – | (1,182) |
| **Total amounts recognised in comprehensive income** | **(1,025)** | **(8)** | **(9)** | **(50)** | **(1,092)** |
| **Cash flows** | | | | | |
| Premiums received | (2,239) | – | – | – | (2,239) |
| Claims and other directly attributable expenses | 1,559 | – | – | – | 1,559 |
| Insurance acquisition cash flows | 69 | – | – | – | 69 |
| **Total cash flows** | **(611)** | **–** | **–** | **–** | **(611)** |
| **Closing liabilities** | **(14,265)** | **(99)** | **(639)** | **(110)** | **(15,113)** |

# 18 Insurance contracts *(continued)*

### Analysis of reinsurance contracts by measurement component

The analysis below provides a reconciliation from opening to closing balance for each of the key measurement components of reinsurance contract assets.

| 2024<br>Reinsurance contract assets | Estimates of present value of future cash flows €m | Risk adjustment for non-financial risk €m | CSM: Underlying contracts measured using the fair value approach €m | CSM: New business and all other underlying contracts €m | Total €m |
|---|---|---|---|---|---|
| **Opening assets** | **1,248** | **6** | **182** | **(22)** | **1,414** |
| **Changes relating to current services** | | | | | |
| CSM recognised in income statement for services | – | – | (16) | – | (16) |
| Change in risk adjustment for non-financial risk expired | – | (1) | – | – | (1) |
| Experience adjustments | (12) | – | – | – | (12) |
| **Changes relating to future services** | | | | | |
| Contracts initially recognised in the year | 9 | 1 | – | (10) | – |
| Changes in estimates that adjust the contractual service margin | 1 | – | (1) | – | – |
| Changes in recoveries of gains on onerous underlying contracts that adjust the CSM | – | – | – | 11 | 11 |
| **Changes relating to past services** | | | | | |
| Adjustments to liabilities for incurred claims | (7) | – | – | – | (7) |
| **Net expenses from reinsurance contracts** | **(9)** | **–** | **(17)** | **1** | **(25)** |
| Finance income from reinsurance contracts held | 36 | – | – | – | 36 |
| **Total amounts recognised in comprehensive income** | **27** | **–** | **(17)** | **1** | **11** |
| **Cash flows** | | | | | |
| Premiums paid net of ceding commissions and other deferred acquisition costs paid | 183 | – | – | – | 183 |
| Recoveries from reinsurance | (155) | – | – | – | (155) |
| **Total cash flows** | **28** | **–** | **–** | **–** | **28** |
| **Closing assets** | **1,303** | **6** | **165** | **(21)** | **1,453** |

# 18 Insurance contracts *(continued)*

| 2023<br>Reinsurance contract assets | Estimates of present value of future cash flows €m | Risk adjustment for non-financial risk €m | CSM: Underlying contracts measured using the fair value approach €m | CSM: New business and all other underlying contracts €m | Total €m |
|---|---|---|---|---|---|
| **Opening assets** | **1,209** | **6** | **164** | **(27)** | **1,352** |
| **Changes relating to current services** | | | | | |
| CSM recognised in income statement for services | – | – | (17) | 3 | (14) |
| Change in risk adjustment for non-financial risk expired | – | (1) | – | – | (1) |
| Experience adjustments | (17) | – | – | – | (17) |
| **Changes relating to future services** | | | | | |
| Contracts initially recognised in the year | 10 | – | – | (10) | – |
| Changes in estimates that adjust the contractual service margin | (49) | – | 35 | 14 | – |
| Changes in recoveries of losses on onerous underlying contracts that adjust the CSM | – | – | – | (2) | (2) |
| **Changes relating to past services** | | | | | |
| Adjustments to liabilities for incurred claims | (5) | – | – | – | (5) |
| **Net expenses from reinsurance contracts** | **(61)** | **(1)** | **18** | **5** | **(39)** |
| Finance income from reinsurance contracts held | 93 | 1 | – | – | 94 |
| **Total amounts recognised in comprehensive income** | **32** | **–** | **18** | **5** | **55** |
| **Cash flows** | | | | | |
| Premiums paid net of ceding commissions and other deferred acquisition costs paid | 162 | – | – | – | 162 |
| Recoveries from reinsurance | (155) | – | – | – | (155) |
| **Total cash flows** | **7** | **–** | **–** | **–** | **7** |
| **Closing assets** | **1,248** | **6** | **182** | **(22)** | **1,414** |

### New business analysis

The table below provides an analysis of the measurement components of insurance contracts newly issued or acquired during the year. There were no acquisitions of insurance contracts in current or prior year.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Contracts issued | | | Contracts issued | | |
| Insurance contracts issued during 2024 and 2023 | Profitable €m | Onerous €m | Total €m | Profitable €m | Onerous €m | Total €m |
| Insurance acquisition cash flows | (59) | (18) | (77) | (56) | (13) | (69) |
| Claims and other directly attributable expenses | (240) | (93) | (333) | (266) | (118) | (384) |
| **Total estimates of present value of future cash outflows** | **(299)** | **(111)** | **(410)** | **(322)** | **(131)** | **(453)** |
| Estimates of present value of future cash inflows | 330 | 102 | 432 | 360 | 122 | 482 |
| Risk adjustment for non-financial risk | (12) | (2) | (14) | (13) | (1) | (14) |
| Contractual service margin | (19) | – | (19) | (25) | – | (25) |
| **Effect at initial recognition of contracts issued and acquired during the year** | **–** | **(11)** | **(11)** | **–** | **(10)** | **(10)** |

# 18 Insurance contracts *(continued)*

The table below provides an analysis of the measurement components of reinsurance contracts which have been newly originated during the year.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Newly originated contracts | | | Newly originated contracts | | |
| **Reinsurance contracts originated during 2024 and 2023** | **Net gain €m** | **Net loss €m** | **Total €m** | **Net gain €m** | **Net loss €m** | **Total €m** |
| Estimates of present value of future cash outflows | (98) | – | (98) | (128) | – | (128) |
| Estimates of present value of future cash inflows | 107 | – | 107 | 136 | – | 136 |
| Risk adjustment for non-financial risk | 1 | – | 1 | 1 | – | 1 |
| Contractual service margin | (4) | – | (4) | (3) | – | (3) |
| **Effect at initial recognition of contracts newly originated during the year** | **6** | **–** | **6** | **6** | **–** | **6** |

### Expected recognition of contractual service margin

The table below provides information on the expected release of the CSM over time.

| **Expected recognition of CSM at 31 December 2024** | **Year 1 €m** | **Year 2 €m** | **Year 3 €m** | **Year 4 €m** | **Years 5-9 €m** | **Years 10+ €m** | **Total €m** |
|---|---|---|---|---|---|---|---|
| Insurance contracts issued | 70 | 64 | 59 | 54 | 207 | 264 | 718 |
| Reinsurance contracts held | (14) | (12) | (11) | (10) | (39) | (58) | (144) |

| **Expected recognition of CSM at 31 December 2023** | **Year 1 €m** | **Year 2 €m** | **Year 3 €m** | **Year 4 €m** | **Years 5-9 €m** | **Years 10+ €m** | **Total €m** |
|---|---|---|---|---|---|---|---|
| Insurance contracts issued | 73 | 67 | 62 | 56 | 215 | 275 | 748 |
| Reinsurance contracts held | (14) | (13) | (12) | (11) | (43) | (66) | (159) |

The Wealth and Insurance division writes the following life assurance contracts that contain insurance risk:

**Non unit-linked life assurance contracts**
These contracts provide the policyholder with insurance in the event of death, critical illness or permanent disability (principally mortality and morbidity risk).

**Non unit-linked annuity contracts**
These contracts provide the policyholder with an income until death (principally longevity and market risk).

**Unit-linked insurance contracts**
These contracts include both policies primarily providing life assurance protection and policies providing investment but with a level of insurance risk deemed to be significant (principally mortality and market risk).

### Underwriting risk management

The Group is exposed to different elements of insurance risk for life insurance policies:

- mortality risk is the risk of losses arising from death of life insurance policyholders being earlier than expected;
- morbidity risk is the risk of losses from medical claims occurring higher than expected; and
- longevity risk is the risk of losses arising from longer life of policyholders than expected.

For life assurance contracts where death is the insured risk, the most significant factors that could adversely affect the frequency and severity of claims are the incidence of disease and general changes in lifestyle. Where the insured risk is longevity, advances in medical care is the key factor that increases longevity. The Group manages its exposures to insurance risks through a combination of applying strict underwriting criteria, asset and liability matching, transferring risk to reinsurers and the establishment of insurance contract liabilities. Further details on life insurance risk can be found in note 25 Financial risk management on page 364.

### Regulatory risk

The Solvency II framework came into effect from 1 January 2016 and introduced new capital, risk management, governance and reporting requirements for all European insurance entities. Under this regime, insurance entities are required to hold technical provisions to meet liabilities to policyholders using best estimate assumptions plus a risk margin as well as a risk based solvency capital requirement which is calculated by considering the capital required to withstand a number of shock scenarios. In addition, the Group's Isle of Man insurance entity is required to hold shareholder equity that exceeds the solvency requirements specified by the Isle of Man Financial Services Authority.

# 18 Insurance contracts *(continued)*

As part of the disclosure requirements, the Group's life assurance entity, NIAC, annually publishes a public document called the Solvency and Financial Condition Report setting out more detail on its solvency and capital management.

Sudden or unexpected changes in the regulatory or legal environment may result in losses for the Group or an increase in solvency requirements.

This may arise from a number of sources such as interpretations of, or changes to, the Solvency II Directive or other relevant obligations, changes in definitions of the risks that the Group insures or more structural impacts on the markets in which the Group participates, for example pensions regulations.

It is likely that such changes would impact the insurance industry as a whole, as opposed to being necessarily specific to the Group.

As the Group develops new products, processes and systems and employs new technologies, it is of increasing importance that the Group anticipates known regulatory developments in ensuring that it is sufficiently well placed to meet current and likely future regulatory demands. This is a key part, and base enabler, of the Group's strategy.

### Concentration of insurance risk

The Group monitors insurance risk relating to insurance contracts and for insurance contracts issued, insurance risk is geographically concentrated in the Republic of Ireland.

Insurance risk is also highly concentrated along product lines, with 84% of insurance contracts being unit-linked and the remaining 16% non unit-linked. Concentrations of credit risk relating to insurance contracts can arise through the Group's reinsurance arrangements where the Group has a large exposure to a single counterparty. This credit exposure is mitigated by collateralisation agreements where the Company has access to assets which would compensate the Company should the reinsurer fail to meet its obligations. Please refer to note 25 for more information on credit risk exposures.

### Other information related to insurance contracts

Additional information relevant to the understanding of insurance and reinsurance contracts, as well as their exposure to credit and liquidity risk, can be found in the following places:

- assets underlying insurance contracts with direct participation features in notes 20, 21 and 30; and
- financial risk management in note 25 on page 357 and on page 361.

### Sensitivities

The following table provides a downside sensitivity analysis or the key insurance and market risks, used for the purpose of risk management. Profit before tax and CSM have been selected as benchmarks due to contribution toward Group earnings. The sensitivity calculations are not cumulative, each is considered and calculated separately. The changes in the profit before tax and CSM incorporate the impact on the insurance related liabilities and assets of the Group and are net of reinsurance. The movement in CSM is after amortisation in the current reporting year and will impact profits in future reporting periods.

The method used to calculate these sensitivities involves a recalculation of insurance related liabilities and assets at 31 December 2024 and 31 December 2023, incorporating one of the variable changes noted below in each recalculation.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Sensitivities: impact net of reinsurance on annual profit before tax and on the contractual service margin** | **Profit before tax €m** | **Contractual service margin €m** | **Profit before tax €m** | **Contractual service margin €m** |
| **Insurance risks** | | | | |
| 10% increase in mortality rates | (9) | (14) | (8) | (14) |
| 10% improvement in mortality rates for business exposed to longevity risk | (1) | (28) | 2 | (28) |
| 10% increase in morbidity rates | (8) | (6) | (6) | (8) |
| 10% deterioration in persistency stress | (2) | (22) | (2) | (22) |
| 5% increase in maintenance expenses | (3) | (20) | (2) | (19) |
| **Market risks** | | | | |
| 10% unfavourable change in non-Euro currency exchange rates | (12) | (23) | (12) | (20) |
| 1% increase in interest rates and unit growth rates[1] | (36) | 2 | (47) | 2 |
| 10% decrease in equity and property markets | (16) | (33) | (17) | (32) |
| 0.5% widening in bond yields | (49) | – | (48) | – |

[1] *Excludes the impact of pension scheme*

# 18 Insurance contracts *(continued)*

### Discount Rates

The discount rates provided in the table below represent the yield curves to discount insurance and reinsurance cash flows. Discount rates have been constructed through either the bottom-up or top-down approach as required by IFRS 17. Please refer to note 1 for more information on discount rates under IFRS 17.

| 2024<br>Discount rates | Currency | 1 year<br>% | 5 years<br>% | 10 years<br>% | 20 years<br>% | 30 years<br>% |
|---|---|---|---|---|---|---|
| **Bottom-up rates** | | | | | | |
| Unit-linked products including unit-linked protection | EUR | 2.3% | 2.2% | 2.3% | 2.3% | 2.3% |
| Other non-linked protection products | EUR | 2.5% | 2.4% | 2.5% | 2.5% | 2.4% |
| Permanent health insurance claims | EUR | 2.5% | 2.4% | 2.6% | 2.5% | 2.5% |
| **Top-down rates** | | | | | | |
| Standard annuities | EUR | 3.1% | 3.0% | 3.1% | 3.1% | 3.1% |
| Sovereign annuities | EUR | 2.6% | 2.5% | 2.6% | 2.6% | 2.6% |

| 2023<br>Discount rates | Currency | 1 year<br>% | 5 years<br>% | 10 years<br>% | 20 years<br>% | 30 years<br>% |
|---|---|---|---|---|---|---|
| **Bottom-up rates** | | | | | | |
| Unit-linked products including unit-linked protection | EUR | 3.5% | 2.4% | 2.5% | 2.5% | 2.5% |
| Other non-linked protection products | EUR | 3.6% | 2.6% | 2.6% | 2.7% | 2.6% |
| Permanent health insurance claims | EUR | 3.7% | 2.6% | 2.7% | 2.7% | 2.7% |
| **Top-down rates** | | | | | | |
| Standard annuities | EUR | 3.9% | 2.9% | 2.7% | 3.0% | 3.0% |
| Sovereign annuities | EUR | 3.7% | 2.7% | 2.7% | 2.8% | 2.8% |

# 19 Derivative financial instruments

The notional amounts and fair values of derivative instruments held by the Group are set out in the table below.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Contract notional amounts | Fair values | | Contract notional amounts | Fair values | |
| Group | €m | Assets €m | Liabilities €m | €m | Assets €m | Liabilities €m |
| **Derivatives held for trading** | | | | | | |
| ***Foreign exchange derivatives*** | | | | | | |
| Currency forwards | 4,612 | 72 | 61 | 4,942 | 41 | 43 |
| Currency swaps | 3,922 | 47 | 45 | 4,472 | 31 | 30 |
| Over-the-counter currency options | 274 | 4 | 4 | 212 | 4 | 4 |
| **Total foreign exchange derivatives held for trading** | **8,808** | **123** | **110** | **9,626** | **76** | **77** |
| ***Interest rate derivatives*** | | | | | | |
| Interest rate swaps | 179,411 | 1,319 | 1,399 | 178,803 | 1,648 | 1,770 |
| Over-the-counter interest rate options | 14,170 | 60 | 54 | 19,494 | 176 | 161 |
| Interest rate futures | 95 | – | 1 | 1,006 | 3 | 4 |
| Cross currency interest rate swaps | 886 | 7 | 7 | 258 | 10 | 10 |
| Forward rate agreements | – | – | – | – | – | – |
| **Total interest rate derivatives held for trading** | **194,562** | **1,386** | **1,461** | **199,561** | **1,837** | **1,945** |
| ***Equity contracts, commodity contracts and credit derivatives*** | | | | | | |
| Equity index-linked contracts held | 2,127 | 95 | 10 | 2,211 | 87 | 19 |
| Commodity contracts | – | – | – | 32 | 2 | 2 |
| Equity options | – | – | – | 14 | – | – |
| Contract for differences | – | – | – | 4 | 1 | – |
| **Total equity contracts and credit derivatives** | **2,127** | **95** | **10** | **2,261** | **90** | **21** |
| **Total derivative assets / liabilities held for trading** | **205,497** | **1,604** | **1,581** | **211,448** | **2,003** | **2,043** |
| **Derivatives held for hedging** | | | | | | |
| ***Derivatives designated as fair value hedges*** | | | | | | |
| Interest rate swaps | 98,856 | 1,873 | 1,684 | 93,458 | 2,240 | 2,323 |
| Cross currency interest rate swaps | 82 | – | 24 | 82 | – | 21 |
| **Total designated as fair value hedges** | **98,938** | **1,873** | **1,708** | **93,540** | **2,240** | **2,344** |
| ***Derivatives designated as cash flow hedges*** | | | | | | |
| Cross currency interest rate swaps | 8,127 | – | 361 | 7,637 | 98 | 76 |
| Interest rate swaps | 219 | – | 25 | 209 | – | 27 |
| **Total designated as cash flow hedges** | **8,346** | **–** | **386** | **7,846** | **98** | **103** |
| **Total derivative assets / liabilities held for hedging** | **107,284** | **1,873** | **2,094** | **101,386** | **2,338** | **2,447** |
| **Total derivative assets / liabilities** | **312,781** | **3,477** | **3,675** | **312,834** | **4,341** | **4,490** |

The Group's objectives and policies on managing the risks that arise in connection with derivatives, including the policies for hedging, are included in note 25 Financial Risk Management. The notional amounts of certain types of derivatives do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit risk. The derivative instruments give rise to assets or liabilities as a result of fluctuations in market rates or prices relative to their terms.

Derivatives held for trading comprise derivatives entered into with trading intent as well as derivatives entered into with economic hedging intent to which the Group does not apply hedge accounting. Derivatives classified as held for hedging comprise only those derivatives to which the Group applies hedge accounting.

# 19 Derivative financial instruments *(continued)*

The Group uses netting arrangements and collateral agreements to reduce its exposure to credit losses. Of the derivative assets of €3.5 billion at 31 December 2024 (2023: €4.3 billion):

- €3.4 billion (2023: €4.2 billion) are available for offset against derivative liabilities under master netting arrangements. These transactions do not meet the criteria under IAS 32 to enable the assets to be presented net of the liabilities;
- cash collateral of €0.3 billion (2023: €0.4 billion) was held against these assets and is reported within deposits from banks (note 34); and
- €0.1 billion (2023: €0.1 billion) are not covered by master netting arrangements or relate to counterparties covered by master netting arrangements with whom a net asset position was held at the reporting date.

€0.4 billion (2023: €0.5 billion) of cash collateral was included in placements with other banks (note 21) and €0.1 billion (2023: €0.1 billion) in loans and advances to customers (note 24) was placed with derivative counterparties in respect of a net derivative liability position of €0.4 billion (2023: €0.4 billion).

At 31 December 2024, the fair value of the Group's derivative portfolio was a net liability of c.€0.2 billion comprising assets of €3.5 billion and liabilities of €3.7 billion (2023: net liability of €0.2 billion, comprising assets of €4.3 billion and liabilities of €4.5 billion). The €nil movement is primarily due to the impact of falling long term euro interest rates and rising long term sterling and dollar interest rates on the revaluation of interest rate derivatives (€0.4 billion charge) offset by the move in cross currency swaps (€0.4 billion credit) as a result of euro weakening against sterling.

The timing of the nominal amounts of hedging instruments (excluding those subject to a dynamic macro-hedging process) and the applicable average rates were as follows:

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Group**<br>**Hedging strategy** | **Up to 1 year €m** | **1-2 years €m** | **2-5 years €m** | **>5 years €m** | **Up to 1 year €m** | **1-2 years €m** | **2-5 years €m** | **>5 years €m** |
| **Fair value hedge** | | | | | | | | |
| ***Interest rate risk*** | | | | | | | | |
| Interest rate swap - notional amount | 3,654 | 3,981 | 7,720 | 4,075 | 1,421 | 3,631 | 9,303 | 4,741 |
| Average fixed interest rate | 1.39% | 0.29% | 2.18% | 1.34% | (0.05%) | 1.34% | 1.18% | 1.15% |
| ***Foreign exchange risk*** | | | | | | | | |
| Cross currency interest rate swap - notional amount | – | – | – | 82 | – | – | – | 82 |
| Average EUR- JPY foreign exchange rate | – | – | – | 0.01 | – | – | – | 0.01 |
| **Cash flow hedge** | | | | | | | | |
| ***Interest rate risk*** | | | | | | | | |
| Interest rate swap - notional amount | – | – | 211 | 8 | – | – | 201 | 8 |
| Average fixed interest rate | – | – | 0.36% | 4.00% | – | – | 0.36% | 4.00% |
| ***Foreign exchange risk*** | | | | | | | | |
| Cross currency interest rate swap - notional amount | 1,807 | 2,165 | 4,155 | – | 794 | 1,736 | 5,107 | – |
| Average EUR - GBP foreign exchange rate | 0.86 | 0.86 | 0.87 | – | 0.85 | 0.86 | 0.86 | – |

# 19 Derivative financial instruments *(continued)*

### Fair value hedges

Certain interest rate and cross currency interest rate derivatives are designated as hedging instruments. These are primarily used to reduce the interest rate and FX exposure on the Group's fixed rate debt held, fixed rate mortgages, customer accounts and debt issued portfolios. The amounts relating to items designated as hedging instruments and hedge ineffectiveness for the year are shown in the tables below. All hedging instruments are included within derivative financial instruments on the balance sheet and ineffectiveness is included within net trading income on the income statement.

**Group**
**2024**
**Items designated as hedging instruments and hedge ineffectiveness**

| Risk category | Hedging instrument | Nominal amount of the hedging instrument €m | Carrying amount of the hedging instrument: Assets €m | Carrying amount of the hedging instrument: Liabilities €m | Changes in value used to calculate hedge ineffectiveness €m | Ineffectiveness recognised in profit or loss €m |
|---|---|---|---|---|---|---|
| Interest rate risk | Interest rate swaps | 98,856 | 1,873 | (1,684) | 459 | – |
| Foreign Exchange Risk | Cross Currency Interest Rate Swaps | 82 | – | (24) | (3) | – |
| **Total** | | **98,938** | **1,873** | **(1,708)** | **456** | **–** |

**Group**
**2023**
**Items designated as hedging instruments and hedge ineffectiveness**

| Risk category | Hedging instrument | Nominal amount of the hedging instrument €m | Carrying amount of the hedging instrument: Assets €m | Carrying amount of the hedging instrument: Liabilities €m | Changes in value used to calculate hedge ineffectiveness €m | Ineffectiveness recognised in profit or loss €m |
|---|---|---|---|---|---|---|
| Interest rate risk | Interest rate swaps | 93,458 | 2,240 | (2,323) | 942 | (3) |
| Foreign Exchange Risk | Cross Currency Interest Rate Swaps | 82 | – | (21) | (7) | – |
| **Total** | | **93,540** | **2,240** | **(2,344)** | **935** | **(3)** |

The main cause of ineffectiveness in the Group's fair value hedge relationships are differences in maturities between certain interest rate swaps and their related hedged items. The accumulated fair value adjustments on loans and advances to customers and customer accounts that are in portfolio fair value hedges of interest rate risk amounted to a net gain of €118 million and a net gain of €365 million respectively (2023: a net loss of €124 million and a net gain of €1,115 million respectively) and are presented separately on the balance sheet.

In the table above, 'changes in value used to calculate hedge ineffectiveness' include changes in the fair value of the hedging instruments in portfolio fair value hedges of interest rate risk, and in the table below, they include changes in value for loans and advances to customers and customer accounts that are hedged items in portfolio fair value hedges of interest rate risk.

# 19 Derivative financial instruments *(continued)*

| Group 2024<br>Line item on the balance sheet in which the hedged item is included | Carrying amount of the hedged item | | Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of the hedged item | | Changes in value used for calculating hedge ineffectiveness | Remaining adjustments for discontinued hedges |
|---|---|---|---|---|---|---|
| | Assets €m | Liabilities €m | Assets €m | Liabilities €m | €m | €m |
| **Interest rate risk** | | | | | | |
| Loans and advances to customers | 26,861 | – | (16) | – | 237 | (1) |
| Debt securities at amortised cost | 5,478 | – | (290) | – | 109 | (1) |
| Debt instruments measured at FVOCI | 3,286 | – | (158) | – | 109 | – |
| Customer accounts | – | 57,705 | – | – | (755) | – |
| Debt securities in issue | – | 7,950 | – | 54 | (122) | (1) |
| Subordinated liabilities | – | 1,896 | – | 3 | (37) | – |
| **Foreign exchange risk** | | | | | | |
| Debt securities in issue | – | 58 | – | (42) | 3 | – |
| **Total** | **35,625** | **67,609** | **(464)** | **15** | **(456)** | **(3)** |

| Group 2023<br>Line item on the balance sheet in which the hedged item is included | Carrying amount of the hedged item | | Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of the hedged item | | Changes in value used for calculating hedge ineffectiveness | Remaining adjustments for discontinued hedges |
|---|---|---|---|---|---|---|
| | Assets €m | Liabilities €m | Assets €m | Liabilities €m | €m | €m |
| **Interest rate risk** | | | | | | |
| Loans and advances to customers | 19,973 | – | (27) | – | 627 | (1) |
| Debt securities at amortised cost | 4,969 | – | (401) | – | 259 | – |
| Debt instruments measured at FVOCI | 3,884 | – | (293) | – | 189 | – |
| Customer accounts | – | (54,299) | – | – | (1,726) | – |
| Debt securities in issue | – | (7,375) | – | 177 | (236) | (1) |
| Subordinated liabilities | – | (1,634) | – | 40 | (58) | – |
| **Foreign exchange risk** | | | | | | |
| Debt securities in issue | – | (61) | – | 3 | 7 | – |
| **Total** | **28,826** | **(63,369)** | **(721)** | **220** | **(938)** | **(2)** |

# 19 Derivative financial instruments *(continued)*

### Cash flow hedges

The Group designates certain interest rate and currency derivatives in cash flow hedge relationships in order to hedge the exposure to variability in future cash flows arising from floating rate assets and liabilities and from foreign currency assets.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness for the year are shown in the tables below.

All hedging instruments are included within derivative financial instruments on the balance sheet and ineffectiveness is included within net trading income on the income statement. There are no material causes of ineffectiveness in the Group's cash flow hedges.

In 2024 and 2023, there were no forecast transactions to which the Group had applied hedge accounting which were no longer expected to occur.

| Group<br>2024<br>Risk category and hedging instrument | Nominal amount of the hedging instrument €m | Carrying amount of the hedging instrument | | Changes in value used for calculating hedge ineffectiveness €m | Changes in the value of the hedging instrument recognised in other comprehensive income €m | Ineffectiveness recognised in profit or loss €m | Amount reclassified from the cash flow hedge reserve to profit or loss €m |
|---|---|---|---|---|---|---|---|
| | | Assets €m | Liabilities €m | | | | |
| **Interest rate risk** | | | | | | | |
| Interest rate swaps | 219 | – | (25) | (4) | 4 | – | 3 |
| **Foreign exchange risk** | | | | | | | |
| Cross currency interest rate swaps | 8,127 | – | (361) | (388) | 388 | – | 521 |
| **Total** | **8,346** | **–** | **(386)** | **(392)** | **392** | **–** | **524** |

| Group<br>2023<br>Risk category and hedging instrument | Nominal amount of the hedging instrument €m | Carrying amount of the hedging instrument | | Changes in value used for calculating hedge ineffectiveness €m | Changes in the value of the hedging instrument recognised in other comprehensive income €m | Ineffectiveness recognised in profit or loss €m | Amount reclassified from the cash flow hedge reserve to profit or loss €m |
|---|---|---|---|---|---|---|---|
| | | Assets €m | Liabilities €m | | | | |
| **Interest rate risk** | | | | | | | |
| Interest rate swaps | 209 | – | (27) | (9) | 9 | – | 4 |
| **Foreign exchange risk** | | | | | | | |
| Cross currency interest rate swaps | 7,637 | 98 | (76) | (176) | 176 | – | 322 |
| **Total** | **7,846** | **98** | **(103)** | **(185)** | **185** | **–** | **326** |

# 19 Derivative financial instruments *(continued)*

| Group<br>Risk category | 2024<br>Changes in the hedged risk used for calculating hedge ineffectiveness<br>€m | 2024<br>Cash flow hedge reserve (gross)<br>€m | 2024<br>Remaining adjustments for discontinued hedges<br>€m | 2023<br>Changes in the hedged risk used for calculating hedge ineffectiveness<br>€m | 2023<br>Cash flow hedge reserve (gross)<br>€m | 2023<br>Remaining adjustments for discontinued hedges<br>€m |
|---|---|---|---|---|---|---|
| Interest rate risk | 4 | 19 | 17 | 9 | 24 | 12 |
| Foreign exchange risk | 388 | 15 | – | 176 | 17 | – |
| **Total** | **392** | **34** | **17** | **185** | **41** | **12** |

| Group<br>Movement in cash flow hedge reserve | 2024<br>€m | 2023<br>€m |
|---|---|---|
| **Changes in fair value** | | |
| Interest rate risk | (4) | – |
| Foreign exchange risk | (516) | (338) |
| | | |
| **Transfer to income statement** | | |
| ***Interest income*** | | |
| Interest rate risk | 8 | 8 |
| Foreign exchange risk | 135 | 129 |
| | | |
| ***Net trading income / (expense)*** | | |
| Interest rate risk | (5) | (4) |
| Foreign exchange risk | 386 | 193 |
| | | |
| Deferred tax on reserve movements | (2) | – |
| **Net increase / (decrease) in cash flow hedge reserve** | **2** | **(12)** |

# 19 Derivative financial instruments *(continued)*

The notional amounts and fair values of derivative instruments held by the Bank are set out in the table below.

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Contract notional | Fair values | | Contract notional | Fair values | |
| Bank | amounts €m | Assets €m | Liabilities €m | amounts €m | Assets €m | Liabilities €m |
| **Derivatives held for trading** | | | | | | |
| **Foreign exchange derivatives** | | | | | | |
| Currency forwards | 4,189 | 66 | 62 | 4,601 | 42 | 41 |
| Currency swaps | 3,632 | 40 | 38 | 4,165 | 27 | 27 |
| Over-the-counter currency options | 274 | 5 | 4 | 212 | 4 | 4 |
| **Total foreign exchange derivatives held for trading** | **8,095** | **111** | **104** | **8,978** | **73** | **72** |
| **Interest rate derivatives** | | | | | | |
| Interest rate swaps | 232,239 | 1,877 | 1,860 | 231,602 | 2,557 | 2,559 |
| Over-the-counter interest rate options | 14,170 | 60 | 54 | 19,494 | 176 | 161 |
| Interest rate futures | 1 | – | 1 | 960 | 3 | 4 |
| Cross currency interest rate swaps | 996 | 7 | 7 | 375 | 10 | 10 |
| Forward rate agreements | – | – | – | – | – | – |
| **Total interest rate derivatives held for trading** | **247,406** | **1,944** | **1,922** | **252,431** | **2,746** | **2,734** |
| **Equity contracts, commodity contracts and credit derivatives** | | | | | | |
| Equity index-linked contracts held | 2,127 | 99 | 10 | 2,211 | 87 | 2 |
| Credit derivatives | 78 | – | 2 | 93 | 2 | – |
| Commodity contracts | – | – | – | 32 | 2 | 2 |
| **Total designated as fair value hedges** | **2,205** | **99** | **12** | **2,336** | **91** | **4** |
| **Total derivative assets / liabilities held for trading** | **257,706** | **2,154** | **2,038** | **263,745** | **2,910** | **2,810** |
| **Derivatives held for hedging** | | | | | | |
| **Derivatives designated as fair value hedges** | | | | | | |
| Interest rate swaps | 89,407 | 1,693 | 1,470 | 83,277 | 1,931 | 2,057 |
| Cross currency interest rate swaps | 82 | – | 24 | 82 | – | 21 |
| **Total designated as fair value hedges** | **89,489** | **1,693** | **1,494** | **83,359** | **1,931** | **2,078** |
| **Derivatives designated as cash flow hedges** | | | | | | |
| Cross currency interest rate swaps | 8,127 | – | 361 | 7,637 | 98 | 76 |
| Interest rate swaps | 8 | – | – | 8 | – | – |
| **Total designated as cash flow hedges** | **8,135** | **–** | **361** | **7,645** | **98** | **76** |
| **Total derivative assets / liabilities held for hedging** | **97,624** | **1,693** | **1,855** | **91,004** | **2,029** | **2,154** |
| **Total derivative assets / liabilities** | **355,330** | **3,847** | **3,893** | **354,749** | **4,939** | **4,964** |
| **Amounts include:** | | | | | | |
| Due from / to Group undertakings | 45,710 | 384 | 231 | 43,010 | 603 | 481 |

The Bank uses netting arrangements and collateral agreements to reduce its exposure to credit losses. Of the derivative assets of €3.9 billion at 31 December 2024 (2023: €4.9 billion):

- €3.4 billion (2023: €4.2 billion) are available for offset against derivative liabilities under master netting arrangements. These transactions do not meet the criteria under IAS 32 to enable the assets to be presented net of the liabilities;
- cash collateral of €0.3 billion (2023: €0.4 billion) was held against these assets and is reported within deposits from banks (note 34); and
- €0.1 billion (2023: €0.1 billion) are not covered by master netting arrangements or relate to counterparties covered by master netting arrangements with whom a net asset position was held at the reporting date.

# 19 Derivative financial instruments *(continued)*

€0.4 billion (2023: €0.5 billion) of cash collateral is included in placements with other banks (Note 21) and €0.1 billion (2023: €0.1 billion) in loans and advances to customers (note 24) is placed with derivative counterparties in respect of a net derivative liability position of €0.4 billion (2023: €0.4 billion).

The Bank designates certain derivatives as hedging instruments in either fair value or cash flow hedge relationships.

At 31 December 2024, the Bank held the following instruments in either fair value or cash flow hedge relationships.

The timing of the nominal amounts of hedging instruments (excluding those subject to a dynamic macro-hedging process) and the applicable average rates were as follows:

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Bank**<br>**Hedging strategy** | **Up to 1 year €m** | **1-2 years €m** | **2-5 years €m** | **>5 years €m** | **Up to 1 year €m** | **1-2 years €m** | **2-5 years €m** | **>5 years €m** |
| **Fair value hedge** | | | | | | | | |
| ***Interest rate risk*** | | | | | | | | |
| Interest rate swap - notional amount | 2,870 | 3,923 | 7,533 | 3,854 | 1,379 | 2,848 | 9,236 | 4,388 |
| Average fixed interest rate (%) | 1.58% | 0.30% | 2.19% | 1.31% | (0.08%) | 1.51% | 1.19% | 1.12% |
| ***Foreign exchange risk*** | | | | | | | | |
| Cross currency interest rate swap-notional amount | – | – | – | 82 | – | – | – | 82 |
| Average EUR - JPY foreign exchange rate | – | – | – | 0.01 | – | – | – | 0.01 |
| **Cash flow hedge** | | | | | | | | |
| ***Interest rate risk*** | | | | | | | | |
| Interest rate swap - notional amount | – | – | – | 8 | – | – | – | 8 |
| Average fixed interest rate (%) | – | – | – | 4.00% | – | – | – | 4.00% |
| ***Foreign exchange risk*** | | | | | | | | |
| Cross currency interest rate swap - notional amount | 1,808 | 2,165 | 4,155 | – | 794 | 1,736 | 5,107 | – |
| Average EUR - GBP foreign exchange rate | 0.86 | 0.86 | 0.87 | – | 0.85 | 0.86 | 0.86 | – |

### Fair value hedges

Certain interest rate and cross currency interest rate derivatives are designated as hedging instruments. These are primarily used to reduce the interest rate and FX exposure on the Bank's fixed rate debt held, fixed rate mortgages, customer accounts and debt issued portfolios.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness for the year were as follows. All hedging instruments are included within derivative financial instruments on the balance sheet and ineffectiveness is included within net trading income on the income statement.

| **Bank**<br>**Items designated as hedging instruments and hedge ineffectiveness** | **Nominal amount of the hedging instrument €m** | **Carrying amount of the hedging instrument** | | **Changes in value used to calculate hedge ineffectiveness €m** | **Ineffectiveness recognised in profit or loss €m** |
|---|---|---|---|---|---|
| | | **Assets €m** | **Liabilities €m** | | |
| **Interest rate risk** | | | | | |
| Interest rate swaps | 89,407 | 1,693 | (1,469) | 483 | (1) |
| **Foreign exchange risk** | | | | | |
| Cross currency interest rate swaps | 82 | – | (24) | (3) | – |
| **Total** | **89,489** | **1,693** | **(1,493)** | **480** | **(1)** |

# 19 Derivative financial instruments *(continued)*

| Bank<br>2023<br>Items designated as hedging instruments and hedge ineffectiveness | Nominal amount of the hedging instrument €m | Carrying amount of the hedging instrument | | Changes in value used to calculate hedge ineffectiveness €m | Ineffectiveness recognised in profit or loss €m |
|---|---|---|---|---|---|
| | | Assets €m | Liabilities €m | | |
| **Interest rate risk** | | | | | |
| Interest rate swaps | 83,277 | 1,931 | (2,057) | 1,034 | (2) |
| **Foreign exchange risk** | | | | | |
| Cross currency interest rate swaps | 82 | – | (21) | (7) | – |
| **Total** | **83,359** | **1,931** | **(2,078)** | **1,027** | **(2)** |

The main cause of ineffectiveness in the Bank's fair value hedge relationships are differences in maturities between certain interest rate swaps and their related hedged items. The accumulated fair value adjustments on loans and advances to customers and customer accounts that are in portfolio fair value hedges of interest rate risk amounted to a net gain of €163 million and a net gain of €225 million respectively (2023: a net loss of €35 million and a net gain of €989 million respectively) and are presented separately on the balance sheet.

In the table above, "changes in value used to calculate hedge ineffectiveness" include changes in the fair value of the hedging instruments in portfolio fair value hedges of interest rate risk, and in the table below, they include changes in value for loans and advances to customers and customer accounts that are hedged items in portfolio fair value hedges of interest rate risk.

| Bank<br>2024<br>Line item on the balance sheet in which the hedged item is included | Carrying amount of the hedged item | | Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of the hedged item | | Changes in value used for calculating hedge ineffectiveness €m | Remaining adjustments for discontinued hedges €m |
|---|---|---|---|---|---|---|
| | Assets €m | Liabilities €m | Assets €m | Liabilities €m | | |
| **Interest rate risk** | | | | | | |
| Loans and advances to banks | 20,055 | – | – | – | 193 | – |
| Debt securities at amortised cost | 5,226 | – | (265) | – | 107 | (1) |
| Debt instruments measured at FVOCI | 3,286 | – | (158) | – | 109 | – |
| Loans and advances to customers | 556 | – | (16) | – | 9 | (1) |
| Customer accounts | – | 55,632 | – | – | (766) | – |
| Debt securities in issue | – | 6,992 | – | 31 | (99) | – |
| Subordinated liabilities | – | 1,896 | – | 3 | (37) | – |
| **Foreign exchange risk** | | | | | | |
| Debt securities in issue | – | 58 | – | (42) | 3 | – |
| **Total** | **29,123** | **64,578** | **(439)** | **(8)** | **(481)** | **(2)** |

# 19 Derivative financial instruments *(continued)*

| Bank<br>2023<br>Line item on the balance sheet in which the hedged item is included | Carrying amount of the hedged item | | Accumulated amount of fair value adjustments on the hedged item included in the carrying amount of the hedged item | | Changes in value used for calculating hedge ineffectiveness | Remaining adjustments for discontinued hedges |
|---|---|---|---|---|---|---|
| | Assets €m | Liabilities €m | Assets €m | Liabilities €m | €m | €m |
| **Interest rate risk** | | | | | | |
| Loans and advances to banks | 12,330 | – | – | – | 416 | – |
| Debt securities at amortised cost | 4,723 | – | (374) | – | 244 | – |
| Debt instruments measured at FVOCI | 3,884 | – | (293) | – | 189 | – |
| Loans and advances to customers | 573 | – | (27) | – | 21 | (1) |
| Customer accounts | – | (52,287) | – | – | (1,645) | – |
| Debt securities in issue | – | (6,441) | – | 131 | (204) | – |
| Subordinated liabilities | – | (1,634) | – | 40 | (57) | – |
| **Foreign exchange risk** | | | | | | |
| Debt securities in issue | – | (61) | – | 3 | 7 | – |
| **Total** | **21,510** | **(60,423)** | **(694)** | **174** | **(1,029)** | **(1)** |

## Cash flow hedges

The Bank designates certain interest rate and currency derivatives in cash flow hedge relationships in order to hedge the exposure to variability in future cash flows arising from floating rate assets and liabilities and from foreign currency assets.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness for the year are shown in the tables below.

All hedging instruments are included within derivative financial instruments on the balance sheet and ineffectiveness is included within net trading income / (expense) on the Bank's income statement. There are no material causes of ineffectiveness in the Bank's cash flow hedges.

In 2024 and 2023, there were no forecast transactions to which the Bank had applied hedge accounting which were no longer expected to occur.

| Bank<br>2024<br>Risk category and hedging instrument | Nominal amount of the hedging instrument €m | Carrying amount of the hedging instrument | | Changes in value used for calculating hedge ineffectiveness €m | Changes in the value of the hedging instrument recognised in other comprehensive income €m | Ineffectiveness recognised in profit or loss €m | Amount reclassified from the cash flow hedge reserve to profit or loss €m |
|---|---|---|---|---|---|---|---|
| | | Assets €m | Liabilities €m | | | | |
| **Interest rate risk** | | | | | | | |
| Interest rate swaps | 8 | – | – | (1) | 1 | – | 6 |
| **Foreign exchange risk** | | | | | | | |
| Cross currency interest rate swaps | 8,127 | – | (361) | (388) | 388 | – | 521 |
| **Total** | **8,135** | **–** | **(361)** | **(389)** | **389** | **–** | **527** |

# 19 Derivative financial instruments *(continued)*

| Bank<br>2023<br>Risk category and hedging instrument | Nominal amount of the hedging instrument €m | Carrying amount of the hedging instrument | | Changes in value used for calculating hedge ineffectiveness €m | Changes in the value of the hedging instrument recognised in other comprehensive income €m | Ineffectiveness recognised in profit or loss €m | Amount reclassified from the cash flow hedge reserve to profit or loss €m |
|---|---|---|---|---|---|---|---|
| | | Assets €m | Liabilities €m | | | | |
| **Interest rate risk** | | | | | | | |
| Interest rate swaps | 8 | – | – | – | – | – | 6 |
| **Foreign exchange risk** | | | | | | | |
| Cross currency interest rate swaps | 7,637 | 98 | (76) | (176) | 176 | – | 323 |
| **Total** | **7,645** | **98** | **(76)** | **(176)** | **176** | **–** | **329** |

| Bank<br>Risk category | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | Changes in the hedged risk used for calculating hedge ineffectiveness €m | Cash flow hedge reserve (gross) €m | Remaining adjustments for discounted hedges €m | Changes in the hedged risk used for calculating hedge ineffectiveness €m | Cash flow hedge reserve (gross) €m | Remaining adjustments for discounted hedges €m |
| Interest rate risk | 1 | 4 | 22 | – | 6 | 26 |
| Foreign exchange risk | 388 | 15 | – | 176 | 17 | – |
| **Total** | **389** | **19** | **22** | **176** | **23** | **26** |

| Bank<br>Movement in cash flow hedge reserve | 2024 €m | 2023 €m |
|---|---|---|
| **Changes in fair value** | | |
| Interest rate risk | 2 | (1) |
| Foreign exchange risk | (518) | (339) |
| **Transfer to income statement** | | |
| *Interest income* | | |
| Interest rate risk | – | – |
| Foreign exchange risk | 134 | 129 |
| *Net trading income / (expense)* | | |
| Interest rate risk | 6 | 6 |
| Foreign exchange risk | 386 | 193 |
| Deferred tax on reserve movements | (2) | 1 |
| **Net increase / (decrease) in cash flow hedge reserve** | **8** | **(11)** |

# 20 Other financial assets at fair value through profit or loss

Other financial assets at FVTPL include assets managed on a fair value basis by the life assurance business and those assets which do not meet the requirements in order to be measured at FVOCI or amortised cost. Fair values of assets underlying insurance contracts, with direct participation features, are also disclosed.

A portion of the Group's life assurance business takes the legal form of investment contracts, under which legal title to the underlying investment is held by the Group, but the inherent risks and rewards in the investments are borne by the policyholders.

Due to the nature of these contracts, the carrying value of the assets is always the same as the value of the liabilities due to policyholders and any change in the value of the assets results in an equal change in the value of the amounts due to policyholders. The associated liabilities are included in liabilities to customers under investment contracts and insurance contract liabilities on the balance sheet. At 31 December 2024, such assets were €21,761 million (2023: €18,746 million). Included in these assets are investments in unconsolidated structured entities which comprise investments in collective investment vehicles of €16,419 million (2023: €13,731 million) (note 51).

| | Group | | Bank | |
|---|---|---|---|---|
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| **Assets linked to policyholder liabilities** | | | | |
| Equity securities | 17,455 | 14,253 | – | – |
| Unit trusts | 1,993 | 1,451 | – | – |
| Debt securities | 1,599 | 2,116 | – | – |
| Government bonds | 714 | 926 | – | – |
| | **21,761** | **18,746** | **–** | **–** |
| *of which:* Assets underlying insurance contracts with direct participation features | 12,770 | 11,318 | n/a | n/a |
| **Other financial assets** | | | | |
| Debt securities | 744 | 581 | 261 | 230 |
| Government Bonds | 677 | 612 | – | – |
| Equity securities | 672 | 770 | 105 | 81 |
| Unit trusts | 154 | 196 | – | – |
| | **2,247** | **2,159** | **366** | **311** |
| **Other financial assets at fair value through profit and loss** | **24,008** | **20,905** | **366** | **311** |
| **Amounts include:** | | | | |
| Due from Group undertakings | n/a | n/a | 241 | 230 |

Other financial assets of €2,247 million (2023: €2,159 million) include €2,072 million (2023: €2,028 million) relating to assets held by the Group's life assurance business for solvency margin purposes or as backing for non-linked policyholder liabilities. Further details on financial assets mandatorily measured at FVTPL is set out in note 53. Included in these assets are investments in unconsolidated structured entities which comprise investments in collective investment vehicles of €735 million (2023: €869 million) (note 51).

Assets underlying insurance contracts with direct participation features, measured applying the VFA, are €12,770 million (2023: €11,318 million).

At 31 December 2024, NIAC held ordinary shares of BoIG plc the Bank's ultimate Parent company, with a fair value of €7 million (2023: €7 million), for the benefit of life assurance policyholders.

Bank other financial assets of €366 million (2023: €311 million) include €241 million (2023: €230 million), £200 million (2023: £200 million) relating to BoI (UK) plc MREL issuance.

# 21 Loans and advances to banks

Loans and advances to banks are classified as financial assets at amortised cost or financial assets mandatorily at FVTPL. The associated impairment loss allowance on loans and advances to banks is measured on a 12-month or lifetime ECL approach.

Loans and advances to banks at FVTPL include assets managed on a fair value basis by the life assurance business and those assets which do not meet the requirements in order to be measured at FVOCI or amortised cost. At 31 December 2024, the Group's loans and advances to banks includes €143 million (2023: €184 million) of assets held on behalf of Wealth and Insurance life policyholders. Assets underlying insurance contracts with direct participation features, measured applying the VFA, are €84 million (2023: €111 million).

Mandatory deposits with central banks includes €1.0 billion relating to collateral in respect of the Group's issued bank notes in NI (2023: €1.0 billion).

Placements with other banks includes cash collateral of €0.4 billion (2023: €0.5 billion) placed with derivative counterparties in relation to net derivative liability positions (note 19).

There has been no significant change in the impairment loss allowance on loans and advances to banks held at amortised cost during the year. The composition of loans and advances to banks at amortised cost by stage is set out on page 335 and the asset quality of loans and advances to banks at amortised cost is set out on page 356.

Loans and advances to banks at FVTPL are not subject to impairment under IFRS 9.

| | Group | | Bank | |
|---|---|---|---|---|
| | **2024 €m** | **2023 €m** | **2024 €m** | **2023 €m** |
| Mandatory deposits with central banks | 975 | 1,033 | – | 17 |
| Placements with banks | 618 | 717 | 19,401 | 16,379 |
| Securities purchased with agreement to resell | 65 | 35 | – | – |
| Funds placed with central banks not on demand | 25 | 23 | – | – |
| | **1,683** | **1,808** | **19,401** | **16,396** |
| Less impairment loss allowance on loans and advances to banks | – | (1) | (5) | (6) |
| **Loans and advances to banks at amortised cost** | **1,683** | **1,807** | **19,396** | **16,390** |
| Loans and advances to banks at fair value through profit and loss | 55 | 100 | – | 4 |
| **Loans and advances to banks** | **1,738** | **1,907** | **19,396** | **16,394** |
| *of which:* Assets underlying insurance contracts with direct participation features | 84 | 111 | n/a | n/a |
| **Amounts include:** | | | | |
| Due from Group undertakings | n/a | n/a | **18,956** | **15,833** |

# 22 Debt securities at amortised cost

The following table details the significant categories of debt securities at amortised cost. The composition of debt securities at amortised cost by stage is set out on page 335 and the asset quality of debt securities at amortised cost is set out on page 356.

| | Group | | Bank | |
|---|---|---|---|---|
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| Government bonds | 4,364 | 4,134 | 4,248 | 4,020 |
| *Ireland* | *3,957* | *3,886* | *3,957* | *3,886* |
| *UK* | *116* | *114* | *–* | *–* |
| *Other* | *291* | *134* | *291* | *134* |
| Other debt securities at amortised cost | 2,003 | 1,540 | 2,497 | 3,295 |
| Asset backed securities | 21 | 42 | 19 | 34 |
| Less impairment loss allowance | (1) | (1) | (1) | (2) |
| **Debt securities at amortised cost** | **6,387** | **5,715** | **6,763** | **7,347** |
| | | | | |
| **Amounts include:** | | | | |
| Due from Group undertakings | n/a | n/a | 950 | 2,199 |

# 23 Financial assets at fair value through other comprehensive income

The impairment loss allowance of €1 million (2023: €1 million) on debt instruments at FVOCI does not reduce the carrying amount, but an amount equal to the allowance is recognised in OCI as an accumulated impairment amount, with corresponding impairment gains or losses recognised in the income statement. The composition of debt instruments at FVOCI by stage is set out on page 335 and the asset quality of debt instruments at FVOCI is set out on page 355.

In 2024, the Group disposed of €279 million debt instruments at FVOCI (2023: €nil) and there was a transfer of €0.5 million from the debt instruments at FVOCI reserve to the income statement (2023: €nil).

At 31 December 2024, financial assets at FVOCI included €2,162 million (2023: €2,367 million) placed with Monetary Authorities as collateral, to access intraday and other funding facilities, if required.

| Group and Bank | 2024 €m | 2023 €m |
|---|---|---|
| **Debt instruments at FVOCI** | | |
| Other debt securities - listed | 3,056 | 3,232 |
| Government bonds | 328 | 736 |
| **Total debt instruments at FVOCI** | **3,384** | **3,968** |
| | | |
| **Impairment loss allowance on debt instruments at FVOCI** | **(1)** | **(1)** |

| Group and Bank<br>Fair value | 2024 €m | 2023 €m |
|---|---|---|
| **Balance at 1 January** | **3,968** | **4,254** |
| Additions | – | 36 |
| Redemptions and disposals | (533) | (486) |
| Revaluation, exchange and other adjustments | (51) | 164 |
| **Balance at 31 December** | **3,384** | **3,968** |

# 24 Loans and advances to customers

### Loans and advances to customers at amortised cost

Loans and advances to customers at amortised cost (after impairment loss allowance) at 31 December 2024 included cash collateral of €138 million (2023: €45 million) placed with derivative counterparties in relation to net derivative liability positions.

At 31 December 2024, loans and advances to customers included sustainable finance €14.7 billion (2023: €11.1 billion). This total includes:

- €8.6 billion (2023: €6.5 billion) of RoI green mortgages;
- €2.2 billion (2023: €1.7 billion) of green commercial real estate lending;
- €1.7 billion (2023: €1.3 billion) of UK green mortgages;
- €1.5 billion (2023: €1.2 billion) of sustainability-linked loans;
- €0.4 billion (2023: €0.3 billion) of renewables project finance;
- €0.2 billion (2023: €0.1 billion) of RoI electric vehicles funding; and
- €0.1 billion (2023: €nil) of UK electric vehicles funding.

In October 2024, the Group completed the sale of a portfolio of performing UK personal loans with a net carrying value of €0.8 billion. The gain on disposal is €39 million after adjusting for transaction costs and other costs associated with migration of the portfolio (see note 9 for more details).

In addition to the above, Retail UK disposed of a small portfolio of UK mortgages with a net carrying value of €21 million. The loss recognised on this was €5 million (see note 9 for more details).

During 2024, the Group completed two NPE disposal transactions whereby it derecognised €58 million (2023: €139 million) of loans and advances to customers (after an impairment loss allowance of €125 million).

The portfolios derecognised had a gross carrying value of €183 million which consisted of non-performing Retail RoI loans which had a gross carrying value of €157 million and UK personal loans which had a gross carrying value of €26 million. All loans included in these transactions have been derecognised from the balance sheet.

The Group has recognised an impairment gain of €21 million (2023: €6 million loss) relating to the disposal of these loans which has been reported through net impairment losses / gains on financial instruments (note 14).

In 2023, the Group completed the KBCI portfolio acquisition. The Group acquired performing and non-performing mortgages with a nominal value of €7.9 billion, commercial and consumer loans of €0.1 billion and customer deposits of €1.8 billion (note 23) as at the balance sheet acquisition date of 3 February 2023.

### Loans and advances to customers at FVTPL

Loans and advances to customers at FVTPL are not subject to impairment under IFRS 9. At 31 December 2024, loans and advances to customers at FVTPL included €185 million (2023: €205 million), (Bank: €160 million, 2023: €160 million) relating to the Life Loan mortgage product, which was offered by the Group until November 2010. The cash flows of the Life Loans are not considered to consist solely of payments of principal and interest and as such are classified as FVTPL.

| | Group | | Bank | |
|---|---|---|---|---|
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| Loans and advances to customers at amortised cost | 78,656 | 76,558 | 47,968 | 46,275 |
| Finance leases and hire purchase receivables | 4,725 | 4,188 | 1,578 | 1,469 |
| | **83,381** | **80,746** | **49,546** | **47,744** |
| Less impairment loss allowance on loans and advances to customers at amortised cost | (1,028) | (1,222) | (856) | (954) |
| **Loans and advances to customers at amortised cost** | **82,353** | **79,524** | **48,690** | **46,790** |
| Loans and advances to customers at fair value through profit or loss | 185 | 205 | 160 | 160 |
| **Total loans and advances to customers** | **82,538** | **79,729** | **48,850** | **46,950** |
| | | | | |
| **Amounts include:** | | | | |
| Due from joint ventures and associates | 61 | 49 | n/a | n/a |
| Due from Group undertakings | n/a | n/a | 2,465 | 1,272 |

# 24 Loans and advances to customers *(continued)*

The following tables show the gross carrying amount and impairment loss allowances subject to 12 month and lifetime ECL on loans and advances to customers at amortised cost. The POCI assets of €133 million at 31 December 2024 (2023: €143 million) included €55 million (2023: €25 million) of assets which, while credit-impaired upon purchase or origination were no longer credit-impaired at the reporting date due to improvements in credit risk. These assets will remain classified as POCI until derecognition.

| Group<br>2024<br>Gross carrying amount at amortised cost (before impairment loss allowance) | Residential mortgages €m | Non-property SME and corporate €m | Property and construction €m | Consumer €m | Total €m |
|---|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 47,169 | 14,644 | 4,442 | 4,698 | 70,953 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 2,409 | 5,082 | 2,737 | 312 | 10,540 |
| Stage 3 - Lifetime ECL (credit-impaired) | 748 | 632 | 269 | 106 | 1,755 |
| Purchased / originated credit-impaired | 133 | – | – | – | 133 |
| **Gross carrying amount at 31 December 2024** | **50,459** | **20,358** | **7,448** | **5,116** | **83,381** |

| Group<br>2024<br>Impairment loss allowance | Residential mortgages €m | Non-property SME and corporate €m | Property and construction €m | Consumer €m | Total €m |
|---|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 32 | 78 | 24 | 34 | 168 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 47 | 180 | 103 | 25 | 355 |
| Stage 3 - Lifetime ECL (credit-impaired) | 120 | 257 | 88 | 49 | 514 |
| Purchased / originated credit-impaired | (9) | – | – | – | (9) |
| **Impairment loss allowance at 31 December 2024** | **190** | **515** | **215** | **108** | **1,028** |

| Group<br>2023<br>Gross carrying amount at amortised cost (before impairment loss allowance) | Residential mortgages €m | Non-property SME and corporate €m | Property and construction €m | Consumer €m | Total €m |
|---|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 42,786 | 14,737 | 3,336 | 4,870 | 65,729 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 3,574 | 4,632 | 3,518 | 801 | 12,525 |
| Stage 3 - Lifetime ECL (credit-impaired) | 770 | 1,080 | 369 | 130 | 2,349 |
| Purchased / originated credit-impaired | 142 | 1 | – | – | 143 |
| **Gross carrying amount at 31 December 2023** | **47,272** | **20,450** | **7,223** | **5,801** | **80,746** |

| Group<br>2023<br>Impairment loss allowance | Residential mortgages €m | Non-property SME and corporate €m | Property and construction €m | Consumer €m | Total €m |
|---|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 40 | 65 | 25 | 50 | 180 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 56 | 154 | 144 | 67 | 421 |
| Stage 3 - Lifetime ECL (credit-impaired) | 141 | 330 | 80 | 61 | 612 |
| Purchased / originated credit-impaired | 9 | – | – | – | 9 |
| **Impairment loss allowance at 31 December 2023** | **246** | **549** | **249** | **178** | **1,222** |

# 24 Loans and advances to customers *(continued)*

The following tables show the changes in gross carrying amount and impairment loss allowances of loans and advances to customers at amortised cost for the year ended 31 December 2024. The tables are prepared based on a combination of aggregation of monthly movements for material term loan portfolios (i.e. incorporating all movements a loan in these portfolios has made during the year) and full year movements for revolving-type facilities and less material (primarily consumer) portfolios.

Transfers between stages represent the migration of loans from Stage 1 to Stage 2 following a 'significant increase in credit risk' or to Stage 3 as loans enter defaulted status. Conversely, improvement in credit quality and loans exiting default result in loans migrating in the opposite direction. The approach taken to identify a 'significant increase in credit risk' and 'identifying defaulted and credit-impaired assets' is outlined on page 323 of note 25, the credit risk methodologies section and the Group accounting policies note on page 230.

Transfers between each stage reflect the balances and impairment loss allowances prior to transfer. The impact of re-measurement of impairment loss allowance on stage transfer is reported within 're-measurement' in the new stage that a loan has transferred into. For those tables, based on an aggregation of the months transfers between stages, transfers may include loans which have subsequently transferred back to their original stage or migrated further to another stage.

'Net changes in exposure' comprise the movements in the gross carrying amount and impairment loss allowance as a result of new loans originated and repayments of outstanding balances throughout the reporting period.

'Net impairment losses / (gains) in income statement' does not include the impact of cash recoveries which are recognised directly in the income statement (note 14).

'Re-measurements' includes the impact of remeasurement on stage transfers noted above, other than those directly related to the update of FLI and / or other model and parameter updates, changes in management adjustments and remeasurement due to changes in asset quality that did not result in a transfer to another stage.

'ECL model parameter and / or methodology changes' represents the impact on impairment loss allowances of semi-annual updates to the FLI, and other model and parameter updates used in the measurement of impairment loss allowances, including the impact of stage migrations where the migration is directly related to the update of FLI and / or other model and parameter updates.

'Impairment loss allowances utilised' represents the reduction in the gross carrying amount and associated impairment loss allowance on loans where the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The utilisation of an allowance does not, of itself, alter a customer's obligations nor does it impact on the Group's rights to take relevant enforcement action.

| Group<br>2024<br>Gross carrying amount (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **65,729** | **12,525** | **2,349** | **143** | **80,746** |
| Total net transfers | (861) | 503 | 358 | – | – |
| *To 12 month ECL (not credit-impaired)* | *8,206* | *(8,204)* | *(2)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(8,935)* | *9,574* | *(639)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(132)* | *(867)* | *999* | – | – |
| Net changes in exposure | 4,847 | (2,758) | (652) | (10) | 1,427 |
| Impairment loss allowances utilised | – | – | (357) | – | (357) |
| Exchange adjustments | 1,069 | 264 | 55 | – | 1,388 |
| Measurement reclassification and other movements | 169 | 6 | 2 | – | 177 |
| **Gross carrying amount at 31 December 2024** | **70,953** | **10,540** | **1,755** | **133** | **83,381** |

# 24 Loans and advances to customers *(continued)*

| Group<br>2024<br>Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **180** | **421** | **612** | **9** | **1,222** |
| Total net transfers | 121 | (128) | 6 | 1 | – |
| *To 12 month ECL (not credit-impaired)* | *169* | *(168)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(46)* | *132* | *(86)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(2)* | *(92)* | *93* | *1* | – |
| Net impairment losses / (gains) in income statement | (111) | 79 | 203 | (20) | 151 |
| *Re-measurement* | *(152)* | *177* | *330* | *(13)* | *342* |
| *Net changes in exposure* | *26* | *(83)* | *(111)* | – | *(168)* |
| *ECL model parameter and / or methodology changes* | *15* | *(15)* | *(16)* | *(7)* | *(23)* |
| Impairment loss allowances utilised | – | – | (357) | – | *(357)* |
| Exchange adjustments | 2 | 4 | 5 | (1) | *10* |
| Measurement reclassification and other movements | (24) | (21) | 45 | 2 | 2 |
| **Impairment loss allowance at 31 December 2024** | **168** | **355** | **514** | **(9)** | **1,028** |
| **Impairment coverage at 31 December 2024 (%)** | **0.24%** | **3.37%** | **29.29%** | **(6.77%)** | **1.23%** |

Impairment loss allowances utilised on loans and advances to customers at amortised cost during 2024 includes €79 million of contractual amounts outstanding that are still subject to enforcement activity.

Total gross loans and advances to customers at amortised cost increased during the year by €2.7 billion from €80.7 billion at 31 December 2023 to €83.4 billion at 31 December 2024.

Stage 1 loans have increased by €5.2 billion primarily reflecting the impact of net new lending of €4.8 billion, FX movements of €1.1 billion and other movements of €0.2 billion offset by net transfers out of stage 1 of €0.9 billion. Total net transfers from other risk stages (primarily Stage 2) reflect updated methodology used in credit risk assessments in Mortgage portfolios (as outlined on page 325 of note 25), updates for FLI weightings and other portfolio activity.

ILAs on Stage 1 loans have decreased by €12 million with coverage on Stage 1 loans of 0.24%, down from 0.27% at 31 December 2023. Net staging transfers resulted in an increase to ILA of €121 million with model parameter changes €15 million and FX movements €2 million resulting in further increases to ILA in the period. This was largely offset by remeasurement reclassifications of €152 million reflecting the impact of re-measuring net transfers from other stages of lifetime ECL to 12-month ECL.

Stage 2 loans have decreased by €2.0 billion reflecting net repayments of €2.8 billion, partially offset by transfers from other stages of €0.5 billion and FX movements of €0.3 billion. Net transfers to other stages reflects the updated methodology used in credit risk assessments mentioned above and other portfolio activity in the year.

Cover on Stage 2 loans has increased marginally from 3.36% at 31 December 2023 to 3.37% at 31 December 2024, with the impact of net transfers €128 million, net repayments €83 million and ECL model parameter and methodology changes €15 million, offset by re-measurement €177 million.

Stage 3 loans have decreased by €0.6 billion, with the key drivers being the impact of net repayments of €0.7 billion (including repayments from case specific resolution activities) and the utilisation of impairment loss allowances of €0.4 billion, partially offset by a net migration from other stages of €0.4 billion driven by the emergence of new defaults for case specific reasons.

Stage 3 ILAs have decreased by €98 million due to the utilisation of ILAs of €357 million and the impact of net reductions in exposure of €111 million. This was offset by remeasurement of €330 million which includes application of post-model adjustments for Retail Ireland residential mortgage NPEs and Climate risk (see page 252) and measurement reclassifications and other movements of €45 million.

Cover on Stage 3 loans has increased from 26.05% at 31 December 2023 to 29.29% at 31 December 2024. The increase primarily reflects changes in the underlying asset / portfolio mix of the Stage 3 population with higher than average impairment requirements for assets migrating to Stage 3 in the period and the resolution of existing Stage 3 assets with lower than average impairment loss allowance cover.

# 24 Loans and advances to customers *(continued)*

| Group<br>2023<br>Gross carrying amount (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **57,831** | **12,643** | **2,485** | **80** | **73,039** |
| Total net transfers | (3,885) | 2,732 | 1,153 | – | – |
| *To 12 month ECL (not credit-impaired)* | *8,481* | *(8,475)* | *(6)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(12,096)* | *12,552* | *(456)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(270)* | *(1,345)* | *1,615* | – | – |
| Net changes in exposure | 11,190 | (2,872) | (768) | 110 | 7,660 |
| Impairment loss allowances utilised | – | – | (526) | (48) | (574) |
| Exchange adjustments | 343 | 12 | 5 | 1 | 361 |
| Measurement reclassification and other movements | 250 | 10 | – | – | 260 |
| **Gross carrying amount at 31 December 2023** | **65,729** | **12,525** | **2,349** | **143** | **80,746** |

| Group<br>2023<br>Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **142** | **285** | **835** | **33** | **1,295** |
| Total net transfers | 93 | (120) | 27 | – | – |
| *To 12 month ECL (not credit-impaired)* | *147* | *(145)* | *(2)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(50)* | *133* | *(83)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(4)* | *(108)* | *112* | – | – |
| Net impairment losses / (gains) in income statement | (56) | 254 | 226 | 21 | 445 |
| *Re-measurement* | *(83)* | *255* | *356* | *26* | *554* |
| *Net changes in exposure* | *11* | *(73)* | *(125)* | *(15)* | *(202)* |
| *ECL model parameter and / or methodology changes* | *16* | *72* | *(5)* | *10* | *93* |
| Impairment loss allowances utilised | – | – | (526) | (48) | (574) |
| Exchange adjustments | 1 | 1 | 3 | 1 | 6 |
| Measurement reclassification and other movements | – | 1 | 47 | 2 | 50 |
| **Impairment loss allowance at 31 December 2023** | **180** | **421** | **612** | **9** | **1,222** |
| **Impairment coverage at 31 December 2023 (%)** | **0.27%** | **3.36%** | **26.05%** | **6.29%** | **1.51%** |

Impairment loss allowances utilised on loans and advances to customers at amortised cost during 2023 includes €203 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

The following tables show the gross carrying amount and impairment loss allowances subject to 12 month and lifetime ECL on loans and advances to customers at amortised cost. The POCI assets of €133 million at 31 December 2024 (2023: €143 million) included €55 million, (2023: €25 million) of assets which, while credit-impaired upon purchase or origination were no longer credit-impaired at the reporting date due to improvements in credit risk. These assets will remain classified as POCI until derecognition.

| Bank<br>2024<br>Gross carrying amount at amortised cost (before impairment loss allowance) | Residential mortgages €m | Non-property SME and corporate €m | Property and construction €m | Consumer €m | Total €m |
|---|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 17,352 | 15,706 | 4,289 | 2,245 | 39,592 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 860 | 4,866 | 2,650 | 211 | 8,587 |
| Stage 3 - Lifetime ECL (credit-impaired) | 371 | 543 | 264 | 56 | 1,234 |
| Purchased / originated credit-impaired | 133 | – | – | – | 133 |
| **Gross carrying amount at 31 December 2024** | **18,716** | **21,115** | **7,203** | **2,512** | **49,546** |

| Bank<br>2024<br>Impairment loss allowance | Residential mortgages €m | Non-property SME and corporate €m | Property and construction €m | Consumer €m | Total €m |
|---|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 16 | 72 | 22 | 29 | 139 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 21 | 170 | 98 | 20 | 309 |
| Stage 3 - Lifetime ECL (credit-impaired) | 59 | 239 | 87 | 32 | 417 |
| Purchased / originated credit-impaired | (9) | – | – | – | (9) |
| **Impairment loss allowance at 31 December 2024** | **87** | **481** | **207** | **81** | **856** |

| Bank<br>2023<br>Gross carrying amount at amortised cost (before impairment loss allowance) | Residential mortgages €m | Non-property SME and corporate €m | Property and construction €m | Consumer €m | Total €m |
|---|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 16,548 | 14,691 | 3,235 | 2,155 | 36,629 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 1,276 | 4,359 | 3,376 | 158 | 9,169 |
| Stage 3 - Lifetime ECL (credit-impaired) | 373 | 990 | 363 | 77 | 1,803 |
| Purchased / originated credit-impaired | 142 | 1 | – | – | 143 |
| **Gross carrying amount at 31 December 2023** | **18,339** | **20,041** | **6,974** | **2,390** | **47,744** |

| Bank<br>2023<br>Impairment loss allowance | Residential mortgages €m | Non-property SME and corporate €m | Property and construction €m | Consumer €m | Total €m |
|---|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 24 | 60 | 23 | 18 | 125 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 25 | 141 | 138 | 19 | 323 |
| Stage 3 - Lifetime ECL (credit-impaired) | 63 | 307 | 80 | 47 | 497 |
| Purchased / originated credit-impaired | 9 | – | – | – | 9 |
| **Impairment loss allowance at 31 December 2023** | **121** | **508** | **241** | **84** | **954** |

# 24 Loans and advances to customers *(continued)*

| Bank<br>2024<br>Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated (credit-impaired) €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **36,629** | **9,169** | **1,803** | **143** | **47,744** |
| Total net transfers | (1,499) | 1,301 | 198 | – | – |
| *To 12 month ECL (not credit-impaired)* | *5,214* | *(5,211)* | *(3)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(6,641)* | *7,160* | *(519)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(72)* | *(648)* | *720* | – | – |
| Net changes in exposure | 2,691 | (2,068) | (515) | (9) | 99 |
| Impairment loss allowances utilised | – | – | (293) | (1) | (294) |
| Exchange adjustments | 376 | 180 | 40 | – | 596 |
| Measurement reclassification and other movements | 1,395 | 5 | 1 | – | 1,401 |
| **Gross carrying amount at 31 December 2024** | **39,592** | **8,587** | **1,234** | **133** | **49,546** |

| Bank<br>2024<br>Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated (credit-impaired) €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **125** | **323** | **497** | **9** | **954** |
| Total net transfers | 88 | (90) | 2 | – | – |
| *To 12 month ECL (not credit-impaired)* | *129* | *(128)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(40)* | *113* | *(73)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(1)* | *(75)* | *76* | – | – |
| Net impairment losses / (gains) in income statement | (74) | 74 | 167 | (20) | 147 |
| *Re-measurement* | *(110)* | *151* | *259* | *(13)* | *287* |
| *Net changes in exposure* | *22* | *(63)* | *(83)* | – | *(124)* |
| *ECL model parameter and / or methodology changes* | *14* | *(14)* | *(9)* | *(7)* | *(16)* |
| Impairment loss allowances utilised | – | – | (293) | (1) | (294) |
| Exchange adjustments | – | 1 | 1 | – | 2 |
| Measurement reclassification and other movements | – | 1 | 43 | 3 | 47 |
| **Impairment loss allowance at 31 December 2024** | **139** | **309** | **417** | **(9)** | **856** |
| **Impairment coverage at 31 December 2024 (%)** | **0.35%** | **3.60%** | **33.79%** | **(6.77%)** | **1.73%** |

Impairment loss allowances utilised on loans and advances to customers at amortised cost during 2024 includes €110 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

| Bank<br>2023<br>Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated (credit-impaired) €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **30,313** | **9,368** | **1,951** | **80** | **41,712** |
| Total net transfers | (2,997) | 2,141 | 856 | – | – |
| *To 12 month ECL (not credit-impaired)* | *5,694* | *(5,688)* | *(6)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(8,559)* | *8,891* | *(332)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(132)* | *(1,062)* | *1,194* | – | – |
| Net changes in exposure | 9,033 | (2,333) | (598) | 110 | 6,212 |
| Impairment loss allowances utilised | – | – | (403) | (48) | (451) |
| Exchange adjustments | 57 | (17) | (3) | 1 | 38 |
| Measurement reclassification and other movements | 223 | 10 | – | – | 233 |
| **Gross carrying amount at 31 December 2023** | **36,629** | **9,169** | **1,803** | **143** | **47,744** |

| Bank<br>2023<br>Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated (credit-impaired) €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **93** | **218** | **660** | **33** | **1,004** |
| Total net transfers | 72 | (103) | 31 | – | – |
| *To 12 month ECL (not credit-impaired)* | *114* | *(112)* | *(2)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(39)* | *97* | *(58)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(3)* | *(88)* | *91* | – | – |
| Net impairment losses / (gains) in income statement | (40) | 208 | 174 | 21 | 363 |
| *Re-measurement* | *(9)* | *196* | *286* | *27* | *500* |
| *Net changes in exposure* | *(39)* | *(42)* | *(104)* | *(16)* | *(201)* |
| *ECL model parameter and / or methodology changes* | *8* | *54* | *(8)* | *10* | *64* |
| Impairment loss allowances utilised | – | – | (403) | (48) | (451) |
| Exchange adjustments | – | – | – | 1 | 1 |
| Measurement reclassification and other movements | – | – | 35 | 2 | 37 |
| **Impairment loss allowance at 31 December 2023** | **125** | **323** | **497** | **9** | **954** |
| **Impairment coverage at 31 December 2023 (%)** | **0.34%** | **3.52%** | **27.57%** | **6.29%** | **2.00%** |

Impairment loss allowances utilised on loans and advances to customers at amortised cost during 2023 includes €202 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

### Loans and advances to customers at amortised cost by portfolio

The following tables set out the movement in both the gross carrying amount and impairment loss allowances subject to 12 month and lifetime ECL on loans and advances to customers at amortised cost by portfolio asset class. These tables are prepared on the same basis as the total Group tables as set out above.

### Residential mortgages

| Group<br>2024<br>Residential mortgages<br>- Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **42,786** | **3,574** | **770** | **142** | **47,272** |
| Total net transfers | 662 | (817) | 155 | – | – |
| *To 12 month ECL (not credit-impaired)* | *3,977* | *(3,977)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(3,272)* | *3,475* | *(203)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *(43)* | *(315)* | *358* | *–* | *–* |
| Net changes in exposure | 3,015 | (406) | (169) | (9) | 2,431 |
| Impairment loss allowances utilised | – | – | (27) | – | (27) |
| Exchange adjustments | 646 | 58 | 19 | – | 723 |
| Measurement reclassification and other movements | 60 | – | – | – | 60 |
| **Gross carrying amount at 31 December 2024** | **47,169** | **2,409** | **748** | **133** | **50,459** |

| Group<br>2024<br>Residential mortgages<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **40** | **56** | **141** | **9** | **246** |
| Total net transfers | 49 | (47) | (2) | – | – |
| *To 12 month ECL (not credit-impaired)* | *61* | *(61)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(12)* | *33* | *(21)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *–* | *(19)* | *19* | *–* | *–* |
| Net impairment losses / (gains) in income statement | (57) | 39 | 9 | (20) | (29) |
| *Re-measurement* | *(53)* | *46* | *46* | *(13)* | *26* |
| *Net changes in exposure* | *–* | *(4)* | *(22)* | *–* | *(26)* |
| *ECL model parameter and / or methodology changes* | *(4)* | *(3)* | *(15)* | *(7)* | *(29)* |
| Impairment loss allowances utilised | – | – | (27) | – | (27) |
| Exchange adjustments | – | 1 | 2 | – | 3 |
| Measurement reclassification and other movements | – | (2) | (3) | 2 | (3) |
| **Impairment loss allowance at 31 December 2024** | **32** | **47** | **120** | **(9)** | **190** |
| **Impairment coverage at 31 December 2024 (%)** | **0.07%** | **1.95%** | **16.04%** | **(6.77%)** | **0.38%** |

Impairment loss allowances utilised on Residential mortgages at amortised cost during 2024 includes €nil of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Residential mortgages *(continued)*

| Group<br>2023<br>Residential mortgages<br>- Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **34,020** | **3,546** | **450** | **4** | **38,020** |
| Total net transfers | (1,130) | 633 | 497 | – | – |
| *To 12 month ECL (not credit-impaired)* | *3,986* | *(3,986)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(4,950)* | *5,076* | *(126)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *(166)* | *(457)* | *623* | *–* | *–* |
| Net changes in exposure | 9,394 | (627) | (165) | 140 | 8,742 |
| Impairment loss allowances utilised | – | – | (16) | *(2)* | (18) |
| Exchange adjustments | 288 | 22 | 4 | – | 314 |
| Measurement reclassification and other movements | 214 | – | – | – | 214 |
| **Gross carrying amount at 31 December 2023** | **42,786** | **3,574** | **770** | **142** | **47,272** |

| Group<br>2023<br>Residential mortgages<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **18** | **38** | **89** | **1** | **146** |
| Total net transfers | 42 | (58) | 16 | – | – |
| *To 12 month ECL (not credit-impaired)* | *55* | *(55)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(12)* | *23* | *(11)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *(1)* | *(26)* | *27* | *–* | *–* |
| Net impairment losses / (gains) in income statement | (20) | 74 | 47 | 9 | 110 |
| *Re-measurement* | *(34)* | *75* | *46* | *(1)* | *86* |
| *Net changes in exposure* | *4* | *(9)* | *(12)* | *–* | *(17)* |
| *ECL model parameter and / or methodology changes* | *10* | *8* | *13* | *10* | *41* |
| Impairment loss allowances utilised | – | – | (16) | (2) | (18) |
| Exchange adjustments | – | – | – | – | – |
| Measurement reclassification and other movements | – | 2 | 5 | 1 | 8 |
| **Impairment loss allowance at 31 December 2023** | **40** | **56** | **141** | **9** | **246** |
| **Impairment coverage at 31 December 2023 (%)** | **0.09%** | **1.57%** | **18.31%** | **6.34%** | **0.52%** |

Impairment loss allowances utilised on Residential mortgages at amortised cost during 2023 includes €2 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Residential mortgages *(continued)*

| Bank 2024 Residential mortgages - Gross carrying amount (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **16,548** | **1,276** | **373** | **142** | **18,339** |
| Total net transfers | 199 | (281) | 82 | – | – |
| *To 12 month ECL (not credit-impaired)* | *1,454* | *(1,454)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(1,230)* | *1,333* | *(103)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *(25)* | *(160)* | *185* | *–* | *–* |
| Net changes in exposure | 385 | (161) | (86) | (9) | 129 |
| Impairment loss allowances utilised | – | – | (7) | – | (7) |
| Exchange adjustments | 144 | 26 | 9 | – | 179 |
| Measurement reclassification and other movements | 76 | – | – | – | 76 |
| **Gross carrying amount at 31 December 2024** | **17,352** | **860** | **371** | **133** | **18,716** |

| Bank 2024 Residential mortgages - Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **24** | **25** | **63** | **9** | **121** |
| Total net transfers | 23 | (21) | (2) | – | – |
| *To 12 month ECL (not credit-impaired)* | *30* | *(30)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(7)* | *19* | *(12)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *–* | *(10)* | *10* | *–* | *–* |
| Net impairment losses / (gains) in income statement | (30) | 16 | 11 | (20) | (23) |
| *Re-measurement* | *(26)* | *20* | *27* | *(13)* | *8* |
| *Net changes in exposure* | *(3)* | *(2)* | *(12)* | *–* | *(17)* |
| *ECL model parameter and / or methodology changes* | *(1)* | *(2)* | *(4)* | *(7)* | *(14)* |
| Impairment loss allowances utilised | – | – | (6) | (1) | (7) |
| Exchange adjustments | – | 1 | 1 | – | 2 |
| Measurement reclassification and other movements | (1) | – | (8) | 3 | (6) |
| **Impairment loss allowance at 31 December 2024** | **16** | **21** | **59** | **(9)** | **87** |
| **Impairment coverage at 31 December 2024 (%)** | **0.09%** | **2.44%** | **15.90%** | **(6.77%)** | **0.46%** |

Impairment loss allowances utilised on Residential mortgages at amortised cost during 2024 includes €nil of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Residential mortgages *(continued)*

| Bank<br>2023<br>Residential mortgages<br>- Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **9,520** | **1,024** | **165** | **4** | **10,713** |
| Total net transfers | (765) | 476 | 289 | – | – |
| *To 12 month ECL (not credit-impaired)* | *1,380* | *(1,380)* | – | – | – |
| *To lifetime ECL (not credit-impaired)* | *(2,054)* | *2,112* | *(58)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(91)* | *(256)* | *347* | – | – |
| Net changes in exposure | 7,478 | (231) | (80) | 140 | 7,307 |
| Impairment loss allowances utilised | – | – | (3) | *(2)* | (5) |
| Exchange adjustments | 84 | 7 | 2 | – | 93 |
| Measurement reclassification and other movements | 231 | – | – | – | 231 |
| **Gross carrying amount at 31 December 2023** | **16,548** | **1,276** | **373** | **142** | **18,339** |

| Bank<br>2023<br>Residential mortgages<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **7** | **14** | **26** | **1** | **48** |
| Total net transfers | 19 | (30) | 11 | – | – |
| *To 12 month ECL (not credit-impaired)* | *27* | *(27)* | – | – | – |
| *To lifetime ECL (not credit-impaired)* | *(7)* | *12* | *(5)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(1)* | *(15)* | *16* | – | – |
| Net impairment losses / (gains) in income statement | (2) | 41 | 28 | 10 | 77 |
| *Re-measurement* | *(18)* | *38* | *30* | *(1)* | *49* |
| *Net changes in exposure* | *10* | *(3)* | *(8)* | *1* | – |
| *ECL model parameter and / or methodology changes* | *6* | *6* | *6* | *10* | *28* |
| Impairment loss allowances utilised | – | – | (3) | (2) | (5) |
| Exchange adjustments | – | – | – | – | – |
| Measurement reclassification and other movements | – | – | 1 | – | 1 |
| **Impairment loss allowance at 31 December 2023** | **24** | **25** | **63** | **9** | **121** |
| **Impairment coverage at 31 December 2023 (%)** | **0.15%** | **1.96%** | **16.89%** | **6.34%** | **0.66%** |

Impairment loss allowances utilised on Residential mortgages at amortised cost during 2023 includes €1 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Non-property SME and corporate

| Group 2024 Non-property SME and corporate - Gross carrying amount (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **14,737** | **4,632** | **1,080** | **1** | **20,450** |
| Total net transfers | (1,343) | 1,407 | (64) | – | – |
| *To 12 month ECL (not credit-impaired)* | *2,787* | *(2,786)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(4,090)* | *4,501* | *(411)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(40)* | *(308)* | *348* | – | – |
| Net changes in exposure | 863 | (1,073) | (218) | (1) | (429) |
| Impairment loss allowances utilised | – | – | (187) | – | (187) |
| Exchange adjustments | 260 | 112 | 22 | – | 394 |
| Measurement reclassification and other movements | 127 | 4 | (1) | – | 130 |
| **Gross carrying amount at 31 December 2024** | **14,644** | **5,082** | **632** | **–** | **20,358** |

| Group 2024 Non-property SME and corporate - Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **65** | **154** | **330** | **–** | **549** |
| Total net transfers | 40 | (18) | (22) | – | – |
| *To 12 month ECL (not credit-impaired)* | *62* | *(62)* | – | – | – |
| *To lifetime ECL (not credit-impaired)* | *(21)* | *79* | *(58)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(1)* | *(35)* | *36* | – | – |
| Net impairment losses / (gains) in income statement | (27) | 41 | 103 | – | 117 |
| *Re-measurement* | *(57)* | *69* | *157* | – | *169* |
| *Net changes in exposure* | *18* | *(33)* | *(57)* | – | *(72)* |
| *ECL model parameter and / or methodology changes* | *12* | *5* | *3* | – | *20* |
| Impairment loss allowances utilised | – | – | (187) | – | (187) |
| Exchange adjustments | – | 1 | – | – | 1 |
| Measurement reclassification and other movements | – | 2 | 33 | – | 35 |
| **Impairment loss allowance at 31 December 2024** | **78** | **180** | **257** | **–** | **515** |
| **Impairment coverage at 31 December 2024 (%)** | **0.53%** | **3.54%** | **40.66%** | **–** | **2.53%** |

Impairment loss allowances utilised on Non-property SME and corporate during 2024 includes €74 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Non-property SME and corporate *(continued)*

| Group 2023 Non-property SME and corporate - Gross carrying amount (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **15,253** | **4,665** | **1,534** | **16** | **21,468** |
| Total net transfers | (1,356) | 1,108 | 248 | – | – |
| *To 12 month ECL (not credit-impaired)* | *2,522* | *(2,518)* | *(4)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(3,840)* | *4,117* | *(277)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(38)* | *(491)* | *529* | – | – |
| Net changes in exposure | 822 | (1,130) | (397) | (15) | (720) |
| Impairment loss allowances utilised | – | – | (307) | – | (307) |
| Exchange adjustments | (12) | (21) | 1 | – | (32) |
| Measurement reclassification and other movements | 30 | 10 | 1 | – | 41 |
| **Gross carrying amount at 31 December 2023** | **14,737** | **4,632** | **1,080** | **1** | **20,450** |

| Group 2023 Non-property SME and corporate - Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **65** | **153** | **563** | **2** | **783** |
| Total net transfers | 42 | (30) | (12) | – | – |
| *To 12 month ECL (not credit-impaired)* | *64* | *(63)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(20)* | *76* | *(56)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(2)* | *(43)* | *45* | – | – |
| Net impairment losses / (gains) in income statement | (42) | 31 | 56 | (2) | 43 |
| *Re-measurement* | *(39)* | *53* | *157* | – | *171* |
| *Net changes in exposure* | *2* | *(34)* | *(88)* | *(2)* | *(122)* |
| *ECL model parameter and / or methodology changes* | *(5)* | *12* | *(13)* | – | *(6)* |
| Impairment loss allowances utilised | – | – | (307) | – | (307) |
| Exchange adjustments | – | – | 1 | – | 1 |
| Measurement reclassification and other movements | – | – | 29 | – | 29 |
| **Impairment loss allowance at 31 December 2023** | **65** | **154** | **330** | **–** | **549** |
| **Impairment coverage at 31 December 2023 (%)** | **0.44%** | **3.32%** | **30.56%** | **–** | **2.68%** |

Impairment loss allowances utilised on Non-property SME and corporate during 2023 includes €164 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Non-property SME and corporate *(continued)*

| Bank<br>2024<br>Non-property SME and corporate<br>- Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **14,691** | **4,359** | **990** | **1** | **20,041** |
| Total net transfers | (1,333) | 1,420 | (87) | – | – |
| *To 12 month ECL (not credit-impaired)* | *2,614* | *(2,613)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(3,915)* | *4,312* | *(397)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(32)* | *(279)* | *311* | – | – |
| Net changes in exposure | 821 | (1,015) | (194) | – | (388) |
| Impairment loss allowances utilised | – | – | (184) | (1) | (185) |
| Exchange adjustments | 204 | 98 | 19 | – | 321 |
| Measurement reclassification and other movements | 1,323 | 4 | (1) | – | 1,326 |
| **Gross carrying amount at 31 December 2024** | **15,706** | **4,866** | **543** | **–** | **21,115** |

| Bank<br>2024<br>Non-property SME and corporate<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **60** | **141** | **307** | **–** | **508** |
| Total net transfers | 35 | (14) | (21) | – | – |
| *To 12 month ECL (not credit-impaired)* | *57* | *(57)* | – | – | – |
| *To lifetime ECL (not credit-impaired)* | *(21)* | *76* | *(55)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(1)* | *(33)* | *34* | – | – |
| Net impairment losses / (gains) in income statement | (24) | 42 | 106 | – | 124 |
| *Re-measurement* | *(46)* | *74* | *157* | – | *185* |
| *Net changes in exposure* | *11* | *(33)* | *(53)* | – | *(75)* |
| *ECL model parameter and / or methodology changes* | *11* | *1* | *2* | – | *14* |
| Impairment loss allowances utilised | – | – | (185) | – | (185) |
| Exchange adjustments | – | – | – | – | – |
| Measurement reclassification and other movements | 1 | 1 | 32 | – | 34 |
| **Impairment loss allowance at 31 December 2024** | **72** | **170** | **239** | **–** | **481** |
| **Impairment coverage at 31 December 2024 (%)** | **0.46%** | **3.49%** | **44.01%** | **–** | **2.28%** |

Impairment loss allowances utilised on Non-property SME and corporate during 2024 includes €74 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Non-property SME and corporate *(continued)*

| Bank<br>2023<br>Non-property SME and corporate<br>- Gross carrying amount<br>(before impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **15,160** | **4,418** | **1,406** | **16** | **21,000** |
| Total net transfers | (1,262) | 1,038 | 224 | – | – |
| *To 12 month ECL (not credit-impaired)* | *2,407* | *(2,403)* | *(4)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(3,638)* | *3,876* | *(238)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(31)* | *(435)* | *466* | – | – |
| Net changes in exposure | 842 | (1,080) | (342) | (15) | (595) |
| Impairment loss allowances utilised | – | – | (296) | – | (296) |
| Exchange adjustments | (35) | (25) | (2) | – | (62) |
| Measurement reclassification and other movements | (14) | 8 | – | – | (6) |
| **Gross carrying amount at 31 December 2023** | **14,691** | **4,359** | **990** | **1** | **20,041** |

| Bank<br>2023<br>Non-property SME and corporate<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **61** | **143** | **515** | **2** | **721** |
| Total net transfers | 40 | (36) | (4) | – | – |
| *To 12 month ECL (not credit-impaired)* | *61* | *(60)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(19)* | *64* | *(45)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(2)* | *(40)* | *42* | – | – |
| Net impairment losses / (gains) in income statement | (41) | 34 | 64 | (2) | 55 |
| *Re-measurement* | *17* | *54* | *150* | – | *221* |
| *Net changes in exposure* | *(53)* | *(28)* | *(76)* | *(2)* | *(159)* |
| *ECL model parameter and / or methodology changes* | *(5)* | *8* | *(10)* | – | *(7)* |
| Impairment loss allowances utilised | – | – | (296) | – | (296) |
| Exchange adjustments | – | – | – | – | – |
| Measurement reclassification and other movements | – | – | 28 | – | 28 |
| **Impairment loss allowance at 31 December 2023** | **60** | **141** | **307** | **–** | **508** |
| **Impairment coverage at 31 December 2023 (%)** | **0.41%** | **3.23%** | **31.01%** | **–** | **2.53%** |

Impairment loss allowances utilised on Non-property SME and corporate during 2023 includes €164 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Property and construction

| Group<br>2024<br>Property and construction<br>- Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **3,336** | **3,518** | **369** | **–** | **7,223** |
| Total net transfers | (164) | (3) | 167 | – | – |
| *To 12 month ECL (not credit-impaired)* | *1,021* | *(1,021)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(1,184)* | *1,200* | *(16)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *(1)* | *(182)* | *183* | *–* | *–* |
| Net changes in exposure | 1,243 | (842) | (225) | – | 176 |
| Impairment loss allowances utilised | – | – | (56) | – | (56) |
| Exchange adjustments | 33 | 63 | 12 | – | 108 |
| Measurement reclassification and other movements | (6) | 1 | 2 | – | (3) |
| **Gross carrying amount at 31 December 2024** | **4,442** | **2,737** | **269** | **–** | **7,448** |

| Group<br>2024<br>Property and construction<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **25** | **144** | **80** | **–** | **249** |
| Total net transfers | 20 | (38) | 18 | – | – |
| *To 12 month ECL (not credit-impaired)* | *28* | *(28)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(8)* | *12* | *(4)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *–* | *(22)* | *22* | *–* | *–* |
| Net impairment losses / (gains) in income statement | (21) | (3) | 29 | – | 5 |
| *Re-measurement* | *(25)* | *40* | *58* | *–* | *73* |
| *Net changes in exposure* | *7* | *(21)* | *(20)* | *–* | *(34)* |
| *ECL model parameter and / or methodology changes* | *(3)* | *(22)* | *(9)* | *–* | *(34)* |
| Impairment loss allowances utilised | – | – | (56) | – | (56) |
| Exchange adjustments | – | – | 2 | – | 2 |
| Measurement reclassification and other movements | – | – | 15 | – | 15 |
| **Impairment loss allowance at 31 December 2024** | **24** | **103** | **88** | **–** | **215** |
| **Impairment coverage at 31 December 2024 (%)** | **0.54%** | **3.76%** | **32.71%** | **–** | **2.89%** |

Impairment loss allowances utilised on Property and construction during 2024 includes €nil of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Property and construction *(continued)*

| Group 2023 Property and construction - Gross carrying amount (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **3,864** | **3,922** | **355** | **60** | **8,201** |
| Total net transfers | (897) | 608 | 289 | – | – |
| *To 12 month ECL (not credit-impaired)* | *1,743* | *(1,743)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(2,636)* | *2,683* | *(47)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *(4)* | *(332)* | *336* | *–* | *–* |
| Net changes in exposure | 358 | (1,018) | (194) | (15) | (869) |
| Impairment loss allowances utilised | – | – | (79) | (46) | (125) |
| Exchange adjustments | 10 | 4 | (2) | 1 | 13 |
| Measurement reclassification and other movements | 1 | 2 | – | – | 3 |
| **Gross carrying amount at 31 December 2023** | **3,336** | **3,518** | **369** | **–** | **7,223** |

| Group 2023 Property and construction - Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL(credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **10** | **53** | **102** | **30** | **195** |
| Total net transfers | 4 | (13) | 9 | – | – |
| *To 12 month ECL (not credit-impaired)* | *13* | *(13)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(9)* | *22* | *(13)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *–* | *(22)* | *22* | *–* | *–* |
| Net impairment losses / (gains) in income statement | 9 | 105 | 44 | 14 | 172 |
| *Re-measurement* | *2* | *74* | *72* | *27* | *175* |
| *Net changes in exposure* | *1* | *(9)* | *(19)* | *(13)* | *(40)* |
| *ECL model parameter and / or methodology changes* | *6* | *40* | *(9)* | *–* | *37* |
| Impairment loss allowances utilised | – | – | (79) | (46) | (125) |
| Exchange adjustments | – | – | 1 | 1 | 2 |
| Measurement reclassification and other movements | 2 | (1) | 3 | 1 | 5 |
| **Impairment loss allowance at 31 December 2023** | **25** | **144** | **80** | **–** | **249** |
| **Impairment coverage at 31 December 2023 (%)** | **0.75%** | **4.09%** | **21.68%** | **–** | **3.45%** |

Impairment loss allowances utilised on Property and construction during 2023 includes €10 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Property and construction *(continued)*

| Bank<br>2024<br>Property and construction<br>- Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **3,235** | **3,376** | **363** | **–** | **6,974** |
| Total net transfers | (198) | 34 | 164 | – | – |
| *To 12 month ECL (not credit-impaired)* | *949* | *(949)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(1,145)* | *1,160* | *(15)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *(2)* | *(177)* | *179* | *–* | *–* |
| Net changes in exposure | 1,230 | (817) | (222) | – | 191 |
| Impairment loss allowances utilised | – | – | (56) | – | (56) |
| Exchange adjustments | 28 | 56 | 13 | – | 97 |
| Measurement reclassification and other movements | (6) | 1 | 2 | – | (3) |
| **Gross carrying amount at 31 December 2024** | **4,289** | **2,650** | **264** | **–** | **7,203** |

| Bank<br>2024<br>Property and construction<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **23** | **138** | **80** | **–** | **241** |
| Total net transfers | 18 | (37) | 19 | – | – |
| *To 12 month ECL (not credit-impaired)* | *26* | *(26)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(8)* | *11* | *(3)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *–* | *(22)* | *22* | *–* | *–* |
| Net impairment losses / (gains) in income statement | (19) | (3) | 29 | – | 7 |
| *Re-measurement* | *(23)* | *38* | *59* | *–* | *74* |
| *Net changes in exposure* | *7* | *(21)* | *(20)* | *–* | *(34)* |
| *ECL model parameter and / or methodology changes* | *(3)* | *(20)* | *(10)* | *–* | *(33)* |
| Impairment loss allowances utilised | – | – | (56) | – | (56) |
| Exchange adjustments | – | – | – | – | – |
| Measurement reclassification and other movements | – | – | 15 | – | 15 |
| **Impairment loss allowance at 31 December 2024** | **22** | **98** | **87** | **–** | **207** |
| **Impairment coverage at 31 December 2024 (%)** | **0.51%** | **3.70%** | **32.95%** | **–** | **2.87%** |

Impairment loss allowances utilised on Property and construction during 2024 includes €nil of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Property and construction *(continued)*

| Bank<br>2023<br>Property and construction<br>- Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **3,756** | **3,767** | **308** | **60** | **7,891** |
| Total net transfers | (859) | 560 | 299 | – | – |
| *To 12 month ECL (not credit-impaired)* | *1,698* | *(1,698)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(2,553)* | *2,586* | *(33)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *(4)* | *(328)* | *332* | *–* | *–* |
| Net changes in exposure | 329 | (954) | (173) | (15) | (813) |
| Impairment loss allowances utilised | – | – | (68) | (46) | (114) |
| Exchange adjustments | 8 | 1 | (3) | 1 | 7 |
| Measurement reclassification and other movements | 1 | 2 | – | – | 3 |
| **Gross carrying amount at 31 December 2023** | **3,235** | **3,376** | **363** | **–** | **6,974** |

| Bank<br>2023<br>Property and construction<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **10** | **49** | **82** | **30** | **171** |
| Total net transfers | 4 | (19) | 15 | – | – |
| *To 12 month ECL (not credit-impaired)* | *13* | *(13)* | *–* | *–* | *–* |
| *To lifetime ECL (not credit-impaired)* | *(9)* | *16* | *(7)* | *–* | *–* |
| *To lifetime ECL (credit-impaired)* | *–* | *(22)* | *22* | *–* | *–* |
| Net impairment losses / (gains) in income statement | 9 | 108 | 48 | 13 | 178 |
| *Re-measurement* | *2* | *78* | *75* | *28* | *183* |
| *Net changes in exposure* | *1* | *(7)* | *(19)* | *(15)* | *(40)* |
| *ECL model parameter and / or methodology changes* | *6* | *37* | *(8)* | *–* | *35* |
| Impairment loss allowances utilised | – | – | (68) | (46) | (114) |
| Exchange adjustments | – | – | – | 1 | 1 |
| Measurement reclassification and other movements | – | – | 3 | 2 | 5 |
| **Impairment loss allowance at 31 December 2023** | **23** | **138** | **80** | **–** | **241** |
| **Impairment coverage at 31 December 2023 (%)** | **0.71%** | **4.09%** | **22.04%** | **–** | **3.46%** |

Impairment loss allowances utilised on Property and construction during 2023 includes €10 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

## Consumer

| Group 2024 Consumer - Gross carrying amount (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **4,870** | **801** | **130** | **–** | **5,801** |
| Total net transfers | (16) | (84) | 100 | – | – |
| *To 12 month ECL (not credit-impaired)* | *421* | *(420)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(389)* | *398* | *(9)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(48)* | *(62)* | *110* | – | – |
| Net changes in exposure | (274) | (437) | (40) | – | (751) |
| Impairment loss allowances utilised | – | – | (87) | – | (87) |
| Exchange adjustments | 130 | 31 | 2 | – | 163 |
| Measurement reclassification and other movements | (12) | 1 | 1 | – | (10) |
| **Gross carrying amount at 31 December 2024** | **4,698** | **312** | **106** | **–** | **5,116** |

| Group 2024 Consumer - Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **50** | **67** | **61** | **–** | **178** |
| Total net transfers | 12 | (25) | 12 | 1 | – |
| *To 12 month ECL (not credit-impaired)* | *18* | *(17)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(5)* | *8* | *(3)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(1)* | *(16)* | *16* | *1* | – |
| Net impairment losses / (gains) in income statement | (6) | 2 | 62 | – | 58 |
| *Re-measurement* | *(17)* | *22* | *69* | – | *74* |
| *Net changes in exposure* | *1* | *(25)* | *(12)* | – | *(36)* |
| *ECL model parameter and / or methodology changes* | *10* | *5* | *5* | – | *20* |
| Impairment loss allowances utilised | – | – | (87) | – | (87) |
| Exchange adjustments | 2 | 2 | 1 | (1) | 4 |
| Measurement reclassification and other movements | (24) | (21) | – | – | (45) |
| **Impairment loss allowance at 31 December 2024** | **34** | **25** | **49** | **–** | **108** |
| **Impairment coverage at 31 December 2024 (%)** | **0.72%** | **8.01%** | **46.23%** | **–** | **2.11%** |

Impairment loss allowances utilised on Consumer during 2024 includes €5 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

**Consumer** *(continued)*

| Group 2023 Consumer - Gross carrying amount (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **4,694** | **510** | **146** | **–** | **5,350** |
| Total net transfers | (502) | 383 | 119 | – | – |
| *To 12 month ECL (not credit-impaired)* | *230* | *(228)* | *(2)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(670)* | *676* | *(6)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(62)* | *(65)* | *127* | – | – |
| Net changes in exposure | 616 | (97) | (12) | – | 507 |
| Impairment loss allowances utilised | – | – | (124) | – | (124) |
| Exchange adjustments | 57 | 7 | 2 | – | 66 |
| Measurement reclassification and other movements | 5 | (2) | (1) | – | 2 |
| **Gross carrying amount at 31 December 2023** | **4,870** | **801** | **130** | **–** | **5,801** |

| Group 2023 Consumer - Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **49** | **41** | **81** | **–** | **171** |
| Total net transfers | 5 | (19) | 14 | – | – |
| *To 12 month ECL (not credit-impaired)* | *15* | *(14)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(9)* | *12* | *(3)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(1)* | *(17)* | *18* | – | – |
| Net impairment losses / (gains) in income statement | (3) | 44 | 79 | – | 120 |
| *Re-measurement* | *(12)* | *53* | *81* | – | *122* |
| *Net changes in exposure* | *4* | *(21)* | *(6)* | – | *(23)* |
| *ECL model parameter and / or methodology changes* | *5* | *12* | *4* | – | *21* |
| Impairment loss allowances utilised | – | – | (124) | – | (124) |
| Exchange adjustments | 1 | 1 | 1 | – | 3 |
| Measurement reclassification and other movements | (2) | – | 10 | – | 8 |
| **Impairment loss allowance at 31 December 2023** | **50** | **67** | **61** | **–** | **178** |
| **Impairment coverage at 31 December 2023 (%)** | **1.03%** | **8.36%** | **46.92%** | **–** | **3.07%** |

Impairment loss allowances utilised on Consumer during 2023 includes €27 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

**Consumer** *(continued)*

| Bank<br>2024<br>Consumer<br>- Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **2,155** | **158** | **77** | **–** | **2,390** |
| Total net transfers | (167) | 128 | 39 | – | – |
| *To 12 month ECL (not credit-impaired)* | *197* | *(195)* | *(2)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(351)* | *355* | *(4)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(13)* | *(32)* | *45* | – | – |
| Net changes in exposure | 255 | (75) | (13) | – | 167 |
| Impairment loss allowances utilised | – | – | (46) | – | (46) |
| Exchange adjustments | – | – | *(1)* | – | *(1)* |
| Measurement reclassification and other movements | *2* | – | – | – | *2* |
| **Gross carrying amount at 31 December 2024** | **2,245** | **211** | **56** | **–** | **2,512** |

| Bank<br>2024<br>Consumer<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | **18** | **19** | **47** | **–** | **84** |
| Total net transfers | 12 | (18) | 6 | – | – |
| *To 12 month ECL (not credit-impaired)* | *16* | *(15)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(4)* | *7* | *(3)* | – | – |
| *To lifetime ECL (credit-impaired)* | – | *(10)* | *10* | – | – |
| Net impairment losses / (gains) in income statement | (1) | 19 | 21 | – | 39 |
| *Re-measurement* | *(15)* | *19* | *16* | – | *20* |
| *Net changes in exposure* | *7* | *(7)* | *2* | – | *2* |
| *ECL model parameter and / or methodology changes* | *7* | *7* | *3* | – | *17* |
| Impairment loss allowances utilised | – | – | (46) | – | (46) |
| Exchange adjustments | – | – | – | – | – |
| Measurement reclassification and other movements | – | – | 4 | – | 4 |
| **Impairment loss allowance at 31 December 2024** | **29** | **20** | **32** | **–** | **81** |
| **Impairment coverage at 31 December 2024 (%)** | **1.29%** | **9.48%** | **57.14%** | **–** | **3.22%** |

Impairment loss allowances utilised on Consumer during 2024 includes €36 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

**Consumer** *(continued)*

| Bank<br>2023<br>Consumer<br>- Gross carrying amount<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total gross carrying amount €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **1,877** | **159** | **72** | **–** | **2,108** |
| Total net transfers | (111) | 67 | 44 | – | – |
| *To 12 month ECL (not credit-impaired)* | *209* | *(207)* | *(2)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(314)* | *317* | *(3)* | – | – |
| *To lifetime ECL (credit-impaired)* | *(6)* | *(43)* | *49* | – | – |
| Net changes in exposure | 384 | (68) | (3) | – | 313 |
| Impairment loss allowances utilised | – | – | (36) | – | (36) |
| Exchange adjustments | – | – | – | – | – |
| Measurement reclassification and other movements | 5 | – | – | – | 5 |
| **Gross carrying amount at 31 December 2023** | **2,155** | **158** | **77** | **–** | **2,390** |

| Bank<br>2023<br>Consumer<br>- Impairment loss allowance | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total impairment loss allowance €m |
|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | **15** | **12** | **37** | **–** | **64** |
| Total net transfers | 9 | (18) | 9 | – | – |
| *To 12 month ECL (not credit-impaired)* | *13* | *(12)* | *(1)* | – | – |
| *To lifetime ECL (not credit-impaired)* | *(4)* | *5* | *(1)* | – | – |
| *To lifetime ECL (credit-impaired)* | *–* | *(11)* | *11* | – | – |
| Net impairment losses / (gains) in income statement | (6) | 25 | 34 | – | 53 |
| *Re-measurement* | *(10)* | *26* | *31* | – | *47* |
| *Net changes in exposure* | *3* | *(4)* | *(1)* | – | *(2)* |
| *ECL model parameter and / or methodology changes* | *1* | *3* | *4* | – | *8* |
| Impairment loss allowances utilised | – | – | (36) | – | (36) |
| Exchange adjustments | – | – | – | – | – |
| Measurement reclassification and other movements | – | – | 3 | – | 3 |
| **Impairment loss allowance at 31 December 2023** | **18** | **19** | **47** | **–** | **84** |
| **Impairment coverage at 31 December 2023 (%)** | **0.84%** | **12.03%** | **61.04%** | **–** | **3.52%** |

Impairment loss allowances utilised on Consumer during 2023 includes €27 million of contractual amounts outstanding that are still subject to enforcement activity.

# 24 Loans and advances to customers *(continued)*

### Finance leases and hire purchase receivables

The Group's material leasing arrangements include the provision of instalment credit and leasing finance for both consumer and business customers.

Loans and advances to customers include finance leases and hire purchase receivables, which are analysed in the table below. The net investment in finance leases at 31 December 2024 was €4,725 million, an increase of €537 million since 31 December 2023. This was primarily driven by an increase in motor finance volumes in RoI and the UK.

| | Group | | Bank | |
|---|---|---|---|---|
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| **Gross investment in finance leases** | | | | |
| Not later than 1 year | 1,101 | 943 | 183 | 165 |
| 1 to 2 years | 1,334 | 1,078 | 353 | 309 |
| 2 to 3 years | 1,397 | 1,259 | 483 | 462 |
| 3 to 4 years | 991 | 934 | 335 | 289 |
| 4 to 5 years | 370 | 376 | 275 | 298 |
| Later than 5 years | 75 | 62 | 60 | 50 |
| | **5,268** | **4,652** | **1,689** | **1,573** |
| Unearned future finance income on finance leases | (543) | (464) | (111) | (104) |
| **Net investment in finance leases** | **4,725** | **4,188** | **1,578** | **1,469** |
| *The net investment in finance leases is analysed as follows:* | | | | |
| Not later than 1 year | 978 | 841 | 171 | 154 |
| 1 to 2 years | 1,192 | 968 | 330 | 288 |
| 2 to 3 years | 1,255 | 1,135 | 451 | 431 |
| 3 to 4 years | 890 | 840 | 313 | 270 |
| 4 to 5 years | 341 | 347 | 257 | 279 |
| Later than 5 years | 69 | 57 | 56 | 47 |
| | **4,725** | **4,188** | **1,578** | **1,469** |

### Securitisations

Loans and advances to customers include balances that have been securitised but not derecognised, comprising both residential mortgages and commercial loans. In general, the assets, or interests in the assets, are transferred to structured entities, which then issue securities to third party investors or to other entities within the Group. With the exception of Mulcair Securities No.2 DAC and Temple Quay No.1, all of the Group's securitisation structured entities are consolidated. See note 51 for further details.

# 25 Financial risk management

Financial instruments are fundamental to the Group's activities and, as a consequence, the risks associated with financial instruments represent a significant component of the risks faced by the Group.

The primary risks affecting the Group and Bank through the use of financial instruments are: credit risk, liquidity risk and market risk. The Group is also exposed to life insurance risk. Information about the Group and Bank's management of these risks is given below.

The Group's approach to risk management including risk policies, risk appetite, measurement bases and sensitivities, in particular for credit risk, market risk and liquidity risk, is aligned to that of BoIG plc, the Bank's immediate and ultimate parent. Further information can be found in the BoIG plc Group Annual Report 2024.

The Group's approach to managing capital is also included in this note below.

# 25 Financial risk management *(continued)*

## Capital adequacy risk

**Definition**
The risk that the Group does not hold sufficient capital to i) remain compliant with regulatory capital requirements; ii) support its business and medium-term strategic objectives; and iii) absorb losses should unexpected events occur.

Capital adequacy risk includes pension risk and recovery and resolution requirements.

**Capital management objectives and policies**
The objectives of the Group's capital management policy are to ensure that the Group has sufficient capital to cover the risks of its business and support its strategy and, at all times, to comply with regulatory capital requirements. It seeks to minimise refinancing risk by managing the maturity profile of non-equity capital while the currency mix of capital is managed to ensure that the sensitivity of capital ratios to currency movements is minimised. The capital adequacy requirements set by the regulatory authorities and economic capital based on internal models are used by the Group as the basis for its capital management. The Group seeks to maintain sufficient capital to ensure that these requirements are met.

The current status of capital adequacy risk, including risk dashboards and risk appetite compliance, is reported through the Board Risk Report on a monthly basis.

| Group<br>Capital resources | 2024<br>€m | 2023<br>€m |
|---|---|---|
| Stockholders' equity | 11,652 | 11,322 |
| Other equity instruments | 1,069 | 975 |
| Non-controlling interests - equity | – | 2 |
| **Total equity** | **12,721** | **12,299** |
| | | |
| Dated subordinated loan capital | 1,857 | 1,604 |
| **Total capital resources** | **14,578** | **13,903** |

## Credit risk

**Definition**
Credit risk is the risk of loss resulting from a counterparty being unable to meet its contractual obligations to the Group in respect of loans or other financial transactions, or any other deterioration in a counterparty's creditworthiness.

This risk includes debt underwriting risk, loan origination risk, credit concentration risk, cross-border transfer risk, credit quality deterioration risk, default risk, and collateral valuation risk. At portfolio level, credit risk is assessed in relation to the degree of name, product, industry, and geographic concentration to inform the setting of appropriate risk mitigation and transfer mechanisms, and to assess risk capital requirements. Risk appetite measures for credit risk are set by the Court.

Credit risk arises from loans and advances to customers and from certain other financial transactions such as those entered into by the Group with financial institutions, sovereigns, and state institutions.

Credit facilities can be largely grouped into the following categories:
- cash advances (e.g. loans, overdrafts, RCFs and bonds), including associated commitments and letters of offer;
- credit related contingent facilities (issuing of guarantees / performance bonds / letters of credit);
- derivative instruments; and
- settlement / clearing lines.

The manner in which the Group's exposure to credit risk arises, its policies and processes for managing it and the methods used to measure and monitor it are set out below.

**Debt underwriting risk**
Debt underwriting risk is the risk of loss arising from movements in credit spreads or other changes in market conditions in respect of debt underwriting transactions.

**Loan origination risk**
Loan origination risk is the risk of loss from originating credit exposures where asset quality is outside risk appetite.

**Credit concentration risk**
Credit concentration risk is the risk of loss due to excessive exposures to a single entity, or group of entities with similar activities and similar economic characteristics, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

**Cross-border transfer risk**
Cross-border transfer risk is the risk that sovereign or other counterparties within a country may be unable, unwilling, or precluded from fulfilling their cross-border obligations due to changing political, financial, or economic circumstances such that a loss to the Group may arise.

**Credit quality deterioration risk**
Credit quality deterioration risk is the risk for potential financial loss due to a ratings downgrade (e.g. PD or IFRS 9 staging migration).

**Default risk**
Default risk is the risk that companies or individuals (counterparties) will be unable to meet the required payments on their debt obligations.

**Collateral valuation risk**
Collateral valuation risk is the risk of loss arising from a change in the value or enforceability of security held due to errors in the nature, quantity, pricing, or characteristics of security held in respect of a transaction with credit risk.

# 25 Financial risk management *(continued)*

## Credit risk management

### Credit risk statement

The Group actively seeks opportunities to provide credit facilities to borrowers who are assessed as having the capacity to service and discharge their obligations and to allow growth in the volume of loan assets in line with the Group's risk appetite and to provide a solid foundation for sustained growth in earnings and stockholder value.

The Group takes Credit Risk, consistent with the Group's Risk Identity, designed to deliver an appropriate return on capital, while ensuring credit exposures do not exceed levels which would produce unacceptable earnings and capital volatility under both stress and non-stress conditions. Concentrations are generally avoided except when they are necessary consistent with the Group's risk identity.

The Group's credit strategy is to underwrite credit risk within a clearly defined Court-approved risk appetite. This is done through the extension of credit to customers and financial counterparties in a manner that results in an appropriate return for the risks taken and on the capital deployed, while operating within Court-approved risk parameters.

### Credit risk management

Within the Group's lending divisions the approach to the management of credit risk is focused on a detailed credit analysis at origination followed by early intervention and active management of accounts where creditworthiness has deteriorated.

Through its ongoing credit review processes, the Group seeks early identification of deteriorating loans with a view to taking corrective action to prevent a loan becoming credit-impaired. Typically, loans that are at risk of becoming credit-impaired are managed by dedicated specialist units / debt collection teams focused on working out loans. A separate Customer Loan Solutions function provides experienced and dedicated management of challenged assets. For loans that become credit-impaired, the focus is to minimise the loss that the Group will incur. This may involve implementing forbearance solutions, entering into restructuring arrangements, action to enforce security, asset / portfolio disposals or securitisations.

The Group Credit Risk Function has responsibility for the independent oversight of credit risk and for overall risk reporting to the Group Risk Policy Committee (GRPC), the CRC and the Court on developments in credit risk and compliance with specific risk limits. It is led by the Chief Credit Officer who reports directly to the Group Chief Risk Officer. The function provides independent oversight of the Group's credit risk strategy, credit risk management information and credit risk underwriting.

### Credit policy

The core values and principles governing the provision of credit are contained in the Group Credit Risk Policy which is approved by the Court. The Group Credit Risk Policy is supported by the following additional credit risk related policies; i) Group Impairment Policy; ii) Group Forbearance Policy; iii) Group Property Collateral Valuation Policy; iv) Group Country Risk Policy; v) Group Policy on Definition of Default; and vi) Group Bank Risk Policy. In addition, Individual business unit loan origination standards set out key loan acceptance criteria at product, sector, or portfolio level. Business unit credit risk procedures are also required for each portfolio or business unit involved in lending and credit related activities.

These documents describe the end-to-end credit risk lifecycle, and how the risk mitigation requirements, as set out in the Group Credit Risk Policy, are implemented. These standards and procedures are aligned with, and have regard to, the Group's Risk Appetite Statement and applicable credit limits, the lessons learned from the Group's loss history, the markets in which the business units operate and the products which they provide.

### Lending authorisation

The Group's credit risk management systems operate through a hierarchy of lending authorities which are related to internal loan ratings. All exposures above certain levels require approval by the Group Credit Transactions Committee (GCTC). Other exposures are approved according to a system of tiered individual authorities, which reflect credit competence, proven judgement, and experience. Material lending proposals are referred to credit underwriting units for independent assessment / approval or formulation of a recommendation for subsequent adjudication by the applicable approval authority. Certain retail loan applications may be approved automatically where they meet both approved policy rules and minimum credit score thresholds produced by internal credit scoring tools.

### Controls and limits

The Group imposes credit risk control limits and country risk exposure guide points to mitigate significant concentration risk. These limits and guide points are informed by the Group's Risk Appetite Statement which is approved annually by the Court. It includes specific limits for each category and maximum exposure limits to a customer or a group of connected customers.

The Court approves a framework of country maximum exposure guide points which are used as benchmarks for the setting of country limits, with individual country limits approved by the Group Credit Risk Committee (GCRC). A maximum exposure limit framework for exposures to banks is also approved by the GRPC for each rating category. Limits are set and monitored for countries, sovereign obligors and banks in accordance with these frameworks.

### Credit risk measurement

All credit transactions are assessed at origination for credit quality and the borrower is assigned a credit grade based on a pre-defined credit rating scale. The risk and consequently the credit grade, is reassessed periodically. The use of internal credit rating models and scoring tools, which measure the degree of risk inherent in lending to specific counterparties, is central to the credit risk assessment and ongoing management processes within the Group.

### Loan impairment

Under IFRS 9, essentially all credit risk exposures not measured at FVTPL are subject to recognition of an impairment loss allowance for ECL. The Group's impairment modelling methodologies are approved by Model Risk Committee (MRC) and / or Risk Measurement Committee (RMC) and the quantum of the Group's impairment gain or loss, NPEs and impairment loss allowances are reviewed by the GCRC and by the ERC in advance of providing a recommendation to the CAC.

# 25 Financial risk management *(continued)*

The Group's credit risk rating systems and impairment models and methodologies play a key role in quantifying the appropriate level of ILA. Further details are provided in the section on credit risk methodologies beginning on page 320.

An analysis of the Group's ILAs at 31 December 2024 is set out on page 335.

### Credit risk mitigation

An assessment of the borrower's ability to service and repay the proposed level of debt (principal repayment source) is undertaken for credit requests and is a key element in the Group's approach to mitigating risk.

In addition, the Group mitigates credit risk through the adoption of both proactive preventative measures (e.g. controls and limits) and the development and implementation of strategies to assess and reduce the impact of particular risks should these materialise, including hedging, securitisation, the taking of collateral (which acts as a secondary repayment source) and selective asset / portfolio disposals.

### Risk transfer

The objective of risk mitigation / transfer is to limit the risk impact to acceptable levels. At portfolio level, credit risk is assessed in relation to the degree of name, sector, and geographic concentration. Where possible emergence of undue risk concentrations are identified, the risk capital implications are assessed and, where appropriate, risk transfer and mitigation options (e.g. disposals, securitisations, hedging strategies) are explored.

### Collateral

Credit risk mitigation includes the requirement to obtain collateral, depending on the nature of the product and local market practice, as set out in the Group's policies and procedures. The Group takes collateral as a secondary repayment source, which can be called upon if the borrower is unable or unwilling to service and repay debt as originally envisaged. Various types of collateral are accepted, including property, securities, cash, guarantees and insurance.

The nature and level of collateral required depends on a number of factors including, but not limited to, the amount of the exposure, the type of facility made available, the term of the facility, the amount of the borrower's own cash input and an evaluation of the level of risk or PD.

The Group's requirements around completion, valuation and management of collateral are set out in appropriate Group policies, business unit loan origination standards and credit risk procedures. The extent to which collateral and other credit enhancements mitigate credit risk in respect of the Group's Residential mortgage portfolio is set out in the tables on pages 331 to 333.

### Counterparty credit risk arising from derivatives

Trading in over-the-counter (OTC) derivatives is governed by the European Market Infrastructure Regulation. The Group has executed standard internationally recognised documents such as International Swaps and Derivatives Association (ISDA) agreements and Credit Support Annexes (CSAs) with all of its derivative financial counterparties. In addition, the Group has Cleared Derivatives Execution Agreements (CDEAs) with its principal interbank derivative counterparties enabling the Group to clear eligible derivatives through an EU approved and regulated central counterparty. If a derivative contract cannot be cleared through a central counterparty, a CSA serves to limit the potential cost of replacing that contract at market price in the event of a default by the financial counterparty. All of the Group's financial counterparty derivatives are covered by CDEAs or CSAs and are hence collateralised.

### Credit risk reporting / monitoring

Credit risk at a Group, divisional and significant operating unit / product type level is reported on a monthly / quarterly basis to senior management. Reporting includes information on loan book composition and asset quality (credit grade, PD profiles, ILAs and RWAs). The current status of credit risk, including risk dashboards and risk appetite compliance, is reported through the Board Risk Report on a monthly basis. A report on exceptions to Loan Origination Standards is reviewed by GCRC members on a quarterly basis.

On a monthly / quarterly basis the GCRC considers credit concentration reports which track changes in portfolio, product / sectoral and single name concentrations measured under agreed parameters. In addition, other reports are submitted to senior management and the Court as required.

The Group maintains an independent Credit Review function which provides ongoing assessment of the Group's credit risk management processes. Using a risk based approach, Credit Review carries out periodic reviews of Group lending portfolios, lending units and credit underwriting units. The results of reviews carried out by the Credit Review function are communicated to the Court and senior management.

### Management of challenged assets

The Group has in place a range of initiatives to manage challenged and non-performing credit. These include:

- enhanced collections and recoveries processes;
- specialist work-out teams to ensure early intervention for borrowers in, or potentially in, financial difficulty;
- intensive review cycles for 'at risk' exposures and the management of arrears and excess positions; and
- support from central teams in managing 'at risk' portfolios at a business unit level.

### Group forbearance strategies

A forbearance measure is a concession to a borrower for reasons relating to the actual or apparent financial difficulties of that borrower. A concession is any change to the terms and conditions of a credit agreement (e.g. term extension, margin change, release of security, covenant waiver) or a total or partial refinancing of a credit facility. If the concession to a borrower is not related to the actual or apparent financial difficulty of that borrower, forbearance has not occurred. The key objective of granting forbearance measures is to ensure a sustainable repayment situation can be achieved. This includes paving the way for non-performing borrowers to return to performing status and reducing the likelihood of performing borrowers reaching a non-performing status.

Forbearance strategies adopted by the Group seek to maximise recoveries and minimise losses arising from non-repayment of debt, while providing suitable and sustainable restructure options that are supportive of customers in actual or apparent financial difficulties. Such strategies may include, where appropriate, one or a combination of measures such as a temporary reduction in contractual repayments, a term extension, capitalisation of arrears, adjustment, or non-enforcement of covenants and / or more permanent restructuring measures.

# 25 Financial risk management *(continued)*

Forbearance requests are assessed on a case by case basis, taking due consideration of the individual circumstances and risk profile of the borrower.

A request for forbearance will always be a trigger event for the Group to undertake an assessment of the customer's financial circumstances and ability to repay prior to any decision to grant a forbearance treatment. This assessment may result in a deterioration in the credit grade assigned to the loan, potentially impacting how frequently the loan must be formally reviewed. This assessment may also result in a loan being considered to have experienced a 'significant increase in credit risk' or becoming classified as credit-impaired.

The Group Forbearance Policy outlines the core principles and parameters underpinning the Group's approach to forbearance with individual business unit forbearance procedures for each key portfolio which set out in more detail the approach to and the application of forbearance.

Borrower compliance with revised terms and conditions may not be achieved in all cases. Non-compliance could, for example, arise because the individual circumstances and risk profile of the borrower continue to deteriorate, or fail to show an expected improvement, to the extent that an agreed reduced level of repayment can no longer be met.

In the event of non-compliance, a request for further forbearance may be considered. It is possible that the Group, by virtue of having granted forbearance to a borrower, could suffer a loss that might otherwise have been avoided had enforcement action instead been taken. This could, for example, arise where the value of security held in respect of a loan diminishes over the period of a forbearance arrangement which ultimately proves unsustainable.

It is the Group's policy to measure the effectiveness of forbearance arrangements over the lifetime of those arrangements. A forbearance arrangement is considered to be effective where the risk profile of the affected borrower stabilises or improves over the measured time period, resulting in an improved outcome for the Group and the borrower. The measurement of effectiveness takes account of the nature and intended outcome of the forbearance arrangement and the period over which it applies.

### Asset quality - Loans and advances to customers

#### Asset quality methodology

The Group has allocated financial instruments into one of the following categories at the reporting date:

- **Stage 1 - 12 month expected credit losses (not credit-impaired)**
  Financial instruments which have not experienced a significant increase in credit risk since initial recognition and are not credit-impaired. An ILA equal to 12-month ECL is recognised, which is the portion of lifetime ECL resulting from default events that are estimated within the next 12 months.

- **Stage 2 - Lifetime expected credit losses (not credit-impaired)**
  Financial instruments which have experienced a 'significant increase in credit risk since initial recognition' and are not credit-impaired. An ILA equal to lifetime ECL is recognised, being the ECL resulting from all estimated default events over the expected life of the financial instrument. 'Credit risk' in this context refers to the change in the risk of a default occurring over the expected life of the financial instrument.

- **Stage 3 - Lifetime expected credit losses (credit-impaired)**
  Credit-impaired financial instruments, other than POCI financial assets. An ILA equal to lifetime ECL is recognised. The manner in which the Group identifies financial assets as credit-impaired results in the Group's population of credit-impaired financial assets being consistent with its population of defaulted financial assets (in accordance with regulatory guidelines including the EBA Guidelines on the application of the definition of default under Article 178 of the CRR. This encompasses loans where: (i) the borrower is considered unlikely to pay in full without recourse by the Group to actions such as realising security and / or (ii) the borrower is greater than or equal to 90 days past due and the arrears amount is material.

- **POCI financial assets**
  Financial assets that were credit-impaired at initial recognition. A POCI is not subject to any initial ILA but an ILA is subsequently recognised for the cumulative changes in lifetime ECL since initial recognition. A POCI remains classified as such until it is derecognised, even if assessed as no longer credit-impaired at a subsequent reporting date. POCI obligations remain outside of the normal stage allocation process for the lifetime of the obligation.

Further information on the approach to identifying a 'significant increase in credit risk since initial recognition' and in identifying credit-impaired assets is outlined in the section below on 'credit risk methodologies'.

The Group continued to apply the following classifications at the reporting date.

#### Forborne loans

Loans where a forbearance measure has been granted and where the criteria to exit a forborne classification, in line with EBA guidance, are not yet met. Loans that have never been forborne or loans that are no longer required to be reported as 'forborne' are classified as 'non-forborne'.

#### Non-performing exposures

These are:

- credit-impaired loans which includes loans where the borrower is considered unlikely to pay in full without recourse by the Group to actions such as realising security, and / or loans where the borrower is greater than or equal to 90 days past due and the arrears amount is material; and
- other loans meeting NPE criteria as aligned with regulatory requirements.

#### Credit risk methodologies

The Group's credit risk methodologies encompass internal credit rating models, scoring tools and impairment models. This is set out below.

#### Internal credit rating models

The use of internal credit rating models and scoring tools, which measure the degree of risk inherent in lending to specific counterparties, is central to the credit risk assessment and ongoing management processes within the Group.

# 25 Financial risk management *(continued)*

The primary model measures used are:

- **PD:** the probability of a given counterparty defaulting on any of its borrowings from the Group within the next twelve months;
- **Exposure at Default (EAD):** the exposure the Group has to a defaulting borrower at the time of default;
- **LGD:** the loss incurred (after the realisation of any collateral) on a specific transaction should the borrower default, expressed as a percentage of EAD; .and
- **Expected Loss Best Estimate (ELBE)**: the expected loss incurred (after the realisation of any collateral) on a specific transaction given the borrower's default expressed as a percentage of EAD given current economic circumstances and recovery status.

These measures are used to calculate regulatory expected loss and are fully embedded in and form an essential component of the Group's operational and strategic credit risk management and credit pricing practices.

### The structure of internal rating systems

The Group divides its internal rating systems into non-retail and retail approaches. For the Group's retail consumer and smaller business portfolios, the credit risk assessment is grounded on application and behavioural scoring tools. For larger commercial and corporate customers, the risk assessment is underpinned by statistical risk rating models which incorporate quantitative information from the customer (e.g. financial statements) together with a qualitative assessment of non-financial risk factors such as management quality and market / trading outlook. Lending to financial institutions is assigned an internal rating supported by external ratings of the major rating agencies.

### PD calculation

For the purposes of internal credit rating models, the Group produces estimates of PD on either or both (hybrid PD) of the following bases:

- Through-the-Cycle (TtC) estimates are estimates of default over an entire economic cycle, averaged to a twelve month basis. These are in effect averaged expectations of PD for a borrower over the economic cycle; and
- Cyclical estimates are estimates of default applicable to the next immediate twelve months. These cyclical estimates partially capture the economic cycle in that they typically rise in an economic downturn and decline in an economic upturn but not necessarily to the same degree as default rates change in the economy.

### Non-retail internal rating systems

The Group has adopted the Foundation Internal Ratings Based (FIRB) approach for most of its non-retail portfolios. Under this approach, the Group calculates its own estimates for PD and uses supervisory estimates of LGD and credit conversion factors. To calculate PD under the FIRB approach, the Group assesses the credit quality of borrowers based on transaction and borrower specific characteristics. Scorecards are developed for each significant portfolio or type of lending, with outputs used to assign a PD grade to each borrower. In the case of financial institutions, external credit agency ratings are used to provide a significant challenge within the Group's ratings approach. For exposures other than financial institutions, external ratings, when available for borrowers, play a role in the independent validation of internal estimates.

For non-retail exposures, the Group calculates its own estimates of PDs on a TtC basis and on a cyclical basis. The TtC PD estimates are based on internal default experience, or where default data is limited, statistical model estimates combined with available data to reflect the average annual default rate over the course of an economic cycle. The TtC PDs do not vary with the economic cycle and are used to calculate risk weighted exposure amounts and to determine minimum regulatory capital requirements. The cyclical PD estimates which capture a change in borrower risk over the economic cycle are used for internal credit management purposes. Both measures are estimated from the same borrower risk factors.

### Retail internal rating systems

The Group has adopted the Retail Internal Ratings Based (IRB) approach for the majority of its retail exposures. Under this approach, the Group calculates its own estimates for PD, LGD and credit conversion factors. External ratings do not play a role within the Group's retail internal rating systems, however, external credit bureau data can play a role in assessing certain borrowers. Under the Retail IRB approach, scorecards based on internal behavioural data and, where relevant, transaction-specific characteristics are developed for specific portfolios or product types. The output from the scorecard is used to determine the PD estimate.

The Group calculates retail PDs on a TtC or cyclical basis depending on the portfolio. The TtC estimates are calibrated based on long run average default rates over the course of an economic cycle (based on internal default experience) within identified discrete risk pools. The cyclical estimates are calibrated based on a weighted average of the expected long run default rate over the course of an economic cycle and the most recently observed annual default rate. These retail PDs are used for both the calculation of risk weighted exposure amounts and for internal credit management purposes.

LGD estimates are based on historic loss experience and associated costs for all observed defaults for a defined time period. The time period is set for each model to ensure LGD estimates are representative of economic downturn conditions. Some portfolios have an ELBE LGD modelling component for stock default accounts. Estimates of credit conversion factors (which determine the extent to which a currently undrawn amount is assumed to be drawn and outstanding at point of default) are similarly derived based on historic experience from observed defaults and are calibrated to produce estimates of behaviour characteristic of an economic downturn if those are more conservative than the long run average. The assumption that the time periods and data used for the estimation of LGD and credit conversion factors remain representative of economic downturn conditions is subject to review and challenge on an ongoing basis

### Other uses of internal estimates

Internal estimates play an essential role in risk management and decision making processes as well as the credit approval functions, the internal capital allocation function and the corporate governance functions of the Group. The specific uses of internal estimates differ from portfolio to portfolio, and for retail and non-retail approaches, but typically include:

- credit decisioning / automated credit decisioning and borrower credit approval;
- credit management;
- calculation of Risk Adjusted Return on Capital (RAROC) / Return on Tangible Equity (RoTE);
- internal reporting; and
- internal capital allocation between businesses of the Group.

# 25 Financial risk management *(continued)*

For other purposes, the cyclical PD estimates typically are used. Both estimates feature within internal management reporting.

### Control mechanisms for credit rating and impairment models

The Group Model Risk Policy, as approved by RMC and the CRC, sets out the Group's overall approach to model risk management. Supporting standards set out more detailed requirements with respect to development, monitoring and validation of credit rating and impairment models. These standards are approved by the RMC and / or the MRC. Model development and redevelopments for credit rating and impairment models are approved by the RMC and the results of model performance monitoring are reported to the MRC with onward reporting at the RMC on a regular basis.

The Group mitigates model risk for credit rating and impairment models as follows:

- **model development standards:** the Group adopts centralised standards and methodologies over the operation and development of models. This ensures a common approach in key areas such as documentation, data quality and management and model testing;
- **model governance:** the Group adopts a uniform approach to the governance of all risk rating model related activities and impairment model related activities, ensuring the appropriate involvement of relevant stakeholders;
- **model performance monitoring:** credit risk rating and impairment models are subject to testing on a quarterly basis which is reported to the relevant committee. This includes assessment of model performance against observed outcomes, including:
  - rank order of borrowers;
  - accuracy of parameter estimates (including actual vs. expected testing);
  - the stability of the rating;
  - the quality of data; and
  - the appropriateness of model use.
- **independent validation:** models are subject to in-depth analysis on a periodic basis, which includes an assessment of model performance against observed outcomes, including: rank order of borrowers; accuracy of parameter estimates; the stability of the rating population; the quality of data; and the appropriateness of model use. This analysis is carried out by a dedicated unit the 'Independent Validation Unit' which is independent of credit origination and management functions.

When issues are raised on risk rating or impairment models, plans are developed to remediate or replace such models within an agreed timeframe.

In addition, GIA regularly reviews the risk control framework, including policies and standards, to ensure that these are being adhered to, meet industry good practices and are compliant with regulatory requirements.

### Methodology for loan loss provisioning under IFRS 9

#### Approach to measurement of impairment loss allowances

Impairment is measured in a way that reflects: (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (b) the time value of money; and (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions. Impairment is measured through the use of impairment models, individual DCF analysis and modelled loss rates, supplemented where necessary by Group / post-model management adjustments.

A loss allowance is recognised for all financial instruments in scope for the impairment requirements of IFRS 9. There have been no significant changes in the quality of collateral or credit enhancements as a result of changes in the Group's collateral policies during the year. The Group's methodologies for valuation of property collateral are set out on page 325, noting further that FLI (page 326) is applied as appropriate to RoI and UK property collateral values in measuring ILAs under IFRS 9. The Group's critical accounting estimates and judgements, including those with respect to impairment of financial instruments, are set out in note 2 of the consolidated financial statements.

An analysis of the Group's net impairment losses on financial instruments and impairment loss allowances is set out in notes 14, 24 and 25.

#### Impairment models

The Group has in place a suite of IFRS 9 compliant impairment models which are executed on a monthly basis. The ECL framework allocates financial instruments to Stage 1, 2 or 3 and measures the applicable 12 month or lifetime ECL. The characteristics of an exposure determine which impairment model is applied, with influencing factors including product type (e.g. residential mortgage, unsecured personal loan, business loan) and market segment (e.g. owner occupier, Buy to Let (BTL), general corporate lending, general business lending).

ECLs are calculated as the sum of the marginal losses for each time period from the reporting date. The key components of the ECL calculation are PD, EAD and LGD and are described below. Other components include discount rate and maturity. The current contractual interest rate is generally used as the discount rate as it is considered a suitable approximation of the effective interest rate determined at initial recognition. For term lending including committed RCFs, contractual maturity is used in the ECL calculation. For other revolving facilities, behavioural life is generally used.

#### IFRS 9 Probability of Default

Where available, the ratings or underlying scores from internal credit rating models are used as a starting point for IFRS 9 PD calibration. While calibration techniques are similar to those used for regulatory purposes, the IFRS 9 PD differs from through-the-cycle PDs as it is a point-in-time PD measure based on current conditions adjusted to reflect FLI under a range of scenarios. A current point-in-time IFRS 9 PD is calculated as the expected default rate over the next 12 months. This PD is used in the calculation of 12-month ECL and as a starting point in the calculation of lifetime PD. Future point-in-time IFRS 9 PDs are also calculated, being the expected default rates for each year from the start of year two to maturity of the financial instrument. Transition matrices are used to determine how an exposure moves between different PD bands over time.

Together, the current point-in-time IFRS 9 PD and future point-in-time IFRS 9 PDs are used to calculate an IFRS 9 lifetime PD expectation for each FLI scenario. The scenario-weighted averages are used to generate an overall IFRS 9 lifetime PD expectation.

# 25 Financial risk management *(continued)*

At origination of a new financial instrument, these expectations are stored, together with prepayment estimates where relevant and allow for comparison at future reporting dates as one of the key determinants as to whether a 'significant increase in credit risk' has occurred. As lifetime PD was not calculated historically, the Group used reasonable and supportable information available without undue cost or effort to approximate the residual IFRS 9 lifetime PD expectations at initial recognition for most financial instruments originated prior to the adoption of IFRS 9 on 1 January 2018.

During 2024 two new IRB models were implemented for the General Corporate and UK SME segments of the Non-Retail portfolio. The ECL model framework was also updated in 2024 to reflect the implementation of these new models.

Assessment of the relationship between macroeconomic model factors and default rates during 2020 and 2021 considered default experience to be unrepresentative in certain retail portfolios due to Covid related supports and payment breaks available to borrowers during this period. As a result data points from the 2020 and 2021 period were excluded from the residential mortgage and Commercial Finance PD macro regression models.

Further details are provided in note 2 Critical Accounting Estimates and Judgements.

### IFRS 9 Exposure at Default

Current point-in-time EAD is the expected EAD were the borrower to default within the next 12 months. Future point-in-time EAD also incorporates expected contractual cash flows. IFRS 9 EAD differs from regulatory EAD in that it incorporates expected contractual cash flows and caps the exposure at the contractual limit.

### IFRS 9 Loss Given Default

Current point-in-time LGD is the loss that would be incurred should default occur in the next 12 months. To facilitate the calculation of lifetime ECL, future point-in-time LGDs are calculated for each year from the start of year 2 to maturity of the exposure. The starting point for individual components of the calculation is historical data. Cure rates are incorporated as appropriate into the calculation and represent the expected propensity of borrowers to return to the non-defaulted book without a loss. FLI is also incorporated into LGD as appropriate where RoI or UK property collateral is held. IFRS 9 LGD may differ from regulatory LGD as conservatism and downturn assumptions are generally removed.

The Retail Ireland residential mortgage LGD model was enhanced in 2024 to include a higher degree of macro-economic sensitivity. The enhancements resulted in an increase in impairment loss allowance of c.€5 million. Following these updates the post-model adjustment for LGD in the Retail Ireland residential mortgage portfolio recognised at 31 December 2023 and 30 June 2024 is no longer considered to be required.

The calibration of the PD, LGD and EAD components within the model utilised for the Commercial Finance segment of the SME portfolio were enhanced to address observations arising from model performance monitoring, primarily related to LGD estimation and back-testing, identified as part of the Group's internal model validation process. The updates resulted in a c. €10 million increase in impairment loss allowance.

Further details are provided in note 2 Critical Accounting Estimates and Judgements.

### Individual discounted cash flow analysis

For credit-impaired financial instruments in Business Banking, Corporate Banking and certain other relationship-managed portfolios, the ILA is primarily determined by an individual DCF analysis completed by lenders in business units and subject to review, challenge and, potentially, revision by independent credit professionals in underwriting units. The expected future cash flows are based on an assessment of future recoveries and include forecasted principal and interest payments (not necessarily contractual amounts due) and expected cash flows, if any, from the realisation of collateral / security held, less realisation costs.

### Modelled loss rates

For some smaller and / or lower risk portfolios, (primarily RoI asset finance portfolios) ILAs are measured by applying modelled loss rates to exposure amounts. Modelled loss rates are generally determined on a component basis taking into account factors such as the nature and credit quality of the exposures and past default and recovery experience on the portfolio or on portfolios with similar risk characteristics. Generally, a number of different loss rates will be set for a portfolio to allow differentiation of individual financial instruments within the portfolio based on their credit quality.

### Identifying a significant increase in credit risk

The Group's standard criteria to identify financial instruments which have had a 'significant increase in credit risk since initial recognition' are applied to the vast majority of loans and advances to customers. 'Credit risk' in this context refers to the change in the risk of a default occurring over the expected life of the financial instrument. Unless credit-impaired or a POCI, a financial instrument is generally allocated to Stage 2 if any of the following criteria are met at the reporting date:

- remaining lifetime PD is more than double and more than 50 basis points higher than the remaining lifetime PD at initial recognition as estimated based on facts and circumstances at the reporting date (adjusted where relevant for changes in prepayment expectations);
- a contractual payment is greater than 30 days past due;
- the credit management PD risk rating for individually assessed / relationship managed assets is above a defined risk threshold;
- the exposure has been placed on a watchlist; and
- the exposure is a forborne loan.

# 25 Financial risk management *(continued)*

The above criteria are automatically applied as part of the monthly execution of the Group's impairment models. In addition, the Group considers other reasonable and supportable information that would not otherwise be taken into account that would indicate that a significant increase in credit risk had occurred. In this regard, the Group has assessed the impact prevailing interest rates on asset quality. Credit risk assessments to identify elevated or emerging affordability risk were completed across the Group's loan portfolios. Where appropriate, outputs have been utilised to identify significant increases in credit risk and the classification of assets in Stage 2. These credit risk assessments, which leveraged qualitative information not already captured in impairment models, resulted in a credit management decision to classify c.€0.9 billion of stage 1 residential mortgage assets as stage 2 at the reporting date, and an associated c.€9 million increase in ILA.

Where a financial asset has been modified but not derecognised, the quantitative assessment of 'significant increase in credit risk' continues to be based on the remaining lifetime PD at initial recognition.

The Group assesses the effectiveness of its staging criteria semi-annually, taking into account considerations such as the extent to which: (i) exposures have moved directly from Stage 1 to Stage 3; (ii) exposures have moved to Stage 3, having spent only a short period in Stage 2; (iii) exposures have moved frequently between Stages 1 and 2; and (iv) there is potential over-reliance on backstop or qualitative criteria in identifying Stage 2 exposures.

The Group updated its approach to identifying a significant increase in credit risk in 2024 following outcomes of staging effectiveness analysis combined with the introduction of watchlist for relationship managed portfolios. These updates resulted in €0.8 billion assets (including €0.2 billion of off balance sheet commitments) being classified as Stage 2 and an c.€11 million increase in impairment loss allowance.

The Group applies the low credit risk expedient to all debt securities in scope for the impairment requirements of IFRS 9 (with the exception of a small amount of debt securities associated with corporate banking relationships) and similarly to loans and advances to banks, central banks, and investment firms. 'Low credit risk' encompasses PD grades 1 to 5 on the Group's internal PD rating system, which broadly aligns with ratings of AAA to BBB- for the external major rating agencies. Such financial instruments are allocated to Stage 1.

For some smaller and / or low risk portfolios, the Group identifies a 'significant increase in credit risk since initial recognition' solely by reference to whether a contractual payment is greater than 30 days past due.

### Identifying defaulted assets and credit-impaired assets

The Group's population of credit-impaired financial assets are consistent with its population of defaulted financial assets and closely aligned with the Group's definition of NPEs. Where default criteria are no longer met, the credit facility (obligor for non-retail exposures) exits credit-impaired (Stage 3), subject to meeting defined probation criteria, in line with regulatory requirements.

Under the definition of default the Group considers certain events as resulting in mandatory default and credit-impaired classification without further assessment. These include:

- greater than or equal to 90 days past due and the past due amount is material;
- more than 3 full monthly payments past due (retail credit facilities only);
- a forbearance arrangement is put in place and that arrangement involves debt forgiveness or reduction in interest rate / margin;
- legal action is underway by the Group to enforce repayment or realise security;
- the Group or a receiver takes security into possession;
- the Group has formally sought an insolvency arrangement in respect of the borrower;
- the exposure is classified as non-performing forborne for supervisory reporting purposes; and
- residential mortgages where default has occurred on another credit facility secured on the same property collateral, or more than 20% of overall balance sheet exposure to the customer in the mortgage portfolio is in default.

Certain other events necessitate a lender assessment and, if the outcome of the lender assessment is that the contractual amount of principal and interest will not be fully repaid in what is assessed to be the most likely cash flow scenario or will be repaid only via recourse by the Group to actions such as realising security, default and credit-impaired classification is mandatory. For larger value commercial lending cases (typically greater than €1 million or £850,000), the lender assessment involves production of an individual discounted cash flow analysis. The events differ by portfolio and include those set out below.

**All portfolios:**

- a forbearance measure has been requested by a borrower and formally assessed;
- the non-payment of interest (e.g. via interest roll-up, arrears capitalisation etc.) as a result of the terms of modification of loans, including refinancing and renegotiation of facilities where during the renegotiation process, the lender becomes aware that the borrower is under actual or apparent financial distress;
- there are justified concerns about a borrower's future ability to generate stable and sufficient cash flows;
- a borrower's sources of recurring income are no longer available to meet regular loan repayments;
- evidence of fraudulent activity by the borrower or another party connected with the loan;
- the contractual maturity date has passed without repayment in full;
- repayment of a credit obligation is suspended because of a law allowing this option or other legal restrictions; and
- it becomes known that an insolvency arrangement is in force in respect of the borrower or that the borrower has formally sought an insolvency arrangement.

**Residential mortgage portfolios:**

- offer of voluntary surrender of security or sale of security at a possible shortfall; or
- it becomes known that the borrower has become unemployed with no comparable new employment secured.

**Larger Small and Medium Enterprise / corporate and property loans:**

- the borrower has breached the covenants of a credit contract with the Group;

# 25 Financial risk management *(continued)*

- there is a crisis in the sector in which the counterparty operates combined with a weak position of the counterparty in this sector;
- external credit rating has been downgraded below a certain level;
- financial statements or financial assessment indicates inability of the borrower to meet debt service obligations and / or a negative net assets position;
- the borrower has ceased trading;
- a fall in the assessed current value of security such that the LTV ratio is greater than or equal to 120% (property and construction only);
- a fall in net rent such that it is inadequate to cover interest with little / no other income to support debt service capacity (investment property exposures only);
- a fall in the assessed gross development value such that sale proceeds are no longer expected to fully repay debt (development exposures only); or
- the borrower has been granted multiple forbearance arrangements over a period of 3 years.

### Review of credit-impaired loans

It is Group policy to review credit-impaired loans above agreed thresholds semi-annually or on receipt of material new information, with the review including a reassessment of the recovery strategy and the continued appropriateness of a credit-impaired classification.

The minimum requirements for a credit-impaired loan to return to non credit-impaired status are that the borrower must not be greater than 90 days past due on a material amount, the borrower must be considered likely to pay in full without recourse by the Group to actions such as realising security and there must be no forbearance arrangement in place where future reliance on realisation of collateral is expected for repayment in full when this was not originally envisaged. Typically, an updated assessment of the borrower's current financial condition and prospects for repayment is required with the borrower to have satisfactorily met repayments required under the original or modified agreement regularly for a reasonable period of time.

### Methodologies for valuation of property collateral

The Group's approach to the determination of the market value of property collateral is set out in the Group Property Collateral Valuation Policy, supported by related Group Property Collateral Valuation Guidelines, and is summarised below. The Group's approach to applying FLI to those values for the purposes of measuring ILA for the year ended 31 December 2024 is set out in the Group Impairment Policy and is described below.

Retail Ireland mortgage loan book property values are determined by reference to the original or latest property valuations held indexed to the Central Statistic Office (CSO) Residential Property Price Index (RPPI). Retail UK mortgage loan book property values are determined by reference to the original or latest property valuations held indexed to the Nationwide UK house price index.

Commercial property valuations may include formal written valuations from external or internal professionals, or 'internally assessed valuations' completed by business units. Internally assessed valuations are informed by the most appropriate sources available for the assets in question. This may include property specific information / characteristics, local market knowledge, comparable transactions, professional advice (e.g. asset management reports) or a combination thereof, in line with more detailed guidance approved by the GCRC. This guidance is informed by both internal and externally sourced market data / valuation information, including input from the REAU. Internally assessed valuations are subject to review, challenge and, potentially, revision by independent credit professionals in underwriting units and are approved as part of the normal credit process.

Typically, more frequent valuations are required for properties held as security for NPEs with an annual valuation required for NPEs in excess of €300,000 / £250,000.

### Credit risk associated with geopolitical risk, affordability, and interest rates

In 2024, the Group conducted a number of assessments in relation to credit risk associated with the impact of elevated affordability risk including impacts on UK residential mortgage interest only maturities and the possible lag effect of higher interest rate pass through on both RoI and UK residential mortgage customers rolling off fixed rate contracts. As outlined previously, credit risk assessments were implemented across the residential mortgage portfolios and where appropriate, outputs have been utilised to identify significant increases in credit risk and the classification of stage 1 assets as stage 2. These credit risk assessments, which leveraged qualitative information not already captured in impairment models, resulted in a credit management decision to classify c. €0.9 billion of stage 1 assets as stage 2 at the reporting date (2023: €2.8 billion), with a corresponding €9 million increase in impairment loss allowance (2023: €33 million).

The impact of elevated affordability risk and interest rates have been taken into account within individual credit assessments in the relationship managed commercial portfolios.

All US Commercial Real Estate Office exposures continue to be classified as Stage 2 or Stage 3. In addition to this an Investment Property post-model adjustment to the Group's impairment loss allowance of c.€48 million has been retained to reflect the planned implementation of a new IRB model and further impairment model enhancements to the Investment Property portfolio planned in 2025.

Furthermore, the final set of probability weightings applied to the FLI scenarios utilised in the Group's impairment models incorporated the application of management judgement to the initial probability weightings to reflect economic uncertainty associated with factors including geopolitical risk; trade tension and prevailing interest rates in the Group's key economies. The estimated impact of this judgement was a c.€7 million increase in impairment loss allowance (2023: c.€31 million).

Further details on the selected FLI scenarios for the reporting period, Group management adjustments and management judgement incorporated into impairment model parameters are provided in note 2 Critical Accounting Estimates and Judgements.

Quantitative information about credit risk within financial instruments held by the Group can be found on pages 335 to 357.

# 25 Financial risk management *(continued)*

### Forward-Looking Information

#### Changes in estimates

FLI refers to probability-weighted future macroeconomic scenarios used in the measurement of ILA under IFRS 9, and is approved semi-annually by the ERC. The Group has used four FLI scenarios at 31 December 2024, comprised of a central scenario, an upside scenario, and two downside scenarios, including one severe downside scenario.

All scenarios extend over a five year forecast period, with reversion to long run averages for property price growth for years beyond this. The Group keeps under review the number of FLI scenarios and the need to produce projections for other jurisdictions.

The central FLI scenario for the year ending 31 December 2024 is based on internal and external information and management judgement and follows the same process as used in prior periods.

In order to incorporate available, reasonable and supportable information and apply meaningful upside and downside FLI scenarios, three alternative scenarios (one upside and two downside) were constructed by the Group's ERU and the REAU along specific scenario narratives to reflect different levels of geopolitical tensions, and trade disruption; varying impacts of energy price disruption and inflation, including the impact of transition related climate risk impacts; the depth of downturn in the RoI, UK and global economies; and the pace of economic recovery.

The alternative scenarios were assessed relative to the historical distribution of key macroeconomic factors to derive an initial set of relative probabilities. The probability weightings attached to the scenarios are a function of their relative position on the distribution of historical outcomes, with a lower probability weighting attached to the scenarios that were assessed to be further from the centre of the distribution. The final weightings were also informed by other qualitative factors and expert judgment.

The overall ECL for an exposure is determined as a probability weighted average of the ECL calculated for each scenario, weighted by the probability of each scenario occurring. Beyond the forecast period, default rates are assumed to revert over time to an observed long run average and the value of property collateral for LGD purposes is assumed to grow at an observed long run rate. Typically, one or two macroeconomic variables are incorporated into each impairment model, as determined through linear regression techniques to be most relevant for forecasting default of the credit risk exposures flowing through that model.

The lifetime PD expectation for an exposure generated under each of the scenarios, weighted by the probability of each scenario occurring, is used to generate the lifetime PD expectations used for the assessment of 'significant increase in credit risk'. Forecasts of residential and commercial property price growth are incorporated as appropriate into the LGD component of the ECL calculation.

The application of property price growth forecasts for the estimation of Stage 3 ILAs ensures that the property collateral value at the point of liquidation does not incorporate an improvement on the current market condition. FLI is also taken into account in relation to the estimation of ILA for individually assessed corporate and business banking portfolios where recovery values are dependent on non-property cash flows and / or collateral. For further information, see note 2 Critical Accounting Estimates and Judgements.

The development of climate risk modelling capabilities is a key objective of the Group's Climate Risk Action Plan. Methodology development is in the early stages across the industry. Initial implementation has focused on development of scenario analysis capabilities which is expected to be followed by integration into impairment models and internal credit ratings models in the medium term. At 31 December 2024 the Group assessed the risks to asset valuations in the Residential Mortgage portfolio from both physical and transitional risk associated with climate change. Resultantly the Group has recognised a post-model adjustment. For further information, see note 2 Critical Accounting Estimates and Judgements.

### Composition and impairment

The tables below summarise the composition, credit-impaired volumes and related ILA of the Group's loans and advances to customers at amortised cost at 31 December 2024. These tables exclude €185 million of loans and advances to customers at 31 December 2024 (2023: €205 million) that are measured at FVTPL and are therefore not subject to impairment under IFRS 9.

Credit-impaired includes Stage 3 and POCI assets of €78 million (2023: €118 million). €55 million of POCI assets (2023: €25 million) were no longer credit-impaired at the reporting date due to improvement in credit risk since purchase or origination. These loans will remain classified as POCI loans until derecognition.

# 25 Financial risk management *(continued)*

| 2024<br>Credit-impaired loans and advances to customers - Composition and impairment | Advances (pre-impairment loss allowance) €m | Credit-impaired loans €m | Credit-impaired loans as % of advances % | Credit-impaired Impairment loss allowance €m | Impairment loss allowance as % of credit-impaired loans % |
|---|---|---|---|---|---|
| Residential mortgages | 50,326 | 748 | 1.5% | 120 | 16% |
| *Retail Ireland* | *34,225* | *394* | *1.2%* | *75* | *19%* |
| *Retail UK* | *16,101* | *354* | *2.2%* | *45* | *13%* |
| Non-property SME and corporate | 20,358 | 632 | 3.1% | 257 | 41% |
| *Republic of Ireland SME* | *7,249* | *236* | *3.3%* | *94* | *40%* |
| *UK SME* | *1,531* | *78* | *5.1%* | *17* | *22%* |
| *Corporate* | *11,578* | *318* | *2.7%* | *146* | *46%* |
| Property and construction | 7,448 | 269 | 3.6% | 88 | 33% |
| *Investment* | *6,840* | *227* | *3.3%* | *75* | *33%* |
| *Development* | *608* | *42* | *6.9%* | *13* | *31%* |
| Consumer | 5,116 | 106 | 2.1% | 49 | 46% |
| **Total** | **83,248** | **1,755** | **2.1%** | **514** | **29%** |
| Purchased / originated credit-impaired | 133 | 78 | 58.6% | 1 | 1% |
| **Total** | **83,381** | **1,833** | **2.2%** | **515** | **28%** |

| 2023<br>Credit-impaired loans and advances to customers - Composition and impairment | Advances (pre-impairment loss allowance) €m | Credit-impaired loans €m | Credit-impaired loans as % of advances % | Credit-impaired Impairment loss allowance €m | Impairment loss allowance as % of credit-impaired loans % |
|---|---|---|---|---|---|
| Residential mortgages | 47,130 | 770 | 1.6% | 141 | 18% |
| *Retail Ireland* | *32,102* | *383* | *1.2%* | *89* | *23%* |
| *Retail UK* | *15,028* | *387* | *2.6%* | *52* | *13%* |
| Non-property SME and corporate | 20,449 | 1,080 | 5.3% | 330 | 31% |
| *Republic of Ireland SME* | *7,153* | *342* | *4.8%* | *161* | *47%* |
| *UK SME* | *1,547* | *80* | *5.2%* | *22* | *28%* |
| *Corporate* | *11,749* | *658* | *5.6%* | *147* | *22%* |
| Property and construction | 7,223 | 369 | 5.1% | 80 | 22% |
| *Investment* | *6,683* | *320* | *4.8%* | *69* | *22%* |
| *Development* | *540* | *49* | *9.1%* | *11* | *22%* |
| Consumer | 5,801 | 130 | 2.2% | 61 | 47% |
| **Total** | **80,603** | **2,349** | **2.9%** | **612** | **26%** |
| Purchased / originated credit-impaired | 143 | 118 | 82.5% | 12 | 10% |
| **Total** | **80,746** | **2,467** | **3.1%** | **624** | **25%** |

# 25 Financial risk management *(continued)*

At 31 December 2024, loans and advances to customers (pre-impairment loss allowance) of €83.4 billion were €2.6 billion higher than 31 December 2023, primarily driven by positive net new lending in the period, particularly within the RoI and UK mortgage portfolios and the impact of currency translation, partially offset by the combined impacts of NPE disposals, utilisation of impairment loss allowances and net redemptions in the period.

Credit-impaired loans decreased to €1.8 billion or 2.2% of customer loans at 31 December 2024 from €2.5 billion or 3.1% at 31 December 2023. This decrease reflected resolution strategies that include appropriate and sustainable support to viable customers who are in financial difficulty.

Resolution strategies include the disposal of non-performing portfolios, realisation of cash proceeds from property sales activity and, where appropriate, have given rise to utilisation of ILA against loan amounts for which there is no reasonable expectation of recovery.

In the second half of the year, the Group completed the disposal of a pool of non-performing loans with a gross carrying value of €0.2 billion in the year, with an associated €21 million net impairment gain (including the partial utilisation of the €25 million post model adjustment recognised at 30 June 2024).

The decrease from resolution strategies was partly offset by the emergence of new defaults in the period (primarily in Corporate portfolios).

The application of updated FLI, individually assessed risk ratings, credit risk assessments (including the impact of updates to credit risk assessment methodology outlined on page 325 above), impairment model updates and policy changes (including the application of an updated approach to identifying significant increase in credit risk) and other portfolio activity (including net repayments / redemptions in the period) resulted in the net migration of net migration of €2.0 billion loans from Stage 2 to Stage 1 (i.e. cases that are no longer identified as having experienced a significant increase in credit risk) in the year.

The stock of impairment loss allowance on credit-impaired loans was €0.5 billion at 31 December 2024, which was €0.1 billion lower than the stock at 31 December 2023. The net decrease incorporates impairment loss allowance utilisation of €0.4 billion, including c.€0.1 billion associated with NPE portfolio disposals. This was partly offset by the impact of the impairment loss on credit-impaired loans of €0.1 billion and the impact of currency translation and other movements.

The total impairment loss allowance at 31 December 2024 includes a total Group management adjustment of €57 million (2023: €85 million), all of which was recognised against loans and advances to customers. Details on the Group management adjustment are provided in note 2 on pages 250 and 252.

Impairment loss allowance cover for credit-impaired loans increased to 28% compared to 25% at 31 December 2023. This primarily reflects changes in the underlying asset / portfolio mix of the Stage 3 population with higher than average impairment requirements for assets migrating to Stage 3 in the period and the resolution of existing stage 3 assets with lower than average impairment loss allowance cover.

# 25 Financial risk management *(continued)*

### Risk profile of forborne loans and advances to customers

The Group's total risk profile of loans and advances to customers at amortised cost at 31 December 2024 of €83.4 billion (2023: €80.7 billion) is available in note 24. The following tables exclude €185 million of loans and advances to customers at 31 December 2024 (2023: €205 million) that are measured at FVTPL and are therefore not subject to impairment under IFRS 9. Exposures are before impairment loss allowance.

| Group<br>2024<br>Loans and advances to customers at amortised cost - Composition | Stage 1 (not credit-impaired) €m | Stage 2 (not credit-impaired) €m | Stage 3 (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Non-forborne loans and advances to customers** | | | | | |
| Residential mortgages | 47,165 | 2,202 | 489 | 103 | 49,959 |
| *Retail Ireland* | *32,497* | *1,201* | *230* | *103* | *34,031* |
| *Retail UK* | *14,668* | *1,001* | *259* | *–* | *15,928* |
| Non-property SME and corporate | 14,644 | 3,864 | 246 | – | 18,754 |
| *Republic of Ireland SME* | *5,475* | *1,403* | *155* | *–* | *7,033* |
| *UK SME* | *1,243* | *168* | *54* | *–* | *1,465* |
| *Corporate* | *7,926* | *2,293* | *37* | *–* | *10,256* |
| Property and construction | 4,442 | 1,818 | 23 | – | 6,283 |
| *Investment* | *4,108* | *1,622* | *23* | *–* | *5,753* |
| *Development* | *334* | *196* | *–* | *–* | *530* |
| Consumer | 4,698 | 311 | 104 | – | 5,113 |
| **Total non-forborne loans and advances to customers** | **70,949** | **8,195** | **862** | **103** | **80,109** |
| | | | | | |
| **Forborne loans and advances to customers** | | | | | |
| Residential mortgages | 4 | 207 | 259 | 30 | 500 |
| *Retail Ireland* | *4* | *129* | *164* | *30* | *327* |
| *Retail UK* | *–* | *78* | *95* | *–* | *173* |
| Non-property SME and corporate | – | 1,218 | 386 | – | 1,604 |
| *Republic of Ireland SME* | *–* | *135* | *81* | *–* | *216* |
| *UK SME* | *–* | *42* | *24* | *–* | *66* |
| *Corporate* | *–* | *1,041* | *281* | *–* | *1,322* |
| Property and construction | – | 919 | 246 | – | 1,165 |
| *Investment* | *–* | *883* | *204* | *–* | *1,087* |
| *Development* | *–* | *36* | *42* | *–* | *78* |
| Consumer | – | 1 | 2 | – | 3 |
| **Total forborne loans and advances to customers** | **4** | **2,345** | **893** | **30** | **3,272** |

At 31 December 2024, forborne POCI loans included €4 million (2023: €1 million) of loans which, while credit-impaired upon purchase or origination, were no longer credit-impaired at the reporting date due to improvement in credit risk. These loans will remain classified as POCI loans until derecognition.

# 25 Financial risk management *(continued)*

| Group<br>2023<br>Loans and advances to customers at amortised cost - Composition | Stage 1 (not credit-impaired) €m | Stage 2 (not credit-impaired) €m | Stage 3 (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Non-forborne loans and advances to customers** | | | | | |
| Residential mortgages | 42,781 | 3,371 | 542 | 118 | 46,812 |
| *Retail Ireland* | *29,361* | *2,214* | *231* | *118* | *31,924* |
| *Retail UK* | *13,420* | *1,157* | *311* | – | *14,888* |
| Non-property SME and corporate | 14,737 | 3,454 | 269 | 1 | 18,461 |
| *Republic of Ireland SME* | *5,667* | *991* | *217* | *1* | *6,876* |
| *UK SME* | *1,154* | *218* | *49* | – | *1,421* |
| *Corporate* | *7,916* | *2,245* | *3* | – | *10,164* |
| Property and construction | 3,336 | 2,573 | 145 | – | 6,054 |
| *Investment* | *2,934* | *2,536* | *145* | – | *5,615* |
| *Development* | *402* | *37* | – | – | *439* |
| Consumer | 4,870 | 800 | 128 | – | 5,798 |
| **Total non-forborne loans and advances to customers** | **65,724** | **10,198** | **1,084** | **119** | **77,125** |
| | | | | | |
| **Forborne loans and advances to customers** | | | | | |
| Residential mortgages | 5 | 203 | 228 | 24 | 460 |
| *Retail Ireland* | *4* | *140* | *152* | *24* | *320* |
| *Retail UK* | *1* | *63* | *76* | – | *140* |
| Non-property SME and corporate | – | 1,178 | 811 | – | 1,989 |
| *Republic of Ireland SME* | – | *153* | *125* | – | *278* |
| *UK SME* | – | *95* | *31* | – | *126* |
| *Corporate* | – | *930* | *655* | – | *1,585* |
| Property and construction | – | 945 | 224 | – | 1,169 |
| *Investment* | – | *893* | *175* | – | *1,068* |
| *Development* | – | *52* | *49* | – | *101* |
| Consumer | – | 1 | 2 | – | 3 |
| **Total forborne loans and advances to customers** | **5** | **2,327** | **1,265** | **24** | **3,621** |

# 25 Financial risk management *(continued)*

### Loan to value profiles - total Retail Ireland mortgages

The tables below set out the weighted average indexed loan to value (LTV) for the total Retail Ireland mortgage loan book. The tables include POCI loans of €133 million (2023: €142 million).

| 2024<br>Loan to value ratio of total Retail Ireland mortgages | Owner occupied | | | | | Buy to let | | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCIs €m | Total €m | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCIs €m | Total €m | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCIs €m | Total €m |
| Less than 50% | 14,325 | 425 | 180 | 60 | **14,990** | 807 | 21 | 29 | 5 | **862** | 15,132 | 446 | 209 | 65 | **15,852** |
| 51% to 70% | 9,541 | 639 | 101 | 33 | **10,314** | 150 | 9 | 6 | 2 | **167** | 9,691 | 648 | 107 | 35 | **10,481** |
| 71% to 80% | 4,274 | 192 | 21 | 8 | **4,495** | 18 | 1 | 1 | 1 | **21** | 4,292 | 193 | 22 | 9 | **4,516** |
| 81% to 90% | 3,047 | 36 | 12 | 5 | **3,100** | 25 | 1 | 4 | – | **30** | 3,072 | 37 | 16 | 5 | **3,130** |
| 91% to 100% | 285 | 1 | 8 | 5 | **299** | 2 | – | – | – | **2** | 287 | 1 | 8 | 5 | **301** |
| **Subtotal** | **31,472** | **1,293** | **322** | **111** | **33,198** | **1,002** | **32** | **40** | **8** | **1,082** | **32,474** | **1,325** | **362** | **119** | **34,280** |
| 101% to 120% | 14 | – | 5 | 5 | **24** | 2 | – | 1 | – | **3** | 16 | – | 6 | 5 | **27** |
| 121% to 150% | 6 | 3 | 3 | 4 | **16** | 2 | – | 6 | 1 | **9** | 8 | 3 | 9 | 5 | **25** |
| Greater than 151% | 1 | – | 5 | 4 | **10** | 2 | 2 | 12 | – | **16** | 3 | 2 | 17 | 4 | **26** |
| **Subtotal** | **21** | **3** | **13** | **13** | **50** | **6** | **2** | **19** | **1** | **28** | **27** | **5** | **32** | **14** | **78** |
| **Total** | **31,493** | **1,296** | **335** | **124** | **33,248** | **1,008** | **34** | **59** | **9** | **1,110** | **32,501** | **1,330** | **394** | **133** | **34,358** |
| | | | | | | | | | | | | | | | |
| **Weighted average LTV** | | | | | | | | | | | | | | | |
| Stock of Retail Ireland mortgages at year end | | | | | 53% | | | | | 38% | | | | | 52% |
| New Retail Ireland mortgages during the year | | | | | 75% | | | | | 50% | | | | | 75% |

Weighted average loan to value ratios are calculated at a property level and reflect the average property value in proportion to the outstanding mortgage. Property values are determined by reference to the property valuations held, indexed to the CSO RPPI. The indexed LTV profile of the Retail Ireland mortgage loan book is based on the CSO RPPI at October 2024.

The CSO RPPI for October 2024 reported that average national residential property prices were 15.2% above peak (2023: 5.1% above peak), with Dublin residential prices 3.4% above peak and outside of Dublin residential prices 15.8% above peak (2023: 6.3% below peak and 6.1% above peak respectively). In the ten months to October 2024, residential property prices at a national level increased by 7.2%.

At 31 December 2024, €34.4 billion or 99.8% of Retail Ireland mortgages were classified as being in positive equity, 99.8% for Owner occupied mortgages and 97.5% for BTL mortgages.

# 25 Financial risk management *(continued)*

| 2023<br>Loan to value ratio of total Retail Ireland mortgages | Owner occupied | | | | | Buy to let | | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCIs €m | Total €m | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCIs €m | Total €m | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCIs €m | Total €m |
| Less than 50% | 11,982 | 1,060 | 138 | 59 | **13,239** | 923 | 17 | 31 | 5 | **976** | 12,905 | 1,077 | 169 | 64 | **14,215** |
| 51% to 70% | 9,371 | 785 | 90 | 37 | **10,283** | 183 | 3 | 7 | 2 | **195** | 9,554 | 788 | 97 | 39 | **10,478** |
| 71% to 80% | 3,208 | 296 | 25 | 10 | **3,539** | 28 | 2 | 3 | 1 | **34** | 3,236 | 298 | 28 | 11 | **3,573** |
| 81% to 90% | 3,325 | 178 | 12 | 7 | **3,522** | 36 | 1 | 6 | 1 | **44** | 3,361 | 179 | 18 | 8 | **3,566** |
| 91% to 100% | 254 | 4 | 11 | 5 | **274** | 10 | 1 | 2 | – | **13** | 264 | 5 | 13 | 5 | **287** |
| **Subtotal** | **28,140** | **2,323** | **276** | **118** | **30,857** | **1,180** | **24** | **49** | **9** | **1,262** | **29,320** | **2,347** | **325** | **127** | **32,119** |
| 101% to 120% | 16 | 3 | 10 | 5 | **34** | 4 | 1 | 2 | – | **7** | 20 | 4 | 12 | 5 | **41** |
| 121% to 150% | 13 | 1 | 5 | 6 | **25** | 2 | – | 5 | 1 | **8** | 15 | 1 | 10 | 7 | **33** |
| Greater than 151% | 5 | 1 | 13 | 3 | **22** | 5 | 1 | 23 | – | **29** | 10 | 2 | 36 | 3 | **51** |
| **Subtotal** | **34** | **5** | **28** | **14** | **81** | **11** | **2** | **30** | **1** | **44** | **45** | **7** | **58** | **15** | **125** |
| **Total** | **28,174** | **2,328** | **304** | **132** | **30,938** | **1,191** | **26** | **79** | **10** | **1,306** | **29,365** | **2,354** | **383** | **142** | **32,244** |
| **Weighted average LTV** | | | | | | | | | | | | | | | |
| Stock of Retail Ireland mortgages at year end | | | | | 54% | | | | | 42% | | | | | 53% |
| New Retail Ireland mortgages during the year | | | | | 75% | | | | | 55% | | | | | 74% |

# 25 Financial risk management *(continued)*

### Loan to value profiles - total Retail UK mortgages

The tables below set out the weighted average indexed LTV for the total Retail UK mortgage loan book. Weighted average loan to value ratios are calculated at a property level and reflect the average of property values in proportion to the outstanding mortgage. Property values are determined by reference to the original or latest property valuations held, indexed to the published 'Nationwide UK House Price Index'.

| 2024 | Standard | | | | Buy to let | | | | Self Certified | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Loan to value ratio of total Retail UK mortgages** | **Stage 1 £m** | **Stage 2 £m** | **Stage 3 £m** | **Total £m** | **Stage 1 £m** | **Stage 2 £m** | **Stage 3 £m** | **Total £m** | **Stage 1 £m** | **Stage 2 £m** | **Stage 3 £m** | **Total £m** | **Stage 1 £m** | **Stage 2 £m** | **Stage 3 £m** | **Total £m** |
| Less than 50% | 1,845 | 138 | 36 | **2,019** | 1,636 | 221 | 55 | **1,912** | 298 | 58 | 24 | **380** | 3,779 | 417 | 115 | **4,311** |
| 51% to 70% | 2,730 | 128 | 28 | **2,886** | 1,423 | 210 | 82 | **1,715** | 161 | 44 | 23 | **228** | 4,314 | 382 | 133 | **4,829** |
| 71% to 80% | 1,740 | 42 | 13 | **1,795** | 201 | 14 | 14 | **229** | 6 | 2 | 3 | **11** | 1,947 | 58 | 30 | **2,035** |
| 81% to 90% | 1,903 | 28 | 5 | **1,936** | 1 | 2 | 2 | **5** | – | 1 | 1 | **2** | 1,904 | 31 | 8 | **1,943** |
| 91% to 100% | 216 | 5 | 2 | **223** | 1 | – | 1 | **2** | – | 1 | – | **1** | 217 | 6 | 3 | **226** |
| **Subtotal** | **8,434** | **341** | **84** | **8,859** | **3,262** | **447** | **154** | **3,863** | **465** | **106** | **51** | **622** | **12,161** | **894** | **289** | **13,344** |
| 101% to 120% | 1 | – | – | **1** | – | – | – | **–** | 1 | – | – | **1** | 2 | – | – | **2** |
| 121% to 150% | – | – | 1 | **1** | – | – | 2 | **2** | – | – | 1 | **1** | – | – | 4 | **4** |
| Greater than 150% | – | – | 1 | **1** | – | – | – | **–** | – | – | – | **–** | – | – | 1 | **1** |
| **Subtotal** | **1** | **–** | **2** | **3** | **–** | **–** | **2** | **2** | **1** | **–** | **1** | **2** | **2** | **–** | **5** | **7** |
| **Total** | **8,435** | **341** | **86** | **8,862** | **3,262** | **447** | **156** | **3,865** | **466** | **106** | **52** | **624** | **12,163** | **894** | **294** | **13,351** |
| **Weighted average LTV** | | | | | | | | | | | | | | | | |
| Stock of Retail UK mortgages at year end | | | | 64% | | | | 50% | | | | 45% | | | | 59% |
| New Retail UK mortgages during the year | | | | 77% | | | | 59% | | | | 47% | | | | 76% |

# 25 Financial risk management *(continued)*

| 2023<br>Loan to value ratio of total Retail UK mortgages | Standard | | | | Buy to let | | | | Self Certified | | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m | Stage 1 £m | Stage 2 £m | Stage 3 £m | Total £m |
| Less than 50% | 1,881 | 115 | 37 | **2,033** | 1,705 | 262 | 67 | **2,034** | 330 | 53 | 23 | **406** | 3,916 | 430 | 127 | **4,473** |
| 51% to 70% | 2,638 | 134 | 39 | **2,811** | 1,590 | 341 | 95 | **2,026** | 214 | 39 | 25 | **278** | 4,442 | 514 | 159 | **5,115** |
| 71% to 80% | 1,466 | 41 | 15 | **1,522** | 272 | 40 | 14 | **326** | 17 | 5 | 4 | **26** | 1,755 | 86 | 33 | **1,874** |
| 81% to 90% | 1,124 | 21 | 7 | **1,152** | 6 | 3 | 2 | **11** | 2 | – | 1 | **3** | 1,132 | 24 | 10 | **1,166** |
| 91% to 100% | 406 | 5 | 2 | **413** | 1 | 1 | 1 | **3** | 1 | – | 1 | **2** | 408 | 6 | 4 | **418** |
| **Subtotal** | **7,515** | **316** | **100** | **7,931** | **3,574** | **647** | **179** | **4,400** | **564** | **97** | **54** | **715** | **11,653** | **1,060** | **333** | **13,046** |
| 101% to 120% | 8 | – | – | **8** | – | – | 1 | **1** | 2 | – | – | **2** | 10 | – | 1 | **11** |
| 121% to 150% | 1 | – | 1 | **2** | – | – | – | **–** | – | – | – | **–** | 1 | – | 1 | **2** |
| Greater than 150% | – | – | – | **–** | – | – | – | **–** | – | – | 1 | **1** | – | – | 1 | **1** |
| **Subtotal** | **9** | **–** | **1** | **10** | **–** | **–** | **1** | **1** | **2** | **–** | **1** | **3** | **11** | **–** | **3** | **14** |
| **Total** | **7,524** | **316** | **101** | **7,941** | **3,574** | **647** | **180** | **4,401** | **566** | **97** | **55** | **718** | **11,664** | **1,060** | **336** | **13,060** |
| | | | | | | | | | | | | | | | | |
| **Weighted average LTV** | | | | | | | | | | | | | | | | |
| Stock of Retail UK mortgages at year end | | | | 62% | | | | 51% | | | | 46% | | | | 57% |
| New Retail UK mortgages during the year | | | | 75% | | | | 60% | | | | 52% | | | | 73% |

The following disclosures provide quantitative information about credit risk within financial instruments held by the Group. Details of the credit risk methodologies are set out on pages 320 to 325.

# 25 Financial risk management *(continued)*

The table below illustrates the relationship between the Group's internal credit risk rating grades as used for credit risk management purposes and PD percentages, and further illustrates the indicative relationship with credit risk ratings used by external rating agencies.

Internal credit risk ratings

| PD Grade | PD % | Indicative S&P type external ratings |
|---|---|---|
| 1-4 | 0% ≤ PD < 0.26% | AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB |
| 5-7 | 0.26% ≤ PD < 1.45% | BBB-, BB+, BB, BB- |
| 8-9 | 1.45% ≤ PD < 3.60% | B+ |
| 10-11 | 3.60% ≤ PD < 100% | B, Below B |
| 12 (credit-impaired) | 100% | n/a |

## Financial assets

### Composition and risk profile

The tables below summarise the composition and risk profile of the Group's financial assets subject to impairment and the impairment loss allowances on these financial assets. The tables exclude loan commitments, guarantees and letters of credit of €18,316 million at 31 December 2024 (2023: €18,823 million), (Bank 2024: €15,553 million, 2023: €16,146 million) that are subject to impairment (note 41).

Loans and advances to customers excludes €185 million (2023: €205 million) of loans mandatorily at FVTPL at 31 December 2024 which are not subject to impairment under IFRS 9 and are therefore excluded from impairment related tables.

At 31 December 2024, POCI assets of €133 million (2023: €143 million) included €55 million of assets (2023: €25 million) which, while credit-impaired upon purchase or origination were no longer credit-impaired at the reporting date due to improvements in credit risk. These assets will remain classified as POCI until derecognition.

At 31 December 2024, other financial assets (before impairment loss allowance) includes: cash and balances at central banks of €32,441 million (2023: €31,848 million) and items in the course of collection from other banks of €114 million (2023: €126 million).

| Group<br>2024<br>Financial assets exposure by stage (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Loans and advances to customers | 70,953 | 10,540 | 1,755 | 133 | 83,381 |
| Loans and advances to banks | 1,683 | – | – | – | 1,683 |
| Debt securities | 6,388 | – | – | – | 6,388 |
| Other financial assets | 32,555 | – | – | – | 32,555 |
| **Total financial assets measured at amortised cost** | **111,579** | **10,540** | **1,755** | **133** | **124,007** |
| Debt instruments at FVOCI | 3,384 | – | – | – | 3,384 |
| **Total** | **114,963** | **10,540** | **1,755** | **133** | **127,391** |

| Group<br>2024<br>Impairment loss allowance on financial assets | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Loans and advances to customers | 168 | 355 | 514 | (9) | 1,028 |
| Loans and advances to banks | – | – | – | – | – |
| Debt securities | 1 | – | – | – | 1 |
| Other financial assets | 5 | – | – | – | 5 |
| **Total financial assets measured at amortised cost** | **174** | **355** | **514** | **(9)** | **1,034** |
| Debt instruments at FVOCI | 1 | – | – | – | 1 |
| **Total** | **175** | **355** | **514** | **(9)** | **1,035** |

# 25 Financial risk management *(continued)*

| Group<br>2023<br>Financial assets exposure by stage<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Loans and advances to customers | 65,729 | 12,525 | 2,349 | 143 | 80,746 |
| Loans and advances to banks | 1,808 | – | – | – | 1,808 |
| Debt securities | 5,715 | 1 | – | – | 5,716 |
| Other financial assets | 31,974 | – | – | – | 31,974 |
| **Total financial assets measured at amortised cost** | **105,226** | **12,526** | **2,349** | **143** | **120,244** |
| Debt instruments at FVOCI | 3,968 | – | – | – | 3,968 |
| **Total** | **109,194** | **12,526** | **2,349** | **143** | **124,212** |

| Group<br>2023<br>Impairment loss allowance on financial assets | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Loans and advances to customers | 180 | 421 | 612 | 9 | 1,222 |
| Loans and advances to banks | 1 | – | – | – | 1 |
| Debt securities | 1 | – | – | – | 1 |
| Other financial assets | 5 | – | – | – | 5 |
| **Total financial assets measured at amortised cost** | **187** | **421** | **612** | **9** | **1,229** |
| Debt instruments at FVOCI | 1 | – | – | – | 1 |
| **Total** | **188** | **421** | **612** | **9** | **1,230** |

In the following tables for Bank, loans and advances to customers excludes €160 million (2023: €160 million) of loans mandatorily measured at FVTPL at 31 December 2024 which are not subject to impairment under IFRS 9 and are therefore excluded from impairment related tables. (note 24).

At 31 December 2024, Bank POCI assets of €133 million (2023: €143 million) included €55 million (2023: €25 million) of assets, which while credit-impaired upon purchase or origination were no longer credit-impaired at the reporting date due to improvements in credit risk. These assets will remain classified as POCI until derecognition.

At 31 December 2024, the Bank's other financial assets includes: cash and balances at central banks of €29,946 million (2023: €29,302 million) and items in the course of collection from other banks of €33 million (2023: €44 million).

| Bank<br>2024<br>Financial assets exposure by stage<br>(before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Loans and advances to customers | 39,592 | 8,587 | 1,234 | 133 | 49,546 |
| Loans and advances to banks | 19,401 | – | – | – | 19,401 |
| Debt securities | 6,764 | – | – | – | 6,764 |
| Other financial assets | 29,979 | – | – | – | 29,979 |
| **Total financial assets measured at amortised cost** | **95,736** | **8,587** | **1,234** | **133** | **105,690** |
| Debt instruments at FVOCI | 3,384 | – | – | – | 3,384 |
| **Total** | **99,120** | **8,587** | **1,234** | **133** | **109,074** |

# 25 Financial risk management *(continued)*

| Bank<br>2024<br>Impairment loss allowance on financial assets | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Loans and advances to customers | 139 | 309 | 417 | (9) | 856 |
| Loans and advances to banks | 5 | – | – | – | 5 |
| Debt securities | 1 | – | – | – | 1 |
| Other financial assets | 5 | – | – | – | 5 |
| **Total financial assets measured at amortised cost** | **150** | **309** | **417** | **(9)** | **867** |
| Debt instruments at FVOCI | 1 | – | – | – | 1 |
| **Total** | **151** | **309** | **417** | **(9)** | **868** |

| Bank<br>2023<br>Financial assets exposure by stage (before impairment loss allowance) | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Loans and advances to customers | 36,629 | 9,169 | 1,803 | 143 | 47,744 |
| Loans and advances to banks | 16,396 | – | – | – | 16,396 |
| Debt securities | 7,349 | – | – | – | 7,349 |
| Other financial assets | 29,346 | – | – | – | 29,346 |
| **Total financial assets measured at amortised cost** | **89,720** | **9,169** | **1,803** | **143** | **100,835** |
| Debt instruments at FVOCI | 3,968 | – | – | – | 3,968 |
| **Total** | **93,688** | **9,169** | **1,803** | **143** | **104,803** |

| Bank<br>2023<br>Impairment loss allowance on financial assets | Stage 1 - 12 month ECL (not credit-impaired) €m | Stage 2 - Lifetime ECL (not credit-impaired) €m | Stage 3 - Lifetime ECL (credit-impaired) €m | Purchased / originated credit-impaired €m | Total €m |
|---|---|---|---|---|---|
| **Financial assets measured at amortised cost** | | | | | |
| Loans and advances to customers | 125 | 323 | 497 | 9 | 954 |
| Loans and advances to banks | 6 | – | – | – | 6 |
| Debt securities | 2 | – | – | – | 2 |
| Other financial assets | 5 | – | – | – | 5 |
| **Total financial assets measured at amortised cost** | **138** | **323** | **497** | **9** | **967** |
| Debt instruments at FVOCI | 1 | – | – | – | 1 |
| **Total** | **139** | **323** | **497** | **9** | **968** |

# 25 Financial risk management *(continued)*

### Loans and advances to customers at amortised cost

#### Composition and risk profile

The table below summarises the composition and risk profile of the Group's loans and advances to customers at amortised cost, including POCI assets of €133 million (2023: €143 million). Credit-impaired includes Stage 3 and POCI assets of €78 million (2023: €118 million). €55 million of POCI assets (2023: €25 million) were no longer credit-impaired at the reporting date due to improvement in credit risk since purchase or origination. These loans will remain classified as POCI loans until derecognition.

| Group<br>Loans and advances to customers<br>Composition and risk profile (before impairment loss allowance) | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Not credit-impaired €m | Credit-impaired €m | Total €m | Total % | Not credit-impaired €m | Credit-impaired €m | Total €m | Total % |
| Residential mortgages | 49,578 | 748 | 50,326 | 60% | 46,360 | 770 | 47,130 | 58% |
| *Retail Ireland* | *33,831* | *394* | *34,225* | *41%* | *31,719* | *383* | *32,102* | *40%* |
| *Retail UK* | *15,747* | *354* | *16,101* | *19%* | *14,641* | *387* | *15,028* | *18%* |
| Non-property SME and corporate | 19,726 | 632 | 20,358 | 25% | 19,369 | 1,080 | 20,449 | 26% |
| *Republic of Ireland SME* | *7,013* | *236* | *7,249* | *9%* | *6,811* | *342* | *7,153* | *9%* |
| *UK SME* | *1,453* | *78* | *1,531* | *2%* | *1,467* | *80* | *1,547* | *2%* |
| *Corporate* | *11,260* | *318* | *11,578* | *14%* | *11,091* | *658* | *11,749* | *15%* |
| Property and construction | 7,179 | 269 | 7,448 | 9% | 6,854 | 369 | 7,223 | 9% |
| *Investment* | *6,613* | *227* | *6,840* | *8%* | *6,363* | *320* | *6,683* | *9%* |
| *Development* | *566* | *42* | *608* | *1%* | *491* | *49* | *540* | – |
| Consumer | 5,010 | 106 | 5,116 | 6% | 5,671 | 130 | 5,801 | 7% |
| **Total** | **81,493** | **1,755** | **83,248** | **100%** | **78,254** | **2,349** | **80,603** | **100%** |
| Purchased / originated credit-impaired | 55 | 78 | 133 | – | 25 | 118 | 143 | – |
| **Total** | **81,548** | **1,833** | **83,381** | **100%** | **78,279** | **2,467** | **80,746** | **100%** |
| **ILA on loans and advances to customers (including POCIs)** | **513** | **515** | **1,028** | **1.2%** | **598** | **624** | **1,222** | **1.5%** |

The table below summarises the composition and risk profile of the Bank's loans and advances to customers at amortised cost, including POCI assets of €133 million (2023: €143 million). Credit-impaired includes Stage 3 and POCI assets of €78 million (2023: €118 million). €55 million (2023: €25 million) were no longer credit-impaired at the reporting date due to improvement in credit risk since purchase or origination. These loans will remain classified as POCI loans until derecognition.

| Bank<br>Loans and advances to customers<br>Composition and risk profile (before impairment loss allowance) | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Not credit-impaired €m | Credit-impaired €m | Total €m | Total % | Not credit-impaired €m | Credit-impaired €m | Total €m | Total % |
| Residential mortgages | 18,212 | 371 | 18,583 | 38% | 17,824 | 373 | 18,197 | 38% |
| *Retail Ireland* | *15,132* | *204* | *15,336* | *31%* | *14,297* | *188* | *14,485* | *30%* |
| *Retail UK* | *3,080* | *167* | *3,247* | *7%* | *3,527* | *185* | *3,712* | *8%* |
| Non-property SME and corporate | 20,572 | 543 | 21,115 | 43% | 19,050 | 990 | 20,040 | 42% |
| *Republic of Ireland SME* | *9,318* | *236* | *9,554* | *19%* | *7,923* | *342* | *8,265* | *17%* |
| *UK SME* | *2* | – | *2* | – | *52* | – | *52* | – |
| *Corporate* | *11,252* | *307* | *11,559* | *24%* | *11,075* | *648* | *11,723* | *25%* |
| Property and construction | 6,939 | 264 | 7,203 | 14% | 6,611 | 363 | 6,974 | 15% |
| *Investment* | *6,400* | *225* | *6,625* | *13%* | *6,145* | *315* | *6,460* | *14%* |
| *Development* | *539* | *39* | *578* | *1%* | *466* | *48* | *514* | *1%* |
| Consumer | 2,456 | 56 | 2,512 | 5% | 2,313 | 77 | 2,390 | 5% |
| **Total** | **48,179** | **1,234** | **49,413** | **100%** | **45,798** | **1,803** | **47,601** | **100%** |
| Purchased / originated credit-impaired | 55 | 78 | 133 | – | 25 | 118 | 143 | – |
| **Total** | **48,234** | **1,312** | **49,546** | **100%** | **45,823** | **1,921** | **47,744** | **100%** |
| **ILA on loans and advances to customers (including POCIs)** | **438** | **418** | **856** | **1.7%** | **445** | **509** | **954** | **2.0%** |

# 25 Financial risk management *(continued)*

### Asset quality - not credit-impaired

The tables below summarise the composition and impairment loss allowance of the Group's loans and advances to customers at amortised cost that are not credit-impaired. Excluded from the tables below are POCI assets of €55 million (2023: €25 million) which were no longer credit-impaired at the reporting date due to improvement in credit risk since purchase or origination. These assets will remain classified as POCI until derecognition.

| Group 2024 Not credit-impaired loans and advances to customers Composition and impairment loss allowance | Stage 1 | | | | Stage 2 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 Loans €m | Loans as % of advances[1] % | Stage 1 ILA €m | ILA % of Stage 1 loans % | Stage 2 Loans €m | Loans as % of advances[1] % | Stage 2 ILA €m | ILA % of Stage 2 loans % |
| Residential mortgages | 47,169 | 93.7% | 32 | 0.07% | 2,409 | 4.8% | 47 | 1.95% |
| *Retail Ireland* | *32,501* | *94.9%* | *21* | *0.06%* | *1,330* | *3.9%* | *29* | *2.18%* |
| *Retail UK* | *14,668* | *91.1%* | *11* | *0.07%* | *1,079* | *6.7%* | *18* | *1.67%* |
| Non-property SME and corporate | 14,644 | 71.9% | 78 | 0.53% | 5,082 | 25.0% | 180 | 3.54% |
| *Republic of Ireland SME* | *5,475* | *75.5%* | *48* | *0.88%* | *1,538* | *21.2%* | *69* | *4.49%* |
| *UK SME* | *1,243* | *81.2%* | *5* | *0.40%* | *210* | *13.7%* | *10* | *4.76%* |
| *Corporate* | *7,926* | *68.5%* | *25* | *0.32%* | *3,334* | *28.8%* | *101* | *3.03%* |
| Property and construction | 4,442 | 59.7% | 24 | 0.54% | 2,737 | 36.7% | 103 | 3.76% |
| *Investment* | *4,108* | *60.1%* | *20* | *0.49%* | *2,505* | *36.6%* | *97* | *3.87%* |
| *Development* | *334* | *54.9%* | *4* | *1.20%* | *232* | *38.2%* | *6* | *2.59%* |
| Consumer | 4,698 | 91.8% | 34 | 0.72% | 312 | 6.1% | 25 | 8.01% |
| **Total** | **70,953** | **85.2%** | **168** | **0.24%** | **10,540** | **12.7%** | **355** | **3.37%** |

| Group 2023 Not credit-impaired loans and advances to customers Composition and impairment loss allowance | Stage 1 | | | | Stage 2 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 Loans €m | Loans as % of advances[1] % | Stage 1 ILA €m | ILA % of Stage 1 loans % | Stage 2 Loans €m | Loans as % of advances[1] % | Stage 2 ILA €m | ILA % of Stage 2 loans % |
| Residential mortgages | 42,786 | 90.8% | 40 | 0.09% | 3,574 | 7.6% | 56 | 1.57% |
| *Retail Ireland* | *29,365* | *91.5%* | *28* | *0.10%* | *2,354* | *7.3%* | *32* | *1.36%* |
| *Retail UK* | *13,421* | *89.3%* | *12* | *0.09%* | *1,220* | *8.1%* | *24* | *1.97%* |
| Non-property SME and corporate | 14,737 | 72.0% | 65 | 0.44% | 4,632 | 22.7% | 154 | 3.32% |
| *Republic of Ireland SME* | *5,667* | *79.2%* | *36* | *0.64%* | *1,144* | *16.0%* | *45* | *3.93%* |
| *UK SME* | *1,154* | *74.6%* | *5* | *0.43%* | *313* | *20.2%* | *22* | *7.03%* |
| *Corporate* | *7,916* | *67.4%* | *24* | *0.30%* | *3,175* | *27.0%* | *87* | *2.74%* |
| Property and construction | 3,336 | 46.2% | 25 | 0.75% | 3,518 | 48.7% | 144 | 4.09% |
| *Investment* | *2,934* | *43.9%* | *22* | *0.75%* | *3,429* | *51.3%* | *141* | *4.11%* |
| *Development* | *402* | *74.4%* | *3* | *0.75%* | *89* | *16.5%* | *3* | *3.37%* |
| Consumer | 4,870 | 84.0% | 50 | 1.03% | 801 | 13.8% | 67 | 8.36% |
| **Total** | **65,729** | **81.4%** | **180** | **0.27%** | **12,525** | **15.5%** | **421** | **3.36%** |

[1] *'Advances' refers to the portfolio loan balance (pre-impairment loss allowance) excluding POCI assets.*

# 25 Financial risk management *(continued)*

The tables below summarise the composition and impairment loss allowance of the Bank's loans and advances to customers at amortised cost that are not credit-impaired. Excluded from the tables are POCI assets of €55 million (2023: €25 million) of which were no longer credit-impaired at the reporting date due to improvement in credit risk since purchase or origination. These assets will remain classified as POCI until derecognition.

| Bank 2024 Not credit-impaired loans and advances to customers Composition and impairment loss allowance | Stage 1 | | | | Stage 2 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 Loans €m | Loans as % of advances[1] % | Stage 1 ILA €m | ILA % of Stage 1 loans % | Stage 2 Loans €m | Loans as % of advances[1] % | Stage 2 ILA €m | ILA % of Stage 2 loans % |
| Residential mortgages | 17,352 | 93.4% | 16 | 0.09% | 860 | 4.6% | 21 | 2.44% |
| *Retail Ireland* | *14,662* | *95.6%* | *13* | *0.09%* | *470* | *3.1%* | *12* | *2.55%* |
| *Retail UK* | *2,690* | *82.8%* | *3* | *0.11%* | *390* | *12.0%* | *9* | *2.31%* |
| Non-property SME and corporate | 15,706 | 74.4% | 72 | 0.46% | 4,866 | 23.0% | 170 | 3.49% |
| *Republic of Ireland SME* | *7,780* | *81.4%* | *47* | *0.60%* | *1,538* | *16.1%* | *69* | *4.49%* |
| *UK SME* | *2* | *100.0%* | *–* | *–* | *–* | *–* | *–* | *–* |
| *Corporate* | *7,924* | *68.6%* | *25* | *0.32%* | *3,328* | *28.8%* | *101* | *3.03%* |
| Property and construction | 4,289 | 59.5% | 22 | 0.51% | 2,650 | 36.8% | 98 | 3.70% |
| *Investment* | *3,973* | *60.0%* | *18* | *0.45%* | *2,427* | *36.6%* | *92* | *3.79%* |
| *Development* | *316* | *54.7%* | *4* | *1.27%* | *223* | *38.6%* | *6* | *2.69%* |
| Consumer | 2,245 | 89.4% | 29 | 1.29% | 211 | 8.4% | 20 | 9.48% |
| **Total** | **39,592** | **80.1%** | **139** | **0.35%** | **8,587** | **17.4%** | **309** | **3.60%** |

| Bank 2023 Not credit-impaired loans and advances to customers Composition and impairment loss allowance | Stage 1 | | | | Stage 2 | | | |
|---|---|---|---|---|---|---|---|---|
| | Stage 1 Loans €m | Loans as % of advances[1] % | Stage 1 ILA €m | ILA % of Stage 1 loans % | Stage 2 Loans €m | Loans as % of advances[1] % | Stage 2 ILA €m | ILA % of Stage 2 loans % |
| Residential mortgages | 16,548 | 91.0% | 24 | 0.15% | 1,276 | 7.0% | 25 | 1.96% |
| *Retail Ireland* | *13,560* | *93.6%* | *20* | *0.15%* | *737* | *5.1%* | *11* | *1.49%* |
| *Retail UK* | *2,988* | *80.5%* | *4* | *0.13%* | *539* | *14.5%* | *14* | *2.60%* |
| Non-property SME and corporate | 14,691 | 73.3% | 60 | 0.41% | 4,359 | 21.8% | 141 | 3.23% |
| *Republic of Ireland SME* | *6,779* | *82.1%* | *36* | *0.53%* | *1,144* | *13.8%* | *45* | *3.93%* |
| *UK SME* | *1* | *1.9%* | *–* | *–* | *51* | *98.1%* | *9* | *17.65%* |
| *Corporate* | *7,911* | *67.5%* | *24* | *0.30%* | *3,164* | *27.0%* | *87* | *2.75%* |
| Property and construction | 3,235 | 46.4% | 23 | 0.71% | 3,376 | 48.4% | 138 | 4.09% |
| *Investment* | *2,848* | *44.1%* | *21* | *0.74%* | *3,297* | *51.0%* | *136* | *4.12%* |
| *Development* | *387* | *75.3%* | *2* | *0.52%* | *79* | *15.4%* | *2* | *2.53%* |
| Consumer | 2,155 | 90.2% | 18 | 0.84% | 158 | 6.6% | 19 | 12.03% |
| **Total** | **36,629** | **76.8%** | **125** | **0.34%** | **9,169** | **19.2%** | **323** | **3.52%** |

[1] *'Advances' refers to the portfolio loan balance (pre-impairment loss allowance) excluding POCI assets.*

# 25 Financial risk management *(continued)*

### Asset quality - credit-impaired

Credit-impaired loans include loans where the borrower is considered unlikely to pay in full without recourse by the Group to actions such as realising security, and loans where the borrower is greater than 90 days past due and the arrears amount is material. All credit-impaired loans and advances to customers are risk rated PD grade 12.

The tables below summarise the composition and impairment loss allowance of the Group and Bank credit-impaired loans and advances to customers at amortised cost. Credit-impaired includes Stage 3 and POCI assets of €78 million (2023: €118 million). €55 million of POCI assets (2023: €25 million) were no longer credit-impaired at the reporting date due to improvement in credit risk since purchase or origination. These loans will remain classified as POCI loans until derecognition.

| Group<br>Credit-impaired (CI) loans and advances to customers<br>Composition and impairment loss allowance (ILA) | 2024<br>Credit-impaired (CI) loans €m | 2024<br>CI loans as % of advances[1] % | 2024<br>CI Impairment loss allowance €m | 2024<br>ILA as % of CI loans % | 2023<br>Credit-impaired (CI) loans €m | 2023<br>CI loans as % of advances[1] % | 2023<br>CI Impairment loss allowance €m | 2023<br>ILA as % of CI loans % |
|---|---|---|---|---|---|---|---|---|
| Residential mortgages | 748 | 1.5% | 120 | 16% | 770 | 1.6% | 141 | 18% |
| *Retail Ireland* | *394* | *1.2%* | *75* | *19%* | *383* | *1.2%* | *89* | *23%* |
| *Retail UK* | *354* | *2.2%* | *45* | *13%* | *387* | *2.6%* | *52* | *13%* |
| Non-property SME and corporate | 632 | 3.1% | 257 | 41% | 1,080 | 5.3% | 330 | 31% |
| *Republic of Ireland SME* | *236* | *3.3%* | *94* | *40%* | *342* | *4.8%* | *161* | *47%* |
| *UK SME* | *78* | *5.1%* | *17* | *22%* | *80* | *5.2%* | *22* | *28%* |
| *Corporate* | *318* | *2.7%* | *146* | *46%* | *658* | *5.6%* | *147* | *22%* |
| Property and construction | 269 | 3.6% | 88 | 33% | 369 | 5.1% | 80 | 22% |
| *Investment* | *227* | *3.3%* | *75* | *33%* | *320* | *4.8%* | *69* | *22%* |
| *Development* | *42* | *6.9%* | *13* | *31%* | *49* | *9.1%* | *11* | *22%* |
| Consumer | 106 | 2.1% | 49 | 46% | 130 | 2.2% | 61 | 47% |
| **Total credit-impaired** | **1,755** | **2.1%** | **514** | **29%** | **2,349** | **2.9%** | **612** | **26%** |
| Purchased / originated credit-impaired | 78 | 58.6% | 1 | 1% | 118 | 82.5% | 12 | 10% |
| **Total credit-impaired including POCIs** | **1,833** | **2.2%** | **515** | **28%** | **2,467** | **3.1%** | **624** | **25%** |

| Bank<br>Credit-impaired (CI) loans and advances to customers<br>Composition and impairment loss allowance (ILA) | 2024<br>Credit-impaired (CI) loans €m | 2024<br>CI loans as % of advances[1] % | 2024<br>CI Impairment loss allowance €m | 2024<br>ILA as % of CI loans % | 2023<br>Credit-impaired (CI) loans €m | 2023<br>CI loans as % of advances[1] % | 2023<br>CI Impairment loss allowance €m | 2023<br>ILA as % of CI loans % |
|---|---|---|---|---|---|---|---|---|
| Residential mortgages | 371 | 2.0% | 59 | 16% | 373 | 2.0% | 63 | 17% |
| *Retail Ireland* | *204* | *1.3%* | *36* | *18%* | *188* | *1.3%* | *36* | *19%* |
| *Retail UK* | *167* | *5.2%* | *23* | *14%* | *185* | *5.0%* | *27* | *15%* |
| Non-property SME and corporate | 543 | 2.6% | 239 | 44% | 990 | 4.9% | 307 | 31% |
| *Republic of Ireland SME* | *236* | *2.5%* | *94* | *40%* | *342* | *4.1%* | *161* | *47%* |
| *UK SME* | – | – | – | – | – | – | – | – |
| *Corporate* | *307* | *2.6%* | *145* | *47%* | *648* | *5.5%* | *146* | *23%* |
| Property and construction | 264 | 3.7% | 87 | 33% | 363 | 5.2% | 80 | 22% |
| *Investment* | *225* | *3.4%* | *74* | *33%* | *315* | *4.9%* | *69* | *22%* |
| *Development* | *39* | *6.7%* | *13* | *33%* | *48* | *9.3%* | *11* | *23%* |
| Consumer | 56 | 2.2% | 32 | 57% | 77 | 3.2% | 47 | 61% |
| **Total credit-impaired** | **1,234** | **2.5%** | **417** | **34%** | **1,803** | **3.8%** | **497** | **28%** |
| Purchased / originated credit-impaired | 78 | 58.6% | 1 | 1% | 118 | 82.5% | 12 | 10% |
| **Total** | **1,312** | **2.6%** | **418** | **32%** | **1,921** | **4.0%** | **509** | **26%** |

[1] *'Advances' refers to the portfolio loan balance (pre-impairment loss allowance) excluding POCI assets.*

# 25 Financial risk management *(continued)*

### Asset quality - PD Grade of loans and advances to customers

The table below provides analysis of the asset quality of loans and advances to customers at amortised cost based on mapping the IFRS 9 twelve month PD of each loan to a PD grade based on the table provided on page 335. Credit-impaired includes Stage 3 and POCI assets of €78 million (2023: €118 million). Not credit-impaired includes Stage 1 & 2 and POCI assets of €55 million (2023: €25 million), which were no longer credit-impaired at the reporting date due to improvement in credit risk since purchase or origination. These assets will remain classified as POCI until derecognition.

| Group<br>2024<br>Loans and advances to customers<br>Asset quality - PD grade | Residential mortgages | | Non-property SME and corporate | | Property and construction | | Consumer | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | €m | % | €m | % | €m | % | €m | % | €m | % |
| **Stage 1** | | | | | | | | | | |
| 1-4 | 12,686 | 25% | 1,438 | 7% | 34 | – | 7 | – | 14,165 | 17% |
| 5-7 | 31,340 | 62% | 6,727 | 32% | 2,168 | 29% | 2,786 | 55% | 43,021 | 51% |
| 8-9 | 1,809 | 4% | 5,284 | 26% | 2,130 | 29% | 1,585 | 31% | 10,808 | 13% |
| 10-11 | 1,334 | 3% | 1,195 | 6% | 110 | 1% | 320 | 6% | 2,959 | 4% |
| **Total Stage 1** | **47,169** | **94%** | **14,644** | **71%** | **4,442** | **59%** | **4,698** | **92%** | **70,953** | **85%** |
| **Stage 2** | | | | | | | | | | |
| 1-4 | 101 | – | 112 | 1% | – | – | – | – | 213 | – |
| 5-7 | 1,074 | 2% | 1,370 | 7% | 664 | 9% | 5 | – | 3,113 | 4% |
| 8-9 | 376 | 1% | 2,013 | 10% | 1,285 | 17% | 90 | 2% | 3,764 | 5% |
| 10-11 | 858 | 2% | 1,587 | 8% | 788 | 11% | 217 | 4% | 3,450 | 4% |
| **Total Stage 2** | **2,409** | **5%** | **5,082** | **26%** | **2,737** | **37%** | **312** | **6%** | **10,540** | **13%** |
| **Not credit-impaired** | | | | | | | | | | |
| 1-4 | 12,787 | 25% | 1,550 | 8% | 34 | – | 7 | – | 14,378 | 17% |
| 5-7 | 32,414 | 64% | 8,097 | 39% | 2,832 | 38% | 2,791 | 55% | 46,134 | 55% |
| 8-9 | 2,185 | 5% | 7,297 | 36% | 3,415 | 46% | 1,675 | 33% | 14,572 | 18% |
| 10-11 | 2,192 | 5% | 2,782 | 14% | 898 | 12% | 537 | 10% | 6,409 | 8% |
| Purchased / originated not credit-impaired | 55 | – | – | – | – | – | – | – | 55 | – |
| **Total not credit-impaired** | **49,633** | **99%** | **19,726** | **97%** | **7,179** | **96%** | **5,010** | **98%** | **81,548** | **98%** |
| **Credit-impaired** | | | | | | | | | | |
| 12 | 748 | 1% | 632 | 3% | 269 | 4% | 106 | 2% | 1,755 | 2% |
| Purchased / originated credit-impaired | 78 | – | – | – | – | – | – | – | 78 | – |
| **Total credit-impaired** | **826** | **1%** | **632** | **3%** | **269** | **4%** | **106** | **2%** | **1,833** | **2%** |
| **Total** | **50,459** | **100%** | **20,358** | **100%** | **7,448** | **100%** | **5,116** | **100%** | **83,381** | **100%** |

# 25 Financial risk management *(continued)*

| Group<br>2023<br>Loans and advances to customers<br>Asset quality - PD grade | Residential mortgages | | Non-property SME and corporate | | Property and construction | | Consumer | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | €m | % | €m | % | €m | % | €m | % | €m | % |
| **Stage 1** | | | | | | | | | | |
| 1-4 | 9,522 | 20% | 2,691 | 13% | 147 | 2% | 21 | – | 12,381 | 15% |
| 5-7 | 28,645 | 61% | 5,383 | 26% | 1,571 | 22% | 2,496 | 43% | 38,095 | 47% |
| 8-9 | 3,403 | 7% | 5,822 | 29% | 1,396 | 19% | 1,263 | 22% | 11,884 | 15% |
| 10-11 | 1,216 | 3% | 841 | 4% | 222 | 3% | 1,090 | 19% | 3,369 | 4% |
| **Total Stage 1** | **42,786** | **91%** | **14,737** | **72%** | **3,336** | **46%** | **4,870** | **84%** | **65,729** | **81%** |
| **Stage 2** | | | | | | | | | | |
| 1-4 | 540 | 1% | 272 | 1% | – | – | – | – | 812 | 1% |
| 5-7 | 1,703 | 4% | 1,549 | 8% | 556 | 8% | 339 | 6% | 4,147 | 5% |
| 8-9 | 472 | 1% | 1,031 | 5% | 1,265 | 18% | 64 | 1% | 2,832 | 4% |
| 10-11 | 859 | 2% | 1,780 | 9% | 1,697 | 23% | 398 | 7% | 4,734 | 6% |
| **Total Stage 2** | **3,574** | **8%** | **4,632** | **23%** | **3,518** | **49%** | **801** | **14%** | **12,525** | **16%** |
| **Not credit-impaired** | | | | | | | | | | |
| 1-4 | 10,062 | 21% | 2,963 | 14% | 147 | 2% | 21 | – | 13,193 | 16% |
| 5-7 | 30,348 | 65% | 6,932 | 34% | 2,127 | 30% | 2,835 | 49% | 42,242 | 52% |
| 8-9 | 3,875 | 8% | 6,853 | 34% | 2,661 | 37% | 1,327 | 23% | 14,716 | 19% |
| 10-11 | 2,075 | 5% | 2,621 | 13% | 1,919 | 26% | 1,488 | 26% | 8,103 | 10% |
| Purchased / originated not credit-impaired | 25 | – | – | – | – | – | – | – | 25 | – |
| **Total not credit-impaired** | **46,385** | **99%** | **19,369** | **95%** | **6,854** | **95%** | **5,671** | **98%** | **78,279** | **97%** |
| **Credit-impaired** | | | | | | | | | | |
| 12 | 770 | 1% | 1,080 | 5% | 369 | 5% | 130 | 2% | 2,349 | 3% |
| Purchased / originated credit-impaired | 117 | – | 1 | – | – | – | – | – | 118 | – |
| **Total credit-impaired** | **887** | **1%** | **1,081** | **5%** | **369** | **5%** | **130** | **2%** | **2,467** | **3%** |
| **Total** | **47,272** | **100%** | **20,450** | **100%** | **7,223** | **100%** | **5,801** | **100%** | **80,746** | **100%** |

# 25 Financial risk management *(continued)*

| Bank<br>2024<br>Loans and advances to customers<br>Asset quality - PD grade | Residential mortgages | | Non-property SME and corporate | | Property and construction | | Consumer | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | €m | % | €m | % | €m | % | €m | % | €m | % |
| **Stage 1** | | | | | | | | | | |
| 1-4 | 3,542 | 19% | 3,625 | 17% | 34 | – | 7 | – | 7,208 | 15% |
| 5-7 | 12,013 | 64% | 6,422 | 31% | 2,094 | 30% | 497 | 20% | 21,026 | 42% |
| 8-9 | 876 | 5% | 4,466 | 21% | 2,063 | 29% | 1,421 | 56% | 8,826 | 18% |
| 10-11 | 921 | 5% | 1,193 | 6% | 98 | 1% | 320 | 13% | 2,532 | 5% |
| **Total Stage 1** | **17,352** | **93%** | **15,706** | **75%** | **4,289** | **60%** | **2,245** | **89%** | **39,592** | **80%** |
| **Stage 2** | | | | | | | | | | |
| 1-4 | 21 | – | 102 | – | – | – | – | – | 123 | – |
| 5-7 | 348 | 2% | 1,329 | 6% | 664 | 9% | 4 | – | 2,345 | 5% |
| 8-9 | 125 | 1% | 1,894 | 9% | 1,251 | 17% | 90 | 4% | 3,360 | 7% |
| 10-11 | 366 | 2% | 1,541 | 7% | 735 | 10% | 117 | 5% | 2,759 | 6% |
| **Total Stage 2** | **860** | **5%** | **4,866** | **22%** | **2,650** | **36%** | **211** | **9%** | **8,587** | **18%** |
| **Not credit-impaired** | | | | | | | | | | |
| 1-4 | 3,563 | 19% | 3,727 | 17% | 34 | – | 7 | – | 7,331 | 15% |
| 5-7 | 12,361 | 66% | 7,751 | 37% | 2,758 | 39% | 501 | 20% | 23,371 | 47% |
| 8-9 | 1,001 | 6% | 6,360 | 30% | 3,314 | 46% | 1,511 | 60% | 12,186 | 25% |
| 10-11 | 1,287 | 7% | 2,734 | 13% | 833 | 11% | 437 | 18% | 5,291 | 11% |
| Purchased / originated credit-impaired | 55 | – | – | – | – | – | – | – | 55 | – |
| **Total not credit-impaired** | **18,267** | **98%** | **20,572** | **97%** | **6,939** | **96%** | **2,456** | **98%** | **48,234** | **98%** |
| **Credit-impaired** | | | | | | | | | | |
| 12 | 371 | 2% | 543 | 3% | 264 | 4% | 56 | 2% | 1,234 | 2% |
| Purchased / originated credit-impaired | 78 | – | – | – | – | – | – | – | 78 | – |
| **Total-credit-impaired** | **449** | **2%** | **543** | **3%** | **264** | **4%** | **56** | **2%** | **1,312** | **2%** |
| **Total** | **18,716** | **100%** | **21,115** | **100%** | **7,203** | **100%** | **2,512** | **100%** | **49,546** | **100%** |

# 25 Financial risk management *(continued)*

| Bank<br>2023<br>Loans and advances to customers<br>Asset quality - PD grade | Residential mortgages | | Non-property SME and corporate | | Property and construction | | Consumer | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | €m | % | €m | % | €m | % | €m | % | €m | % |
| **Stage 1** | | | | | | | | | | |
| 1-4 | 1,934 | 11% | 3,711 | 18% | 147 | 2% | 21 | 1% | 5,813 | 12% |
| 5-7 | 12,109 | 66% | 4,960 | 25% | 1,567 | 23% | 817 | 34% | 19,453 | 41% |
| 8-9 | 1,685 | 9% | 5,193 | 26% | 1,320 | 19% | 1,194 | 50% | 9,392 | 20% |
| 10-11 | 820 | 4% | 827 | 4% | 201 | 3% | 123 | 5% | 1,971 | 4% |
| **Total Stage 1** | **16,548** | **90%** | **14,691** | **73%** | **3,235** | **47%** | **2,155** | **90%** | **36,629** | **77%** |
| **Stage 2** | | | | | | | | | | |
| 1-4 | 157 | 1% | 264 | 1% | – | – | – | – | 421 | 1% |
| 5-7 | 569 | 3% | 1,497 | 8% | 556 | 8% | 8 | – | 2,630 | 5% |
| 8-9 | 210 | 1% | 933 | 5% | 1,211 | 17% | 60 | 3% | 2,414 | 5% |
| 10-11 | 340 | 2% | 1,665 | 8% | 1,609 | 23% | 90 | 4% | 3,704 | 8% |
| **Total Stage 2** | **1,276** | **7%** | **4,359** | **22%** | **3,376** | **48%** | **158** | **7%** | **9,169** | **19%** |
| **Not credit-impaired** | | | | | | | | | | |
| 1-4 | 2,091 | 12% | 3,975 | 19% | 147 | 2% | 21 | 1% | 6,234 | 13% |
| 5-7 | 12,678 | 69% | 6,457 | 33% | 2,123 | 31% | 825 | 34% | 22,083 | 46% |
| 8-9 | 1,895 | 10% | 6,126 | 31% | 2,531 | 36% | 1,254 | 53% | 11,806 | 25% |
| 10-11 | 1,160 | 6% | 2,492 | 12% | 1,810 | 26% | 213 | 9% | 5,675 | 12% |
| Purchased / originated credit-impaired | 25 | – | – | – | – | – | – | – | 25 | – |
| **Total not credit-impaired** | **17,849** | **97%** | **19,050** | **95%** | **6,611** | **95%** | **2,313** | **97%** | **45,823** | **96%** |
| **Credit-impaired** | | | | | | | | | | |
| 12 | 373 | 2% | 990 | 5% | 363 | 5% | 77 | 3% | 1,803 | 4% |
| Purchased / originated credit-impaired | 117 | 1% | 1 | – | – | – | – | – | 118 | – |
| **Total-credit-impaired** | **490** | **3%** | **991** | **5%** | **363** | **5%** | **77** | **3%** | **1,921** | **4%** |
| **Total** | **18,339** | **100%** | **20,041** | **100%** | **6,974** | **100%** | **2,390** | **100%** | **47,744** | **100%** |

# 25 Financial risk management *(continued)*

## Loans and advances to customers - other credit risk information

### Segmental analysis *(Group only)*

The tables below provide an analysis of the risk profile of loans and advances to customers at amortised cost by division. Credit-impaired loans include Stage 3 and POCI assets which remain credit-impaired at the reporting period. Not credit-impaired figures include forborne loans that had yet to satisfy exit criteria in line with EBA guidance to return to performing.

| Group<br>2024<br>Risk profile of loans and advances to customers (before impairment loss allowance) | Retail Ireland €m | Retail UK €m | Corporate and Commercial €m | Total Group €m |
|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 33,898 | 18,531 | 18,524 | 70,953 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 1,538 | 1,510 | 7,492 | 10,540 |
| Stage 3 - Lifetime ECL (credit-impaired) | 440 | 488 | 827 | 1,755 |
| Purchased / originated credit-impaired | 133 | – | – | 133 |
| **Gross carrying amount at 31 December 2024** | **36,009** | **20,529** | **26,843** | **83,381** |

| Group<br>2023<br>Risk profile of loans and advances to customers (before impairment loss allowance) | Retail Ireland €m | Retail UK €m | Corporate and Commercial €m | Total Group €m |
|---|---|---|---|---|
| Stage 1 - 12 month ECL (not credit-impaired) | 30,723 | 17,402 | 17,604 | 65,729 |
| Stage 2 - Lifetime ECL (not credit-impaired) | 2,509 | 2,361 | 7,655 | 12,525 |
| Stage 3 - Lifetime ECL (credit-impaired) | 448 | 526 | 1,375 | 2,349 |
| Purchased / originated credit-impaired | 143 | – | – | 143 |
| **Gross carrying amount at 31 December 2023** | **33,823** | **20,289** | **26,634** | **80,746** |

# 25 Financial risk management *(continued)*

### Geographical and industry analysis of loans and advances to customers

The following tables provide a geographical and industry breakdown of loans and advances to customers at amortised cost, and the associated impairment loss allowances. The geographical breakdown is primarily based on the location of the business unit where the asset is booked. The Non-property SME & corporate portfolio is analysed by Nomenclature of Economic Activities (NACE) code. The NACE code classification system is a pan-European classification system that groups organisations according to their business activities. Exposures to NACE codes totalling less than €400 million are grouped together as 'Other sectors'. The NACE codes reported in the table below can therefore differ period on period.

| Group<br>2024<br>Geographical / industry analysis | Gross carrying amount (before impairment loss allowance) | | | | Impairment loss allowance | | | |
|---|---|---|---|---|---|---|---|---|
| | RoI €m | UK €m | RoW €m | Total €m | RoI €m | UK €m | RoW €m | Total €m |
| **Personal** | **36,869** | **18,706** | **–** | **55,575** | **196** | **102** | **–** | **298** |
| *Residential mortgages* | *34,358* | *16,101* | *–* | *50,459* | *116* | *74* | *–* | *190* |
| *Other consumer lending* | *2,511* | *2,605* | *–* | *5,116* | *80* | *28* | *–* | *108* |
| **Property and construction** | **7,124** | **324** | **–** | **7,448** | **206** | **9** | **–** | **215** |
| *Investment* | *6,547* | *293* | *–* | *6,840* | *184* | *8* | *–* | *192* |
| *Development* | *577* | *31* | *–* | *608* | *22* | *1* | *–* | *23* |
| **Non-property SME & corporate** | **17,751** | **1,695** | **912** | **20,358** | **415** | **37** | **63** | **515** |
| *Manufacturing* | *3,467* | *269* | *479* | *4,215* | *114* | *6* | *16* | *136* |
| *Administrative and support service activities* | *2,627* | *229* | *164* | *3,020* | *57* | *6* | *3* | *66* |
| *Wholesale and retail trade* | *2,124* | *166* | *20* | *2,310* | *41* | *2* | *–* | *43* |
| *Agriculture, forestry and fishing* | *1,577* | *200* | *–* | *1,777* | *37* | *4* | *–* | *41* |
| *Accommodation and food service activities* | *1,442* | *80* | *39* | *1,561* | *19* | *2* | *1* | *22* |
| *Human health services and social work activities* | *1,171* | *109* | *45* | *1,325* | *21* | *4* | *1* | *26* |
| *Transport and storage* | *680* | *88* | *71* | *839* | *17* | *1* | *23* | *41* |
| *Financial and Insurance activities* | *728* | *75* | *–* | *803* | *4* | *1* | *–* | *5* |
| *Other services* | *681* | *34* | *41* | *756* | *12* | *1* | *1* | *14* |
| *Professional, scientific and technical activities* | *695* | *29* | *28* | *752* | *12* | *–* | *18* | *30* |
| *Real estate activities* | *535* | *134* | *–* | *669* | *25* | *4* | *–* | *29* |
| *Electricity, gas, steam and air conditioning supply* | *504* | *15* | *–* | *519* | *14* | *–* | *–* | *14* |
| *Construction* | *279* | *186* | *–* | *465* | *7* | *2* | *–* | *9* |
| *Education* | *369* | *7* | *25* | *401* | *7* | *–* | *–* | *7* |
| *Other sectors* | *872* | *74* | *–* | *946* | *28* | *4* | *–* | *32* |
| **Total** | **61,744** | **20,725** | **912** | **83,381** | **817** | **148** | **63** | **1,028** |
| **Analysed by stage:** | | | | | | | | |
| Stage 1 | 51,788 | 18,628 | 537 | *70,953* | 140 | 25 | 3 | *168* |
| Stage 2 | 8,671 | 1,608 | 261 | *10,540* | 302 | 43 | 10 | *355* |
| Stage 3 | 1,152 | 489 | 114 | *1,755* | 384 | 80 | 50 | *514* |
| Purchased / originated credit-impaired | 133 | – | – | 133 | (9) | – | – | (9) |
| **Total** | **61,744** | **20,725** | **912** | **83,381** | **817** | **148** | **63** | **1,028** |

# 25 Financial risk management *(continued)*

| Group<br>2023<br>Geographical / industry analysis | Gross carrying amount (before impairment loss allowance)<br>RoI €m | <br>UK €m | <br>RoW €m | <br>Total €m | Impairment loss allowance<br>RoI €m | <br>UK €m | <br>RoW €m | <br>Total €m |
|---|---|---|---|---|---|---|---|---|
| **Personal** | **34,633** | **18,440** | **–** | **53,073** | **242** | **182** | **–** | **424** |
| *Residential mortgages* | *32,244* | *15,028* | *–* | *47,272* | *158* | *88* | *–* | *246* |
| *Other consumer lending* | *2,389* | *3,412* | *–* | *5,801* | *84* | *94* | *–* | *178* |
| **Property and construction** | **6,889** | **334** | **–** | **7,223** | **236** | **13** | **–** | **249** |
| *Investment* | *6,375* | *308* | *–* | *6,683* | *221* | *11* | *–* | *232* |
| *Development* | *514* | *26* | *–* | *540* | *15* | *2* | *–* | *17* |
| **Non-property SME & corporate** | **17,721** | **1,709** | **1,020** | **20,450** | **458** | **54** | **37** | **549** |
| *Manufacturing* | *3,690* | *244* | *475* | *4,409* | *107* | *4* | *9* | *120* |
| *Administrative and support service activities* | *2,754* | *242* | *184* | *3,180* | *61* | *12* | *2* | *75* |
| *Wholesale and retail trade* | *2,060* | *155* | *43* | *2,258* | *42* | *2* | *–* | *44* |
| *Agriculture, forestry and fishing* | *1,526* | *213* | *–* | *1,739* | *47* | *4* | *–* | *51* |
| *Accommodation and food service activities* | *1,378* | *68* | *38* | *1,484* | *27* | *3* | *4* | *34* |
| *Human health services and social work activities* | *1,310* | *173* | *68* | *1,551* | *42* | *14* | *1* | *57* |
| *Transport and storage* | *664* | *87* | *77* | *828* | *25* | *2* | *12* | *39* |
| *Financial and Insurance activities* | *512* | *69* | *–* | *581* | *4* | *1* | *–* | *5* |
| *Other services* | *713* | *34* | *85* | *832* | *13* | *1* | *6* | *20* |
| *Professional, scientific and technical activities* | *740* | *33* | *26* | *799* | *16* | *–* | *2* | *18* |
| *Real estate activities* | *537* | *117* | *–* | *654* | *34* | *4* | *–* | *38* |
| *Electricity, gas, steam and air conditioning supply* | *429* | *14* | *–* | *443* | *3* | *–* | *–* | *3* |
| *Education* | *416* | *9* | *24* | *449* | *6* | *–* | *–* | *6* |
| *Other sectors* | *992* | *251* | *–* | *1,243* | *31* | *7* | *1* | *39* |
| **Total** | **59,243** | **20,483** | **1,020** | **80,746** | **936** | **249** | **37** | **1,222** |
| **Analysed by stage:** | | | | | | | | |
| Stage 1 | 47,614 | 17,520 | 595 | *65,729* | 126 | 51 | 3 | 180 |
| Stage 2 | 9,744 | 2,437 | 344 | *12,525* | 297 | 108 | 16 | 421 |
| Stage 3 | 1,742 | 526 | 81 | *2,349* | 504 | 90 | 18 | 612 |
| Purchased / originated credit-impaired | 143 | – | – | *143* | 9 | – | – | 9 |
| **Total** | **59,243** | **20,483** | **1,020** | **80,746** | **936** | **249** | **37** | **1,222** |

# 25 Financial risk management *(continued)*

| Bank<br>2024<br>Geographical / industry analysis | Gross carrying amount (before impairment loss allowance) | | | | Impairment loss allowance | | | |
|---|---|---|---|---|---|---|---|---|
| | RoI €m | UK €m | RoW €m | Total €m | RoI €m | UK €m | RoW €m | Total €m |
| **Personal** | **17,981** | **3,247** | **–** | **21,228** | **133** | **35** | **–** | **168** |
| *Residential mortgages* | *15,469* | *3,247* | *–* | *18,716* | *52* | *35* | *–* | *87* |
| *Other consumer lending* | *2,512* | *–* | *–* | *2,512* | *81* | *–* | *–* | *81* |
| **Property and construction** | **7,125** | **78** | **–** | **7,203** | **204** | **3** | **–** | **207** |
| *Investment* | *6,547* | *78* | *–* | *6,625* | *181* | *3* | *–* | *184* |
| *Development* | *578* | *–* | *–* | *578* | *23* | *–* | *–* | *23* |
| **Non-property SME & corporate** | **20,032** | **171** | **912** | **21,115** | **412** | **3** | **66** | **481** |
| *Manufacturing* | *3,467* | *28* | *479* | *3,974* | *114* | *–* | *17* | *131* |
| *Administrative and support service activities* | *2,628* | *24* | *164* | *2,816* | *55* | *–* | *3* | *58* |
| *Wholesale and retail trade* | *2,124* | *–* | *20* | *2,144* | *41* | *–* | *–* | *41* |
| *Agriculture, forestry and fishing* | *1,577* | *–* | *–* | *1,577* | *37* | *–* | *–* | *37* |
| *Accommodation and food service activities* | *1,437* | *18* | *39* | *1,494* | *19* | *1* | *1* | *21* |
| *Human health services and social work activities* | *1,160* | *7* | *45* | *1,212* | *20* | *–* | *2* | *22* |
| *Transport and storage* | *682* | *24* | *71* | *777* | *17* | *–* | *24* | *41* |
| *Financial and Insurance activities* | *729* | *–* | *–* | *729* | *3* | *–* | *–* | *3* |
| *Professional, scientific and technical activities* | *696* | *–* | *28* | *724* | *12* | *–* | *18* | *30* |
| *Other services* | *680* | *–* | *41* | *721* | *12* | *–* | *1* | *13* |
| *Real estate activities* | *533* | *1* | *–* | *534* | *25* | *–* | *–* | *25* |
| *Electricity, gas, steam and air conditioning supply* | *504* | *–* | *–* | *504* | *14* | *–* | *–* | *14* |
| *Other sectors* | *3,815* | *69* | *25* | *3,909* | *43* | *2* | *–* | *45* |
| **Total** | **45,138** | **3,496** | **912** | **49,546** | **749** | **41** | **66** | **856** |
| **Analysed by stage:** | | | | | | | | |
| Stage 1 | 36,247 | 2,808 | 537 | 39,592 | 132 | 3 | 4 | 139 |
| Stage 2 | 7,806 | 520 | 261 | 8,587 | 283 | 15 | 11 | 309 |
| Stage 3 | 952 | 168 | 114 | 1,234 | 343 | 23 | 51 | 417 |
| Purchased / originated credit-impaired | 133 | – | – | 133 | (9) | – | – | (9) |
| **Total** | **45,138** | **3,496** | **912** | **49,546** | **749** | **41** | **66** | **856** |

# 25 Financial risk management *(continued)*

| Bank<br>2023<br>Geographical / industry analysis | Gross carrying amount (before impairment loss allowance)<br>RoI €m | <br>UK €m | <br>RoW €m | <br>Total €m | Impairment loss allowance<br>RoI €m | <br>UK €m | <br>RoW €m | <br>Total €m |
|---|---|---|---|---|---|---|---|---|
| **Personal** | **17,017** | **3,712** | **–** | **20,729** | **160** | **45** | **–** | **205** |
| *Residential mortgages* | *14,627* | *3,712* | *–* | *18,339* | *76* | *45* | *–* | *121* |
| *Other consumer lending* | *2,390* | *–* | *–* | *2,390* | *84* | *–* | *–* | *84* |
| **Property and construction** | **6,889** | **85** | **–** | **6,974** | **238** | **3** | **–** | **241** |
| *Investment* | *6,375* | *85* | *–* | *6,460* | *223* | *3* | *–* | *226* |
| *Development* | *514* | *–* | *–* | *514* | *15* | *–* | *–* | *15* |
| **Non-property SME & corporate** | **18,795** | **225** | **1,021** | **20,041** | **457** | **14** | **37** | **508** |
| *Manufacturing* | *3,684* | *37* | *476* | *4,197* | *107* | *1* | *9* | *117* |
| *Administrative and support service activities* | *2,753* | *24* | *183* | *2,960* | *61* | *1* | *2* | *64* |
| *Wholesale and retail trade* | *2,061* | *–* | *43* | *2,104* | *42* | *–* | *–* | *42* |
| *Agriculture, forestry and fishing* | *1,527* | *–* | *–* | *1,527* | *47* | *–* | *–* | *47* |
| *Accommodation and food service activities* | *1,377* | *17* | *38* | *1,432* | *27* | *–* | *4* | *31* |
| *Human health services and social work activities* | *1,299* | *55* | *69* | *1,423* | *40* | *9* | *2* | *51* |
| *Transport and storage* | *664* | *23* | *77* | *764* | *25* | *1* | *12* | *38* |
| *Financial and Insurance activities* | *509* | *–* | *–* | *509* | *5* | *–* | *–* | *5* |
| *Professional, scientific and technical activities* | *740* | *–* | *26* | *766* | *15* | *–* | *2* | *17* |
| *Other services* | *713* | *–* | *85* | *798* | *13* | *–* | *5* | *18* |
| *Real estate activities* | *536* | *1* | *–* | *537* | *35* | *–* | *–* | *35* |
| *Electricity, gas, steam and air conditioning supply* | *429* | *–* | *–* | *429* | *3* | *–* | *–* | *3* |
| *Education* | *416* | *5* | *24* | *445* | *6* | *–* | *–* | *6* |
| *Other sectors* | *2,087* | *63* | *–* | *2,150* | *31* | *2* | *1* | *34* |
| **Total** | **42,701** | **4,022** | **1,021** | **47,744** | **855** | **62** | **37** | **954** |
| **Analysed by stage:** | | | | | | | | |
| Stage 1 | 32,904 | 3,129 | 596 | 36,629 | 118 | 4 | 3 | 125 |
| Stage 2 | 8,118 | 707 | 344 | 9,169 | 275 | 31 | 17 | 323 |
| Stage 3 | 1,536 | 186 | 81 | 1,803 | 453 | 27 | 17 | 497 |
| Purchased / originated credit-impaired | 143 | – | – | 143 | 9 | – | – | 9 |
| **Total** | **42,701** | **4,022** | **1,021** | **47,744** | **855** | **62** | **37** | **954** |

# 25 Financial risk management *(continued)*

### Sectoral analysis of loans and advances to customers

The following tables provide an analysis of loans and advances to customers at amortised cost, and the associated impairment loss allowances, by portfolio, sub-sector and stage. The Non-property SME & corporate portfolio is analysed by NACE code. The NACE code classification system is a pan-European classification system that groups organisations according to their business activities. Exposures to NACE codes totalling less than €400 million are grouped together as 'Other sectors'. The NACE codes reported in the tables below can therefore differ year on year.

| Group<br>2024<br>Sectoral analysis by stage | Gross carrying amount (before impairment loss allowance) | | | | | Impairment loss allowance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCI €m | Total €m | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCI €m | Total €m |
| **Personal** | | | | | | | | | | |
| Residential mortgages | 47,169 | 2,409 | 748 | 133 | 50,459 | 32 | 47 | 120 | (9) | 190 |
| Other consumer | 4,698 | 312 | 106 | – | 5,116 | 34 | 25 | 49 | – | 108 |
| *Motor lending UK* | *2,452* | *102* | *50* | *–* | *2,604* | *6* | *4* | *18* | *–* | *28* |
| *Loans RoI* | *833* | *175* | *34* | *–* | *1,042* | *15* | *16* | *19* | *–* | *50* |
| *Motor lending RoI* | *846* | *2* | *10* | *–* | *858* | *10* | *–* | *5* | *–* | *15* |
| *Credit cards RoI* | *567* | *33* | *12* | *–* | *612* | *3* | *5* | *7* | *–* | *15* |
| *Loans UK*[1] | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *–* | *–* |
| | **51,867** | **2,721** | **854** | **133** | **55,575** | **66** | **72** | **169** | **(9)** | **298** |
| **Property and construction** | **4,442** | **2,737** | **269** | **–** | **7,448** | **24** | **103** | **88** | **–** | **215** |
| *Investment* | *4,108* | *2,505* | *227* | *–* | *6,840* | *20* | *97* | *75* | *–* | *192* |
| *Development* | *334* | *232* | *42* | *–* | *608* | *4* | *6* | *13* | *–* | *23* |
| **Non-property SME & corporate** | **14,644** | **5,082** | **632** | **–** | **20,358** | **78** | **180** | **257** | **–** | **515** |
| *Manufacturing* | *2,851* | *1,148* | *216* | *–* | *4,215* | *12* | *35* | *89* | *–* | *136* |
| *Administrative and support service activities* | *2,241* | *729* | *50* | *–* | *3,020* | *15* | *24* | *27* | *–* | *66* |
| *Wholesale and retail trade* | *1,755* | *515* | *40* | *–* | *2,310* | *11* | *18* | *14* | *–* | *43* |
| *Agriculture, forestry and fishing* | *1,374* | *350* | *53* | *–* | *1,777* | *11* | *13* | *17* | *–* | *41* |
| *Accommodation and food service activities* | *1,025* | *513* | *23* | *–* | *1,561* | *4* | *11* | *7* | *–* | *22* |
| *Human health services and social work activities* | *782* | *520* | *23* | *–* | *1,325* | *4* | *18* | *4* | *–* | *26* |
| *Transport and storage* | *592* | *176* | *71* | *–* | *839* | *3* | *6* | *32* | *–* | *41* |
| *Financial and Insurance activities* | *704* | *98* | *1* | *–* | *803* | *2* | *2* | *1* | *–* | *5* |
| *Other services* | *571* | *169* | *16* | *–* | *756* | *3* | *7* | *4* | *–* | *14* |
| *Professional, scientific and technical activities* | *457* | *256* | *39* | *–* | *752* | *2* | *6* | *22* | *–* | *30* |
| *Real estate activities* | *433* | *188* | *48* | *–* | *669* | *4* | *8* | *17* | *–* | *29* |
| *Electricity, gas, steam and air conditioning supply* | *375* | *143* | *1* | *–* | *519* | *1* | *13* | *–* | *–* | *14* |
| *Construction* | *425* | *26* | *14* | *–* | *465* | *2* | *2* | *5* | *–* | *9* |
| *Education* | *351* | *50* | *–* | *–* | *401* | *1* | *6* | *–* | *–* | *7* |
| *Other sectors* | *708* | *201* | *37* | *–* | *946* | *3* | *11* | *18* | *–* | *32* |
| **Total** | **70,953** | **10,540** | **1,755** | **133** | **83,381** | **168** | **355** | **514** | **(9)** | **1,028** |

[1] *In October 2024, the Group completed the sale of a portfolio of performing UK personal loans (see note 9 for more details).*

# 25 Financial risk management *(continued)*

| Group<br>2023<br>Sectoral analysis by stage | Gross carrying amount (before impairment loss allowance)<br>Stage 1 €m | Stage 2 €m | Stage 3 €m | POCI €m | Total €m | Impairment loss allowance<br>Stage 1 €m | Stage 2 €m | Stage 3 €m | POCI €m | Total €m |
|---|---|---|---|---|---|---|---|---|---|---|
| **Personal** | | | | | | | | | | |
| Residential mortgages | 42,786 | 3,574 | 770 | 142 | 47,272 | 40 | 56 | 141 | 9 | 246 |
| Other consumer | 4,870 | 801 | 130 | – | 5,801 | 50 | 67 | 61 | – | 178 |
| *Motor lending UK* | *1,749* | *410* | *38* | *–* | *2,197* | *4* | *7* | *13* | *–* | *24* |
| *Loans RoI* | *800* | *117* | *55* | *–* | *972* | *8* | *13* | *36* | *–* | *57* |
| *Motor lending RoI* | *798* | *3* | *12* | *–* | *813* | *6* | *–* | *5* | *–* | *11* |
| *Credit cards RoI* | *557* | *37* | *10* | *–* | *604* | *3* | *6* | *6* | *–* | *15* |
| *Loans UK* | *966* | *234* | *15* | *–* | *1,215* | *29* | *41* | *1* | *–* | *71* |
| | **47,656** | **4,375** | **900** | **142** | **53,073** | **90** | **123** | **202** | **9** | **424** |
| **Property and construction** | **3,336** | **3,518** | **369** | **–** | **7,223** | **25** | **144** | **80** | **–** | **249** |
| *Investment* | *2,934* | *3,429* | *320* | *–* | *6,683* | *22* | *141* | *69* | *–* | *232* |
| *Development* | *402* | *89* | *49* | *–* | *540* | *3* | *3* | *11* | *–* | *17* |
| **Non-property SME & corporate** | **14,737** | **4,632** | **1,080** | **1** | **20,450** | **65** | **154** | **330** | **–** | **549** |
| *Manufacturing* | *2,937* | *1,224* | *248* | *–* | *4,409* | *11* | *36* | *73* | *–* | *120* |
| *Administrative and support service activities* | *2,521* | *580* | *79* | *–* | *3,180* | *13* | *20* | *42* | *–* | *75* |
| *Wholesale and retail trade* | *1,719* | *482* | *57* | *–* | *2,258* | *8* | *10* | *26* | *–* | *44* |
| *Agriculture, forestry and fishing* | *1,332* | *323* | *84* | *–* | *1,739* | *8* | *9* | *34* | *–* | *51* |
| *Accommodation and food service activities* | *869* | *504* | *110* | *1* | *1,484* | *3* | *7* | *24* | *–* | *34* |
| *Human health services and social work activities* | *933* | *405* | *213* | *–* | *1,551* | *4* | *24* | *29* | *–* | *57* |
| *Transport and storage* | *592* | *169* | *67* | *–* | *828* | *2* | *7* | *30* | *–* | *39* |
| *Financial and Insurance activities* | *495* | *83* | *3* | *–* | *581* | *1* | *3* | *1* | *–* | *5* |
| *Other services* | *606* | *167* | *59* | *–* | *832* | *3* | *6* | *11* | *–* | *20* |
| *Professional, scientific and technical activities* | *640* | *131* | *28* | *–* | *799* | *3* | *4* | *11* | *–* | *18* |
| *Real estate activities* | *421* | *171* | *62* | *–* | *654* | *4* | *7* | *27* | *–* | *38* |
| *Electricity, gas, steam and air conditioning supply* | *390* | *52* | *1* | *–* | *443* | *1* | *2* | *–* | *–* | *3* |
| *Education* | *366* | *82* | *1* | *–* | *449* | *1* | *5* | *–* | *–* | *6* |
| *Other sectors* | *916* | *259* | *68* | *–* | *1,243* | *3* | *14* | *22* | *–* | *39* |
| **Total** | **65,729** | **12,525** | **2,349** | **143** | **80,746** | **180** | **421** | **612** | **9** | **1,222** |

# 25 Financial risk management *(continued)*

| Bank<br>2024<br>Sectoral analysis by stage | Gross carrying amount (before impairment loss allowance) | | | | | Impairment loss allowance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCI €m | Total €m | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCI €m | Total €m |
| **Personal** | | | | | | | | | | |
| Residential mortgages | 17,352 | 860 | 371 | 133 | 18,716 | 16 | 21 | 59 | (9) | 87 |
| Other consumer | 2,245 | 211 | 56 | – | 2,512 | 29 | 20 | 32 | – | 81 |
| *Loans - RoI* | *833* | *176* | *34* | *–* | *1,043* | *15* | *15* | *20* | *–* | *50* |
| *Motor lending - RoI* | *845* | *2* | *10* | *–* | *857* | *11* | *–* | *5* | *–* | *16* |
| *Credit cards - RoI* | *567* | *33* | *12* | *–* | *612* | *3* | *5* | *7* | *–* | *15* |
| | **19,597** | **1,071** | **427** | **133** | **21,228** | **45** | **41** | **91** | **(9)** | **168** |
| **Property and construction** | **4,289** | **2,650** | **264** | **–** | **7,203** | **22** | **98** | **87** | **–** | **207** |
| *Investment* | *3,973* | *2,427* | *225* | *–* | *6,625* | *18* | *92* | *74* | *–* | *184* |
| *Development* | *316* | *223* | *39* | *–* | *578* | *4* | *6* | *13* | *–* | *23* |
| **Non-property SME & corporate** | **15,706** | **4,866** | **543** | **–** | **21,115** | **72** | **170** | **239** | **–** | **481** |
| *Manufacturing* | *2,676* | *1,093* | *205* | *–* | *3,974* | *11* | *33* | *87* | *–* | *131* |
| *Administrative and support service activities* | *2,072* | *715* | *29* | *–* | *2,816* | *13* | *23* | *22* | *–* | *58* |
| *Wholesale and retail trade* | *1,623* | *483* | *38* | *–* | *2,144* | *10* | *17* | *14* | *–* | *41* |
| *Agriculture, forestry and fishing* | *1,196* | *339* | *42* | *–* | *1,577* | *10* | *13* | *14* | *–* | *37* |
| *Accommodation and food service activities* | *975* | *502* | *17* | *–* | *1,494* | *4* | *10* | *7* | *–* | *21* |
| *Human health services and social work activities* | *718* | *484* | *10* | *–* | *1,212* | *4* | *15* | *3* | *–* | *22* |
| *Transport and storage* | *530* | *176* | *71* | *–* | *777* | *3* | *6* | *32* | *–* | *41* |
| *Financial and Insurance activities* | *638* | *90* | *1* | *–* | *729* | *1* | *2* | *–* | *–* | *3* |
| *Professional, scientific and technical activities* | *431* | *256* | *37* | *–* | *724* | *2* | *6* | *22* | *–* | *30* |
| *Other services* | *541* | *166* | *14* | *–* | *721* | *3* | *7* | *3* | *–* | *13* |
| *Real estate activities* | *338* | *160* | *36* | *–* | *534* | *4* | *7* | *14* | *–* | *25* |
| *Electricity, gas, steam and air conditioning supply* | *361* | *143* | *–* | *–* | *504* | *1* | *13* | *–* | *–* | *14* |
| *Other sectors* | *3,607* | *259* | *43* | *–* | *3,909* | *6* | *18* | *21* | *–* | *45* |
| **Total** | **39,592** | **8,587** | **1,234** | **133** | **49,546** | **139** | **309** | **417** | **(9)** | **856** |

# 25 Financial risk management *(continued)*

| Bank<br>2023<br>Sectoral analysis by stage | Gross carrying amount (before impairment loss allowance) | | | | | Impairment loss allowance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCI €m | Total €m | Stage 1 €m | Stage 2 €m | Stage 3 €m | POCI €m | Total €m |
| **Personal** | | | | | | | | | | |
| Residential mortgages | 16,548 | 1,276 | 373 | 142 | 18,339 | 24 | 25 | 63 | 9 | 121 |
| Other consumer | 2,155 | 158 | 77 | – | 2,390 | 18 | 19 | 47 | – | 84 |
| *Loans - RoI* | *800* | *118* | *55* | *–* | *973* | *7* | *13* | *37* | *–* | *57* |
| *Motor lending - RoI* | *798* | *3* | *12* | *–* | *813* | *7* | *–* | *4* | *–* | *11* |
| *Credit cards - RoI* | *557* | *37* | *10* | *–* | *604* | *4* | *6* | *6* | *–* | *16* |
| | **18,703** | **1,434** | **450** | **142** | **20,729** | **42** | **44** | **110** | **9** | **205** |
| **Property and construction** | **3,235** | **3,376** | **363** | **–** | **6,974** | **23** | **138** | **80** | **–** | **241** |
| *Investment* | *2,848* | *3,297* | *315* | *–* | *6,460* | *21* | *136* | *69* | *–* | *226* |
| *Development* | *387* | *79* | *48* | *–* | *514* | *2* | *2* | *11* | *–* | *15* |
| **Non-property SME & corporate** | **14,691** | **4,359** | **990** | **1** | **20,041** | **60** | **141** | **307** | **–** | **508** |
| *Manufacturing* | *2,790* | *1,164* | *243* | *–* | *4,197* | *11* | *33* | *73* | *–* | *117* |
| *Administrative and support service activities* | *2,352* | *554* | *54* | *–* | *2,960* | *12* | *18* | *34* | *–* | *64* |
| *Wholesale and retail trade* | *1,602* | *448* | *54* | *–* | *2,104* | *7* | *9* | *26* | *–* | *42* |
| *Agriculture, forestry and fishing* | *1,144* | *309* | *74* | *–* | *1,527* | *7* | *8* | *32* | *–* | *47* |
| *Accommodation and food service activities* | *836* | *491* | *104* | *1* | *1,432* | *3* | *7* | *21* | *–* | *31* |
| *Human health services and social work activities* | *884* | *338* | *201* | *–* | *1,423* | *3* | *19* | *29* | *–* | *51* |
| *Transport and storage* | *532* | *167* | *65* | *–* | *764* | *2* | *7* | *29* | *–* | *38* |
| *Financial and Insurance activities* | *438* | *70* | *1* | *–* | *509* | *1* | *3* | *1* | *–* | *5* |
| *Professional, scientific and technical activities* | *611* | *128* | *27* | *–* | *766* | *3* | *4* | *10* | *–* | *17* |
| *Other services* | *577* | *165* | *56* | *–* | *798* | *2* | *6* | *10* | *–* | *18* |
| *Real estate activities* | *336* | *150* | *51* | *–* | *537* | *4* | *7* | *24* | *–* | *35* |
| *Electricity, gas, steam and air conditioning supply* | *377* | *51* | *1* | *–* | *429* | *1* | *2* | *–* | *–* | *3* |
| *Education* | *362* | *82* | *1* | *–* | *445* | *1* | *5* | *–* | *–* | *6* |
| *Other sectors* | *1,850* | *242* | *58* | *–* | *2,150* | *3* | *13* | *18* | *–* | *34* |
| **Total** | **36,629** | **9,169** | **1,803** | **143** | **47,744** | **125** | **323** | **497** | **9** | **954** |

# 25 Financial risk management *(continued)*

### Repossessed collateral

Repossessed collateral is sold as soon as practicable, with the proceeds applied against outstanding indebtedness. At 31 December 2024, the Group and Bank held collateral as set out in the table below.

| | Group | | Bank | |
|---|---|---|---|---|
| **Repossessed collateral** | **2024 €m** | **2023 €m** | **2024 €m** | **2023 €m** |
| **Residential properties** | | | | |
| Ireland | 5 | 5 | 3 | 3 |
| UK and other | 3 | 1 | – | – |
| | **8** | **6** | **3** | **3** |
| **Non-residential properties** | | | | |
| Other | 1 | 1 | – | – |
| **Total** | **9** | **7** | **3** | **3** |

### Asset quality: other financial assets

The tables below summarise the asset quality of debt instruments at FVOCI, debt securities at amortised cost and loans and advances to banks at amortised cost by IFRS 9 twelve month PD grade for Group and Bank.

| | Group | | | | | | Bank | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2024 Debt instruments at FVOCI Asset quality** | **Stage 1** | | **Stage 2** | | **Total** | | **Stage 1** | | **Stage 2** | | **Total** | |
| | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 3,353 | 99% | – | – | 3,353 | 99% | 3,353 | 99% | – | – | 3,353 | 99% |
| 5-7 | 31 | 1% | – | – | 31 | 1% | 31 | 1% | – | – | 31 | 1% |
| 8-9 | – | – | – | – | – | – | – | – | – | – | – | – |
| 10-11 | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total** | **3,384** | **100%** | **–** | **–** | **3,384** | **100%** | **3,384** | **100%** | **–** | **–** | **3,384** | **100%** |

| | Group | | | | | | Bank | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2023 Debt instruments at FVOCI Asset quality** | **Stage 1** | | **Stage 2** | | **Total** | | **Stage 1** | | **Stage 2** | | **Total** | |
| | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 3,910 | 99% | – | – | 3,910 | 99% | 3,910 | 99% | – | – | 3,910 | 99% |
| 5-7 | 58 | 1% | – | – | 58 | 1% | 58 | 1% | – | – | 58 | 1% |
| 8-9 | – | – | – | – | – | – | – | – | – | – | – | – |
| 10-11 | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total** | **3,968** | **100%** | **–** | **–** | **3,968** | **100%** | **3,968** | **100%** | **–** | **–** | **3,968** | **100%** |

# 25 Financial risk management *(continued)*

| 2024<br>Debt securities at amortised cost (before impairment loss allowance) Asset quality | Group | | | | | | Bank | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Total | | Stage 1 | | Stage 2 | | Total | |
| | €m | % | €m | % | €m | % | €m | % | €m | % | €m | % |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 6,388 | 100% | – | – | 6,388 | 100% | 6,764 | 100% | – | – | 6,764 | 100% |
| 5-7 | – | – | – | – | – | – | – | – | – | – | – | – |
| 8-9 | – | – | – | – | – | – | – | – | – | – | – | – |
| 10-11 | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total** | **6,388** | **100%** | **–** | **–** | **6,388** | **100%** | **6,764** | **100%** | **–** | **–** | **6,764** | **100%** |

| 2023<br>Debt securities at amortised cost (before impairment loss allowance) Asset quality | Group | | | | | | Bank | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Total | | Stage 1 | | Stage 2 | | Total | |
| | €m | % | €m | % | €m | % | €m | % | €m | % | €m | % |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 5,715 | 100% | 1 | 100% | 5,716 | 100% | 7,349 | 100% | – | – | 7,349 | 100% |
| 5-7 | – | – | – | – | – | – | – | – | – | – | – | – |
| 8-9 | – | – | – | – | – | – | – | – | – | – | – | – |
| 10-11 | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total** | **5,715** | **100%** | **1** | **100%** | **5,716** | **100%** | **7,349** | **100%** | **–** | **–** | **7,349** | **100%** |

| 2024<br>Loans and advances to banks at amortised cost (before impairment loss allowance) Asset quality | Group | | | | | | Bank | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Total | | Stage 1 | | Stage 2 | | Total | |
| | €m | % | €m | % | €m | % | €m | % | €m | % | €m | % |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 1,676 | 100% | – | – | 1,676 | 100% | 19,394 | 100% | – | – | 19,394 | 100% |
| 5-7 | 7 | – | – | – | 7 | – | 7 | – | – | – | 7 | – |
| 8-9 | – | – | – | – | – | – | – | – | – | – | – | – |
| 10-11 | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total** | **1,683** | **100%** | **–** | **–** | **1,683** | **100%** | **19,401** | **100%** | **–** | **–** | **19,401** | **100%** |

| 2023<br>Loans and advances to banks at amortised cost (before impairment loss allowance) Asset quality | Group | | | | | | Bank | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Total | | Stage 1 | | Stage 2 | | Total | |
| | €m | % | €m | % | €m | % | €m | % | €m | % | €m | % |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 1,807 | 100% | – | – | 1,807 | 100% | 16,395 | 100% | – | – | 16,395 | 100% |
| 5-7 | 1 | – | – | – | 1 | – | 1 | – | – | – | 1 | – |
| 8-9 | – | – | – | – | – | – | – | – | – | – | – | – |
| 10-11 | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total** | **1,808** | **100%** | **–** | **–** | **1,808** | **100%** | **16,396** | **100%** | **–** | **–** | **16,396** | **100%** |

# 25 Financial risk management *(continued)*

### Asset quality: other financial instruments

Other financial instruments as set out in the table below include instruments that are not within the scope of IFRS 9 or are not subject to impairment under IFRS 9. These include trading securities (excluding equity trading securities), derivative financial instruments, loans and advances to banks at fair value, loans and advances to customers at fair value and other financial instruments at FVTPL (excluding equity instruments). Reinsurance contract assets are excluded from this table as they are included in a separate table below under IFRS 17. The table summarises the asset quality of these financial instruments by equivalent external risk ratings.

| | Group | | | | Bank | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | | 2023 | | 2024 | | 2023 | |
| **Other financial instruments with ratings equivalent to:** | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** |
| AAA to AA- | 4,936 | 50% | 4,786 | 46% | 57 | 1% | 123 | 2% |
| A+ to A- | 4,031 | 41% | 4,897 | 46% | 4,074 | 96% | 5,090 | 95% |
| BBB+ to BBB- | 499 | 5% | 656 | 6% | 28 | 1% | 34 | 1% |
| BB+ to BB- | 64 | 1% | 65 | 1% | 47 | 1% | 52 | 1% |
| B+ to B- | 166 | 2% | 154 | 1% | 41 | 1% | 33 | 1% |
| Lower than B- | 62 | 1% | 39 | – | 21 | – | 1 | – |
| **Total** | **9,758** | **100%** | **10,597** | **100%** | **4,268** | **100%** | **5,333** | **100%** |
| **Amounts include:** | | | | | | | | |
| Due from Group undertakings (€m) | n/a | | n/a | | 785 | | 993 | |

### Credit risk for reinsurance contract assets (Group only)

The Group has no significant credit risk exposures for insurance contracts issued as credit risk is spread across all policyholders and brokers. Credit risk for reinsurance contracts held arises as a result of exposure to a smaller group of reinsurance counterparties across insured product lines, with limits set for collateralised and non-collateralised credit exposure taking account of credit rating of reinsurer, protections such as collateral and other factors. This risk is mitigated by spreading exposures across a range of pre-approved counterparties. The table opposite provides information relating to the reinsurance contract assets with reinsurance counterparties split by credit ratings:

| **Reinsurance contract assets with ratings equivalent to:** | **2024 €m** | **2023 €m** |
|---|---|---|
| AA- or higher | 961 | 948 |
| A / A+ | 492 | 466 |
| A- or below | – | – |
| **Total** | **1,453** | **1,414** |

## Funding and liquidity risk

### Definition

Funding and liquidity risk is the risk that the Group will experience difficulty in financing its assets and / or meeting its contractual payment obligations as they fall due or will only be able to do so at substantially above the prevailing market cost of funds.

Liquidity risk arises from differences in timing between cash inflows and outflows. Cash inflows are driven by, amongst other things, the maturity structure of loans and investments held by the Group, while cash outflows are driven by items such as the term maturity of debt issued by the Group and outflows from customer deposit accounts. The liquidity risk of the Group may also be impacted by external events which could result in a sudden withdrawal of deposits or the potential changes in customer behaviour.

Funding risk can occur where there is an over-reliance on a particular type of funding, a funding gap, or a concentration of wholesale funding (including securitisations) maturities.

The Group's ability to access funding markets at a sustainable cost and in a sufficient volume can be negatively impacted by a disruption to wholesale and / or currency funding markets, credit rating downgrade(s) or deterioration in market sentiment which in turn could impact the financial position of the Group.

### Liquidity risk statement

Funding and liquidity risk arises from a fundamental part of the Group's business model, the maturity transformation of primarily short-term deposits into longer-term loans. The Group's funding and liquidity strategy is to maintain a stable funding base with loan portfolios substantially funded by retail originated customer deposit portfolios.

# 25 Financial risk management *(continued)*

**Liquidity risk framework**
The Group has established a Liquidity Risk Management Framework which encompasses the liquidity policy, procedures and methodologies in place to ensure that the Group is positioned to address its daily liquidity obligations and to withstand a period of liquidity stress. Principal components of this framework are the Group's Risk Appetite Statement and associated limits and the Group's Funding and Liquidity Policy, both of which are approved by the Court on the recommendation of ALCO.

The Group Funding and Liquidity Policy outlines the Group's governance process with respect to funding and liquidity risk and sets out the core principles that govern the manner in which the risk is mitigated, monitored and managed. The operation of this policy is delegated to the Group's ALCO.

These principal components are supported by further liquidity, procedures, and methodologies which the Group has to manage funding and liquidity risk.

**Liquidity risk management**
Liquidity risk management within the Group focuses on the control, within prudent limits, of risk arising from the mismatch in contracted maturities of assets and liabilities and the risks arising from undrawn commitments and other contingent liabilities. The Group manages its liquidity by jurisdiction with liquid assets predominantly held in the currency of each jurisdiction.

The Group's treasury function within Group Finance provides top down centralised management of the Group's funding and liquidity position including overall responsibility for the management of the Group's liquidity position and funding strategy. This ensures a coordinated approach to balance sheet management and is accomplished through the incorporation of funding and liquidity risk appetite metrics into risk appetite at a consolidated level, monitoring liquidity metrics for each jurisdiction and compliance by the business units with the Group's funds transfer pricing methodology.

The Group Market and Liquidity Risk function provides independent oversight of funding and liquidity risk and is responsible for proposing and maintaining the Group's Funding and Liquidity Risk Management Framework and associated risk appetite metrics.

Liquidity risk management consists of two main activities:
- structural liquidity management focuses on the balance sheet structure, the funding mix, the expected maturity profile of assets and liabilities and the Group's debt issuance strategy; and
- tactical liquidity management focuses on monitoring current and expected daily cash flows to ensure that the Group's liquidity needs can be met.

The Group is required to comply with the regulatory liquidity requirements of the SSM and the requirements of local regulators in those jurisdictions where such requirements apply to the Group. SSM requirements include compliance with CRR / CRD IV and associated Delegated Acts. The Group has remained in full compliance with the regulatory liquidity requirements throughout 2024, and at 31 December 2024 maintained a buffer significantly in excess of regulatory liquidity requirements.

BoI (UK) plc is authorised by the PRA and is subject to the regulatory liquidity regime of the PRA. BoI (UK) plc has remained in full compliance with the regulatory liquidity regime in the UK throughout 2024 and at 31 December 2024 maintained a buffer significantly in excess of regulatory liquidity requirements.

The annual ILAAP enables the Court to assess the adequacy of the Group's Funding and Liquidity Risk Management Framework, to assess the key liquidity and funding risks to which it is exposed; and details the Group's approach to determining the level of liquid assets and contingent liquidity that is required to be maintained under both business as usual and severe stress scenarios.

A key part of this assessment is cash flow forecasting that includes assumptions on the likely behavioural cash flows of certain customer products. Estimating these behavioural cash flows allows the Group to assess the stability of its funding sources and potential liquidity requirements in both business as usual and stressed scenarios. The stressed scenarios incorporate Group specific and systemic risks and are run at different levels of possible, even if unlikely, severity. Actions and strategies available to mitigate the impacts of the stress scenarios are evaluated as to their appropriateness. Stress test results are reported to ALCO, the CRC and the Court.

The Group also monitors a suite of Recovery Indicators and Early Warning Signals in order to identify the potential emergence of a liquidity stress.

As part of its contingency and recovery planning, the Group has identified a suite of potential funding and liquidity options, which could be exercised to help the Group to restore its liquidity position on the occurrence of a major stress event.

**Liquidity risk reporting**
The Group's liquidity risk appetite is defined by the Court to ensure that funding and liquidity are managed in a prudent manner. The current status of funding and liquidity risk, including risk dashboards and risk appetite compliance, is reported through the Board Risk Report on a monthly basis, including any significant changes.

The Board Risk Report includes the results of the Group's liquidity stress testing. This estimates the potential impact of a range of stress scenarios on the Group's liquidity position including its available liquid assets and contingent liquidity.

Management reviews funding and liquidity reports and stress testing results on a daily, weekly, and monthly basis against the Group's Risk Appetite Statement. It is the responsibility of ALCO to ensure that the measuring, monitoring, and reporting of funding and liquidity is adequately performed and complies with the governance framework.

# 25 Financial risk management *(continued)*

**Liquidity risk measurement**
The Group's cash flow and liquidity reporting processes provide management with daily liquidity risk information by designated cash flow categories. These processes capture the cash flows from both on-balance sheet and off-balance sheet transactions.

The tables below summarise the maturity profile of the Group's financial assets and liabilities, excluding those arising from insurance and participating investment contracts at 31 December 2024 and 31 December 2023. These maturity profiles are based on the remaining contractual maturity period at the reporting date (discounted). The Group measures liquidity risk by adjusting the contractual cash flows on deposit books to reflect their behavioural stability.

Unit-linked investment liabilities and unit-linked insurance liabilities with a carrying value of €9,203 million and €16,685 million respectively (2023: €7,692 million and €15,113 million, respectively) are excluded from this analysis as their repayment is linked directly to the financial assets backing these contracts.

Customer accounts include a number of term accounts that contain access features. These allow the customer to access a portion or all of their deposits notwithstanding that this withdrawal could result in a financial penalty being paid by the customer.

For such accounts, the portion subject to the potential early access has been classified in the 'Demand' category in the following table.

Other financial assets at FVTPL and trading securities exclude equity shares which have no contractual maturity (note 20).

| Group<br>2024<br>Maturities of financial assets and liabilities | Demand €m | Up to 3 months €m | 3-12 months €m | 1-5 years €m | Over 5 years €m | Total €m |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and balances at central banks | 32,436 | – | – | – | – | 32,436 |
| Trading securities | – | – | – | 39 | 121 | 160 |
| Derivative financial instruments | 746 | 65 | 237 | 1,270 | 1,159 | 3,477 |
| Other financial assets at FVTPL | 2,148 | 31 | 42 | 461 | 3,199 | 5,881 |
| Loans and advances to banks | 328 | 1,410 | – | – | – | 1,738 |
| Debt securities at amortised cost | – | 52 | 32 | 3,771 | 2,532 | 6,387 |
| Financial assets at FVOCI | – | 121 | 498 | 2,398 | 367 | 3,384 |
| Loans and advances to customers (before impairment loss allowance) | 1,411 | 4,360 | 7,556 | 31,037 | 39,202 | 83,566 |
| **Total** | **37,069** | **6,039** | **8,365** | **38,976** | **46,580** | **137,029** |
| | | | | | | |
| **Liabilities** | | | | | | |
| Deposits from banks | 205 | 478 | – | – | – | 683 |
| Monetary authorities secured funding | – | 362 | 482 | 278 | – | 1,122 |
| Customer accounts | 91,585 | 5,873 | 3,341 | 2,550 | – | 103,349 |
| Derivative financial instruments | 662 | 73 | 261 | 2,173 | 506 | 3,675 |
| Debt securities in issue | – | 747 | 11 | 5,749 | 2,632 | 9,139 |
| Subordinated liabilities | – | – | – | – | 1,857 | 1,857 |
| Lease liabilities | – | 11 | 37 | 146 | 172 | 366 |
| Short positions in trading securities | 2 | – | – | 91 | 61 | 154 |
| Dividend payable to parent | – | – | – | – | – | – |
| **Total** | **92,454** | **7,544** | **4,132** | **10,987** | **5,228** | **120,345** |

# 25 Financial risk management *(continued)*

| Group<br>2023<br>Maturities of financial assets and liabilities | Demand €m | Up to 3 months €m | 3-12 months €m | 1-5 years €m | Over 5 years €m | Total €m |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and balances at central banks | 31,843 | – | – | – | – | 31,843 |
| Trading securities | – | 19 | – | 2 | 48 | 69 |
| Derivative financial instruments | 740 | 57 | 281 | 1,739 | 1,524 | 4,341 |
| Other financial assets at FVTPL | 1,647 | 38 | 37 | 394 | 3,766 | 5,882 |
| Loans and advances to banks | 294 | 1,504 | 109 | – | – | 1,907 |
| Debt securities at amortised cost | – | 28 | 75 | 2,934 | 2,678 | 5,715 |
| Financial assets at FVOCI | – | 44 | 354 | 2,717 | 853 | 3,968 |
| Loans and advances to customers (before impairment loss allowance) | 1,644 | 4,043 | 7,888 | 31,673 | 35,703 | 80,951 |
| **Total** | **36,168** | **5,733** | **8,744** | **39,459** | **44,572** | **134,676** |
| | | | | | | |
| **Liabilities** | | | | | | |
| Deposits from banks | 88 | 532 | – | – | – | 620 |
| Monetary authorities secured funding | – | – | 1,058 | 1,417 | – | 2,475 |
| Customer accounts | 92,527 | 4,747 | 2,354 | 757 | – | 100,385 |
| Derivative financial instruments | 596 | 49 | 240 | 2,734 | 871 | 4,490 |
| Debt securities in issue | – | 2 | – | 6,161 | 2,518 | 8,681 |
| Subordinated liabilities | – | – | – | – | 1,604 | 1,604 |
| Lease liabilities | – | 13 | 40 | 155 | 196 | 404 |
| Short positions in trading securities | 1 | – | – | 68 | 36 | 105 |
| Dividend payable to parent | 27 | – | – | – | – | 27 |
| **Total** | **93,239** | **5,343** | **3,692** | **11,292** | **5,225** | **118,791** |

The following tables summarise the maturity profile of the Group's financial liabilities (excluding those arising from insurance and investment contracts in the Wealth and Insurance division) at 31 December 2024 and 31 December 2023 based on contractual undiscounted repayment obligations. The Group does not manage liquidity risk on the basis of contractual maturity.

Instead, the Group manages liquidity risk based on expected cash flows.

The balances in the following tables will not agree directly to the consolidated balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal and interest payments.

| Group<br>2024<br>Contractual maturity | Demand €m | Up to 3 months €m | 3-12 months €m | 1-5 years €m | Over 5 years €m | Total €m |
|---|---|---|---|---|---|---|
| Deposits from banks | 205 | 478 | – | – | – | 683 |
| Monetary authorities secured funding | – | 388 | 493 | 288 | – | 1,169 |
| Customer accounts | 91,738 | 5,913 | 3,445 | 2,713 | – | 103,809 |
| Debt securities in issue | – | 859 | 258 | 6,406 | 4,088 | 11,611 |
| Subordinated liabilities | – | 35 | 63 | 440 | 2,253 | 2,791 |
| Lease liabilities | – | 13 | 44 | 173 | 206 | 436 |
| Contingent liabilities | 756 | 59 | 42 | 185 | 11 | 1,053 |
| Commitments | 16,231 | 67 | 1,312 | 75 | – | 17,685 |
| Short positions in trading securities | 2 | – | – | 91 | 61 | 154 |
| Dividend payable to parent | – | – | – | – | – | – |
| **Total** | **108,932** | **7,812** | **5,657** | **10,371** | **6,619** | **139,391** |

# 25 Financial risk management *(continued)*

| Group<br>2023<br>Contractual maturity | Demand<br>€m | Up to 3 months<br>€m | 3-12 months<br>€m | 1-5 years<br>€m | Over 5 years<br>€m | Total<br>€m |
|---|---|---|---|---|---|---|
| Deposits from banks | 88 | 532 | – | – | – | 620 |
| Monetary authorities secured funding | – | 65 | 1,141 | 1,456 | – | 2,662 |
| Customer accounts | 92,645 | 4,775 | 2,418 | 822 | – | 100,660 |
| Debt securities in issue | – | 77 | 196 | 7,063 | 4,235 | 11,571 |
| Subordinated liabilities | – | 35 | 44 | 380 | 2,016 | 2,475 |
| Lease liabilities | – | 14 | 43 | 169 | 218 | 444 |
| Contingent liabilities | 776 | 39 | 115 | 151 | 3 | 1,084 |
| Commitments | 16,554 | 43 | 911 | 623 | – | 18,131 |
| Short positions in trading securities | 1 | – | – | 68 | 36 | 105 |
| Dividend payable to parent | 27 | – | – | – | – | 27 |
| **Total** | **110,091** | **5,580** | **4,868** | **10,732** | **6,508** | **137,779** |

The following tables present the estimated amount and timing of the remaining contractual undiscounted cash flows arising from portfolios of insurance contract liabilities and associated reinsurance contract assets and matched investment assets. Unit-linked contracts payable on demand are €13,957 million (2023: €12,501 million) and do not present a liquidity risk due to backing unit funds. Liquidity risk is managed through matching assets of varying maturities, sufficient to meet current and near term liabilities and in compliance with all regulatory capital and liquidity requirements.

| Group<br>2024<br>Insurance contract cash flows | Year 1<br>€m | Year 2<br>€m | Year 3<br>€m | Year 4<br>€m | Years 5-9<br>€m | Years 10+<br>€m |
|---|---|---|---|---|---|---|
| Insurance contract liabilities | (135) | (137) | (142) | (152) | (750) | (1,784) |
| Reinsurance contract assets | 81 | 81 | 82 | 82 | 406 | 851 |
| **Net insurance contract cash flows** | **(54)** | **(56)** | **(60)** | **(70)** | **(344)** | **(933)** |
| Matched assets | 99 | 83 | 91 | 89 | 425 | 1,258 |
| **Net cash flows** | **45** | **27** | **31** | **19** | **81** | **325** |

| Group<br>2023<br>Insurance contract cash flows | Year 1<br>€m | Year 2<br>€m | Year 3<br>€m | Year 4<br>€m | Years 5-9<br>€m | Years 10+<br>€m |
|---|---|---|---|---|---|---|
| Insurance contract liabilities | (121) | (129) | (133) | (142) | (667) | (1,529) |
| Reinsurance contract assets | 75 | 78 | 79 | 80 | 380 | 767 |
| **Net insurance contract cash flows** | **(46)** | **(51)** | **(54)** | **(62)** | **(287)** | **(762)** |
| Matched assets | 80 | 56 | 74 | 73 | 356 | 1,012 |
| **Net cash flows** | **34** | **5** | **20** | **11** | **69** | **250** |

# 25 Financial risk management *(continued)*

As set out in note 19, derivatives held for trading comprise derivatives entered into with trading intent as well as derivatives entered into with economic hedging intent to which the Group does not apply hedge accounting. Derivatives held with hedging intent include all derivatives to which the Group applies hedge accounting.

The tables below summarise the maturity profile of the Group's derivative liabilities.

The Group manages liquidity risk based on expected cash flows, therefore the undiscounted cash flows payable on derivatives liabilities held with hedging intent are classified according to their contractual maturity, while derivatives held with trading intent have been included at fair value in the 'Demand' time bucket.

| Group<br>2024<br>Derivative financial instruments | Demand €m | Up to 3 months €m | 3-12 months €m | 1-5 years €m | Over 5 years €m | Total €m |
|---|---|---|---|---|---|---|
| **Derivatives held with hedging intent** | | | | | | |
| Gross settled derivative liabilities - outflows | – | 622 | 1,697 | 6,764 | 83 | 9,166 |
| Gross settled derivative liabilities - inflows | – | (561) | (1,497) | (6,272) | (62) | (8,392) |
| **Gross settled derivative liabilities - net flows** | **–** | **61** | **200** | **492** | **21** | **774** |
| Net settled derivative liabilities | – | 349 | 757 | 1,699 | 124 | 2,929 |
| **Total derivatives held with hedging intent** | **–** | **410** | **957** | **2,191** | **145** | **3,703** |
| Derivative liabilities held with trading intent | 490 | – | – | – | – | 490 |
| **Total derivative cash flows** | **490** | **410** | **957** | **2,191** | **145** | **4,193** |

| Group<br>2023<br>Derivative financial instruments | Demand €m | Up to 3 months €m | 3-12 months €m | 1-5 years €m | Over 5 years €m | Total €m |
|---|---|---|---|---|---|---|
| **Derivatives held with hedging intent** | | | | | | |
| Gross settled derivative liabilities - outflows | – | 114 | 137 | 3,892 | 86 | 4,229 |
| Gross settled derivative liabilities - inflows | – | (98) | (87) | (3,724) | (65) | (3,974) |
| **Gross settled derivative liabilities - net flows** | **–** | **16** | **50** | **168** | **21** | **255** |
| Net settled derivative liabilities | – | 375 | 1,043 | 2,320 | 167 | 3,905 |
| **Total derivatives held with hedging intent** | **–** | **391** | **1,093** | **2,488** | **188** | **4,160** |
| Derivative liabilities held with trading intent | 670 | – | – | – | – | 670 |
| **Total derivative cash flows** | **670** | **391** | **1,093** | **2,488** | **188** | **4,830** |

The following tables summarise the maturity profile of the Bank's financial liabilities (excluding those arising on derivative financial instruments) at 31 December 2024 and 31 December 2023 based on contractual undiscounted repayment obligations. The Bank does not manage liquidity risk on the basis of contractual maturity. Instead, the Bank manages liquidity risk based on expected cash flows.

Customer accounts include a number of term accounts that contain easy access features.

These allow the customer to access a portion or all of their deposit notwithstanding that this repayment could result in a financial penalty being paid by the customer. For such accounts, the portion subject to the potential early access has been classified in the 'Demand' category in the table below.

The balances in the table below will not agree directly to the consolidated balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal and interest payments.

# 25 Financial risk management *(continued)*

| Bank 2024 Contractual maturity | Demand €m | Up to 3 months €m | 3-12 months €m | 1-5 years €m | Over 5 years €m | Total €m |
|---|---|---|---|---|---|---|
| Deposits from banks | 629 | 1,261 | 12 | 321 | 338 | 2,561 |
| Customer accounts | 80,942 | 5,601 | 2,336 | 3,717 | 259 | 92,855 |
| Debt securities in issue | – | 62 | 174 | 5,927 | 1,843 | 8,006 |
| Subordinated liabilities | – | 35 | 63 | 440 | 2,253 | 2,791 |
| Lease liabilities | – | 12 | 41 | 155 | 179 | 387 |
| Contingent liabilities | 730 | 59 | 42 | 184 | 11 | 1,026 |
| Commitments | 14,314 | – | 447 | – | – | 14,761 |
| Dividend payable to parent | – | – | – | – | – | – |
| **Total** | **96,615** | **7,030** | **3,115** | **10,744** | **4,883** | **122,387** |

| Bank 2023 Contractual maturity | Demand €m | Up to 3 months €m | 3-12 months €m | 1-5 years €m | Over 5 years €m | Total €m |
|---|---|---|---|---|---|---|
| Deposits from banks | 305 | 1,830 | 121 | 148 | 316 | 2,720 |
| Customer accounts | 82,361 | 4,583 | 1,329 | 809 | 534 | 89,616 |
| Debt securities in issue | – | 30 | 120 | 5,830 | 1,647 | 7,627 |
| Subordinated liabilities | – | 35 | 44 | 380 | 2,016 | 2,475 |
| Lease liabilities | – | 12 | 39 | 154 | 190 | 395 |
| Contingent liabilities | 750 | 39 | 115 | 151 | 3 | 1,058 |
| Commitments | 14,656 | – | 31 | 571 | – | 15,258 |
| Dividend payable to parent | 27 | – | – | – | – | 27 |
| **Total** | **98,099** | **6,529** | **1,799** | **8,043** | **4,706** | **119,176** |

The following tables summarise the maturity profile of the Bank's derivative liabilities. The Bank manages liquidity risk based on expected cash flows, therefore the undiscounted cash flows payable on derivatives liabilities held with hedging intent are classified according to their contractual maturity, while derivatives held with trading intent have been included at fair value in the 'Demand' time bucket.

| Bank 2024 Derivative financial instruments | Demand €m | Up to 3 months €m | 3-12 months €m | 1-5 years €m | Over 5 years €m | Total €m |
|---|---|---|---|---|---|---|
| **Derivatives held with hedging intent** | | | | | | |
| Gross settled derivative liabilities - outflows | – | 620 | 1,694 | 6,764 | 83 | 9,161 |
| Gross settled derivative liabilities - inflows | – | (563) | (1,499) | (6,272) | (62) | (8,396) |
| **Gross settled derivative liabilities - net flows** | **–** | **57** | **195** | **492** | **21** | **765** |
| Net settled derivative liabilities | – | 349 | 757 | 1,699 | 124 | 2,929 |
| **Total derivatives held with hedging intent** | **–** | **406** | **952** | **2,191** | **145** | **3,694** |
| Derivative liabilities held with trading intent | 486 | – | – | – | – | 486 |
| **Total derivative cash flows** | **486** | **406** | **952** | **2,191** | **145** | **4,180** |

# 25 Financial risk management *(continued)*

| Bank<br>2023<br>Derivative financial instruments | Demand €m | Up to 3 months €m | 3-12 months €m | 1-5 years €m | Over 5 years €m | Total €m |
|---|---|---|---|---|---|---|
| **Derivatives held with hedging intent** | | | | | | |
| Gross settled derivative liabilities - outflows | – | 114 | 136 | 3,891 | 86 | 4,227 |
| Gross settled derivative liabilities - inflows | – | (98) | (89) | (3,725) | (65) | (3,977) |
| **Gross settled derivative liabilities - net flows** | **–** | **16** | **47** | **166** | **21** | **250** |
| Net settled derivative liabilities | – | 375 | 1,043 | 2,320 | 167 | 3,905 |
| **Total derivatives held with hedging intent** | **–** | **391** | **1,090** | **2,486** | **188** | **4,155** |
| Derivative liabilities held with trading intent | 669 | – | – | – | – | 669 |
| **Total derivative cash flows** | **669** | **391** | **1,090** | **2,486** | **188** | **4,824** |

### Balance sheet encumbrance

It is Group policy to ensure that the level of encumbrance of the balance sheet is consistent and supportive of the Group's unsecured funding issuance plans.

As part of managing its funding requirements, the Group from time to time encumbers assets as collateral to support wholesale funding initiatives. This would include covered bonds, asset backed securities, securities repurchase agreements, and other structures that are secured over customer loans. At 31 December 2024, €7 billion (2023: €9 billion) of the Group's assets and collateral received were encumbered (Bank 2024: €2 billion, 2023: €2 billion), primarily through these structures. The Group's overall encumbrance level was 5% (2023: 6%) (Bank 2024: 2%, 2023: 2%).

The Group's overall encumbrance is prepared on a regulatory group basis, in accordance with the CRD IV, which comprises banking and other relevant financial institutions within the BoIG plc, but excludes non-banking related institutions such as insurance entities. For further information, see the Group's Pillar 3 disclosures (tab 1.3), available on the Group's website.

Covered bonds, a key element of the Group's long-term funding strategy are issued through its subsidiary BoIMB. BoIMB is registered as a designated mortgage credit institution to issue Irish Asset Covered Securities in accordance with relevant legislative requirements. BoIMB is required to maintain minimum contractual overcollateralisation of 5% and minimum legislative overcollateralisation of 3% (both on a prudent market value basis). This is monitored by the Covered Asset Monitor on behalf of the CBI.

## Life insurance risk *(Group only)*

### Definition

Life insurance risk is the risk of unexpected variation in the amount and timing of claims associated with insurance benefits.

This variation, arising from changing customer mortality, life expectancy, health, or behavioural characteristics, may be short or long term in nature.

### Risk management

The Group manages life insurance risk under its RMF. Life insurance risk is underwritten and managed by NIAC, a wholly owned subsidiary of the Group. The management of life insurance risk is the responsibility of the NIAC Board which is delegated through internal governance structures. Aggregate life insurance risk exposure and exposure to the sub-categories of life insurance risk are monitored through a suite of management reporting metrics.

The risks that arise as a result of writing life insurance business are also managed by a number of governance fora as well as senior management. The minimum standards required when managing these risks are set out in a suite of NIAC Board approved policies.

The Group transfers some life insurance risk to reinsurance companies who then meet an agreed share of the claims that arise on a book of business in return for a premium. This creates a credit exposure to these reinsurance companies which is managed within the NIAC RMF with responsibilities delegated through the Reinsurance Risk Policy. A review of the panel of reinsurers that may be used and the structure of reinsurance arrangements is carried out at least annually. Senior members of the management team with actuarial and underwriting expertise, contribute to the effective oversight of this risk.

### Risk measurement

Risk experience is monitored regularly with actual claims experience being compared to the underlying risk assumptions. The results of this analysis are used to inform management of the appropriateness of those assumptions for use in pricing, capital management, and new product design.

# 25 Financial risk management *(continued)*

Exposure to life insurance risk is measured by means of sensitivity and scenario testing. Risk capital is calculated for each individual risk type by stressing the best estimate assumptions of future experience by extreme, but plausible, factors. The stress factors are pre-defined by regulation and are set at a level with an expected frequency of occurrence of one year in every 200. NIAC also carries out an ORSA annually which is overseen by the NIAC Board.

Within the ORSA, NIAC's risk profile is considered, both quantitatively and qualitatively, in a holistic manner with potential areas of risk identified along with conclusions in respect of how those risks will be mitigated. Further details can be found in note 18.

**Risk mitigation**
The Group mitigates the potential impact of life insurance risk through a number of measures. Capital is held against exposure to life insurance risk. Exposure to this risk is also managed and controlled by the use of medical and financial underwriting, risk mitigating contract design features and reinsurance, as detailed in risk management policies.

**Risk reporting**
The current status of life insurance risk, including risk dashboards and risk appetite compliance, is reported through the Board Risk Report on a monthly basis. NIAC's ORSA report in respect of the NIAC annual assessment is also presented to the ERC on an annual basis.

## Market risk *(Group only)*

**Definition and background**
Market risk is the risk of loss arising from movements in interest rates, FX rates, equity, credit spreads or other market prices.

Market risk arises from the structure of the balance sheet, the Group's business mix and includes discretionary risk-taking. Additionally, market risk arises through the conduct of customer business, particularly in respect to fixed-rate lending and the execution of derivatives and foreign exchange business. The market risk profile of the Group may, in addition to the above risks which arise in the usual course of a business cycle, be impacted by shifts in market volatility as a result of external factors. Earnings for NIAC are also indirectly exposed to changes in equity and property markets through fee income generated on unit-linked customer investments.

**Risk management, measurement, and reporting**
The management of market risk in the Group is governed by the Group's Risk Appetite Statement and by the Group Market Risk Policy, both of which are approved by the Court. These are supplemented by a range of ALCO approved limits and controls. The Group has an established governance structure for market risk that involves the Board, its risk committees (CRC and ERC) and ALCO, which has primary responsibility for the oversight of market risk in the Group.

The current status of market risk, including risk dashboards and risk appetite compliance, is reported through the Board Risk Report on a monthly basis.

Group Market, Capital & Liquidity Risk (GMCLR) provides 2LOD oversight of the Group's exposure to market risk, ensuring that the Group correctly identifies and assesses the market risks to which it is exposed. GMCLR is a part of the Group Risk Function reporting to the Group CRO.

It is Group policy to minimise exposure to market risk, subject to defined limits. Nonetheless, certain structural market risks remain and, in some cases, are difficult to eliminate fully. In addition, the Group bears economic exposure to adverse movements in the credit spreads of bonds held as liquid assets, or held as matching assets in NIAC in the matching assets portfolio. The latter is the predominant economic exposure arising on the NIAC fixed interest portfolio.

Market risks are managed by the Group Treasury Execution Desk which handle treasury execution for the Group. These market risks are typically hedged as part of the Group's overall risk management strategy, including the use of external markets where necessary.

Similarly, market risks in the Group's life assurance business, NIAC, are managed within defined tolerances. However, certain residual risks are inherent in this business, notably exposure to credit spreads on assets held to match policyholder liabilities and indirect exposure to equity markets through changes in the discounted value of fees applied to equity assets held by policyholders in insurance contracts. This is outlined in greater detail below.

# 25 Financial risk management *(continued)*

### Balance sheet linkage

The table below classifies the balance sheet in terms of banking book, trading book (as defined above) and Insurance assets and liabilities. The principal risk factors which drive changes in earnings or value in relation to each line item are also outlined.

Trading book assets and liabilities were a small proportion of the balance sheet at 31 December 2024 and this is representative of the position throughout the year. Interest rates are the most significant risk factor.

| Group<br>2024<br>Market risk linkage to the balance sheet | Total €m | Trading €m | Non-trading €m | Insurance €m | Primary Risk Sensitivity |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Cash and balances at central banks | 32,436 | – | 32,436 | – | Interest Rate |
| Trading securities | 166 | 166 | – | – | Interest Rate, Credit Spread, Equity |
| Derivative financial instruments | 3,477 | 494 | 2,983 | – | Interest Rate, FX, Credit Spread, Equity |
| Other financial assets at FVTPL | 24,008 | – | 174 | 23,834 | Interest Rate, FX, Credit Spread, Equity |
| Loans and advances to banks | 1,738 | – | 1,683 | 55 | Interest Rate |
| Loans and advances to customers | 82,538 | – | 82,538 | – | Interest Rate |
| Fair value changes due to interest rate risk of the hedged items in portfolio hedge | 118 | – | 118 | – | Interest Rate |
| Debt securities at amortised cost | 6,387 | – | 6,387 | – | Interest Rate |
| Financial assets at FVOCI | 3,384 | – | 3,384 | – | Interest Rate, FX, Credit Spread |
| Reinsurance contract assets | 1,453 | – | – | 1,453 | Interest Rate |
| Other assets | 6,126 | – | 5,100 | 1,026 | Interest Rate |
| **Total assets** | **161,831** | **660** | **134,803** | **26,368** | |
| **Liabilities** | | | | | |
| Deposits from banks | 1,805 | – | 1,805 | – | Interest Rate |
| Customer deposits | 103,349 | – | 103,349 | – | Interest Rate |
| Fair value changes due to interest rate risk of the hedged items in portfolio hedge | (365) | – | (365) | – | Interest Rate |
| Derivative financial instruments | 3,675 | 479 | 3,196 | – | Interest Rate, FX, Credit Spread, Equity |
| Debt securities in issue | 9,139 | – | 9,139 | – | Interest Rate |
| Liabilities to customers under investment contracts | 9,203 | – | – | 9,203 | Interest Rate, FX, Credit Spread, Equity |
| Loss allowance provision on loan commitments and financial guarantees | 80 | – | 80 | – | Interest Rate |
| Insurance contract liabilities | 16,685 | – | – | 16,685 | Interest Rate, FX, Credit Spread, Equity |
| Lease liabilities | 366 | – | 366 | – | Interest Rate, FX |
| Other liabilities | 3,316 | – | 2,922 | 394 | Interest Rate, FX |
| Subordinated liabilities | 1,857 | – | 1,857 | – | Interest Rate |
| **Total liabilities** | **149,110** | **479** | **122,349** | **26,282** | |

# 25 Financial risk management *(continued)*

### Discretionary and residual market risk

Discretionary risk is a risk that is carried in the expectation of gain from near-term movements in liquid financial markets. Davy is the Group's only business unit permitted to run discretionary market risk.

Residual gap risk arises when hedging is completed on a portfolio basis rather than with back-to-back trades (micro-hedge). It is Group practice to hedge IRRBB to de minimis levels wherever possible but as these hedges may not be perfectly matched this can result in small residual hedging gaps.

Discretionary and residual market risk is subject to strict controls which set out the markets and instruments in which risk can be assumed, the types of positions which can be taken and the limits which must be complied with. These risks are managed by an approved framework of limits and controls, based on VaR (see below), scenario stress tests and sensitivities.

Equity risk, interest rate risk and credit spread risk arises within Davy Capital Markets market making business from the potential impact of changes in equity prices, interest rates and credit spreads. Davy Institutional Equities is responsible for the underwriting, distribution, and trading of Irish, UK and European equities. At 31 December 2024, Davy Capital Markets held a long position of €3 million (2023: €2 million) in listed equities.

Davy Fixed Income team is responsible for the underwriting, distribution and trading of Irish Sovereign Bonds and Irish Corporate Bonds. At 31 December 2024, Davy Capital Markets held a net long position of €10 million (2023: €34 million net short) in Irish Sovereign and Corporate Bonds, which are funded via repurchase agreements.

### Value at Risk (VaR)

The Group employs a VaR approach to measure and set limits on discretionary and residual market risk. The Group utilises a Monte-Carlo simulation model approach for the calculation of the interest rate risk component at a 99% (two tailed) confidence level, using a one day holding period and based on one year of historic data. The volatilities and correlations which are used to generate these VaR numbers are estimated using the exponentially weighted moving average approach which gives more weight to recent data and responds quickly to changes in market volatility. Davy utilises a historical simulation model for the calculation of equity risk, interest rate risk and credit spread risk at 99% confidence interval and based on one year of historic data.

For the nature of risks assumed by the Group, VaR remains a reliable basis of risk measurement, supplemented by stress testing. The Group recognises that VaR is subject to certain inherent limitations and therefore VaR limits are supplemented by scenario-based stress tests. These are particularly important in periods of low market volatility when VaR numbers can understate the risks of loss from large adverse market moves.

| Total Davy VaR | 2024 €m | 2023 €m |
|---|---|---|
| Total | 0.3 | 0.4 |

The Group's year end VaR numbers for the trading book and banking book are shown in the 'VaR' table below at 31 December 2024 and 2023.

| Total Interest Rate VaR | 2024 €m | 2023 €m |
|---|---|---|
| Trading book | 0.1 | 0.1 |
| Banking book | – | 0.1 |
| Group VaR | 0.1 | 0.1 |

### Structural and other risks

Notwithstanding the overriding objective of running minimal levels of market risk, certain structural market risks remain and are managed centrally as part of the Group's asset and liability management process.

### Use of derivatives in the management of market risk

The activities set out above involve, in many instances, transactions in a range of derivative instruments. The Group makes extensive use of derivatives to hedge its balance sheet and service its customer needs. The Group's participation in derivatives markets is subject to the requirements of the Group Market Risk Policy which is approved by the Court. The Group makes a clear distinction between derivatives which must be transacted on a perfectly hedged basis and those whose risks can be managed within broader interest rate or FX books.

The approach to hedging and managing market risk is governed by policies explicitly designed to ensure that all hedging activities are risk reducing. Interest rate risk arising on customer lending and term deposit-taking is centralised by way of internal hedging transactions with BoIGM or Group Treasury. This exposure is, in turn, substantially eliminated through external hedges.

Structural risk is managed by way of selective and strategic hedging initiatives which are executed under ALCO's authority.

Policy requires that, where behavioural optionality hedging relies on assumptions about uncertain customer behaviour and where material, it is subject to limits or other controls.

# 26 Modified financial assets

The following table provides analysis of financial assets for which the contractual cash flows have been modified while they had an impairment loss allowance measured at an amount equal to lifetime ECL, and where the modification did not result in derecognition.

| | Group | | Bank | |
|---|---|---|---|---|
| | | | | *Restated*[1] |
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| **Financial assets modified during the year** | | | | |
| Amortised cost before modification | 870 | 844 | 770 | 756 |
| **Financial assets modified since initial recognition** | | | | |
| Gross carrying amount of financial assets for which impairment loss allowance has changed from lifetime to 12 month expected credit losses during the year[1] | 1,825 | 1,425 | 696 | 529 |

[1] *Comparative figures for Bank have been restated by €529 million to reflect amounts which were incorrectly excluded in 2023.*

# 27 Shares in group undertakings

The Bank's Shares in Group Undertakings are reviewed if events or circumstances indicate that impairment may have occurred, by comparing the carrying value of each investment to its recoverable amount. No impairment was recognised in 2024 (2023:€nil).

The recoverable amount of an asset is the higher of its fair value less costs to sell and its VIU, where the VIU is the present value of the future cash flows expected to be derived from the asset. The calculation of the recoverable amount for each cash generating unit is based upon a VIU calculation that discounts expected pre-tax cash flows at a rate appropriate to the cash generating unit. The determination of both requires the exercise of judgement. The estimation of pre-tax cash flows is sensitive to the periods for which forecasted cash flows are available and to assumptions underpinning the sustainability of those cash flows. While forecasts are compared with actual performance and external economic data, expected cash flows reflect management's view of future performance. The values assigned to key assumptions reflect past experience, performance of the business to date and management judgement.

The recoverable amount calculations performed for the significant amount of shares in Group undertakings are sensitive to changes in the following key assumptions:

### Cash flow forecasts

Cash flow forecasts are based on internal management information for a period of up to five years, after which a long-term growth rate appropriate for the business is applied (see 'growth rates').

The initial five years' cash flows are consistent with approved plans for each business.

### Growth rates

Growth rates beyond five years are determined by reference to local economic growth rates. The assumed long-term growth rate of 2% is used in the calculation of the VIU and cash flows have been projected forward for a period of 30 years.

### Discount Rate

The discount rate is the pre-tax WACC for each subsidiary.

| Bank | 2024 €m | 2023 €m |
|---|---|---|
| **Balance 1 January** | **4,009** | **3,947** |
| Exchange adjustments | 85 | 35 |
| Increase in investments | – | 39 |
| Repayment / write-off of investment | (11) | (11) |
| Disposal of investments | – | (1) |
| **Balance at 31 December** | **4,083** | **4,009** |
| **Group undertakings, of which:** | | |
| Credit Institutions | 3,522 | 3,438 |
| Others | 561 | 571 |
| | **4,083** | **4,009** |

# 28 Interest in associates and joint ventures

The Group has availed of the venture capital exemption in accounting for a number of its interests in associates. In line with the accounting policy set out in note 1, these interests have been designated at initial recognition at FVTPL. Changes in the fair value of these interests are included in the share of results of associates (after tax) line on the income statement.

The Group's other investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

In presenting details of the associates of the Group, the exemption permitted by Section 316 of the Companies Act 2014 has been availed of and the Group will annex a full listing of associates to its annual return to the Companies Registration Office.

For further information on joint ventures refer to note 51 Interests in other entities.

| Group<br>Interest in associates | 2024<br>€m | 2023<br>€m |
|---|---|---|
| **Balance at 1 January** | **108** | **83** |
| Increase in investments | 40 | 31 |
| Decrease in investments | (20) | (3) |
| Share of results after tax (note 15) | 5 | (3) |
| **Balance at 31 December** | **133** | **108** |
| Interest in associates FVTPL | 76 | 79 |
| Interest in associates using equity method | 57 | 29 |
| **Balance at 31 December** | **133** | **108** |

| Group<br>Interest in joint ventures | 2024<br>€m | 2023<br>€m |
|---|---|---|
| **Balance at 1 January** | **79** | **82** |
| Share of results after tax (note 15) - FRES | 29 | 28 |
| Dividends received | (36) | (34) |
| Exchange adjustments | 4 | 2 |
| Additions | 4 | 1 |
| **Balance at 31 December** | **80** | **79** |

# 29 Intangible assets and goodwill

| Group | 2024 Goodwill €m | 2024 Computer software externally purchased €m | 2024 Computer software internally generated €m | 2024 Other externally purchased intangible assets €m | 2024 Total €m | 2023 Goodwill €m | 2023 Computer software externally purchased €m | 2023 Computer software internally generated €m | 2023 Other externally purchased intangible assets €m | 2023 Total €m |
|---|---|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | | | |
| **At 1 January** | **309** | **77** | **3,024** | **212** | **3,622** | **308** | **76** | **2,724** | **235** | **3,343** |
| Additions | – | 18 | 364 | (2) | 380 | – | 1 | 295 | 1 | 297 |
| Retirements | – | (54) | (1,136) | – | (1,190) | – | – | (2) | (27) | (29) |
| Exchange adjustments | 1 | – | 15 | 7 | 23 | 1 | – | 7 | 3 | 11 |
| **At 31 December** | **310** | **41** | **2,267** | **217** | **2,835** | **309** | **77** | **3,024** | **212** | **3,622** |
| **Amortisation and impairment at 1 January** | **(9)** | **(74)** | **(1,971)** | **(160)** | **(2,214)** | **(9)** | **(72)** | **(1,814)** | **(172)** | **(2,067)** |
| Retirements | – | 54 | 1,136 | – | 1,190 | – | – | 2 | 27 | 29 |
| Impairment | – | – | (100) | – | (100) | – | – | – | – | – |
| Amortisation charge for the year (note 11) | – | (2) | (182) | (9) | (193) | – | (2) | (154) | (12) | (168) |
| Exchange adjustments | – | – | (11) | (7) | (18) | – | – | (5) | (3) | (8) |
| **At 31 December** | **(9)** | **(22)** | **(1,128)** | **(176)** | **(1,335)** | **(9)** | **(74)** | **(1,971)** | **(160)** | **(2,214)** |
| **Net book value** | **301** | **19** | **1,139** | **41** | **1,500** | **300** | **3** | **1,053** | **52** | **1,408** |

### Computer software internally generated

The category 'computer software internally generated' comprises assets with a carrying value of €1,139 million (2023: €1,053 million). This includes amortising assets with a carrying value of €626 million (2023: €737 million) with amortisation periods normally ranging from five to ten years, and reflects investment in technical infrastructure, applications and software licences primarily comprising of Payments and Regulatory assets, with remaining amortisation periods ranging up to 10 years. It also includes assets under construction of €513 million (2023: €316 million) on which amortisation will commence once the assets are available for use. 'Computer software internally generated' (cost €1,136 million) and 'computer software externally purchased' (cost €54 million) assets that were fully amortised and obsolete were retired in the period from the Fixed Asset Register.

### Impairment review - computer software internally generated

During H2 2024, the Group reviewed its software intangible assets for indicators of impairment, including internal indicators such as obsolescence, and external indicators such as the evolution of emerging technologies. As a consequence of the existence of such indicators, the Group performed an impairment assessment and formed the judgement that certain software assets were impaired, as they were no longer expected to provide future economic benefits. Accordingly, an impairment charge of €100 million has been recognised in the year (31 December 2023: €nil). As a result of the impairment review an €8 million provision was also recognised relating to onerous contracts, see note 39 provisions. The Group considers that the remaining carrying amount of €1,139 million is recoverable as it comprises intangible assets which are currently in use, with no indicators of a reduction in useful economic lives, and intangible assets which are currently in development and which are expected to be deployed into use in the future.

### Other externally purchased intangible assets

The Group acquired the Davy business on 1 June 2022. As part of the acquisition, the Group identified intangible assets valued at €48 million relating to customer relationships and brand value at the date of acquisition.

### Impairment review – other externally purchased intangible assets

During 2024, the Group reviewed other externally purchased intangible assets for any indicators of impairment and concluded that no impairment is required (2023: €nil).

### Goodwill

At 31 December 2024, goodwill on the Group's balance sheet is €301 million (2023: €300 million) and relates to the acquisitions of Davy €273 million, Ireland's leading provider of wealth management and capital markets services and the Marshall Leasing business €28 million, a car commercial leasing and fleet management business in the UK.

### Impairment Review - Goodwill

Goodwill is reviewed annually for impairment or more frequently if events or circumstances indicate that impairment may have occurred, by comparing the carrying value of goodwill to its recoverable amount. An impairment charge arises if the carrying value exceeds the recoverable amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its VIU, where the VIU is the present value of the future cash flows expected to be derived from the asset. Impairment reviews of Davy and Marshall Leasing were carried out during 2024 and 2023, and no impairment of goodwill was required.

# 29 Intangible assets and goodwill *(continued)*

### Impairment testing of goodwill

Goodwill is allocated to CGU at a level which represents the smallest identifiable group of assets that generate largely independent cash flows. The calculation of the recoverable amount of goodwill for each of these CGU is based upon a VIU calculation that discounts expected pre-tax cash flows at an interest rate appropriate to the CGU. The determination of both requires the exercise of judgement.

The estimation of pre-tax cash flows is sensitive to the periods for which forecasted cash flows are available and to assumptions underpinning the sustainability of those cash flows. While forecasts are compared with actual performance and external economic data, expected cash flows reflect management's view of future performance.

The values assigned to key assumptions reflect past experience, performance of the business to date and management judgement. The recoverable amount calculations performed for the significant amounts of goodwill are sensitive to changes in the following key assumptions:

### Cash flow forecasts

Cash flow forecasts are based on internal management information for a period of up to five years, after which a long-term growth rate appropriate for the business is applied.

The initial five years' cash flows are consistent with approved plans for each business prepared under the Group's ICAAP. Underpinning the ICAAP, the Group prepares detailed financial projections prepared using consensus macroeconomic forecasts together with Group-specific assumptions.

### Growth rates

Growth rates beyond five years are determined by reference to local economic growth, inflation projections or long term bond yields. The assumed long term growth rate for Davy is 2% (2023: 2%).

### Discount rate

The discount rates applied to Davy is the post-tax weighted average cost of capital for the Group, increased to include a risk premium to reflect the specific risk profile of the CGU, to the extent that such risk is not already reflected in the forecast cash flows. A rate of 10.71% (2023: 10.99%) for Davy was applied.

Certain elements within these cash flow forecasts are critical to the performance of the business. The impact of changes in these cash flows, growth rate and discount rate assumptions has been assessed by the Directors in the review. For an assessment of reasonably possible changes in key assumptions used to determine Davy's recoverable amount, refer to note 2 Critical accounting estimates and judgements.

The Directors consider that reasonably possible changes in key assumptions used to determine the recoverable amount of Marshall Leasing would not result in an impairment of goodwill.

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Bank** | **Computer software externally purchased €m** | **Computer software internally generated €m** | **Other externally purchased intangible assets €m** | **Total €m** | **Computer software externally purchased €m** | **Computer software internally generated €m** | **Other externally purchased intangible assets €m** | **Total €m** |
| **Cost** | | | | | | | | |
| **At 1 January** | **49** | **2,781** | **66** | **2,896** | **49** | **2,501** | **92** | **2,642** |
| Additions | 11 | 356 | – | 367 | – | 278 | – | 278 |
| Retirements | (36) | (1,046) | – | (1,082) | – | (2) | (27) | (29) |
| Exchange adjustments | – | 12 | 2 | 14 | – | 4 | 1 | 5 |
| **At 31 December** | **24** | **2,103** | **68** | **2,195** | **49** | **2,781** | **66** | **2,896** |
| **Amortisation and impairment** | | | | | | | | |
| **At 1 January** | **(49)** | **(1,809)** | **(54)** | **(1,912)** | **(49)** | **(1,668)** | **(77)** | **(1,794)** |
| Retirements | 36 | 1,046 | – | 1,082 | – | 2 | 27 | 29 |
| Impairment | – | (100) | – | (100) | – | – | – | – |
| Amortisation charge for the year | (1) | (158) | (3) | (162) | – | (139) | (3) | (142) |
| Exchange adjustments | – | (9) | (2) | (11) | – | (4) | (1) | (5) |
| **At 31 December** | **(14)** | **(1,030)** | **(59)** | **(1,103)** | **(49)** | **(1,809)** | **(54)** | **(1,912)** |
| **Net book value** | **10** | **1,073** | **9** | **1,092** | **–** | **972** | **12** | **984** |

# 29 Intangible assets and goodwill *(continued)*

**Impairment review - Bank intangible assets**

During H2 2024, the Bank reviewed its software intangible assets for indicators of impairment, including internal indicators such as obsolescence, and external indicators such as the evolution of emerging technologies. As a consequence of the existence of such indicators, the Bank performed an impairment assessment and formed the judgement that certain software assets were impaired, as they were no longer expected to provide future economic benefits. Accordingly, an impairment charge of €100 million has been recognised in the year (31 December 2023: €nil). As a result of the impairment review an €8 million provision was also recognised relating to onerous contracts, see note 39 provisions. The Bank considers that the remaining carrying amount of €1,073 million is recoverable as it comprises intangible assets which are currently in use, with no indicators of a reduction in useful economic lives, and intangible assets which are currently in development and which are expected to be deployed into use in the future.

# 30 Investment properties

At 31 December 2024, the Group held investment property of €771 million (2023: €793 million) on behalf of Wealth and Insurance policyholders. Assets underlying insurance contracts with direct participation features, measured applying the VFA, are €452 million (2023: €479 million).

Investment properties are carried at fair value as determined by external qualified Property Surveyors (the 'Surveyors') appropriate to the properties held. The Surveyors arrive at their opinion of fair value by using their professional judgement in applying comparable current trends in the property market such as rental yields in the retail, office and industrial property sectors, to both the existing rental income stream and also to the future estimated recovery value (ERV). Other inputs taken into consideration include occupancy forecasts, rent free periods that may need to be granted to new incoming tenants, capital expenditure and fees. As these inputs are unobservable, the valuation is deemed to be based on level 3 inputs. All properties are valued based on highest and best use.

In 2024, rental income from investment property amounted to €50 million (2023: €52 million). Expenses directly attributable to investment properties generating rental income was €17 million (2023: €14 million).

In 2024, there were no reclassifications to / from investment property. In 2023, the Group reclassified €13 million from property, plant and equipment to investment properties. These reclassifications were disposed of in 2024.

| Group | 2024 €m | 2023 €m |
|---|---|---|
| **Balance at 1 January** | **793** | **883** |
| Revaluation | (40) | (104) |
| Additions | 24 | – |
| Disposals | (13) | (4) |
| Exchange adjustment | 7 | 5 |
| Reclassification | – | 13 |
| **Balance at 31 December** | **771** | **793** |
| *of which:* | | |
| Assets underlying insurance contracts with direct participation features | **452** | **479** |

# 31 Property, plant and equipment

| Group 2024 | Freehold land & buildings & long leaseholds (FV) | | Adaptations (at cost) | | Computer & other equipment (at cost) | | Payments on accounts & assets in the course of construction (at cost) | Right of Use assets, excluding investment property | | | | Total property plant and equipment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | of which; own-use | of which; subject to operating lease | of which; own-use | of which; subject to operating lease | of which; own-use | of which; subject to operating lease | | Total owned assets | Buildings | Computer & other equipment | Total right of use assets | |
| | €m | €m | €m | €m | €m | €m | €m | €m | €m | €m | €m | €m |
| **Cost or valuation at 1 January 2024** | **120** | **14** | **170** | **10** | **230** | **249** | **7** | **800** | **540** | **61** | **601** | **1,401** |
| Additions | – | – | 4 | – | 5 | 114 | 17 | **140** | 4 | 1 | **5** | **145** |
| Disposals / write-offs | – | – | (11) | (2) | (14) | (63) | – | **(90)** | (21) | – | **(21)** | **(111)** |
| Revaluation recognised in OCI | (1) | (1) | – | – | – | – | – | **(2)** | – | – | **–** | **(2)** |
| Revaluation recognised in income statement (note 11) | – | – | – | – | – | – | – | **–** | – | – | **–** | **–** |
| Reclassifications | (5) | 5 | 6 | – | 2 | – | (8) | **–** | – | – | **–** | **–** |
| Adjustment of lease liability | – | – | – | – | – | – | – | **–** | 3 | – | **3** | **3** |
| Exchange adjustments | 1 | 1 | 1 | – | 2 | 14 | – | **19** | 2 | 1 | **3** | **22** |
| **Balance at 31 December 2024** | **115** | **19** | **170** | **8** | **225** | **314** | **16** | **867** | **528** | **63** | **591** | **1,458** |
| **Accumulated depreciation at 1 January 2024** | **–** | **–** | **(114)** | **(5)** | **(188)** | **(42)** | **–** | **(349)** | **(214)** | **(38)** | **(252)** | **(601)** |
| Charge for the year (notes 8,11,18) | – | – | (10) | – | (12) | (51) | – | **(73)** | (33) | (12) | **(45)** | **(118)** |
| Impairment (note 11) | – | – | – | – | – | – | – | **–** | (2) | – | **(2)** | **(2)** |
| Disposals / write-offs | – | – | 11 | 2 | 14 | 36 | – | **63** | 17 | – | **17** | **80** |
| Reclassifications | – | – | – | – | – | – | – | **–** | – | – | **–** | **–** |
| Exchange adjustments | – | – | – | – | (3) | (2) | – | **(5)** | (1) | – | **(1)** | **(6)** |
| **Balance at 31 December 2024** | **–** | **–** | **(113)** | **(3)** | **(189)** | **(59)** | **–** | **(364)** | **(233)** | **(50)** | **(283)** | **(647)** |
| **Net book value at 31 December 2024** | **115** | **19** | **57** | **5** | **36** | **255** | **16** | **503** | **295** | **13** | **308** | **811** |

At 31 December 2024, property, plant and equipment held at fair value was €134 million (2023: €134 million), the historical cost of which was €73 million (2023: €71 million).

During 2024, there were no freehold land and buildings held for own-use which were transferred to assets classified as held for sale (2023: €3 million).

# 31 Property, plant and equipment *(continued)*

| Group 2023 | Freehold land & buildings & long leaseholds (FV) | | Adaptations (at cost) | | Computer & other equipment (at cost) | | Payments on accounts & assets in the course of construction (at cost) | Right of Use assets, excluding investment property | | | | Total property plant and equipment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | of which; own-use €m | of which; subject to operating lease €m | of which; own-use €m | of which; subject to operating lease €m | of which; own-use €m | of which; subject to operating lease €m | €m | Total owned assets €m | Buildings €m | Computer & other equipment €m | Total right of use assets €m | €m |
| **Cost or valuation at 1 January 2023** | **143** | **18** | **157** | **9** | **246** | **201** | **13** | **787** | **516** | **60** | **576** | **1,363** |
| Additions | – | – | 5 | – | 6 | 96 | 9 | **116** | 17 | 1 | **18** | **134** |
| Disposals / write-offs | – | – | (1) | – | (28) | (53) | – | **(82)** | (2) | – | **(2)** | **(84)** |
| Revaluation recognised in OCI | (7) | (1) | – | – | – | – | – | **(8)** | – | – | **–** | **(8)** |
| Revaluation recognised in income statement (note 11) | (4) | – | – | – | – | – | – | **(4)** | – | – | **–** | **(4)** |
| Reclassifications | (13) | (3) | 9 | 1 | 5 | – | (15) | **(16)** | – | – | **–** | **(16)** |
| Adjustment of lease liability | – | – | – | – | – | – | – | **–** | 9 | – | **9** | **9** |
| Exchange adjustments | 1 | – | – | – | 1 | 5 | – | **7** | – | – | **–** | **7** |
| **Balance at 31 December 2023** | **120** | **14** | **170** | **10** | **230** | **249** | **7** | **800** | **540** | **61** | **601** | **1,401** |
| **Accumulated depreciation at 1 January 2023** | **–** | **–** | **(107)** | **(4)** | **(200)** | **(40)** | **–** | **(351)** | **(184)** | **(26)** | **(210)** | **(561)** |
| Charge for the year (notes 8,11,18) | – | – | (9) | – | (14) | (35) | – | **(58)** | (35) | (12) | **(47)** | **(105)** |
| Impairment reversal | – | – | – | – | – | – | – | **–** | 3 | – | **3** | **3** |
| Disposals / write-offs | – | – | 1 | – | 28 | 34 | – | **63** | 2 | – | **2** | **65** |
| Reclassifications | – | – | 1 | (1) | – | – | – | **–** | – | – | **–** | **–** |
| Exchange adjustments | – | – | – | – | (2) | (1) | – | **(3)** | – | – | **–** | **(3)** |
| **Balance at 31 December 2023** | **–** | **–** | **(114)** | **(5)** | **(188)** | **(42)** | **–** | **(349)** | **(214)** | **(38)** | **(252)** | **(601)** |
| **Net book value at 31 December 2023** | **120** | **14** | **56** | **5** | **42** | **207** | **7** | **451** | **326** | **23** | **349** | **800** |

## 31 Property, plant and equipment *(continued)*

| Bank 2024 | Freehold land & buildings & long leaseholds (FV) | | Adaptations (at cost) | | Computer & other equipment (at cost) | | Payments on accounts & assets in the course of construction (at cost) | Right of Use assets, excluding investment property | | | Total right of use assets | Total property plant and equipment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | of which; own-use | of which; subject to operating lease | of which; own-use | of which; subject to operating lease | of which; own-use | of which; subject to operating lease | | Total owned assets | Buildings | Computer & other equipment | | |
| | €m | €m | €m | €m | €m | €m | €m | €m | €m | €m | €m | €m |
| **Cost or valuation at 1 January 2024** | **99** | **11** | **167** | **9** | **221** | **–** | **7** | **514** | **493** | **62** | **555** | **1,069** |
| Additions | – | – | 3 | – | 3 | – | 17 | **23** | 3 | 1 | **4** | **27** |
| Disposals / write-offs | – | – | (10) | (2) | (13) | – | – | **(25)** | (13) | – | **(13)** | **(38)** |
| Revaluation recognised in OCI | – | (1) | – | – | – | – | – | **(1)** | – | – | **–** | **(1)** |
| Reclassifications | (2) | 3 | 6 | – | 2 | – | (8) | **1** | – | – | **–** | **1** |
| Adjustment of lease liability | – | – | – | – | – | – | – | **–** | (3) | – | **(3)** | **(3)** |
| Exchange adjustments | 1 | – | 1 | 1 | 1 | – | – | **4** | 1 | – | **1** | **5** |
| **Balance at 31 December 2024** | **98** | **13** | **167** | **8** | **214** | **–** | **16** | **516** | **481** | **63** | **544** | **1,060** |
| **Accumulated depreciation at 1 January 2024** | **–** | **–** | **(113)** | **(6)** | **(183)** | **–** | **–** | **(302)** | **(202)** | **(36)** | **(238)** | **(540)** |
| Charge for the year | – | – | (8) | – | (10) | – | – | **(18)** | (30) | (12) | **(42)** | **(60)** |
| Impairment | – | – | – | – | – | – | – | **–** | (2) | – | **(2)** | **(2)** |
| Disposals / write-offs | – | – | 10 | 2 | 13 | – | – | **25** | 13 | – | **13** | **38** |
| Reclassifications | – | – | – | – | – | – | – | **–** | – | – | **–** | **–** |
| Exchange adjustments | – | – | (1) | – | (2) | – | – | **(3)** | (1) | – | **(1)** | **(4)** |
| **Balance at 31 December 2024** | **–** | **–** | **(112)** | **(4)** | **(182)** | **–** | **–** | **(298)** | **(222)** | **(48)** | **(270)** | **(568)** |
| **Net book value at 31 December 2024** | **98** | **13** | **55** | **4** | **32** | **–** | **16** | **218** | **259** | **15** | **274** | **492** |

At 31 December 2024, property, plant and equipment held at fair value was €111 million (2023: €109 million), the historical cost of which was €49 million (2023: €47 million).

During 2024, there were no freehold land and buildings held for own-use which were transferred to assets classified as held for sale (2023: €1 million).

# 31 Property, plant and equipment *(continued)*

| Bank 2023 | Freehold land & buildings & long leaseholds (FV) | | Adaptations (at cost) | | Computer & other equipment (at cost) | | Payments on accounts & assets in the course of construction (at cost) | Total owned assets | Right of Use assets, excluding investment property | | Total right of use assets | Total property plant and equipment |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | of which; own-use €m | of which; subject to operating lease €m | of which; own-use €m | of which; subject to operating lease €m | of which; own-use €m | of which; subject to operating lease €m | €m | €m | Buildings €m | Computer & other equipment €m | €m | €m |
| **Cost or valuation at 1 January 2023** | **106** | **12** | **154** | **8** | **239** | **–** | **13** | **532** | **500** | **61** | **561** | **1,093** |
| Additions | – | – | 4 | – | 4 | – | 9 | **17** | 10 | 1 | **11** | **28** |
| Disposals / write-offs | – | – | – | – | (27) | – | – | **(27)** | (1) | – | **(1)** | **(28)** |
| Revaluation recognised in OCI | (7) | (1) | – | – | – | – | – | **(8)** | – | – | **–** | **(8)** |
| Reclassifications | – | – | 9 | 1 | 5 | – | (15) | **–** | – | – | **–** | **–** |
| Adjustment of lease liability | – | – | – | – | – | – | – | **–** | (16) | – | **(16)** | **(16)** |
| Exchange adjustments | – | – | – | – | – | – | – | **–** | – | – | **–** | **–** |
| **Balance at 31 December 2023** | **99** | **11** | **167** | **9** | **221** | **–** | **7** | **514** | **493** | **62** | **555** | **1,069** |
| | | | | | | | | | | | | |
| **Accumulated depreciation at 1 January 2023** | **–** | **–** | **(105)** | **(5)** | **(198)** | **–** | **–** | **(308)** | **(175)** | **(25)** | **(200)** | **(508)** |
| Charge for the year | – | – | (9) | – | (13) | – | – | **(22)** | (30) | (11) | **(41)** | **(63)** |
| Impairment reversal | – | – | – | – | – | – | – | **–** | 2 | – | **2** | **2** |
| Disposals / write-offs | – | – | – | – | 28 | – | – | **28** | 1 | – | **1** | **29** |
| Reclassifications | – | – | 1 | (1) | – | – | – | **–** | – | – | **–** | **–** |
| Exchange adjustments | – | – | – | – | – | – | – | **–** | – | – | **–** | **–** |
| **Balance at 31 December 2023** | **–** | **–** | **(113)** | **(6)** | **(183)** | **–** | **–** | **(302)** | **(202)** | **(36)** | **(238)** | **(540)** |
| | | | | | | | | | | | | |
| **Net book value at 31 December 2023** | **99** | **11** | **54** | **3** | **38** | **–** | **7** | **513** | **291** | **26** | **317** | **529** |

# 31 Property, plant and equipment *(continued)*

### Future capital expenditure

This table shows future capital expenditure in relation to both property, plant and equipment and intangible assets.

| | Group | | Bank | |
|---|---|---|---|---|
| **Future Capital Expenditure** | **2024 €m** | **2023 €m** | **2024 €m** | **2023 €m** |
| Contracted but not provided for in the financial statements | 87 | 120 | 87 | 119 |
| Authorised by the Directors but not contracted | 28 | 28 | 10 | 13 |
| **Total future capital expenditure** | **115** | **148** | **97** | **132** |

### Group as lessor

Computer and other equipment subject to an operating lease relates to the business activities of Marshall Leasing. The Marshall Leasing business enters into operating leases, as lessor, through its car and commercial leasing activities. The terms of the leases vary but the majority of the leases typically run for a non-cancellable period of two to four years through which the Group is exposed to residual value risk on the vehicles leased.

The Group ensures that residual value risk is effectively managed to minimise exposure. The residual values used mirror those utilised in the creation of the original client contract. Residual values for the Marshall Leasing fleet of vehicles are benchmarked against industry standards using third party valuation tools.

The residual values for the entire portfolio are reassessed using an independent vehicle valuation estimate on a regular basis throughout the life of the underlying contracts to determine if impairment is required. The process of realising asset values at the end of lease contracts is effectively managed to maximise net sale proceeds. The Group received operating lease income of €64 million in 2024 relating to the Marshall Leasing business (2023: €53 million) (note 8).

### Bank as lessor

The Bank has also entered into a small number of sub-leases as lessor which represent properties and components of properties surplus to the Bank's own requirements. The Group received no associated operating lease income in 2024 (2023: €nil).

The table below sets out the future undiscounted operating lease payments receivable.

| | Group | | Bank | |
|---|---|---|---|---|
| **Operating lease receivables** | **2024 €m** | **2023 €m** | **2024 €m** | **2023 €m** |
| Not later than 1 year | 55 | 43 | – | 1 |
| 1 to 2 years | 47 | 29 | 1 | – |
| 2 to 3 years | 18 | 16 | 1 | 1 |
| 3 to 4 years | 10 | 6 | 1 | – |
| 4 to 5 year | 4 | 2 | – | – |
| Later than 5 years | 3 | – | 2 | – |
| **Total operating lease receivables** | **137** | **96** | **5** | **2** |

# 32 Deferred tax

The DTA of €546 million (2023: €808 million) includes an amount of €624 million (2023: €845 million) in respect of operating losses which are available to shelter future profits from tax, of which €574 million relates to Irish tax losses carried forward by the Bank, €46 million relates to UK tax losses carried forward by BoI (UK) plc, and €4 million relates to US tax losses carried forward by the US branch of the Bank.

The recognition of a DTA in respect of tax losses carried forward requires the Directors to be satisfied that it is probable that the Group will have sufficient future taxable profits against which the losses can be utilised.

In considering the available evidence to support recognition of the DTA, the Group takes into consideration the impact of both positive and negative evidence including historical financial performance, projections of future taxable income and the impact of tax legislation.

The key judgements and estimates applied in the recognition of DTAs on unused tax losses are set out in note 2, Critical accounting estimates and judgements. The brought forward Irish tax losses are currently projected to be utilised in full by the end of 2028.

DTAs at 31 December 2024 of €0.4 billion (2023: €0.6 billion) are expected to be recovered after more than one year.

Deferred tax liabilities have not been recognised for tax that may be payable if distributable reserves of certain overseas subsidiaries and joint ventures were remitted to Ireland as the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Distributable reserves for overseas subsidiaries and joint ventures totalled €1.6 billion at 31 December 2024 (2023: €1.4 billion).

The Group has not recognised a DTA of €170 million (2023: €164 million) in respect of unused tax losses of which €51 million (2023: €49 million) relates to US tax losses which are subject to a 20 year life and are scheduled to expire unused in the period 2028 - 2029 due to an annual limitation of use. The balance relates to UK tax losses which have no expiry date but are currently not projected to be recovered within 10 years.

The Group's assessment of deferred tax recoverability is based on its financial projections covering its five year initial planning period, with an annual 2% growth rate thereafter and, based on these projections, the DTA in respect of Irish tax losses is estimated to be recovered in full by the end of 2028 (31 December 2023: 2028). The use of reasonably possible alternative assumptions within those projections would not impact the carrying value of the DTA.

Notwithstanding the absence of any expiry date for trading losses in the UK, the Group continues to conclude that, for the purpose of valuing its UK DTA, the brought forward trading losses within the Bank's UK branch will be limited by reference to a ten year period of projected UK branch profits at the prevailing UK tax rates. This ten year timescale is the period over which the Group believes it can conclude that it is probable that future taxable profits will be available in the UK branch.

On this basis, no DTA is currently recognised for losses of the Bank's UK branch (31 December 2023: €nil). However, any remaining unutilised carried forward trading losses of the UK branch have been recognised for DTA purposes at the Irish tax rate, on the basis that it is expected that these will be utilised against future Bank profits in Ireland as permitted by current tax legislation.

Based on the Group's financial projections, the Directors believe that BOI (UK) plc will continue to be profitable for the foreseeable future and the DTA in respect of tax losses is estimated to be recoverable in full by the end of 2029 (2023: 2030).

There is a risk that the final taxation outcome could be different to the amounts currently recorded. If future profits or subsequent forecasts differ from current forecasts, a further adjustment may be required to the DTA.

### Pillar 2 model rules

The Group currently estimates that there could be a future top-up tax payable in Ireland on an element of Irish profits but, the impact on the current tax charge in the current period is nil due primarily to the ability to take into account certain historic tax losses in the Bank at 15% and also due to profits arising in jurisdictions with an effective tax rate in excess of 15%.

The Group applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes, as provided in the amendments to IAS 12 issued in May 2023.

# 32 Deferred tax *(continued)*

| Group 2024 | Net balance at 1 January €m | Recognised in profit or loss €m | Recognised in OCI €m | Other movements including foreign exchange €m | Balance at 31 December Net €m | Deferred tax assets €m | Deferred tax liabilities €m |
|---|---|---|---|---|---|---|---|
| Unutilised tax losses | 845 | (221) | – | – | 624 | 624 | – |
| Lease liabilities | 49 | (6) | – | – | 43 | 43 | – |
| Cash flow hedge reserve | 11 | – | (2) | 2 | 11 | 11 | – |
| Impact of adopting IFRS 9 | 8 | (2) | – | – | 6 | 6 | – |
| Debt instruments at FVOCI | 3 | – | – | – | 3 | 3 | – |
| Other temporary differences - assets | 52 | (2) | – | 6 | 56 | 56 | – |
| Pensions and other post retirement benefits | (103) | (4) | (43) | – | (150) | – | (150) |
| Assets used in the business (including right of use assets) | (25) | 11 | – | – | (14) | – | (14) |
| Wealth & Insurance - different basis of accounting | (20) | (9) | – | – | (29) | – | (29) |
| Property revaluation surplus | (13) | – | – | – | (13) | – | (13) |
| Liability credit reserve | (6) | – | – | – | (6) | – | (6) |
| Other temporary differences - liabilities | (54) | 11 | – | – | (43) | – | (43) |
| **Tax assets / (liabilities) before set-off** | **747** | **(222)** | **(45)** | **8** | **488** | **743** | **(255)** |
| **Set-off of tax** | | | | | **–** | **(197)** | **197** |
| **Net tax assets / (liabilities)** | | | | | **488** | **546** | **(58)** |

| Group 2023 | Net balance at 1 January €m | Recognised in profit or loss €m | Recognised in OCI €m | Other movements including foreign exchange €m | Balance at 31 December Net €m | Deferred tax assets €m | Deferred tax liabilities €m |
|---|---|---|---|---|---|---|---|
| Unutilised tax losses | 1,026 | (186) | – | 5 | 845 | 845 | – |
| Pensions and other post retirement benefits | (105) | (5) | 7 | – | (103) | – | (103) |
| Assets used in the business (including right of use assets) | (21) | (4) | – | – | (25) | 18 | (43) |
| Impact of adopting IFRS 9 | 10 | (2) | – | – | 8 | 8 | – |
| Cash flow hedge reserve | 9 | – | – | 2 | 11 | 11 | – |
| Other temporary differences - assets | 58 | (7) | – | 1 | 52 | 52 | – |
| Wealth & Insurance - different basis of accounting | – | (20) | – | – | (20) | – | (20) |
| Debt instruments at FVOCI | 2 | – | 1 | – | 3 | 3 | – |
| Property revaluation surplus | (15) | – | 2 | – | (13) | – | (13) |
| Lease liabilities | 53 | (4) | – | – | 49 | 49 | – |
| Liability credit reserve | (3) | – | – | (3) | (6) | – | (6) |
| Other temporary differences - liabilities | (62) | 9 | – | – | (54) | – | (54) |
| **Tax assets / (liabilities) before set-off** | **952** | **(219)** | **10** | **5** | **747** | **986** | **(239)** |
| **Set-off of tax** | | | | | **–** | **(178)** | **178** |
| **Net tax assets / (liabilities)** | | | | | **747** | **808** | **(61)** |

# 32 Deferred tax *(continued)*

| Bank 2024 | Net balance at 1 January €m | Recognised in profit or loss €m | Recognised in OCI €m | Other movements including foreign exchange €m | Balance at 31 December Net €m | Deferred tax assets €m | Deferred tax liabilities €m |
|---|---|---|---|---|---|---|---|
| Unutilised tax losses | 786 | (209) | – | – | 577 | 577 | – |
| Pensions and other post retirement benefits | (101) | (2) | (41) | – | (144) | – | (144) |
| Assets used in the business (including right of use assets) | (39) | 11 | – | – | (28) | – | (28) |
| Impact of adopting IFRS 9 | 2 | (1) | – | – | 1 | 1 | – |
| Cash flow hedge reserve | 9 | – | (2) | – | 7 | 7 | – |
| Other temporary differences - assets | 28 | (1) | – | – | 27 | 27 | – |
| Debt instruments at FVOCI | 3 | – | – | – | 3 | 3 | – |
| Property revaluation surplus | (13) | – | – | 1 | (12) | – | (12) |
| Lease liabilities | 49 | (6) | – | – | 43 | 43 | – |
| Liability Credit Reserve | (6) | – | – | – | (6) | – | (6) |
| Other temporary differences - liabilities | (22) | 2 | – | – | (20) | – | (20) |
| **Tax assets / (liabilities) before set-off** | **696** | **(206)** | **(43)** | **1** | **448** | **658** | **(210)** |
| **Set-off of tax** | | | | | **–** | **(210)** | **210** |
| **Net tax assets / (liabilities)** | | | | | **448** | **448** | **–** |

| Bank 2023 | Net balance at 1 January €m | Recognised in profit or loss €m | Recognised in OCI €m | Other movements including foreign exchange €m | Balance at 31 December Net €m | Deferred tax assets €m | Deferred tax liabilities €m |
|---|---|---|---|---|---|---|---|
| Unutilised tax losses | 955 | (172) | – | 3 | 786 | 786 | – |
| Pensions and other post retirement benefits | (105) | (4) | 8 | – | (101) | – | (101) |
| Assets used in the business (including right of use assets) | (33) | (6) | – | – | (39) | 4 | (43) |
| Impact of adopting IFRS 9 | 2 | – | – | – | 2 | 2 | – |
| Cash flow hedge reserve | 8 | – | 1 | – | 9 | 9 | – |
| Other temporary differences - assets | 28 | (2) | – | 2 | 28 | 28 | – |
| Debt instruments at FVOCI | 2 | – | 1 | – | 3 | 3 | – |
| Property revaluation surplus | (14) | – | 1 | – | (13) | – | (13) |
| Lease liabilities | 53 | (4) | – | – | 49 | 49 | – |
| Liability Credit Reserve | (6) | – | – | – | (6) | – | (6) |
| Other temporary differences - liabilities | (28) | 6 | – | – | (22) | – | (22) |
| **Tax assets / (liabilities) before set-off** | **862** | **(182)** | **11** | **5** | **696** | **881** | **(185)** |
| **Set-off of tax** | | | | | **–** | **(185)** | **185** |
| **Net tax assets / (liabilities)** | | | | | **696** | **696** | **–** |

# 33 Other assets

| | Group | | Bank | |
|---|---|---|---|---|
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| Sundry and other debtors[1] | 707 | 631 | 383 | 386 |
| Interest receivable | 264 | 280 | 235 | 251 |
| Accounts receivable and prepayments | 122 | 122 | 97 | 104 |
| Trade receivables | 32 | 94 | 18 | 76 |
| Contract assets | 12 | 7 | 12 | 7 |
| **Other assets** | **1,137** | **1,134** | **745** | **824** |
| | | | | |
| Other assets are analysed as follows: | | | | |
| Within 1 year[1] | 915 | 983 | 557 | 710 |
| After 1 year[1] | 222 | 151 | 188 | 114 |
| | **1,137** | **1,134** | **745** | **824** |
| | | | | |
| **Amounts include:** | | | | |
| Due from BoIG plc | 14 | 11 | 14 | 11 |
| Due from Group undertakings | n/a | n/a | 5 | 13 |

[1] *At 31 December 2024, an Escrow Account balance of €107 million (2023: €60 million) arising from an agreement between the Group and the Trustees of the Bank of Ireland Staff Pensions Fund (BSPF) pension scheme is included within sundry and other debtors. See note 42 Retirement benefit obligations for further details.*

Interest receivable is subject to impairment under IFRS 9; the impairment loss allowance on interest receivable is presented in the balance sheet along with the financial asset to which it relates.

# 34 Deposits from banks

At 31 December 2024, the Group held Monetary Authority secured funding of €1.1 billion (2023: €2.5 billion) under the TFSME from the BoE are projected to be repaid during 2025 and 2026 with the final residual amount due to be repaid in October 2026.

At 31 December 2024, the Group's Monetary Authority secured funding is secured by loans and advances to customers.

Deposits from banks include cash collateral of €0.3 billion (2023: €0.4 billion) received from derivative counterparties in relation to net derivative asset positions (note 19) (Bank 2024: €0.3 billion, 2023: €0.4 billion).

| | Group | | Bank | |
|---|---|---|---|---|
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| Monetary Authority secured funding | 1,122 | 2,475 | – | – |
| Deposits from banks | 597 | 620 | 2,543 | 2,632 |
| Securities sold under agreement to repurchase - private market repos | 86 | – | – | – |
| **Deposits from banks** | **1,805** | **3,095** | **2,543** | **2,632** |
| | | | | |
| **Amounts include:** | | | | |
| Due to Group undertakings | – | – | 1,978 | 2,041 |

# 35 Customer accounts

| | Group | | Bank | |
|---|---|---|---|---|
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| Current accounts | 59,870 | 59,867 | 58,740 | 57,624 |
| Demand deposits | 29,538 | 30,392 | 22,714 | 24,025 |
| Term deposits and other products | 13,827 | 9,896 | 10,380 | 7,053 |
| **Customer accounts at amortised cost** | **103,235** | **100,155** | **91,834** | **88,702** |
| Term deposits at FVTPL | 114 | 230 | 785 | 800 |
| **Total customer accounts** | **103,349** | **100,385** | **92,619** | **89,502** |
| | | | | |
| **Amounts include:** | | | | |
| Due to BoIG plc | 280 | 202 | 280 | 202 |
| Due to associates and joint ventures | 76 | 50 | n/a | n/a |
| Due to Group undertakings | n/a | n/a | 4,018 | 2,727 |

| | Group | | Bank | |
|---|---|---|---|---|
| **Movement in own credit risk on deposits at FVTPL** | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| **Balance at 1 January** | **(2)** | **(13)** | **(21)** | **(20)** |
| Recognised in other comprehensive income | – | 11 | (2) | (1) |
| **Balance at 31 December** | **(2)** | **(2)** | **(23)** | **(21)** |

The carrying amount of the Group customer accounts designated at FVTPL at 31 December 2024 is €114 million is, €4 million lower than the contractual amount due at maturity of €118 million (2023: the carrying amount was €230 million, €12 million lower than the contractual amount due at maturity of €242 million). Bank 2024: the carrying amount was €785 million, €67 million lower than the contractual amount due at maturity of €852 million (2023: the carrying amount was €800 million, €77 million lower than the contractual amount due at maturity of €877 million). This is set out in note 52.

At 31 December 2024, the Group's largest 20 customer deposits amounted to 3% (2023: 2%) of customer accounts. Deposit accounts where a period of notice is required to make a withdrawal are classified within term deposits and other products. Information on the contractual maturities of customer accounts is on page 360 in the Financial Risk Management note.

At 31 December 2024, customer accounts include client deposits amounting to €1,397 million (2023: €1,614 million) for the Group and €1,382 million (2023: €1,566 million) for the Bank whereby Davy, which became a Group undertaking effective 1 June 2022, acts as a financial intermediary. Further details on client property are disclosed in note 49.

The Group completed the KBCI portfolio acquisition in 2023, including customer accounts with a nominal value of €1.8 billion and loans and advances to customers of €8.0 billion (note 24).

Term deposits and other products include a number of term accounts that contain easy access features. These allow the customer to access a portion or all of their deposit notwithstanding that this repayment could result in financial penalty being paid by the customer. For such accounts, the portion subject to the potential early access has been classified in the 'demand' category in the liquidity table on page 360 in the Financial Risk Management note.

Under the European Communities DGS, eligible deposits of up to €100,000 per depositor per credit institution are covered. Eligible deposits includes credit balances in current accounts, demand deposit accounts and term deposit accounts. The scheme is administered by the CBI and is funded by the credit institutions covered by the scheme.

Bail-in is a key resolution tool provided for in the Bank Recovery and Resolution Directive. The bail-in tool enables a resolution authority to write down the value of certain liabilities or convert them into equity, to the extent necessary to absorb losses and recapitalise an institution. DGS eligible covered deposits (Up to €100,000) are outside the scope of the bail-in tool, thereby enjoying an exempted status.

When applying the bail-in tool, the resolution authority would be required to respect a hierarchy of claims, where shareholders must bear first losses, followed by creditors in accordance with the applicable order of priority of their claims. For example, non-preferred senior unsecured debt ranks junior to, or has a lower priority than, certain other unsecured creditor claims.

In addition to the deposits covered by these Regulations, certain other Group deposits are covered by the deposit protection schemes in other jurisdictions, chiefly the UK Financial Services Compensation Scheme (FSCS) (in respect of eligible deposits with BoI (UK) plc).

# 36 Debt securities in issue

The carrying amount of bonds and medium term notes in Group has increased by €0.6 billion at 31 December 2024 (2023: €0.6 billion) due to senior issuances of €0.9 billion in bonds (2023: €2.3 billion) and €0.4 billion of other adjustments (2023: €0.1 billion), offset by redemptions of €0.7 billion (2023: €1.8 billion).

The carrying amount of bonds and medium term notes in Bank has increased by €0.5 billion at 31 December 2024 (2023: €0.5 billion) due to senior issuances of €0.9 billion in bonds (2023: €2.2 billion) and €0.3 billion other adjustments (2023: €0.1 billion), offset by redemptions of €0.7 billion (2023: €1.8 billion).

The carrying amount of the debt securities in issue designated at FVTPL at 31 December 2024 was €204 million, €15 million lower than the contractual amount due at maturity of €219 million (2023: the carrying amount was €267 million, €21 million lower than the contractual amount due at maturity of €288 million).

The carrying amount in Bank was €27 million, €1 million lower than the contractual amount due at maturity of €28 million (2023: the carrying amount was €26 million, €2 million lower than the contractual amount due at maturity of €28 million). This is set out in note 52.

As at 31 December 2024, the Group has c.€4.8 billion green bonds in issue through the Green Bond framework. The Group has set targets for sustainable financing of c.€15 billion by 2025 and c.€30 billion by 2030. See page 44 for further details.

| | Group | | Bank | |
|---|---|---|---|---|
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| Bonds and medium term notes | 7,931 | 7,374 | 6,966 | 6,437 |
| Other debt securities in issue | 1,004 | 1,040 | (2) | – |
| **Debt securities in issue at amortised cost** | **8,935** | **8,414** | **6,964** | **6,437** |
| Debt securities in issue at FVTPL | 204 | 267 | 27 | 26 |
| **Total debt securities in issue** | **9,139** | **8,681** | **6,991** | **6,463** |
| | | | | |
| **Balance at 1 January** | **8,681** | **7,783** | **6,463** | **5,926** |
| Issued during the year | 1,037 | 2,785 | 925 | 2,250 |
| Redemptions | (752) | (1,930) | (650) | (1,837) |
| Repurchases | (10) | (10) | – | – |
| Other movements[1] | 183 | 53 | 253 | 124 |
| **Balance at 31 December** | **9,139** | **8,681** | **6,991** | **6,463** |
| | | | | |
| **Amounts include:** | | | | |
| Due to BoIG plc | 7,003 | 6,572 | 7,003 | 6,572 |

[1] *Other movements primarily relates to fair value hedge adjustments in respect of debt securities in issue held at amortised cost, exchange adjustments and changes in fair value of debt securities in issue held at fair value.*

| | Group | | Bank | |
|---|---|---|---|---|
| **Movement in own credit risk on debt securities in issue at FVTPL** | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| **Balance at 1 January** | **3** | **–** | **3** | **–** |
| Recognised in other comprehensive income | – | 3 | – | 3 |
| **Balance at 31 December** | **3** | **3** | **3** | **3** |

# 37 Other liabilities

| | Group | | Bank | |
|---|---|---|---|---|
| | 2024 €m | 2023 €m | 2024 €m | 2023 €m |
| Notes in circulation | 887 | 892 | – | – |
| Sundry creditors | 590 | 458 | 235 | 150 |
| Accrued interest payable | 440 | 336 | 250 | 166 |
| Operating expenses accrued | 306 | 388 | 262 | 337 |
| Short position in trading securities | 154 | 105 | – | – |
| Accruals and deferred income | 46 | 69 | – | 1 |
| Dividend payable to parent | – | 27 | – | 27 |
| Other | 350 | 262 | 122 | 109 |
| **Other liabilities** | **2,773** | **2,537** | **869** | **790** |
| | | | | |
| Other liabilities are analysed as follows: | | | | |
| Within 1 year | 2,715 | 2,492 | 844 | 783 |
| After 1 year | 58 | 45 | 25 | 7 |
| | **2,773** | **2,537** | **869** | **790** |
| | | | | |
| **Amounts include:** | | | | |
| Due to BoIG plc | 147 | 168 | 147 | 168 |

# 38 Leasing

### Group as lessee

The principal contracts where the Group is a lessee under IFRS 16 are in relation to property leases and computer equipment. Further qualitative information on the nature of the leases is set out in the Group accounting policies (note 1) and the undiscounted contractual maturity of total lease liabilities is set out on page 360. Total cash outflows on these leases amounted to €98 million in 2024 (2023: €84 million).

### Amounts recognised in the balance sheet and income statement

The carrying amount of the Group's RoU assets and the movements during 2024 are set out in note 31.

The carrying amount of the lease liabilities and the movements during 2024 are set out in note 47.

### Group as lessor

Accounting for lessors is outlined in the Group accounting policies (note 1). The Group is engaged in finance lease and operating lease activities.

Finance leasing activity and a maturity analysis of the Group's net investment in finance leases are included within Loans and advances to customers (note 24) along with a gross to net reconciliation of the investment in finance leases. Associated income on finance leases is included in Interest income (note 4).

Operating leases where the Group is a lessor primarily relate to the Marshall Leasing business. Further detail on the nature of the company's leasing activities, risks and risk management is outlined in note 31.

In addition, the Group has also entered into a small number of operating leases and operating sub-leases as lessor which represent properties and components of properties surplus to the Group's own requirements. The Group received no associated operating lease income in 2024 (2023: €nil).

Variable lease payments on RoU assets relate to computer equipment that has a varying cost dependent on usage with the contracts on which the payments arise maturing within two years.

A maturity analysis of undiscounted operating lease receivables set out on an annual basis is included in note 31. Income and expense associated with the Group's operating lease activities is included in note 8.

# 38 Leasing *(continued)*

| Group<br>Summary of amounts recognised in the income statement under IFRS 16 'Leases' | 2024<br>€m | 2023<br>€m |
|---|---|---|
| **Amounts recognised in interest income** | | |
| Finance lease interest (note 4) | 294 | 229 |
| **Amounts recognised in interest expense** | | |
| Interest expense on lease liabilities (note 5) | 10 | 11 |
| **Amounts recognised in other operating expense** | | |
| Depreciation of RoU assets in property, plant and equipment (note 31) | 45 | 47 |
| Variable lease expenses (note 11) | 30 | 4 |
| Impairment of RoU assets (note 31) | 2 | – |
| Short-term lease expenses (note 11) | 1 | 1 |
| | **78** | **52** |
| **Amounts recognised in cost of restructuring** | | |
| Property-related costs / (gain) (note 12) | 1 | (3) |

# 39 Provisions *SBM-3/S4-4*

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| Group | Restructuring €m | Onerous Contracts €m | Legal and other €m | Total €m | Restructuring €m | Onerous Contracts €m | Legal and other €m | Total €m |
| **Balance at 1 January** | **23** | **–** | **35** | **58** | **28** | **–** | **51** | **79** |
| Charge to the income statement | 24 | 8 | 199 | 231 | 15 | – | 2 | 17 |
| Utilised during the year | (23) | – | (26) | (49) | (18) | – | (14) | (32) |
| Unused amounts reversed during the year | (4) | – | (1) | (5) | (2) | – | (6) | (8) |
| Other | – | – | – | – | – | – | 2 | 2 |
| **Balance at 31 December** | **20** | **8** | **207** | **235** | **23** | **–** | **35** | **58** |

The Group has recognised provisions in relation to restructuring costs, onerous contracts, legal and other. Such provisions are sensitive to a variety of factors, which vary depending on their nature.

The estimation of the amounts of such provisions is judgemental because the relevant payments are due in the future and the quantity and probability of such payments is uncertain. The methodology and the assumptions used in the calculation of provisions are reviewed regularly and, at a minimum, at each reporting date.

### UK motor finance business

As disclosed by the Group in previous periods, the Group's UK motor finance business, similar to industry peers, has continued to receive a number of complaints and county court claims in respect of its historical use of commission arrangements. In January 2024, the UK Financial Conduct Authority (FCA) commenced a review of historical motor finance commission arrangements and sales across several firms (the 'FCA review'). The FCA stated that if they find there has been widespread misconduct and that consumers have lost out, they will identify how best to ensure people who are owed compensation receive an appropriate settlement in an orderly, consistent and efficient way. At the same time, the FCA paused the handling of these complaints, originally until September 2024, subsequently extended to 4 December 2025. The FCA plans to communicate the next steps of its review of Discretionary Commission Arrangements (DCA) in May 2025 and to provide an update on non-DCA complaints at the same time, albeit its next steps in relation to both types of complaint will depend on the progress of the appeal to the Supreme Court and the timing and nature of any decision.

On 25 October 2024, the UK Court of Appeal published its combined judgment on three cases relating to other lenders, on disclosure of dealer commissions on historical motor finance transactions.

# 39 Provisions *(continued)*

The Court of Appeal decided that, based upon the facts of those cases, motor dealers acting as credit brokers owe certain duties to their customers and set a higher bar for the disclosure of and consent to the existence, nature, and amount of commission paid to dealers than that required by current FCA rules, or regulatory requirements in force at the time of the cases in question.The lenders involved in the cases have appealed this decision to the UK Supreme Court, and an expedited hearing is listed for April 2025. In February 2025, both the FCA and the National Franchised Dealers Association were granted permission by the Supreme Court to intervene in the appeal by way of written and oral submissions.

The FCA prohibited the use of DCAs from January 2021, which the Group's UK motor finance business adhered to. The Group believes that its historical practices were compliant with previous legal authorities and regulations in place at the time, and continues to engage with the current FCA review. The outcome of both the FCA's review of historical motor finance discretionary commission arrangements and the appeal before the Supreme Court remain uncertain, particularly in the context of the basis for any redress, and decisions on appropriate commission models along with clarity on the nature, extent and timing of any remediation. In addition, as the FCA review is unlikely to conclude until after the outcome of the Supreme Court hearing, this adds to the current significant uncertainty.

In light of these developments, in line with the requirements of IAS 37, the Group has recognised a provision of €172 million as at 31 December 2024. The provision represents the Group's best estimate of the redress and compensation that may be payable to impacted customers, along with costs that may be incurred by the Group in connection with any FCA consumer redress scheme and / or legal proceedings. It includes estimates for operational and legal costs, the potentially impacted customer population, claim rates and redress amounts.

In establishing the provision estimate, the Group has created a number of scenarios to address uncertainties around a number of key assumptions. The key judgemental items include the assessment that the FCA will implement a redress scheme in all scenarios, the claims rate applied to each scenario and the probability weighting associated with each of the scenarios modelled. The scenarios considered by the Group include consideration of the Court of Appeal judgement being upheld or overturned, the use of different bases for the calculation of redress, the application of varying time periods, customer behaviours, and of the form of the FCA redress scheme for eligible customers. Given these recent developments and the highlighted significant uncertainties, it is possible that the ultimate financial impact in future periods could materially differ from the current amount the Group has provided, either higher or lower.

### Restructuring provisions

Restructuring provisions of €20 million at 31 December 2024 (2023: €23 million) largely relates to Voluntary Redundancy Programme costs of €10 million (2023: €9 million), building exit costs of €10 million (2023: €13 million) in line with the Group's property strategy and other costs of €nil (2023: €1 million).

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Group**<br>**Expected utilisation** | **Restructuring €m** | **Onerous Contracts €m** | **Legal and other €m** | **Total €m** | **Restructuring €m** | **Onerous Contracts €m** | **Legal and other €m** | **Total €m** |
| Less than 1 year | 12 | 2 | 29 | 43 | 15 | – | 30 | 45 |
| 1 to 2 years | 3 | 2 | 174 | 179 | 2 | – | 1 | 3 |
| 2 to 5 years | 5 | 4 | 2 | 11 | 3 | – | 2 | 5 |
| 5 to 10 years | – | – | 2 | 2 | 3 | – | 2 | 5 |
| **Total** | **20** | **8** | **207** | **235** | **23** | **–** | **35** | **58** |

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Bank** | **Restructuring €m** | **Onerous Contracts €m** | **Legal and other €m** | **Total €m** | **Restructuring €m** | **Onerous Contracts €m** | **Legal and other €m** | **Total €m** |
| **Balance at 1 January** | **18** | **–** | **7** | **25** | **26** | **–** | **15** | **41** |
| Charge to income statement | 20 | 8 | 5 | 33 | 11 | – | 1 | 12 |
| Utilised during the year | (20) | – | (2) | (22) | (17) | – | (5) | (22) |
| Unused amounts reversed during the year | (3) | – | (1) | (4) | (2) | – | (4) | (6) |
| Other | – | – | 1 | 1 | – | – | – | – |
| **Balance at 31 December** | **15** | **8** | **10** | **33** | **18** | **–** | **7** | **25** |

Restructuring provisions of €15 million at 31 December 2024 (2023: €18 million) largely relates to building exit costs of €9 million (2023: €11 million) in line with the Group's property strategy, Voluntary Redundancy Programme costs of €6 million (2023: €6 million) and other costs of €nil (2023: €1 million).

## 39 Provisions *(continued)*

| Bank<br>Expected Utilisation | 2024<br>Restructuring €m | 2024<br>Onerous Contracts €m | 2024<br>Legal and other €m | 2024<br>Total €m | 2023<br>Restructuring €m | 2023<br>Onerous Contracts €m | 2023<br>Legal and other €m | 2023<br>Total €m |
|---|---|---|---|---|---|---|---|---|
| Less than 1 year | 8 | 2 | 6 | 16 | 10 | – | 4 | 14 |
| 1 to 2 years | 3 | 2 | 1 | 6 | 2 | – | 1 | 3 |
| 2 to 5 years | 4 | 4 | 3 | 11 | 3 | – | 2 | 5 |
| 5 to 10 years | – | – | – | – | 3 | – | – | 3 |
| **Total** | **15** | **8** | **10** | **33** | **18** | **–** | **7** | **25** |

## 40 Contingent liabilities and commitments

| | Group 2024 €m | Group 2023 €m | Bank 2024 €m | Bank 2023 €m |
|---|---|---|---|---|
| **Contingent liabilities and guarantees / letters of credit** | | | | |
| Guarantees and irrevocable letters of credit | 806 | 901 | 792 | 888 |
| Acceptances and endorsements | 2 | 4 | 2 | 4 |
| Other contingent liabilities | 245 | 179 | 232 | 166 |
| | **1,053** | **1,084** | **1,026** | **1,058** |
| **Loan commitments** | | | | |
| Documentary credits and short-term trade related transactions | 12 | 14 | 12 | 14 |
| Undrawn formal standby facilities, credit lines and other commitments to lend: | 17,498 | 17,908 | 14,749 | 15,244 |
| *Revocable or irrevocable with original maturity of 1 year or less* | *9,914* | *9,727* | *7,240* | *7,117* |
| *Irrevocable with original maturity of over 1 year* | *7,584* | *8,181* | *7,509* | *8,127* |
| | **17,510** | **17,922** | **14,761** | **15,258** |
| **Capital commitments** | **175** | **209** | | |

The table above gives the contract amounts of contingent liabilities and commitments. The maximum exposure to credit loss under contingent liabilities and commitments is the contractual amount of the instrument in the event of non-performance by the other party where all counter claims, collateral or security prove worthless.

Loss allowance provisions of €80 million (2023: €61 million) (Bank: €76 million; 2023: €57 million) recognised on loan commitments and guarantees and irrevocable letters of credit are shown in note 41.

Similar to other banks, the Group conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties.

**Guarantees and letter of credit** are given as security to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

An **acceptance** is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. **Endorsements** are residual liabilities of the Group in respect of bills of exchange, which have been paid and subsequently rediscounted.

# 40 Contingent liabilities and commitments *(continued)*

### Other contingent liabilities

Other contingent liabilities primarily include performance bonds and are generally short-term commitments to third parties which are not directly dependent on the customers' credit worthiness. The Group is also party to legal, regulatory, taxation and other actions arising out of its normal business operations.

While it is possible that certain charges may be incurred in relation to existing or future complaints and court claims, it is not considered that a legal or constructive obligation has been incurred in relation to these matters that would require a provision to be recognised at this stage. Furthermore, given the inherent uncertainties relating to the scope and timing of any possible outflow, it is not currently practicable to estimate the extent of any potential financial impact.

### Loan commitments

In 2022, as part of the KBCI portfolio acquisition the Group committed to support the growth of non-bank lenders in the Irish mortgage market, making €1 billion in total funding available to certain non-bank lenders through the purchase of securities issued by them, to increase their funding capacity and reduce their cost of funding. At 31 December 2024, €415 million remains available to the lenders (2023: €571 million).

**Documentary credits** commit the Group to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

**Commitments** to lend are agreements to lend to a customer in the future, subject to certain conditions. Included within total commitments is an amount of €181 million of undrawn loan commitments to the Group's joint ventures (2023: €181 million).

### Capital commitments

In the normal course of business, the Group sources investment opportunities for private clients principally in respect of private equity investments from leading international private equity groups who require the Group to enter into commitments in relation to meeting any future capital calls as investments are made.

The total of such commitments at 31 December 2024 was €175 million (2023: €209 million). In turn, Davy obtain legally binding commitments from private clients to meet their share of potential future cash calls up to indicative levels as outlined in the individual investment memoranda. The total of such cash calls at 31 December 2024 was €44 million (2023: €55 million). At 31 December 2024, there were no unpaid cash calls in respect of third-party investment providers (2023: €nil).

The amounts and timing of any future cash calls are uncertain and are dependent on the investment activities and funding requirements of the relevant third party private equity providers. The Directors believe that, based on conditions in existence at the balance sheet date, there is no potential liability that would result in a loss for Davy arising from future potential cash calls which may be made. When cash calls are made, the normal risk management procedures in relation to counterparty and settlement risk are applied.

# 41 Loss allowance provision on loan commitments and financial guarantees

The loss allowance on loan commitments are presented as a provision in the balance sheet (i.e. as a liability under IFRS 9) and separate from the impairment loss allowance. To the extent a facility includes both a loan and an undrawn commitment, it is only the impairment attributable to the undrawn commitment that is presented in this table. The impairment loss allowance attributable to the loan is shown as part of the financial asset to which the loan commitment relates.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Group** | **Amount €m** | **Loss allowance €m** | **Amount €m** | **Loss allowance €m** |
| Loan commitments (note 40) | 17,510 | 76 | 17,922 | 57 |
| Guarantees and irrevocable letters of credit (note 40) | 806 | 4 | 901 | 4 |
| | **18,316** | **80** | **18,823** | **61** |
| ***Loss allowance of which are:*** | | | | |
| Stage 1 | | 36 | | 25 |
| Stage 2 | | 39 | | 29 |
| Stage 3 | | 5 | | 7 |
| | | **80** | | **61** |

| | 2024 | | 2023 | |
|---|---|---|---|---|
| **Bank** | **Amount €m** | **Loss allowance €m** | **Amount €m** | **Loss allowance €m** |
| Loan commitments (note 40) | 14,761 | 72 | 15,258 | 52 |
| Guarantees and irrevocable letters of credit (note 40) | 792 | 4 | 888 | 5 |
| | **15,553** | **76** | **16,146** | **57** |
| ***Loss allowance of which are:*** | | | | |
| Stage 1 | | 33 | | 23 |
| Stage 2 | | 38 | | 27 |
| Stage 3 | | 5 | | 7 |
| | | **76** | | **57** |

The following tables summarise the asset quality of loan commitments and financial guarantees by IFRS 9 twelve month PD grade which are not credit-impaired.

| **Group**<br>**2024**<br>**Loan commitments and financial guarantees - Contract amount** | **Loan commitments** | | | | | | **Guarantees and irrevocable letters of credit** | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Stage 1** | | **Stage 2** | | **Total** | | **Stage 1** | | **Stage 2** | | **Total** | |
| | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** | **€m** | **%** |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 3,824 | 25% | 197 | 12% | 4,021 | 23% | 247 | 34% | 8 | 14% | 255 | 32% |
| 5-7 | 8,309 | 53% | 859 | 52% | 9,168 | 53% | 464 | 63% | 15 | 26% | 479 | 60% |
| 8-9 | 3,378 | 21% | 344 | 21% | 3,722 | 21% | 26 | 3% | 31 | 53% | 57 | 7% |
| 10-11 | 212 | 1% | 258 | 15% | 470 | 3% | – | – | 4 | 7% | 4 | 1% |
| **Total** | **15,723** | **100%** | **1,658** | **100%** | **17,381** | **100%** | **737** | **100%** | **58** | **100%** | **795** | **100%** |

At 31 December 2024, the Group's credit-impaired loan commitments are €129 million (2023: €147 million) while credit-impaired guarantees and irrevocable letters of credit are €11 million (2023: €12 million).

# 41 Loss allowance provision on loan commitments and financial guarantees

*(continued)*

| Group<br>2023<br>Loan commitments and financial guarantees - Contract amount | Loan commitments | | | | | | Guarantees and irrevocable letters of credit | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Total | | Stage 1 | | Stage 2 | | Total | |
| | €m | % | €m | % | €m | % | €m | % | €m | % | €m | % |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 4,676 | 29% | 60 | 4% | 4,736 | 27% | 312 | 39% | 4 | 4% | 316 | 35% |
| 5-7 | 8,116 | 50% | 993 | 58% | 9,109 | 51% | 476 | 60% | 47 | 51% | 523 | 59% |
| 8-9 | 3,156 | 20% | 453 | 27% | 3,609 | 20% | 9 | 1% | 23 | 25% | 32 | 4% |
| 10-11 | 128 | 1% | 193 | 11% | 321 | 2% | – | – | 18 | 20% | 18 | 2% |
| **Total** | **16,076** | **100%** | **1,699** | **100%** | **17,775** | **100%** | **797** | **100%** | **92** | **100%** | **889** | **100%** |

| Bank<br>2024<br>Loan commitments and financial guarantees - Contract amount | Loan commitments | | | | | | Guarantees and irrevocable letters of credit | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Total | | Stage 1 | | Stage 2 | | Total | |
| | €m | % | €m | % | €m | % | €m | % | €m | % | €m | % |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 3,455 | 26% | 186 | 12% | 3,641 | 25% | 247 | 35% | 8 | 14% | 255 | 33% |
| 5-7 | 6,085 | 47% | 828 | 52% | 6,913 | 47% | 452 | 62% | 15 | 26% | 467 | 60% |
| 8-9 | 3,309 | 25% | 323 | 20% | 3,632 | 25% | 26 | 3% | 30 | 53% | 56 | 7% |
| 10-11 | 208 | 2% | 247 | 16% | 455 | 3% | – | – | 4 | 7% | 4 | – |
| **Total** | **13,057** | **100%** | **1,584** | **100%** | **14,641** | **100%** | **725** | **100%** | **57** | **100%** | **782** | **100%** |

At 31 December 2024, the Bank's credit-impaired loan commitments are €120 million (2023: €141 million) while credit-impaired guarantees and irrevocable letters of credit are €10 million (2023: €12 million).

| Bank<br>2023<br>Loan commitments and financial guarantees - Contract amount | Loan commitments | | | | | | Guarantees and irrevocable letters of credit | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | Stage 2 | | Total | | Stage 1 | | Stage 2 | | Total | |
| | €m | % | €m | % | €m | % | €m | % | €m | % | €m | % |
| **PD Grade** | | | | | | | | | | | | |
| 1-4 | 4,336 | 32% | 46 | 3% | 4,382 | 29% | 311 | 39% | 4 | 5% | 315 | 36% |
| 5-7 | 5,982 | 44% | 938 | 58% | 6,920 | 46% | 471 | 60% | 46 | 54% | 517 | 59% |
| 8-9 | 3,063 | 23% | 444 | 28% | 3,507 | 23% | 9 | 1% | 20 | 23% | 29 | 3% |
| 10-11 | 126 | 1% | 182 | 11% | 308 | 2% | – | – | 15 | 18% | 15 | 2% |
| **Total** | **13,507** | **100%** | **1,610** | **100%** | **15,117** | **100%** | **791** | **100%** | **85** | **100%** | **876** | **100%** |

# 42 Retirement benefit obligations

The Group and Bank sponsor a number of defined benefit and defined contribution schemes in Ireland and overseas. The defined benefit schemes are funded and the assets of the schemes are held in separate trustee administered funds. In determining the level of contributions required to be made to each scheme and the relevant charge to the income statement the Group has been advised by independent actuaries, which in the case of the majority of the Group's schemes is Willis Towers Watson.

The most significant defined benefit scheme in the Group is the Bank of Ireland staff pensions fund (BSPF) which accounts for c.74% of the total liabilities across all Group sponsored defined benefit schemes and 78% of the total liabilities across all of the Bank defined benefit schemes at 31 December 2024. The BSPF and all of the Group's other RoI and UK defined benefit schemes were closed to new members during 2007 and a new hybrid scheme (which included elements of defined benefit and defined contribution) was introduced for new entrants to the Group. The hybrid scheme was closed to new entrants in late 2014 and a new defined contribution scheme, RetireWell, was introduced for new entrants to the Group from that date.

Retirement benefits under the BSPF and a majority of the other defined benefit plans are calculated by reference to pensionable service and pensionable salary at normal retirement date.

### Regulatory Framework

The Group operates the defined benefit plans under broadly similar regulatory frameworks. Benefits under the BSPF are paid to members from a fund administered by Trustees, who are responsible for ensuring compliance with the Pensions Act 1990 and other relevant legislation, including the EU directive on the activities and supervision of Institutions for Occupational Retirement Provision (the IORP II Directive). These responsibilities include ensuring that contributions are received, investing the scheme assets and making arrangements to pay the benefits and developing appropriate Risk Management and Internal Audit frameworks. Plan assets are held in trusts and are governed by local regulations and practice in each country.

In order to assess the level of contributions required, triennial valuations are carried out with plan obligations generally measured using prudent assumptions and discounted based on the return expected from assets held in accordance with the actual scheme investment policy.

The BSPF is also subject to an annual valuation under the Irish Pensions Authority Minimum Funding Standard (MFS). The MFS valuation is designed to assess whether a scheme has sufficient funds to provide a minimum level of benefits in a wind-up scenario. If the MFS valuation indicates a funding level of below 100%, action would be required. This generally takes the form of agreeing a 'Funding Proposal' with the Trustees with the aim of meeting the MFS by a specified future point in time.

The responsibilities of the Trustees and the regulatory framework, are broadly similar for the Group's other defined benefit schemes and take account of pension regulations in each specific jurisdiction. The Group works closely with the Trustees of each scheme to manage the plans.

The nature of the relationship between the Group and the Trustees is governed by local regulations and practice in each country and by the respective legal documents underpinning each plan.

### Financial Assumptions

The significant financial assumptions used in measuring the Group's and Bank's defined benefit pension obligations under IAS 19 are set out in the following table.

| Financial assumptions | 2024 % p.a. | 2023 % p.a. |
|---|---|---|
| **Irish schemes** | | |
| Discount rate | 3.80% | 3.40% |
| Inflation rate | 2.05% | 2.30% |
| Rate of general increase in salaries | 2.55% | 2.80% |
| Rate of increase in pensions in payment[1] | 1.23% | 1.38% |
| Rate of increase to deferred pensions | 1.95% | 2.20% |
| **UK schemes** | | |
| Discount rate | 5.65% | 4.75% |
| Consumer Price Inflation | 2.65% | 2.55% |
| Retail Price Inflation | 3.25% | 3.15% |
| Rate of general increase in salaries | 3.75% | 3.65% |
| Rate of increase in pensions in payment[1] | 2.10% | 2.05% |
| Rate of increase to deferred pensions | 2.65% | 2.55% |

[1] *Weighted average increase across all Group schemes in the relevant jurisdiction.*

### Actuarial Valuation of the BSPF

The last formal valuation of the BSPF was carried out at 31 December 2021.

The triennial valuation fair value of the scheme assets represented 102% of the benefits that had accrued to members, after allowing for expected future increases in earnings and pensions. As a result, no deficit contributions were required following the valuation.

In respect of future service benefits, as part of the actuarial valuation at 31 December 2021, it was agreed that if certain circumstances were met, an interim contribution calculation would take place each 1 October to determine the future service contribution for the following calendar year. The most recent interim contribution calculation, carried out by the scheme actuary on 1 October 2024, resulted in a future service employer contribution of €36 million in respect of 2025 (2024: €44 million).

# 42 Retirement benefit obligations *(continued)*

The Trustees agreed to enter into an Escrow Agreement with the Group, whereby future service contributions for the period from 1 October 2022 to 30 September 2025 are paid into an Escrow Account. The Group contributions in respect of that period will be held in the Escrow Account until certain conditions are met. These conditions primarily relate to the strength of BSPF's funding position. For example, if the BSPF funding position weakens and falls below agreed levels, the monies in the Escrow Account will be paid to BSPF over an agreed time period. If the funding position strengthens above agreed levels, payments will be made to the Group over an agreed time period. Under the exceptional circumstances where BSPF fails to satisfy its statutory funding requirements or if there is significant risk to the Group's covenant, the monies in the Escrow Account would be paid immediately to BSPF.

At 31 December 2024, the balance on the Escrow Account is included within other assets. See note 33, Other assets for further detail.

The next formal triennial valuation of the BSPF will be carried out during 2025 based on the position at 31 December 2024.

The actuarial valuations are available for inspection by members but are not available for public inspection.

### Plan details

The table below sets out details of the membership of the BSPF.

| BSPF plan details at last valuation date (31 December 2021) | Number of members | Proportion of funding liability |
|---|---|---|
| Active members | 3,176 | 27% |
| Deferred members | 7,636 | 28% |
| Pensioner members | 5,891 | 45% |
| **Total** | **16,703** | **100%** |

### Negative past service Cost

Following a review of the Life Balance UK defined benefit pension scheme, discretionary increases to members' defined benefits ceased and an annual contribution to members' defined contribution plans became effective.

This resulted in a negative past service cost of €5 million being recognised in 2024 (2023: €17 million in respect of a similar amendment to the Life Balance RoI scheme).

### Financial and Demographic assumptions

The assumptions used in calculating the accounting costs and obligations of the Group's defined benefit pension plans, as detailed below, are set by the Directors after consultation with independent actuaries.

Discount rates are determined in consultation with the Group's independent actuary, with reference to market yields at the reporting date on high quality corporate bonds (AA rated or equivalent) issued in the relevant currency, with a term corresponding to the term of the benefit payments.

The assumption for RoI price inflation is set by reference to the Eurozone Harmonised Index of Consumer Prices (HICP) inflation swap curve, as the HICP inflation swap curve is aligned to the duration of the Group's RoI plans liabilities.

The assumptions for UK price inflation are determined with reference to the Group's independent actuary's standard cash flow matching inflation assumption methodology, except for UK Consumer Price Index (CPI) inflation, which is set by reference to retail price index (RPI) inflation, with an adjustment applied, as there are insufficient CPI-linked bonds from which to derive an assumption.

The salary assumption takes into account inflation, promotion and current employment markets relevant to the Group. Other financial assumptions are reviewed in line with changing market conditions to determine best estimate assumptions.

Demographic assumptions are reviewed periodically in line with the actual experience of the Group's schemes.

### Mortality assumptions

During 2024, the mortality assumptions adopted for Irish pension arrangements have been updated to reflect recent UK Self-Administered Pension Schemes (SAPS) mortality tables and the UK Continuous Mortality Investigation model for long term improvements, which combined are considered a best fit for the Group's expected future mortality experience. The impact of this update was to reduce the Group's surplus by €106 million as at 31 December 2024.

| Mortality assumptions | 2024 years | 2023 years |
|---|---|---|
| **Longevity at age 70 for current pensioners** | | |
| Males | 18.5 | 18.5 |
| Females | 21.0 | 19.9 |
| **Longevity at age 60 for active members currently aged 60 years** | | |
| Males | 27.7 | 28.0 |
| Females | 30.7 | 29.7 |
| **Longevity at age 60 for active members currently aged 40 years** | | |
| Males | 28.9 | 30.2 |
| Females | 31.8 | 31.6 |

# 42 Retirement benefit obligations *(continued)*

### Amounts recognised in financial statements

The table below outlines where the Group's and Bank's defined benefit plans are recognised in the financial statements. The UK Pension Plans include a portion of the BSPF which relates to UK members.

| Group | 2024 Irish Pension Plans €m | 2024 UK Pension Plans €m | 2024 Total €m | 2023 Irish Pension Plans €m | 2023 UK Pension Plans €m | 2023 Total €m |
|---|---|---|---|---|---|---|
| **Income statement credit / (charge)** | | | | | | |
| Other operating expenses | (32) | 1 | (31) | (13) | (4) | (17) |
| Insurance service expenses | (3) | – | (3) | (3) | – | (3) |
| Cost of restructuring programme | – | – | – | 1 | – | 1 |
| **Statement of OCI** | | | | | | |
| Impact of remeasurement | 280 | 34 | 314 | (25) | (10) | (35) |
| **Balance sheet obligations** | **826** | **168** | **994** | **558** | **124** | **682** |
| This is shown on the balance sheet as: | | | | | | |
| Retirement benefit asset | | | 997 | | | 692 |
| Retirement benefit obligation | | | (3) | | | (10) |
| **Total net asset** | | | **994** | | | **682** |

| Bank | 2024 Irish Pension Plans €m | 2024 UK Pension Plans €m | 2024 Total €m | 2023 Irish Pension Plans €m | 2023 UK Pension Plans €m | 2023 Total €m |
|---|---|---|---|---|---|---|
| **Balance sheet obligations** | **814** | **152** | **966** | **558** | **111** | **669** |
| This is shown on the balance sheet as: | | | | | | |
| Retirement benefit asset | | | 969 | | | 675 |
| Retirement benefit obligation | | | (3) | | | (6) |
| **Total net asset** | | | **966** | | | **669** |

# 42 Retirement benefit obligations *(continued)*

The movement in the net defined benefit obligation over the year in respect of the Group's defined benefit plans is as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **Group** | **Present value of obligation €m** | **Fair value of plan assets €m** | **Surplus/ (deficit) of plans €m** | **Present value of obligation €m** | **Fair value of plan assets €m** | **Surplus/ (deficit) of plans €m** |
| **Balance at 1 January** | **(6,414)** | **7,096** | **682** | **(6,206)** | **6,906** | **700** |
| Income statement | (282) | 248 | (34) | (273) | 254 | (19) |
| *Current service cost* | *(64)* | *–* | *(64)* | *(64)* | *–* | *(64)* |
| *Negative past service cost* | *5* | *–* | *5* | *18* | *–* | *18* |
| *Interest (expense) / income* | *(223)* | *248* | *25* | *(227)* | *254* | *27* |
| Return on plan assets not included in income statement | – | (142) | (142) | – | 117 | 117 |
| Changes in demographic assumptions | (106) | – | (106) | (15) | – | (15) |
| Changes in financial assumptions | 599 | – | 599 | (21) | – | (21) |
| Experience gains / (losses) | 5 | – | 5 | (112) | – | (112) |
| Employer contributions | – | 32 | 32 | – | 36 | 36 |
| *Deficit reducing* | *–* | *1* | *1* | *–* | *4* | *4* |
| *Other* | *–* | *31* | *31* | *–* | *32* | *32* |
| Employee contributions | (7) | 7 | – | (7) | 7 | – |
| Benefit payments | 255 | (255) | – | 241 | (241) | – |
| Changes in exchange rates | (55) | 45 | (10) | (21) | 17 | (4) |
| **Balance at 31 December (pre asset ceiling adjustment)** | **(6,005)** | **7,031** | **1,026** | **(6,414)** | **7,096** | **682** |
| Asset ceiling adjustment[1] | – | (32) | (32) | – | – | – |
| **Balance at 31 December (post asset ceiling adjustment)** | **(6,005)** | **6,999** | **994** | **(6,414)** | **7,096** | **682** |
| *The above amounts are recognised in the financial statements as follows: (charge) / credit* | | | | | | |
| Other operating expenses | (279) | 248 | (31) | (271) | 254 | (17) |
| Insurance service expenses | (3) | – | (3) | (3) | – | (3) |
| Cost of restructuring programme | – | – | – | 1 | – | 1 |
| **Total amount recognised in income statement** | **(282)** | **248** | **(34)** | **(273)** | **254** | **(19)** |
| Return on plan assets not included in income statement | – | (142) | (142) | – | 117 | 117 |
| Changes in demographic assumptions | (106) | – | (106) | (15) | – | (15) |
| Changes in financial assumptions | 599 | | 599 | (21) | – | (21) |
| Experience gains / (losses) | 5 | – | 5 | (112) | – | (112) |
| Asset ceiling adjustment[1] | – | (32) | (32) | – | – | – |
| Changes in exchange rates | (55) | 45 | (10) | (21) | 17 | (4) |
| **Total remeasurements in OCI** | **443** | **(129)** | **314** | **(169)** | **134** | **(35)** |
| **Total negative past service cost comprises** | | | | | | |
| Cost of restructuring programme | – | – | – | 1 | – | 1 |
| Other operating expenses | 5 | – | 5 | 17 | – | 17 |
| **Total** | **5** | **–** | **5** | **18** | **–** | **18** |

[1] *In recognising the net surplus on a pension plan, the funded status of each plan is adjusted to reflect any ceiling on the amount that the sponsor has a unconditional right to recover from a plan.*

# 42 Retirement benefit obligations *(continued)*

The movement in the net defined benefit obligation over the year in respect of the Bank's defined benefit plans is as follows:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| **Bank** | **Present value of obligation €m** | **Fair value of plan assets €m** | **Surplus / (deficit) of plans €m** | **Present value of obligation €m** | **Fair value of plan assets €m** | **Surplus / (deficit) of plans €m** |
| **Balance at 1 January** | **(6,042)** | **6,711** | **669** | **(5,848)** | **6,545** | **697** |
| Income statement | (264) | 234 | (30) | (254) | 240 | (14) |
| *Current service cost* | *(59)* | – | *(59)* | *(59)* | – | *(59)* |
| *Negative past service cost* | *5* | – | *5* | *18* | *240* | *258* |
| *Interest (expense) / income* | *(210)* | *234* | *24* | *(213)* | – | *(213)* |
| Return on plan assets not included in income statement | – | (158) | (158) | – | 100 | 100 |
| Changes in demographic assumptions | (104) | – | (104) | (14) | – | (14) |
| Changes in financial assumptions | 568 | – | 568 | (13) | – | (13) |
| Experience gains / (losses) | 7 | – | 7 | (112) | – | (112) |
| Employer contributions | – | 26 | 26 | – | 30 | 30 |
| *Deficit reducing* | – | *1* | *1* | – | *4* | *4* |
| *Other* | – | *25* | *25* | – | *26* | *26* |
| Employee contributions | (7) | 7 | – | (6) | 6 | – |
| Benefit payments | 241 | (241) | – | 226 | (226) | – |
| Changes in exchange rates | (53) | 41 | (12) | (21) | 16 | (5) |
| **Balance at 31 December** | **(5,654)** | **6,620** | **966** | **(6,042)** | **6,711** | **669** |
| *The above amounts are recognised in the financial statements as follows: (charge) / credit* | | | | | | |
| Other operating expenses | (264) | 234 | (30) | (255) | 240 | (15) |
| Cost of restructuring programme | – | – | – | 1 | – | 1 |
| **Total amount recognised in income statement** | **(264)** | **234** | **(30)** | **(254)** | **240** | **(14)** |
| Return on plan assets not included in income statement | – | (158) | (158) | – | 100 | 100 |
| Changes in demographic assumptions | (104) | – | (104) | (14) | – | (14) |
| Changes in financial assumptions | 568 | – | 568 | (13) | – | (13) |
| Experience gains/ (losses) | 7 | – | 7 | (112) | – | (112) |
| Changes in exchange rates | (53) | 41 | (12) | (21) | 16 | (5) |
| **Total remeasurements in OCI** | **418** | **(117)** | **301** | **(160)** | **116** | **(44)** |
| **Total negative past service cost comprises** | | | | | | |
| Cost of restructuring programme | – | – | – | 1 | – | 1 |
| Other operating expenses | 5 | – | 5 | 17 | – | 17 |
| **Total** | **5** | **–** | **5** | **18** | **–** | **18** |

# 42 Retirement benefit obligations *(continued)*

The retirement benefit schemes' assets in Group and the Bank include one property occupied by Group companies to the value of €26 million (2023: €27 million).

| | Group | | Bank | |
|---|---|---|---|---|
| **Asset breakdown** | **2024 €m** | *Restated*[1] **2023 €m** | **2024 €m** | *Restated*[1] **2023 €m** |
| Liability Driven Investment (unquoted)[2] | 3,895 | 3,789 | 3,807 | 3,723 |
| Property and infrastructure (unquoted) | 670 | 820 | 649 | 798 |
| Cash and Other (quoted) | 625 | 579 | 507 | 461 |
| Private equities (unquoted) | 604 | 566 | 604 | 566 |
| Hedge funds (unquoted) | 378 | 305 | 369 | 305 |
| Equities (quoted) | 360 | 402 | 285 | 291 |
| Reinsurance (unquoted) | 269 | 349 | 269 | 349 |
| Property and infrastructure (quoted) | 121 | 86 | 100 | 86 |
| Corporate bonds (quoted) | 62 | 64 | 16 | 16 |
| Government bonds (quoted) | 47 | 136 | 14 | 116 |
| **Total fair value of assets** | **7,031** | **7,096** | **6,620** | **6,711** |

[1] *Comparative figures have been restated to reflect refinement of certain asset classifications.*
[2] *The Liability Driven Investment includes the Plans' cashflow matching portfolios.*

### Sensitivity of defined benefit obligation to key assumptions

The following tables set out how the defined benefit obligation would have been affected by changes in the significant actuarial assumptions that were reasonably possible at the reporting date.

| | Group | | Bank | |
|---|---|---|---|---|
| **Impact on defined benefit obligations** | **Impact on defined benefit obligation Increase / (decrease) 2024 €m** | **Impact on defined benefit obligation Increase / (decrease) 2023 €m** | **Impact on defined benefit obligation Increase / (decrease) 2024 €m** | **Impact on defined benefit obligation Increase / (decrease) 2023 €m** |
| **RoI schemes** | | | | |
| **Discount rate** | | | | |
| Increase of 0.25% | (190) | (214) | (178) | (200) |
| Decrease of 0.25% | 202 | 228 | 189 | 214 |
| **Inflation rate** | | | | |
| Increase of 0.10% | 51 | 57 | 49 | 55 |
| Decrease of 0.10% | (50) | (56) | (49) | (54) |
| **Salary growth** | | | | |
| Increase of 0.10% | 16 | 17 | 14 | 15 |
| Decrease of 0.10% | (15) | (17) | (14) | (15) |
| **Life expectancy** | | | | |
| Increase of 1 year | 128 | 153 | 119 | 145 |
| Decrease of 1 year | (129) | (153) | (120) | (145) |

# 42 Retirement benefit obligations *(continued)*

| Impact on defined benefit obligations | Group: Impact on defined benefit obligation Increase / (decrease) 2024 €m | Group: Impact on defined benefit obligation Increase / (decrease) 2023 €m | Bank: Impact on defined benefit obligation Increase / (decrease) 2024 €m | Bank: Impact on defined benefit obligation Increase / (decrease) 2023 €m |
|---|---|---|---|---|
| **UK schemes** | | | | |
| **Discount rate** | | | | |
| Increase of 0.25% | (35) | (40) | (34) | (39) |
| Decrease of 0.25% | 37 | 43 | 36 | 41 |
| **Inflation rate** | | | | |
| Increase of 0.10% | 8 | 9 | 8 | 9 |
| Decrease of 0.10% | (8) | (9) | (8) | (9) |
| **Salary growth** | | | | |
| Increase of 0.10% | 2 | 2 | 2 | 2 |
| Decrease of 0.10% | (2) | (2) | (2) | (2) |
| **Life expectancy** | | | | |
| Increase of 1 year | 23 | 28 | 22 | 27 |
| Decrease of 1 year | (24) | (29) | (23) | (27) |

While the defined benefit obligation sensitivity tables above shows the estimated impact of an individual assumption change, a change in one assumption could impact on other assumptions due to the relationship between assumptions.

Some of the reasonably possible changes in defined benefit obligation assumptions may have an impact on the value of the schemes' investment holdings.

For example, the plans hold a proportion of their assets in corporate bonds. A fall in the discount rate as a result of lower corporate bond yields would be expected to lead to an increase in the value of these assets, thus partly offsetting the increase in the defined benefit obligation. The extent to which these sensitivities are managed is discussed further below.

| Impact on plan assets | Group: Impact on defined benefit obligation Increase / (decrease) 2024 €m | Group: Impact on defined benefit obligation Increase / (decrease) 2023 €m | Bank: Impact on defined benefit obligation Increase / (decrease) 2024 €m | Bank: Impact on defined benefit obligation Increase / (decrease) 2023 €m |
|---|---|---|---|---|
| **All schemes** | | | | |
| Sensitivity of plan assets to a movement in global equity markets with allowance for other correlated diversified asset classes | | | | |
| Increase of 5.00% | 69 | 73 | 64 | 67 |
| Decrease of 5.00% | (69) | (73) | (64) | (67) |
| Sensitivity of liability-matching assets to a 25bps movement in interest rates | | | | |
| Increase of 0.25% | (260) | (269) | (250) | (260) |
| Decrease of 0.25% | 276 | 285 | 265 | 275 |
| Sensitivity of liability-matching assets to a | | | | |
| 10bps movement in inflation rates | | | | |
| Increase of 0.10% | 68 | 70 | 67 | 69 |
| Decrease of 0.10% | (67) | (69) | (65) | (67) |

# 42 Retirement benefit obligations *(continued)*

The table above sets out the estimated sensitivity of plan assets to changes in equity markets, interest rates and inflation rates. The sensitivity analysis is prepared by the independent actuaries calculating the defined benefit obligation under the alternative assumptions and the fair value of plan assets using alternative asset prices.

### Future cash flows

The plans' liabilities represent a long-term obligation and most of the payments due under the plans will occur several decades into the future.

The duration or average term to payment for the benefits due, weighted by liability for both the Group and Bank, is c.17 years (2023: c.17.5 years) for the Irish plans and c.14 years (2023: c.15 years) for the UK plans.

Expected employer contributions for 2025 are €22 million for the Group and €18 million for the Bank.

Expected employee contributions for 2025 are €6 million for the Group and €5 million for the Bank.

### Risks and risk management

The Group's defined benefit pension plans have a number of areas of risk.

The risks are considered from both a funding perspective, which drives the cash commitments of the Group and from an accounting perspective, i.e. the extent to which such risks affect the amounts recorded in the Group's financial statements.

Changes in bond yields, interest rate and inflation risks, along with equity risk, are the defined benefit schemes' largest risks. From an accounting liability perspective, the schemes are also exposed to movements in corporate bond spreads. As part of its risk management, the largest Group sponsored pension scheme, the BSPF has invested 50% of its assets in a Liability Driven Investment (LDI) approach to help manage its interest rate and inflation risk, in addition to a further 13% in a complementary cashflow matching portfolio of high quality bonds.

The key areas of risk and the ways in which the Group has sought to manage them, are set out below:

### Asset volatility

The defined benefit pension plans hold a proportion of their assets in equities and other return-seeking assets. The returns on such assets tend to be volatile. For the purposes of the triennial valuation, the defined benefit liabilities are calculated using a discount rate set with reference to government bond yields, with allowance for additional return to be generated from the investment portfolio.

For measurement of the obligation in the financial statements under IAS 19, however, the defined benefit obligation is calculated using a discount rate set with reference to high-quality corporate bond yields.

The movement in the asset portfolio is not fully correlated with the movement in the two liability measures and this means that the funding level is likely to be volatile in the short-term, potentially resulting in short-term cash requirements and a reduction in the net defined benefit surplus recorded on the balance sheet.

In order to limit the volatility in asset returns, the pension plans' assets are well diversified by investing in a range of asset classes, including listed equity, private equity, hedge funds, infrastructure, reinsurance, property, government bonds and corporate bonds. To increase the correlation between the asset returns and the liabilities, the pension plans employ Liability Driven Investment strategies that use a range of physical securities and financial derivatives, including government bonds and interest rate and inflation swaps.

During the course of 2024, the BSPF continued the process of de-risking and implemented further changes to ensure the portfolio was aligned to its target asset allocation, along with improving the liquidity within the return seeking portfolio.

### Changes in bond yields

The LDI approach invests in cash, government bonds, interest rate and inflation swaps and other financial derivatives to create a portfolio which is both inflation-linked and of significantly longer duration than possible in the physical bond market. It also provides a closer match to the expected timing of cash flow / pension payments. The portfolio broadly hedges against movements in long-term interest rates although it only hedges a portion of the BSPF's interest rate risks. The portfolio does not hedge against changes in the credit spread on corporate bonds used to derive the accounting liabilities. During 2024, the BSPF continued to build-up its cashflow matching bond portfolio. This portfolio is designed to match some of the shorter-term liabilities directly with income and capital paid from holding corporate, sovereign and quasi-sovereign bonds. This portfolio provides some complementary interest rate hedging to that provided by the dedicated LDI portfolio, and also functions to reduce liquidity risk by ensuring there will be incoming cash flows to meet expected pension payments.

### Inflation risk

The majority of the plans' benefit obligations are linked to inflation and higher inflation will lead to higher liabilities, although, in most cases, caps on the level of inflationary increases are in place to protect the plans against high inflation and the 2013 Group Pensions Review changes have further limited this exposure. The LDI portfolio broadly hedges against movements in inflation expectations although it only hedges a portion of the BSPF's inflation risks.

Furthermore, the portfolio does not protect against differences between expectations for eurozone average inflation and the fund's Irish inflation exposure.

### Life expectancy

The majority of the plans' obligations are to provide a pension for the life of the member, which means that increases in life expectancy will result in an increase in the plans' liabilities.

Investment decisions are the responsibility of the Trustees and the Group supports the efficient management of risk through robust governance arrangements across all of the Group's defined benefit plans. In 2024, following a review of the BSPF's investment governance, the Trustees appointed an Outsourced Chief Investment Officer (OCIO) firm.

# 42 Retirement benefit obligations *(continued)*

The OCIO's role is to implement the strategies instructed by the Trustees. Their duties include, but are not limited to, the identification and management of risks such as the risk of changing interest rates, inflation, FX risk, counterparty exposures, geographical risk, asset concentration risk and liquidity risk. During 2024, external investment consultants were also appointed as Strategic Investment Advisors (SIA) for a number of the Group's defined benefit plans, including BSPF.

Recent UK case law has questioned the validity of pension scheme deed changes made during the period 1997 to 2016 affecting contracted-out UK benefits, which potentially impacts 3 of the Group's UK defined benefit plans. The Trustees have sought legal advice and investigations are ongoing. The Group is also awaiting the outcome of further developments on this matter with respect to an additional external legal case, and potential retrospective regulations that may be applied. Pending legal clarification, the Group's defined benefit obligation does not include any adjustment related to this UK case law.

# 43 Subordinated liabilities

| | Note | Group 2024 €m | Group 2023 €m | Bank 2024 €m | Bank 2023 €m |
|---|---|---|---|---|---|
| **Dated loan capital** | | | | | |
| ***The Governor and Company of the Bank of Ireland*** | | | | | |
| €500 million 5.150% Fixed Rate Reset Callable Subordinated Notes due 2034 | (a) | 515 | – | 515 | – |
| €500 million 7.050% Fixed Rate Reset Callable Subordinated Notes due 2033 | (b) | 505 | 505 | 505 | 505 |
| €500 million 1.675% Fixed Rate Reset Callable Subordinated Notes due 2031 | (c) | 483 | 466 | 483 | 466 |
| £300 million 7.994% Fixed Rate Reset Callable Subordinated Notes due 2032 | (d) | 354 | 343 | 354 | 343 |
| €300 million 2.775% Fixed Rate Reset Callable Subordinated Notes due 2029 | (e) | – | 290 | – | 290 |
| **Total subordinated liabilities** | | **1,857** | **1,604** | **1,857** | **1,604** |
| **Amounts include:** | | | | | |
| Due to BoIG plc | | 1,860 | 1,644 | 1,860 | 1,644 |

### Dated loan capital - principal terms and conditions

Dated loan capital instruments, constitute unsecured obligations of the Bank subordinated in right of payments to the claims of depositors and other unsubordinated creditors of the Bank and rank pari passu without any preference among themselves.

The table above provides a description of the dated loan capital, including the currency of the issue; if the issue is fixed, floating or a combination of both; and maturity. All of the dated notes in issue in 2024 were issued under the Bank's Euro Note Programme.

a. **€500 million 5.150% Fixed Rate Reset Callable Subordinated Notes due 2034**
On 10 May 2024, the Bank issued a €500 million 10.25 year (callable between 10 May 2029 and 10 August 2029) Tier 2 capital instrument. The bond carried a coupon of 5.150%.

b. **€500 million 7.050% Fixed Rate Reset Callable Subordinated Notes due 2033**
On 1 December 2022, the Bank issued a €500 million 10.25 year (callable between 1 December 2027 and 1 March 2028) 'Green' Tier 2 capital instrument. The bond carried a coupon of 7.050%.

c. **€500 million 1.675% Fixed Rate Reset Callable Subordinated Note due 2031**
On 11 May 2021, the Bank issued a €500 million 10.25 year (callable between 11 May 2026 and 11 August 2026) 'Green' Tier 2 capital instrument to its parent company BoIG plc. The bond carried a coupon of 1.675%.

d. **£300 million 7.994% Fixed Rate Reset Subordinated Notes due 2032**
On 6 September 2022, the Bank issued a £300 million 10.25 year (callable between 6 September 2027 and 6 December 2027) 'Green' Tier 2 capital instrument. The bond carried a coupon of 7.994%

e. **€300 million 2.775% Subordinated Notes due 2029**
On 14 October 2019, the Bank issued a €300 million 10 year (callable at the end of year five) Tier 2 capital instrument to its parent company BoIG plc. The bond carried a coupon of 2.775%. The notes were redeemed on their optional redemption date, 14 October 2024.

These instruments are loss absorbing at the point of non-viability under the EU (Bank Recovery and Resolution) Regulations 2015, as amended and Noteholders acknowledge that the notes may be subject to the exercise of Irish statutory loss absorption powers by the relevant resolution authority. Redemption in whole but not in part is at the option of the Company upon (i) regulatory reasons (capital event), or (ii) tax reasons (additional amounts payable on the notes). Any redemptions before the maturity date is subject to such approval by the Competent Authority, namely ECB or Single Resolution Board as may be required by the CRR and / such other laws and regulations which are applicable to the Company.

# 44 Capital Stock

### Ordinary Stock

At 31 December 2024 and 2023, all of the Bank's 32,363,275,074 units of ordinary stock of nominal value of €0.05 each were held by BoIG plc. All units of ordinary stock carry the same voting rights. There were no outstanding options on units of ordinary stock under employee schemes at 31 December 2024 or 2023.

### Preference stock - €1.27 each

At 31 December 2024, 2,223,903 units of euro preference stock were in issue (2023: 2,223,903).

The preference stockholders are not entitled to vote at any General Court except in certain exceptional circumstances. Such circumstances did not arise during 2024 and consequently the preference stockholders were not entitled to vote at the Annual General Court (AGC) which was held on 23 May 2024.

The outstanding euro preference stock is non-redeemable. The holders of preference stock are entitled to receive at the discretion of the Bank a non-cumulative preferential dividend, which is payable in euro in a gross amount of €1.523686 per unit per annum, in equal semi-annual instalments, in arrears, on 20 February and 20 August in each year.

On a winding up of, or other return of capital, by the Bank (other than on a redemption of stock of any class in the capital of the Bank) the holders of preference stock will be entitled to receive an amount equal to the amount paid up or credited as paid up on each unit of the preference stock held (including the premium) out of the surplus assets available for distribution to the Bank's members. Subject to the Bank's Bye-Laws, the preference stockholders may also be entitled to receive a sum in respect of dividends payable.

| Group and Bank<br>**Authorised** | **2024** | **2023** |
|---|---|---|
| **Eur€** | **€m** | **€m** |
| 90 billion units of ordinary stock of €0.05 each | 4,500 | 4,500 |
| 228 billion units of deferred stock of €0.01 each | 2,280 | 2,280 |
| 100 million units of non-cumulative preference stock of €1.27 each | 127 | 127 |
| 100 million units of undesignated preference stock of €0.25 each | 25 | 25 |
| 3.5 billion units of non-cumulative 2009 Preference Stock of €0.01 each | 35 | 35 |
| **Stg£** | **£m** | **£m** |
| 100 million units of non-cumulative preference stock of Stg£1 each | 100 | 100 |
| 100 million units of undesignated preference stock of Stg£0.25 each | 25 | 25 |
| **US$** | **$m** | **$m** |
| 8 million units of non-cumulative preference stock of US$25 each | 200 | 200 |
| 100 million units of undesignated preference stock of US$0.25 each | 25 | 25 |

| Group and Bank<br>**Allotted and fully paid** | **2024** | **2023** |
|---|---|---|
| **Eur€** | **€m** | **€m** |
| 32.363 billion units of ordinary stock of €0.05 each (2023: 32.363 billion units) | 1,618 | 1,618 |
| 2.2 million units of non-cumulative preference stock of €1.27 each (2023: 2.2 million units) | 3 | 3 |
| | **1,621** | **1,621** |

# 45 Other equity instruments - Additional tier 1

In May 2020, the Bank issued Additional Tier 1 (AT1) securities with a par value of €675 million at an issue price of 100%. Following a tender offer in September 2024, the Bank repurchased c.€506 million of the AT1 securities with c.€169 million remaining outstanding.

In September 2020, the Bank issued AT1 securities with a par value of €300 million at an issue price of 100%.

In September 2024, the Bank issued AT1 securities with a par value of €600 million, at an issue price of 100%.

100% of the securities are held by BoIG.

The principal terms of the AT1 securities are as follows:

- The securities constitute direct, unsecured, unguaranteed and subordinated obligations of the Bank, rank behind Tier 2 instruments and preference shareholders and in priority to ordinary shareholders.
- The securities have no fixed redemption date, and the security holders will have no right to require the Bank to redeem or purchase the securities at any time.
- The outstanding c.€169 million securities bear a fixed rate of interest of 7.750% until the first reset date (19 November 2025). The €300 million securities bear a fixed rate of interest of 6.300% until its first reset date (1 March 2026). The €600 million securities bear a fixed rate of interest of 6.750% until the first reset date (10 September 2030).
- The Bank may, in its sole and full discretion but subject to the satisfaction of certain conditions elect to redeem all (but not some only) of the securities at any time from and including the first call date (19 May 2025 for the outstanding c.€169 million issue, 1 September 2025 for the €300 million issue and 10 March 2030 for the €600 million issue) to and including the first relevant reset date, or semi-annually on any interest payment date thereafter.

After the initial reset date, in the event that they are not redeemed, the AT1 securities will bear interest at rates fixed periodically in advance for five-year periods based on market rates at that time.

- The Bank may elect at its sole and full discretion to cancel (in whole or in part) the interest otherwise scheduled to be paid on any interest payment date for the securities.
- The securities will be written down and any unpaid interest will be cancelled if the Bank's CET1 ratio falls below 7%.
- Subsequent to any write-down event the Bank may, at its sole discretion, write-up some or all of the written-down principal amount of the AT1 securities provided regulatory capital requirements and certain conditions are met.

| | 2024 €m | 2023 €m |
|---|---|---|
| €675 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued May 2020 | 169 | 675 |
| €300 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued September 2020 | 300 | 300 |
| €600 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued September 2024 | 600 | – |
| | **1,069** | **975** |

# 46 Cash and cash equivalents

Cash and cash equivalents are classified as amortised cost financial assets. Impairment loss allowance on cash and cash equivalents is measured at amortised cost on a 12 month or lifetime ECL approach as appropriate. The composition of cash and balances at central banks by stage is included in other financial assets set out in note 25 on page 335.

Cash and cash equivalents comprise cash in hand and balances with central banks and banks which can be withdrawn on demand. It also comprises balances with an original maturity of less than three months.

The Group is required to hold an average balance with the Central Bank over the published ECB reserve maintenance (six weeks) periods in order to meet its minimum reserve requirement, which at 31 December 2024 was €917 million (2023: €904 million).

Cash and cash equivalents of €34.2 billion increased by €0.6 billion since 31 December 2023 primarily due to higher customer deposit volumes of €2.1 billion (constant currency basis), net increase in Tier 2 issuance of €0.3 billion, FX gain of €0.2 billion and other items of €0.4 billion, partially offset by lower wholesale funding volumes of €0.9 billion and higher customer loan volumes of €1.5 billion (constant currency basis).

*For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances:*

| Group | 2024 €m | 2023 €m |
|---|---|---|
| Cash and balances at central banks | 32,441 | 31,848 |
| Less impairment loss allowance on cash and balances at central banks | (5) | (5) |
| **Cash and balances at central banks (net of impairment loss allowance)** | **32,436** | **31,843** |
| Loans and advances to banks (with an original maturity of less than 3 months) | 1,738 | 1,798 |
| **Cash and cash equivalents at amortised cost** | **34,174** | **33,641** |
| **Cash and balances at central banks (net of impairment loss allowance) of which are:** | | |
| Republic of Ireland (Central Bank of Ireland) | 28,136 | 28,486 |
| United Kingdom (Bank of England) | 2,997 | 2,696 |
| United States (Federal Reserve) | 933 | 356 |
| Other (cash holdings) | 370 | 305 |
| **Total** | **32,436** | **31,843** |

# 47 Changes in liabilities arising from financing activities

This table sets out the changes in liabilities arising from financing activities between cash and non-cash items. For more information on subordinated liabilities, see note 43. Interest accrued on subordinated liabilities is included within other liabilities. For more information on lease liabilities, see note 38.

| Group 2024 | Subordinated liabilities €m | Interest on subordinated liabilities €m | Lease liabilities €m | Interest on lease liabilities €m | Dividend payable €m |
|---|---|---|---|---|---|
| **Balance at 1 January 2024** | **1,604** | **48** | **404** | **–** | **27** |
| Cash flows | 199 | (143) | (57) | (10) | (27) |
| *Proceeds from issue of subordinated liabilities* | *499* | – | – | – | – |
| *Liability management exercises on subordinated liabilities* | – | – | – | – | – |
| *Redemptions of subordinated liabilities* | *(300)* | – | – | – | – |
| *Interest paid on subordinated liabilities* | – | *(143)* | – | – | – |
| *Payment of lease liability* | – | – | *(57)* | – | – |
| *Interest paid on lease liabilities* | – | – | – | *(10)* | – |
| *Dividend paid to parent* | – | – | – | – | *(27)* |
| Non-cash changes | 54 | 98 | 19 | 10 | – |
| *Charge to income statement* | – | *98* | – | *10* | – |
| *Exchange adjustments* | *17* | – | *2* | – | – |
| *Lease liability adjustment* | – | – | *12* | – | – |
| *Additions to lease liabilities* | – | – | *5* | – | – |
| *Fair value hedge adjustments* | *37* | – | – | – | – |
| *Other movements* | – | – | – | – | – |
| **Balance at 31 December 2024** | **1,857** | **3** | **366** | **–** | **–** |

# 47 Changes in liabilities arising from financing activities *(continued)*

| Group 2023 | Subordinated liabilities €m | Interest on subordinated liabilities €m | Lease liabilities €m | Interest on lease liabilities €m | Dividend payable €m |
|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **1,661** | **65** | **423** | **–** | **27** |
| Cash flows | (128) | (104) | (44) | (11) | – |
| *Proceeds from issue of subordinated liabilities* | – | – | – | – | – |
| *Liability management exercises on subordinated liabilities* | *(128)* | – | – | – | – |
| *Redemptions of subordinated liabilities* | – | – | – | – | – |
| *Interest paid on subordinated liabilities* | – | *(104)* | – | – | – |
| *Payment of lease liability* | – | – | *(44)* | – | – |
| *Interest paid on lease liabilities* | – | – | – | *(11)* | – |
| Non-cash changes | 71 | 87 | 25 | 11 | – |
| *Charge to income statement* | – | *87* | – | *11* | – |
| *Exchange adjustments* | *16* | – | – | – | – |
| *Lease liability adjustment* | – | – | *7* | – | – |
| *Additions to lease liabilities* | – | – | *18* | – | – |
| *Fair value hedge adjustments* | *58* | – | – | – | – |
| *Other movements* | *(3)* | – | – | – | – |
| **Balance at 31 December 2023** | **1,604** | **48** | **404** | **–** | **27** |

# 48 Related party transactions

Related parties to the Group include the parent company, BoIG plc, subsidiary undertakings, associated undertakings, joint arrangements, post-employment benefits, KMP and connected parties. A number of banking transactions are entered into between the Company and its subsidiaries in the normal course of business. These include extending secured and unsecured loans, investing in debt securities issued by subsidiaries, taking of deposits and undertaking foreign currency transactions.

### Associates, joint ventures and joint operations

The Group provides to and receives from its associates, joint ventures and joint operations, certain banking and financial services, which are not material to the Group, on similar terms to third party transactions. These include loans, deposits and foreign currency transactions. The amounts outstanding during 2024 are set out in note 28.

### Pension funds

The Group provides a range of normal banking and financial services, which are not material to the Group, to various pension funds operated by the Group for the benefit of its employees (principally to the BSPF), which are conducted on similar terms to third party transactions. Details on the Group's contributions to the pension funds are set out in note 42.

The Group occupies one property owned by the BSPF. At 31 December 2024, the total value of this property was €26 million (2023: €27 million). In 2024, the rental income paid to BSPF was €2 million (2023: €2 million).

### Transactions with Directors and Key Management Personnel

#### Loans to Directors

The following information is presented in accordance with the Companies Act 2014. For the purposes of the Companies Acts disclosures, Directors means the Court of Directors and any past Directors who were Directors during the relevant period. Directors' emoluments are set out in the Remuneration Report on pages 231 to 245 of the BoIG Annual Report.

Where no amount is shown in the tables below, this indicates either a credit balance, a balance of €nil, or a balance of less than €500. The value of arrangements at the beginning and end of the financial year as stated below in accordance with Section 307 of the Companies Act 2014, expressed as a percentage of the net assets of the Group at the beginning and end of the financial year, is less than 1%.

In the tables below, 'balances' include principal and interest and 'repayments' include principal and interest; revolving credit facilities are not included. The 'aggregate maximum amount outstanding' includes credit card exposures at the maximum statement balance. While the closing balance includes interest accrued and interest paid, the maximum balance includes interest paid only.

# 48 Related party transactions *(continued)*

| Group<br>Companies Acts disclosure<br>Loans to Directors at 31 December 2024 | Balance at 1 January 2024 €'000 | Balance at 31 December 2024 €'000 | Aggregate maximum amount outstanding during the year ended 31 December 2024 €'000 | Repayments during the year ended 31 December 2024 €'000 |
|---|---|---|---|---|
| **E Bourke** | | | | |
| **Credit card total** | **6** | **9** | **9** | **–** |
| **P Kennedy** | | | | |
| **Credit card total** | **–** | **–** | **16** | **–** |
| **E Fitzpatrick** | | | | |
| **Loan total** | **18** | **12** | **18** | **6** |
| **M Spain** | | | | |
| **Mortgage total** | **277** | **255** | **277** | **33** |

G Andrews, A Bhargava, I Buchanan, R Goulding, M Greene, M O'Grady, S Pateman and M Sweeney had no loans from the Group in 2024. No advances were made during the year. No amounts were waived during 2024.

None of the loans were credit-impaired at 31 December 2024 or at 31 December 2023. There is no interest which having fallen due on the above loans has not been paid in 2024 (2023: €nil).

All Directors have other transactions with the Bank. The nature of these transactions includes investments, pension funds, deposits, general insurance, life assurance and current accounts with credit balances.

The relevant balances on these accounts are included in the aggregate figure for deposits on page 406.

Other than as indicated, all loans to Directors are made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for similar transactions with other persons unconnected with the Group and of similar financial standing and do not involve more than normal risk of collectability.

# 48 Related party transactions *(continued)*

| Group<br>Companies Acts disclosure<br>Loans to Directors at 31 December 2023 | Balance at 1 January 2023 €'000 | Balance at 31 December 2023 €'000 | Aggregate maximum amount outstanding during the year ended 31 December 2023 €'000 | Repayments during the year ended 31 December 2023 €'000 |
|---|---|---|---|---|
| **E Bourke** | | | | |
| **Credit card total** | **4** | **6** | **8** | **–** |
| **P Kennedy** | | | | |
| **Credit card total** | **13** | **–** | **14** | **–** |
| **E Fitzpatrick** | | | | |
| **Loan total** | **26** | **18** | **26** | **8** |
| **M Spain** | | | | |
| **Mortgage total** | **300** | **277** | **300** | **34** |
| **Directors no longer in office at 31 December 2023** | | | | |
| F Muldoon | 5 | 3 | 11 | – |
| **Total** | **5** | **3** | **11** | **–** |

### Loans to connected persons on favourable terms

Connected persons of Directors are defined by Section 220 of the Companies Act 2014. Lending to connected persons on favourable terms, including interest rates and collateral, are similar to those available to staff generally.

In the tables below, 'balances' include principal and interest. The 'maximum amounts outstanding' includes credit card exposures at the maximum statement balance. While the closing balance includes interest accrued and interest paid, the maximum balance includes interest paid only.

| Group<br>2024<br>Loans to connected persons on favourable terms | Balance at 31 December 2024 €'000 | Maximum amounts outstanding during 2024 €'000 | Number of persons at 31 December 2024 | Maximum number of persons during 2024 |
|---|---|---|---|---|
| E Bourke | – | 3 | 2 | 2 |
| M Spain | – | 1 | 1 | 1 |

| Group<br>2023<br>Loans to connected persons on favourable terms | Balance at 31 December 2023 €'000 | Maximum amounts outstanding during 2023 €'000 | Number of persons at 31 December 2023 | Maximum number of persons during 2023 |
|---|---|---|---|---|
| E Bourke | 1 | 3 | 2 | 2 |
| M Spain | – | 1 | 1 | 1 |

# 48 Related party transactions *(continued)*

### Loans to connected persons - Central Bank licence condition disclosures

Under its banking licence, the Bank is required to disclose in its annual audited financial statements details of:

- the aggregate amount of lending to all connected persons, as defined in Section 220 of the Companies Act 2014; and
- the aggregate maximum amount outstanding during the year for which those financial statements are being prepared.

Disclosure is subject to certain de minimis exemptions and to exemptions for loans relating to principal private residences where the total of such loans to an individual connected person does not exceed €1 million. The following tables are presented in accordance with this licence condition.

In these tables, 'balances' include principal and interest. The 'maximum amounts outstanding' includes credit card exposures at the maximum statement balance. While the closing balance includes interest accrued and interest paid, the maximum balance includes interest paid only.

| Group<br>2024<br>Connected persons of the following Directors | Balance at 31 December 2024 €'000 | Maximum amounts outstanding during 2024 €'000 | Number of persons at 31 December 2024 | Maximum number of persons during 2024 |
|---|---|---|---|---|
| Persons connected to P Kennedy | 1,339 | 1,837 | 1 | 1 |

| Group<br>2023<br>Connected persons of the following Directors | Balance at 31 December 2023 €'000 | Maximum amounts outstanding during 2023 €'000 | Number of persons at 31 December 2023 | Maximum number of persons during 2023 |
|---|---|---|---|---|
| Persons connected to P Kennedy | 1,837 | 1,936 | 1 | 1 |

### Key management personnel - loans and deposits (IAS 24)

For the purposes of IAS 24 'Related party disclosures', the Group has 26 KMP (2023: 25) which comprise the Directors, the members of the GEC and any past KMP who was a KMP during the relevant period.

In addition to Executive Directors, the GEC comprises:

- Group Secretary and Head of Corporate Governance;
- Chief of Staff and Head of Group Corporate Affairs;
- Chief Operating Officer;
- Chief People Officer;
- Chief Executive Officer - Retail Ireland;
- Chief Executive Officer - Davy and Wealth;
- Chief Executive Officer - Bank of Ireland (UK);
- Chief Executive Officer - Corporate and Commercial;
- Chief Risk Officer;
- Chief Customer Officer; and
- Chief Strategy and Transformation Officer.

KMP, including Directors, hold products with Group companies in the ordinary course of business. Other than as indicated, all loans to NEDs are made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for similar transactions with other persons unconnected to the Group and do not involve more than the normal risk of collectability. Loans to KMP other than NEDs are made on terms similar to those available to staff generally and / or in the ordinary course of business on normal commercial terms.

The aggregate amounts outstanding, in respect of all loans, quasi-loans and credit transactions between the Bank and its KMP, as defined above, together with members of their close families and entities influenced by them are shown in the following table.

| Group<br>2024<br>IAS 24 Disclosures<br>Key management personnel | Balance at 1 January 2024 €'000 | Balance at 31 December 2024 €'000 | Maximum amounts outstanding during 2024 €'000 | Total number of relevant KMP at 1 January 2024 | Total number of relevant KMP at 31 December 2024 |
|---|---|---|---|---|---|
| Loans | 1,780 | 1,726 | 1,865 | 9 | 11 |
| Deposits | 4,594 | 5,304 | 11,466 | 17 | 21 |

# 48 Related party transactions *(continued)*

| Group<br>2023<br>IAS 24 Disclosures<br>Key management personnel | Balance at 1 January 2023 €'000 | Balance at 31 December 2023 €'000 | Maximum amounts outstanding during 2023 €'000 | Total number of relevant KMP at 1 January 2023 | Total number of relevant KMP at 31 December 2023 |
|---|---|---|---|---|---|
| Loans | 2,170 | 1,780 | 2,171 | 13 | 9 |
| Deposits | 4,707 | 4,594 | 11,324 | 18 | 17 |

In the tables above, 'balances' include principal and interest. The 'opening balance' includes balances and transactions with KMPs who retired during 2023 and are not related parties during 2024. Therefore these key management personnel are not included in the maximum amounts outstanding. The 'maximum amounts outstanding' include credit card exposures at the maximum statement balance. In all cases key management personnel have not exceeded their approved limits. The maximum approved credit limit on any credit card held by KMP is €22,900 (2023: €25,000). The maximum amount outstanding was calculated using the maximum balance on each account.

The highest maximum outstanding liability for any member of KMP, close family and entities influenced by them did not exceed €1.8 million during 2024 (2023: €1.9 million). In some cases with investment type products (i.e. funds based products, life assurance and other policies) the maximum balance amounts were not available, in which case the greater of the balance at the start of the year and the balance at the end of the year has been included as the maximum balance amount. While the closing balance includes interest accrued and interest paid, the maximum balance includes interest paid.

KMP have other protection products with the Bank. The nature of these products includes mortgage protection, life assurance and critical illness cover. It also includes general insurance products which are underwritten by a number of external insurance companies and for which the Bank acts as an intermediary only. None of these products has any encashment value at 31 December 2024 (2023: €nil).

In the above IAS 24 disclosures, there was no loan advancements to KMP and close family members of KMP on preferential staff rates (2023: €nil).

None of the loans were credit-impaired at 31 December 2024 or at 31 December 2023. There is no interest which having fallen due on the above loans has not been paid in 2024 (2023: €nil). There are no guarantees entered into by the Bank in favour of KMP of the Bank and no guarantees in favour of the Bank have been entered into by KMP of the Bank.

### Compensation of KMP

Details of compensation paid to KMP are provided in the table below:

- '**Salaries and other short-term benefits**' comprises gross salary, Employer Pay Related Social Insurance contributions, Group Performance Scheme award, fees, cash in lieu of pension, car allowance and other short-term benefits paid in the year.
- '**Post employment benefits**' comprises Employer contributions paid to pension funds.
- '**Termination benefits**' include, inter alia, contractual payments due in lieu of notice periods.

| Group<br>Remuneration | 2024 €'000 | 2023 €'000 |
|---|---|---|
| Salaries and other short-term benefits | 14,729 | 11,278 |
| Post employment benefits | 933 | 640 |
| Termination benefits | 300 | 300 |
| **Total** | **15,962** | **12,218** |
| | | |
| Number of KMP | 26 | 25 |

### Directors' remuneration

Details of Directors' remuneration are provided in this table. No other fees or bonuses were paid to Directors during 2024 (2023: €nil). No stock options were granted or exercised during 2024 (2023: €nil).

The amounts shown in the table below for post employment benefits accrued for two Directors during 2024 (2023: two). The NEDs fees are paid by BoIG plc.

| Group | 2024 €'000 | 2023 €'000 |
|---|---|---|
| Fees | 1,812 | 1,562 |
| Other emoluments | 2,159 | 1,654 |
| **Post employment benefits:** | | |
| Defined benefit plans | 87 | 77 |
| Defined contribution plans | 182 | 112 |
| **Total Directors' remuneration** | **4,240** | **3,405** |

# 49 Client property

In the normal course of business, the Group (through Davy) provides the following services to certain of its clients:

- investment of funds at the sole discretion of the Group in securities and the placing of deposits in separately designated accounts with recognised banks and building societies, the income from which accrues for the benefit of these clients; and
- custodianship of securities held on behalf of clients.

At 31 December 2024, client deposits placed with the Group whereby Davy acts as the financial intermediary amounted to €1,397 million (2023: €1,614 million) for the Group and €1,382 million (2023: €1,566 million) for the Bank have been included in customer accounts (note 35). All other client property whereby Davy act as the financial intermediary has been excluded from the financial statements.

# 50 Principal undertakings

The Parent company of the Group is The Governor and Company of the Bank of Ireland (the 'Bank'). The principal Group undertakings for 2024 were:

| Group Name | Principal activity | Registered office | Country of Incorporation | Statutory year end |
|---|---|---|---|---|
| Bank of Ireland (UK) plc | Retail financial services | 45 Gresham Street, London, England, EC2V 7EH | England and Wales | 31 December |
| New Ireland Assurance Company plc | Life assurance business | 87-89 Pembroke Road, Ballsbridge, Dublin 4, D04 X738 | Ireland | 31 December |
| Bank of Ireland Mortgage Bank Unlimited Company | Mortgage lending and mortgage covered securities | 2 College Green, Dublin 2, D02 VR66 | Ireland | 31 December |
| J&E Davy Holdings ('Davy') | Wealth management, capital markets and related financial services | Davy House, 49 Dawson Street, Dublin 2, D02 PY05 | Ireland | 31 December |
| First Rate Exchange Services Limited | Foreign exchange | Great West House, Great West Road, Brentford, London, TW8 9DF | England and Wales | 31 March |
| N.I.I.B. Group Limited | Personal finance and leasing | 1 Donegall Square South, Belfast, BT1 5LR | Northern Ireland | 31 December |

All the Group undertakings are included in the consolidated financial statements. Unless stated otherwise, the Group owns 100% of the equity of the principal Group undertakings and 100% of the voting shares of all these undertakings.

First Rate Exchange Services Limited ('FRES') is a subsidiary of First Rate Exchange Services Holdings Limited ('FRESH'), a joint venture with the UK Post Office, in which the Group holds 50% of the equity of the business.

In presenting details of the principal subsidiary undertakings, the exemption permitted by Section 316 of the Companies Act 2014 has been availed of and the Company will annex a full listing of Group undertakings to its annual return to the Companies Registration Office.

### Bank of Ireland Mortgage Bank Unlimited Company

BoIMB's principal business activities are restricted to dealing in and holding Irish residential mortgage assets, engaging in activities connected with the financing and refinancing of such assets, entering into certain hedging contracts and engaging in other activities which are incidental or ancillary to the above activities, and issuing mortgage covered securities for the purpose of financing loans secured on Irish residential property, all in accordance with the Asset Covered Securities Acts 2001 and 2007 of Ireland.

The mortgage covered securities issued by BoIMB can be purchased by Bank of Ireland and other members of the Group or third parties.

In 2024, the total amount of principal outstanding in respect of mortgage covered securities issued was €2.1 billion (2023: €3.5 billion).

In 2024, the total amount of principal outstanding in the mortgage covered pool including mortgage assets and cash was €11.6 billion (2023: €12.9 billion).

BoIMB may issue other debt securities under BoIMB's obligation to the CBI within the terms of the Special Mortgage-Backed Promissory Note programme (SMBPN). At 31 December 2024, BoIMB had no such debt securities in issue (2023: €nil). SMBPN is expected to terminate in 2025 in line with the changes to the collateral framework announced on 29 November 2024 by the ECB.

# 51 Interests in other entities

### General

The Group holds ordinary shares and voting rights in a significant number of entities. Management has assessed its involvement in all such entities in accordance with the definitions and guidance in:

- IFRS 10 'Consolidated financial statements';
- IFRS 11 'Joint arrangements';
- IAS 28 'Investments in associates and joint ventures'; and
- IFRS 12 'Disclosure of interests in other entities'.

See note 1 Group accounting policies for additional information.

### Significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group

Regulated banking and insurance subsidiaries are required to maintain minimum regulatory liquidity and solvency ratios and are subject to other regulatory restrictions that may impact on transactions between these subsidiaries and the Company, including on the subsidiaries' ability to make distributions.

Certain transactions between BoI (UK) plc and the Group are subject to regulatory limits and approvals agreed with the PRA. Total assets of BoI (UK) plc at 31 December 2024 were €22.4 billion (2023: €21.7 billion) and liabilities were €20.3 billion (2023: €19.8 billion).

The activities of BoIMB are subject to the Asset Covered Securities Act 2001 to 2007 which imposes certain restrictions over the assets of BoIMB. Total assets of BoIMB at 31 December 2024 were €20.5 billion (2023: €19.5 billion) and liabilities were €18.9 billion (2023: €18.0 billion).

The Group's life assurance entity, NIAC, is required to hold shareholder equity that exceeds a solvency capital requirement, see note 18 on page 275 for details. In addition, the Group's Isle of Man insurance entity is required to hold shareholder equity that exceeds the solvency requirements specified by the Isle of Man Financial Services Authority.

Under Section 357 (1)(b) of the Companies Act 2014, the Bank has given an irrevocable guarantee to meet the liabilities, commitments and contingent liabilities entered into by certain Group undertakings. At 31 December 2024, the commitments of these undertakings amounted to €617 million (2023: €524 million).

### Consolidated structured entities

In the case of structured entities, in considering whether it controls the investee, the Group applies judgement around whether it has the ability to direct the relevant activities, has exposure or rights to variable returns from its involvement with the investee and has the ability to use its power to affect the amount of its returns. The Group generally considers it has control over the investee in the following situations:

- securitisation vehicles whose purpose is to finance specific loans and advances to customers; or
- defeasance companies set up to facilitate big-ticket leasing transactions.

In each case the Group generally considers that it has power over the entity, is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity, even though the Group normally owns less than half of the voting rights of those entities.

The Group does not consider it controls an investee when:

- the Group's only involvement in the arrangement is to administer transactions, for which the Group receives a fixed fee, on the basis that the Group is acting as an agent for the investors; or
- an entity is in the process of being liquidated, on the basis that the entity is controlled by the liquidator.

In the case of some venture capital investments, in considering whether it controls the investee the Group applies judgement around whether it has the ability to direct the relevant activities, has exposure or rights to variable returns from its involvement with the investee and has the ability to use its power to affect the amount of its returns. The Group has been considered to have significant influence, rather than control of the entity because the Group is not involved in directing the relevant activities of the entity and does not have the right to remove the manager of the entity.

The Group holds interests in a structured entity (Bowbell No 3 plc), whose purpose is to acquire mortgage loans and other financial assets and issue mortgage backed securities. All of the assets and liabilities of this entity are restricted. At 31 December 2024 for Bowbell No 3 plc, total assets amounted to €0.4 billion (2023: €0.4 billion) and liabilities amounted to €0.4 billion (2023: €0.4 billion).

In January 2024, the Group securitised c.€13.4 billion of its Irish residential mortgage portfolio held in the Bank and BoIMB. The beneficial interest in the mortgages was transferred to a securitisation vehicle, Luna Securities DAC (Luna). In order to fund the acquired mortgages, Luna issued two classes of notes to the Bank. BoIMB was allocated a portion of these notes by the Bank in the same proportion as the securitised mortgages. The mortgages transferred by the Bank and Group respectively have not been derecognised from the Bank and Group balance sheet as the Bank and Group retain substantially all the risks and rewards of ownership.

The Group has entered into a number of transactions transferring a portion of credit risk on reference portfolios of financial assets. The funded protection in respect of these transactions is held with Vale Securities Finance DAC (Vale), Vale Securities Finance No.2 DAC (Vale II), Glen Securities Finance DAC (Glen), Mespil Securities No.2 DAC (Mespil II) and Mespil Securities No.3 DAC (Mespil III). The Group delivered notice of its intention to call the Vale transaction in December 2024 and the Vale transaction was terminated in January 2025.

No assets or liabilities were transferred to Vale, Vale II, Glen, Mespil II or Mespil III as part of the transactions. All transactions have cash collateralised their exposure through the issue of credit linked notes to third party investors. Each transaction also includes unfunded protection. The protection provided by each transaction has an optional call date and a maturity date as follows: Vale II (July 2027 / July 2032), Glen (April 2031 / October 2036), Mespil II (July 2026 / January 2032) and Mespil III (July 2028 / July 2032).

In relation to these entities, there are no contractual arrangements that require the Group to provide financial support. In 2024 and 2023, the Group did not provide financial or other support, nor does it expect or intend to do so.

In accordance with IFRS 10, all of these entities are consolidated in the Group's financial statements.

# 51 Interests in other entities *(continued)*

### Treatment of changes in control of a subsidiary during the reporting period

From time to time, the Group may wind up a wholly owned company. During this process, the Group voluntarily appoints a liquidator to manage the winding up of relevant entities.

Upon appointment of the liquidator, the Group is considered to have lost control of the companies and accounts for this loss of control as a disposal. In accordance with IAS 21, the Group must reclassify net cumulative FX gains / losses relating to these companies from the FX reserve to the income statement. In 2024, €5 million of a gain was transferred (2023: €8 million loss). (see note 16).

### Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control i.e. contractually agreed sharing of control of an arrangement where decisions about the relevant activities require the unanimous consent of the parties sharing control.

These arrangements are identified by reference to the power sharing agreements, ensuring that unanimous consent of all parties is a requirement. Where the arrangement has been structured through a separate vehicle, the Group has accounted for it as a joint venture.

The table below shows the Group's principal joint arrangements for the year ended 31 December 2024.

All joint venture investments are unquoted and are measured using the equity method of accounting. All income from these investments has been included in profit or loss from continuing operations. There are no significant restrictions on the ability of these entities to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group; nor is there any unrecognised share of losses either for 2024 or cumulatively in respect of these entities. Other than disclosed in note 40, the Group does not have any further commitments or contingent liabilities in respect of these entities other than its investment to date.

| Joint arrangement | Holding | Classification | Country of operation | Nature of activities |
|---|---|---|---|---|
| First Rate Exchange Services Holdings Limited | 50% | Joint venture | UK | Sale of financial products through the UK Post Office relationship |
| Enterprise 2000 Fund Limited | 50% | Joint venture | Ireland | Investment in venture capital companies |

### Associates

An associated undertaking is an entity for which the Group has significant influence, but not control, over the entity's operating and financial policy decisions. If the Group holds 20% or more of the voting power of an entity, it is presumed that the Group has significant influence, unless it could be clearly demonstrated that this was not the case. There are no such cases where the Group holds 20% or more of the voting power of an entity, and is not considered to have significant influence over that entity.

The Group holds a number of investments in associates, none of which is individually material. All income from these investments has been included in profit or loss from continuing operations. There are no significant restrictions on the ability of these entities to transfer funds to the Group in the form of cash dividends, or to repay loans or advances made by the Group; nor is there any unrecognised share of losses either for 2024 or cumulatively in respect of these entities. The Group does not have any contingent liabilities in respect of these entities other than its investment to date.

### Unconsolidated structured entities

#### Unconsolidated collective investment vehicles

The Group holds investments in unconsolidated structured entities arising from investments in collective investment undertakings, carried at fair value of €17,154 million (2023: €14,600 million). The value included in assets held to cover unit-linked policyholder liabilities is €16,419 million (2023: €13,731 million) and €735 million (2023: €869 million) is held for non-unit linked liabilities (note 20). At 31 December 2024, the total asset value of these unconsolidated structured entities, including the portion in which the Group has no interest, was €41.5 billion (2023: €37.9 billion).

The Group's maximum exposure to loss is equal to the carrying value of the investment. However, the Group's investments in these entities are primarily held to match policyholder liabilities in the Group's life assurance business and the majority of the risk from a change in the value of the Group's investment is matched by a change in policyholder liabilities. The collective investment vehicles are primarily financed by investments from investors in the vehicles.

During the year the Group has not provided any non-contractual financial or other support to these entities and has no current intention of providing any financial or other support. The Group does not sponsor any of these unconsolidated structured entities.

#### Mulcair Securities No.2 DAC

In June 2021, the Group entered into a securitisation arrangement for a portfolio of residential mortgage NPEs, through an unconsolidated special purpose vehicle, Mulcair Securities No. 2 DAC (Mulcair 2). The Group transferred the beneficial interest in the loans to Mulcair 2 which in turn issued notes backed by these loans. In May 2024, the securitisation was terminated. The Group's holding in the securitisation, by way of a Vertical Risk Retention (VRR) loan, was repaid in full at termination. Mulcair 2 was not consolidated but the associated income in relation to the services provided to the company was recognised in the Group's financial statements as follows:

| | 2024 €m | 2023 €m |
|---|---|---|
| Fee and commission income | – | 1 |
| **Total income related to Mulcair 2** | **–** | **1** |

# 51 Interests in other entities *(continued)*

The carrying amount of assets and liabilities in relation to this entity are listed as:

| | 2024 €m | 2023 €m |
|---|---|---|
| Debt securities at amortised cost | – | 13 |
| **Total carrying value of assets held related to Mulcair 2** | **–** | **13** |

The Group's maximum exposure to loss in respect of Mulcair 2 was equal to the balance of the VRR which is €nil at 31 December 2024 (2023: €13 million). There are no contractual arrangements that require the Group to provide financial support to Mulcair 2. In 2024 and 2023 the Group did not provide financial or other support.

**Temple Quay No.1 PLC**
In November 2022, the Group entered into a securitisation arrangement for a portfolio of UK residential mortgage NPEs, through an unconsolidated special purpose vehicle, Temple Quay No. 1 plc. The portfolio transferred had a gross carrying value of €527 million (before ECL allowance) and a net carrying value of €462 million (after ECL allowance).

The Group transferred the beneficial interest in the loans to Temple Quay No. 1 plc which in turn issued notes backed by these loans. The Group continues to act as servicer of the transferred assets and is in receipt of income from the provision of these services. Under the servicing agreement, the Group is required to make payments to Temple Quay No.1 plc if the weighted average variable rate is less than the variable rate floor. During 2024, the total payments were €nil (2023: €nil) and at 31 December 2024 the current volume of the loans under management was €387 million (2023: €440 million).

The Group holds 5% of the risks, rewards and cash flows in Temple Quay No.1 plc by way of a VRR loan note. This note is held in debt securities at amortised cost.

Temple Quay No. 1 plc is not consolidated but the associated income in relation to the services provided to the company is recognised in the Group's financial statements as follows:

| | 2024 €m | 2023 €m |
|---|---|---|
| Fee and commission income | 1 | 2 |
| **Total income related to Temple Quay No.1 plc** | **1** | **2** |

The carrying amount of assets and liabilities in relation to this entity are listed as:

| | 2024 €m | 2023 €m |
|---|---|---|
| Debt securities at amortised cost | 21 | 26 |
| **Total carrying value of assets held related to Temple Quay No.1 plc** | **21** | **26** |

The Group's maximum exposure to loss in respect of Temple Quay No. 1 plc is equal to the balance of the VRR loan note which is €21 million at 31 December 2024 (2023: €26 million). There are no contractual arrangements that require the Group to provide financial support to Temple Quay No. 1 plc. In 2024 and 2023, the Group did not provide financial or other support, nor does it expect or intend to do so.

**Davy investment companies**
Since the Davy acquisition in 2022, there are certain types of structured entities that the Group does not consolidate but in which it may hold an interest through the receipt of management fees and performance fees. These entities are constituted as open ended investment companies and unit trusts and invest in a range of asset classes as described in the relevant prospectuses. The total amount of management and performance fees recognised in the Group's income statement for the year ended 31 December 2024 amounted to €43 million (2023: €31 million) of which €6 million is receivable at 31 December 2024 (2023: €5 million).

At 31 December 2024, the Group also held investments in relation to these entities amounting to €1 million (2023: €1 million), which are included in Other financial assets at FVTPL in the Group's financial statements. The Group's maximum exposure to loss at 31 December 2024 in respect of these unconsolidated entities is €7 million (2023: €6 million). The Group has not provided financial support to these unconsolidated structured entities and has no intention of providing financial or other support.

**BoI investment companies**
The Group has incorporated certain entities to provide investment opportunities to clients in international commercial properties. The Group considers that it sponsors these entities where it continues to be involved in the entity or if it is in receipt of income from the entity during the year. At 31 December 2024, there were two entities (2023: two). At 31 December 2024, the total gross asset value of these entities was €nil (2023: €nil).

With regard to the above unconsolidated structured entities, they are infrastructure fund managers whose principal activity is managing property investments. In 2024 and 2023, the Group did not receive asset management fees from these entities.

The structured entities are not consolidated; the associated fee and commission income in relation to these entities was €nil for 2024 (2023: €nil). The carrying amount of assets and liabilities in relation to these entities in the Group's financial statements is €nil (2023: €nil). The Group's maximum exposure to loss in respect of these unconsolidated entities is €nil (2023: €nil). In relation to these entities, there are no contractual arrangements that require the Group to provide financial support.

**Coterminous year end dates**
The Group consolidates certain entities where the entity does not have the same year end reporting date as the Group. This is to ensure the reporting dates of these Group entities are kept consistent with the principal legal agreements used to engage in their core business.

# 52 Measurement basis of financial assets and financial liabilities

The tables below analyses the carrying amounts of the financial assets and financial liabilities by accounting treatment and by balance sheet heading. In the tables below 'liabilities to customers under investment contracts'- Insurance investment contracts are accounted for as financial liabilities whose value is contractually linked to the fair value of the financial assets within the policyholders' unit-linked funds.

| | FVTPL | | FVOCI | | | |
|---|---|---|---|---|---|---|
| **Group 2024** | **Mandatorily €m** | **Designated €m** | **Debt Instruments €m** | **Held at amortised cost €m** | **Derivatives designated as hedging instruments €m** | **Total €m** |
| **Financial assets** | | | | | | |
| Cash and balances at central banks | – | – | – | 32,436 | – | 32,436 |
| Items in the course of collection from other banks | – | – | – | 114 | – | 114 |
| Trading securities | 166 | – | – | – | – | 166 |
| Derivative financial instruments | 1,604 | – | – | – | 1,873 | 3,477 |
| Other financial assets at FVTPL | 24,008 | – | – | – | – | 24,008 |
| Loans and advances to banks | 55 | – | – | 1,683 | – | 1,738 |
| Debt securities at amortised cost | – | – | – | 6,387 | – | 6,387 |
| Financial assets at FVOCI | – | – | 3,384 | – | – | 3,384 |
| Loans and advances to customers | 185 | – | – | 82,353 | – | 82,538 |
| Interest in associates | – | 76 | – | – | – | 76 |
| Other financial assets | – | – | – | 264 | – | 264 |
| **Total financial assets** | **26,018** | **76** | **3,384** | **123,237** | **1,873** | **154,588** |
| | | | | | | |
| **Financial liabilities** | | | | | | |
| Deposits from banks | – | – | – | 1,805 | – | 1,805 |
| Customer accounts | – | 114 | – | 103,235 | – | 103,349 |
| Items in the course of transmission to other banks | – | – | – | 218 | – | 218 |
| Derivative financial instruments | 1,581 | – | – | – | 2,094 | 3,675 |
| Debt securities in issue | – | 204 | – | 8,935 | – | 9,139 |
| Liabilities to customers under investment contracts | – | 9,203 | – | – | – | 9,203 |
| Other financial liabilities | 37 | – | – | 2,582 | – | 2,619 |
| Lease liabilities | – | – | – | 366 | – | 366 |
| Loss allowance provision on loan commitments and financial guarantees | – | – | – | 80 | – | 80 |
| Short positions in trading securities | 154 | – | – | – | – | 154 |
| Subordinated liabilities | – | – | – | 1,857 | – | 1,857 |
| **Total financial liabilities** | **1,772** | **9,521** | **–** | **119,078** | **2,094** | **132,465** |

# 52 Measurement basis of financial assets and financial liabilities *(continued)*

| Group 2023 | FVTPL | | FVOCI | | | |
|---|---|---|---|---|---|---|
| | Mandatorily €m | Designated €m | Debt Instruments €m | Held at amortised cost €m | Derivatives designated as hedging instruments €m | Total €m |
| **Financial assets** | | | | | | |
| Cash and balances at central banks | – | – | – | 31,843 | – | 31,843 |
| Items in the course of collection from other banks | – | – | – | 126 | – | 126 |
| Trading securities | 72 | – | – | – | – | 72 |
| Derivative financial instruments | 2,003 | – | – | – | 2,338 | 4,341 |
| Other financial assets at FVTPL | 20,905 | – | – | – | – | 20,905 |
| Loans and advances to banks | 100 | – | – | 1,807 | – | 1,907 |
| Debt securities at amortised cost | – | – | – | 5,715 | – | 5,715 |
| Financial assets at FVOCI | – | – | 3,968 | – | – | 3,968 |
| Loans and advances to customers | 205 | – | – | 79,524 | – | 79,729 |
| Interest in associates | – | 79 | – | – | – | 79 |
| Other financial assets | – | – | – | 280 | – | 280 |
| **Total financial assets** | **23,285** | **79** | **3,968** | **119,295** | **2,338** | **148,965** |
| | | | | | | |
| **Financial liabilities** | | | | | | |
| Deposits from banks | – | – | – | 3,095 | – | 3,095 |
| Customer accounts | – | 230 | – | 100,155 | – | 100,385 |
| Items in the course of transmission to other banks | – | – | – | 322 | – | 322 |
| Derivative financial instruments | 2,043 | – | – | – | 2,447 | 4,490 |
| Debt securities in issue | – | 267 | – | 8,414 | – | 8,681 |
| Liabilities to customers under investment | – | 7,692 | – | – | – | 7,692 |
| Other financial liabilities | 33 | – | – | 2,399 | – | 2,432 |
| Lease liabilities | – | – | – | 404 | – | 404 |
| Loss allowance provision on loan commitments and financial guarantees | – | – | – | 61 | – | 61 |
| Short positions in trading securities | 105 | – | – | – | – | 105 |
| Subordinated liabilities | – | – | – | 1,604 | – | 1,604 |
| **Total financial liabilities** | **2,181** | **8,189** | **–** | **116,454** | **2,447** | **129,271** |

The fair value and contractual amount due on maturity of financial liabilities designated at fair value upon initial recognition are shown in the table below. For financial assets and financial liabilities which are measured at FVTPL or through FVOCI, a description of the methods and assumptions used to calculate those fair values are set out in note 53.

| Group | 2024 | | 2023 | |
|---|---|---|---|---|
| | Fair values €m | Contractual amount due on maturity €m | Fair values €m | Contractual amount due on maturity €m |
| Customer accounts | 114 | 118 | 230 | 242 |
| Liabilities to customers under investment contracts | 9,203 | 9,203 | 7,692 | 7,692 |
| Debt securities in issue | 204 | 219 | 267 | 288 |
| **Financial liabilities designated at fair value through profit or loss** | **9,521** | **9,540** | **8,189** | **8,222** |

# 52 Measurement basis of financial assets and financial liabilities *(continued)*

| Bank 2024 | FVTPL | | FVOCI | | | |
|---|---|---|---|---|---|---|
| | Mandatorily €m | Designated €m | Debt Instruments €m | Held at amortised cost €m | Derivatives designated as hedging instruments €m | Total €m |
| **Financial assets** | | | | | | |
| Cash and balances at central banks | – | – | – | 29,941 | – | 29,941 |
| Items in the course of collection from other banks | – | – | – | 33 | – | 33 |
| Derivative financial instruments | 2,154 | – | – | – | 1,693 | 3,847 |
| Other financial assets at FVTPL | 366 | – | – | – | – | 366 |
| Loans and advances to banks | – | – | – | 19,396 | – | 19,396 |
| Debt securities at amortised cost | – | – | – | 6,763 | – | 6,763 |
| Financial assets at FVOCI | – | – | 3,384 | – | – | 3,384 |
| Loans and advances to customers | 160 | – | – | 48,690 | – | 48,850 |
| Other financial assets | – | – | – | 235 | – | 235 |
| **Total financial assets** | **2,680** | **–** | **3,384** | **105,058** | **1,693** | **112,815** |
| | | | | | | |
| **Financial liabilities** | | | | | | |
| Deposits from banks | – | 178 | – | 2,365 | – | 2,543 |
| Customer accounts | – | 785 | – | 91,834 | – | 92,619 |
| Items in the course of transmission to other banks | – | – | – | 149 | – | 149 |
| Derivative financial instruments | 2,038 | – | – | – | 1,855 | 3,893 |
| Debt securities in issue | – | 27 | – | 6,964 | – | 6,991 |
| Other financial liabilities | – | – | – | 869 | – | 869 |
| Lease liabilities | – | – | – | 328 | – | 328 |
| Loss allowance provision on loan commitments and financial guarantees | – | – | – | 76 | – | 76 |
| Short positions | – | – | – | – | – | – |
| Subordinated liabilities | – | – | – | 1,857 | – | 1,857 |
| **Total financial liabilities** | **2,038** | **990** | **–** | **104,442** | **1,855** | **109,325** |

# 52 Measurement basis of financial assets and financial liabilities *(continued)*

| Bank 2023 | FVTPL | | FVOCI | | | |
|---|---|---|---|---|---|---|
| | Mandatorily €m | Designated €m | Debt instruments €m | Held at amortised cost €m | Derivatives designated as hedging instruments €m | Total €m |
| **Financial assets** | | | | | | |
| Cash and balances at central banks | – | – | – | 29,297 | – | 29,297 |
| Items in the course of collection from other banks | – | – | – | 44 | – | 44 |
| Trading securities | – | – | – | – | – | – |
| Derivative financial instruments | 2,910 | – | – | – | 2,029 | 4,939 |
| Other financial assets at FVTPL | 311 | – | – | – | – | 311 |
| Loans and advances to banks | 4 | – | – | 16,390 | – | 16,394 |
| Debt securities at amortised cost | – | – | – | 7,347 | – | 7,347 |
| Financial assets at FVOCI | – | – | 3,968 | – | – | 3,968 |
| Loans and advances to customers | 160 | – | – | 46,790 | – | 46,950 |
| Other financial assets | – | – | – | 251 | – | 251 |
| **Total financial assets** | **3,385** | **–** | **3,968** | **100,119** | **2,029** | **109,501** |
| | | | | | | |
| **Financial liabilities** | | | | | | |
| Deposits from banks | – | 241 | – | 2,391 | – | 2,632 |
| Customer accounts | – | 800 | – | 88,702 | – | 89,502 |
| Items in the course of transmission to other banks | – | – | – | 224 | – | 224 |
| Derivative financial instruments | 2,810 | – | – | – | 2,154 | 4,964 |
| Debt securities in issue | – | 26 | – | 6,437 | – | 6,463 |
| Other financial liabilities | – | – | – | 790 | – | 790 |
| Lease liabilities | – | – | – | 366 | – | 366 |
| Loss allowance provision on loan commitments and financial guarantees | – | – | – | 57 | – | 57 |
| Short positions in trading securities | – | – | – | – | – | – |
| Subordinated liabilities | – | – | – | 1,604 | – | 1,604 |
| **Total financial liabilities** | **2,810** | **1,067** | **–** | **100,571** | **2,154** | **106,602** |

The fair value and contractual amount due on maturity of financial liabilities designated at fair value upon initial recognition are shown in the table below. For financial assets and financial liabilities which are measured at FVTPL or through OCI, a description of the methods and assumptions used to calculate those fair values are set out in note 53.

| Bank | 2024 | | 2023 | |
|---|---|---|---|---|
| | Fair values €m | Contractual amount due on maturity €m | Fair values €m | Contractual amount due on maturity €m |
| Deposits from banks | 178 | 178 | 241 | 260 |
| Customer accounts | 785 | 852 | 800 | 877 |
| Debt securities in issue | 27 | 28 | 26 | 28 |
| **Financial liabilities designated at fair value through profit or loss** | **990** | **1,058** | **1,067** | **1,165** |

# 53 Fair values of assets and liabilities

### Fair value of assets and liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where possible, the Group calculates fair value using observable market prices. Where market prices are not available, fair values are determined using valuation techniques which may include DCF models or comparisons to instruments with characteristics either identical or similar to those of the instruments held by the Group or of recent arm's length market transactions. These fair values are classified within a three-level fair value hierarchy, based on the inputs used to value the instrument. Where the inputs might be categorised within different levels of the fair value hierarchy, the fair value measurement in its entirety is categorised in the same level of the hierarchy as the lowest level input that is significant to the entire measurement. The levels are defined as:

**Level 1**
Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**
Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**
Inputs are unobservable inputs for the asset or liability.

Transfers between different levels are assessed at the end of all reporting periods.

### Financial assets and financial liabilities recognised and subsequently measured at fair value

All financial instruments are initially recognised at fair value. The Group subsequently measures the following instruments at FVTPL or at FVOCI: trading securities, other financial assets and financial liabilities designated at FVTPL, derivatives, loans and advances to customers held at fair value, loans and advances to banks held at fair value, financial assets held at FVOCI, customer accounts held at fair value and debt securities in issue held at fair value.

A description of the methods and assumptions used to calculate the fair value of these assets and liabilities is set out below. For fair value measurements categorised within level 3 of the fair value hierarchy, the valuation policies and procedures are developed by the management of the relevant business unit. The valuation process is documented before being reviewed and approved by senior management to ensure that the valuation method is consistent with market practice, that the output is reasonable and that the methodology is consistent both across the Group and compared to prior years.

**Loans and advances to customers held at fair value**
These consist of assets mandatorily measured at FVTPL, of which €185 million (2023: €205 million) (Bank: €160 million; 2023: €160 million) are 'Life loan mortgage products'. Unlike a standard mortgage product, borrowers do not make any periodic repayments and the outstanding loan balance increases through the life of the loan as interest due is capitalised. The mortgage is typically repaid out of the proceeds of the sale of the property.

These assets are valued using DCF models which incorporate unobservable inputs (level 3 inputs). Using reasonably possible alternative assumptions would not have a material impact on the value of these assets.

**Loans and advances to banks held at fair value**
These consist of assets mandatorily measured at FVTPL and include assets managed on a fair value basis by the life assurance business and those assets that do not meet the requirements in order to be measured at FVOCI or amortised cost.

The estimated fair value of floating rate placements and overnight placings is their carrying amount. The estimated fair value of fixed interest bearing placements is based on DCFs using prevailing money market interest rates for assets with similar credit risk and remaining maturity (level 2 inputs).

**Financial assets at fair value through other comprehensive income**
Financial assets at FVOCI predominantly consist of government bonds and listed debt securities. For these assets where an active market exists, fair value has been determined directly from observable market prices (level 1 inputs) or yields through a recognised pricing source or an independent broker, price-provider or investment bank (level 2 inputs).

**Financial assets and financial liabilities held for trading**
These instruments are valued using observable market prices (level 1 inputs), directly from a recognised pricing source or an independent broker or investment bank.

**Derivative financial instruments**
The Group's derivative financial instruments are valued using valuation techniques commonly used by market participants. These consist of DCF and options pricing models, which typically incorporate observable market data, principally interest rates, basis spreads, FX rates, equity prices and counterparty credit (level 2 inputs). The base models may not fully capture all factors relevant to the valuation of the Group's financial instruments such as credit risk, own credit and / or funding costs.

The fair values of the Group's derivative financial liabilities reflect the impact of the cost of funding derivative positions (funding valuation adjustment (FVA)). The funding cost is derived from observable market data; however the model may perform numerical procedures in the pricing such as interpolation when market data input values do not directly correspond to the exact parameters of the trade.

Credit valuation adjustment (CVA) represents an estimate of the adjustment to fair value that market participants would make to incorporate the counterparty credit risk inherent in derivative exposures. Debit valuation adjustment (DVA) reflects the impact of changes in own credit spreads. Certain derivatives are valued using unobservable inputs relating to counterparty credit such as credit grade and own credit spread, which are sourced from independent brokers. These unobservable inputs may be significant to their valuation. The effect of using reasonably possible alternative assumptions in the valuation of these derivatives at 31 December 2024 is immaterial. Where the impact of unobservable inputs is material to the valuation of the asset or liability, it is categorised as level 3 on the fair value hierarchy.

# 53 Fair values of assets and liabilities *(continued)*

In addition a small number of derivative financial instruments are valued using significant unobservable inputs other than counterparty credit (level 3 inputs). However, changing one or more assumptions used in the valuation of these derivatives would not have a significant impact as they are entered into to hedge the exposure arising on certain customer accounts (see below), leaving the Group with no net valuation risk due to the unobservable inputs.

**Other financial assets at fair value through profit or loss**
These consist of assets mandatorily at FVTPL, which are predominantly held for the benefit of unit linked policyholders, with any changes in valuation accruing to the policyholders. These assets consist principally of bonds, equities and unit trusts, which are traded on listed exchanges, are actively traded and have readily available prices. Substantially all of these assets are valued using valuation techniques which use observable market data i.e. level 1 or level 2 inputs. A small number of assets have been valued using DCF models and discounted equity value method, which incorporate unobservable inputs (level 3). Certain private equity funds, which predominantly invest in properties, are valued with reference to the underlying property value which in itself incorporate unobservable inputs (level 3). Using reasonably possible alternative assumptions would not have a material impact on the value of these assets.

**Interest in associates**
Investments in associates, which are venture capital investments, are accounted for at FVTPL and are valued in accordance with the 'International Private Equity and Venture Capital Valuation Guidelines'. This requires the use of various inputs such as DCF analysis and comparison with the earnings multiples of listed comparative companies amongst others. Although the valuation of unquoted equity instruments is subjective by nature, the relevant methodologies are commonly applied by other market participants and have been consistently applied over time. As the inputs are unobservable, the valuation is deemed to be based on level 3 inputs. Using reasonably possible alternative assumptions would not have a material impact on the value of these assets.

**Deposits from banks held at fair value**
Deposits from banks with a fair value of €178 million (2023: €241 million) are measured at FVTPL, in order to reduce an accounting mismatch which would otherwise arise from hedging derivatives. Their fair value is typically based on valuation techniques incorporating observable market data. The Bank incorporates the effect of changes in its own credit spread when valuing these instruments. The Bank sources own credit spreads from independent brokers (level 3 inputs) as observable own credit spreads are not available. Where the impact of unobservable inputs is material to the valuation of a bank deposit, that issuance is categorised as level 3 on the fair value hierarchy. Where the impact of unobservable inputs is immaterial to the valuation of a bank deposit, that issuance is categorised as level 2 on the fair value hierarchy.

**Customer accounts**
Customer accounts designated at FVTPL consist of deposits which contain an embedded derivative (typically an equity option).

These instruments are typically valued using valuation techniques which use observable market data. The Group incorporates the effect of changes in its own credit spreads when valuing these instruments. The Group sources own credit spreads from independent brokers (level 3 inputs) as observable own credit spreads are not available. Where the impact of unobservable inputs is material to the valuation of a customer account, that account is categorised as level 3 on the fair value hierarchy.

A small number of customer accounts are valued using additional unobservable inputs (level 3 inputs). However, changing one or more assumptions used in the valuation of these customer accounts would not have a significant impact as these customer accounts are hedged with offsetting derivatives (see above), leaving the Group with no net valuation risk due to those unobservable inputs.

**Liabilities to customers under investment contracts**
The fair value of liabilities to customers under unit linked investment contracts is contractually linked to the fair value of the financial assets within the policyholders' unit linked funds. The value of the unit linked financial liabilities is determined using current unit prices multiplied by the number of units attributed to the contract holders at the reporting date. Their value is never less than the amount payable on surrender, discounted for the required notice period where applicable.

**Debt securities in issue**
Debt securities in issue with a fair value of €204 million (2023: €267 million) (Bank: €27 million; 2023: €26 million) are measured at FVTPL, in order to reduce an accounting mismatch which would otherwise arise from hedging derivatives. Their fair value is typically based on valuation techniques incorporating observable market data. The Group incorporates the effect of changes in its own credit spread when valuing these instruments. The Group sources own credit spreads from independent brokers (level 3 inputs) as observable own credit spreads are not available. Where the impact of unobservable inputs is material to the valuation of a debt security in issue, that issuance is categorised as level 3 on the fair value hierarchy. Where the impact of unobservable inputs is immaterial to the valuation of a debt security in issue, that issuance is categorised as level 2 on the fair value hierarchy.

**Other liabilities**
Other liabilities carried at fair value consist of contingent consideration of €37 million (2023: €33 million) due on the acquisition of Davy, categorised as level 2 on the fair value hierarchy.

**Financial assets and liabilities held at amortised cost**
For financial assets and financial liabilities which are not subsequently measured at fair value on the balance sheet, the Group discloses their fair value in a way that permits them to be compared to their carrying amounts. The methods and assumptions used to calculate the fair values of these assets and liabilities are set out below.

**Loans and advances to banks**
The estimated fair value of floating rate placements and overnight placings which are held at amortised cost is their carrying amount. The estimated fair value of fixed interest bearing placements which are held at amortised cost is based on DCFs using prevailing money market interest rates for assets with similar credit risk and remaining maturity (level 2 inputs).

# 53 Fair values of assets and liabilities *(continued)*

**Loans and advances to customers held at amortised cost**
The fair value of both fixed and variable rate loans and advances to customers held at amortised cost is estimated using valuation techniques which include the discounting of estimated future cash flows at current market rates, incorporating the impact of current credit spreads and margins. The fair value reflects both loan impairments at the reporting date and estimates of market participants' expectations of credit losses over the life of the loans (level 3 inputs), and recent arm's length transactions in similar assets.

**Debt securities at amortised cost**
For debt securities at amortised cost for which an active market exists, fair value has been determined directly from observable market prices (level 1 inputs). Debt securities at amortised cost where an active market does not exist but fair value has been derived either directly or indirectly from observable market prices are categorised as Level 2. Debt securities at amortised cost consist mainly of government bonds, asset backed securities and other debt securities.

**Deposits from banks and customer accounts**
The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. For the estimated fair value of fixed interest bearing deposits and other borrowings without quoted market prices, a DCF model is used based on a current yield curve appropriate to the Group for the remaining term to maturity. The yield curve used incorporates the effect of changes in the Group's own credit spread (level 2 and level 3 inputs). For deposits from banks for which an active market exists, fair value has been determined directly from observable market prices (level 1 inputs). Level 1 deposits from banks consist of repurchase agreements, with underlying assets being government bonds.

**Debt securities in issue and subordinated liabilities**
The fair values of these instruments are calculated based on quoted market prices where available (level 1 inputs). For those notes where quoted market prices are not available, a DCF model is used based on a current yield curve appropriate to the Group for the remaining term to maturity. The yield curve used incorporates the effect of changes in the Group's own credit spread (level 2 and level 3 inputs).

**Fair value on offsetting positions**
Where the Group manages certain financial assets and financial liabilities on the basis of its net exposure to either market risk or credit risk, the Group applies the exception allowed under paragraph 48 of IFRS 13.

That exception permits the Group to measure the fair value of a group of financial assets and financial liabilities on the basis of the price that would be received to sell a net long position (i.e. an asset) for a particular risk exposure or paid to transfer a net short position (i.e. a liability) for a particular risk exposure in an orderly transaction between market participants at the measurement date under current market conditions.

Accordingly, the Group measures the fair value of the group of financial assets and financial liabilities consistently with how market participants would price the net risk exposure at the measurement date.

**Fair value of non-financial assets**
**Investment properties**
Investment properties are carried at fair value as determined by external qualified property surveyors (the 'Surveyors') appropriate to the properties held. The Surveyors arrive at their opinion of fair value by using their professional judgement in applying comparable current trends in the property market such as rental yields in the retail, office and industrial property sectors, to both the existing rental income stream and also to the future estimate of rental income. Other inputs taken into consideration include occupancy forecasts, rent free periods that may need to be granted to new incoming tenants, capital expenditure and fees. As these inputs are unobservable, the valuation is deemed to be based on level 3 inputs. All properties are valued based on highest and best use.

Climate change, sustainability, resilience and related ESG risks are increasingly influencing investment approaches as they may affect prospects for rental and capital growth and susceptibility to obsolescence. Properties that do not meet the sustainability characteristics expected in the market may represent a higher investment risk. The valuations monitor market movement and sentiment on ESG and reflect, as appropriate, its effect on the fair value of each property held within the funds.

**Property**
A revaluation of Group property was carried out at 31 December 2024. All freehold and long leasehold commercial properties were valued by Lisney Ltd (or its partner, Sanderson Weatherall) as external valuers, with the exception of some select properties which were valued internally by the Group's qualified surveyors. The valuations have been carried out in accordance with the Royal Institution of Chartered Surveyors Valuation - Global Standards.

The valuers arrive at their valuation by using their professional judgement in applying market comparable methods of valuation such as the utilisation of comparable market rental values and rental yields. Other considerations taken into account include the individual property profile, lot size, layout and presentation of accommodation. As these inputs are unobservable, the valuation is deemed to be based on level 3 inputs. All properties are valued based on highest and best use.

# 53 Fair values of assets and liabilities *(continued)*

The following tables set out the level of the fair value hierarchy for assets and liabilities held at fair value. Information is also given for items carried at amortised cost where the fair value is disclosed. Financial assets and liabilities carried at amortised cost where the carrying amount is a reasonable approximation of fair value are not included, as permitted by IFRS 7.

| | 2024 | | | | *Restated*[1] 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Group** | **Level 1 €m** | **Level 2 €m** | **Level 3 €m** | **Total €m** | **Level 1 €m** | **Level 2 €m** | **Level 3 €m** | **Total €m** |
| **Financial assets held at fair value** | | | | | | | | |
| Trading securities | 161 | 5 | – | 166 | 72 | – | – | 72 |
| Derivative financial instruments | – | 3,462 | 15 | 3,477 | 4 | 4,317 | 20 | 4,341 |
| Other financial assets at FVTPL | 23,570 | 116 | 322 | 24,008 | 20,402 | 190 | 313 | 20,905 |
| Loans and advances to banks | – | 55 | – | 55 | – | 100 | – | 100 |
| Financial assets at FVOCI | 3,384 | – | – | 3,384 | 3,968 | – | – | 3,968 |
| Loans and advances to customers | – | – | 185 | 185 | – | – | 205 | 205 |
| Interest in associates | – | – | 76 | 76 | – | – | 79 | 79 |
| **Non-financial assets held at fair value** | | | | | | | | |
| Investment property | – | – | 771 | 771 | – | – | 793 | 793 |
| Property held at fair value | – | – | 134 | 134 | – | – | 134 | 134 |
| | **27,115** | **3,638** | **1,503** | **32,256** | **24,446** | **4,607** | **1,544** | **30,597** |
| **Financial liabilities held at fair value** | | | | | | | | |
| Customer accounts | – | 114 | – | 114 | – | 230 | – | 230 |
| Derivative financial instruments | 1 | 3,659 | 15 | 3,675 | 4 | 4,469 | 17 | 4,490 |
| Debt securities in issue | – | 204 | – | 204 | – | 267 | – | 267 |
| Liabilities to customers under investment contracts | – | 9,203 | – | 9,203 | – | 7,692 | – | 7,692 |
| Short positions in trading securities | 154 | – | – | 154 | 105 | – | – | 105 |
| Other liabilities[2] | – | 37 | – | 37 | – | – | 33 | 33 |
| | **155** | **13,217** | **15** | **13,387** | **109** | **12,658** | **50** | **12,817** |
| **Fair value of financial assets held at amortised cost** | | | | | | | | |
| Loans and advances to banks | 134 | 1,549 | – | 1,683 | 95 | 1,712 | – | 1,807 |
| Debt securities at amortised cost[1] | 5,871 | 502 | 1 | 6,374 | 5,329 | 421 | 7 | 5,757 |
| Loans and advances to customers | – | – | 82,690 | 82,690 | 2 | 1 | 80,124 | 80,127 |
| **Fair value of financial liabilities held at amortised cost** | | | | | | | | |
| Deposits from banks | 86 | 1,719 | – | 1,805 | – | 3,095 | – | 3,095 |
| Customer accounts | – | 103,205 | – | 103,205 | – | 100,142 | – | 100,142 |
| Debt securities in issue | 891 | 7,382 | 642 | 8,915 | 891 | 6,973 | 640 | 8,504 |
| Subordinated liabilities | – | 1,920 | – | 1,920 | – | 1,662 | – | 1,662 |

[1] *The comparative figure for 'debt securities at amortised cost' included in level 1 has been restated by €388 million from €5,717 million to €5,329 million and the figure for 'debt securities at amortised cost' included in level 2 has been restated by the same amount from €33 million to €421 million due to a misclassification where certain level 2 debt securities at amortised cost were incorrectly reported as level 1.*

[2] *In the table above 'other liabilities' relate to contingent consideration recognised for the acquisition of Davy.*

# 53 Fair values of assets and liabilities *(continued)*

| Group<br>Movements in level 3 assets<br>2024 | Loans advances customers at FVTPL €m | Other financial assets at FVTPL €m | Derivative financial instruments €m | Interest in associates €m | Investment property €m | Property held at fair value €m | Total €m |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2024** | **205** | **313** | **20** | **79** | **793** | **134** | **1,544** |
| Exchange adjustment | – | – | – | – | 7 | 2 | 9 |
| **Total gains or losses in:** | | | | | | | |
| **Profit or loss** | | | | | | | |
| Interest income | 8 | – | – | – | – | – | 8 |
| Net trading income | 2 | 30 | 4 | – | – | – | 36 |
| Revaluation | – | (3) | – | – | (40) | – | (43) |
| Share of results of associates | – | – | – | 5 | – | – | 5 |
| Total investment losses | – | (24) | – | – | – | – | (24) |
| **Other comprehensive expense** | **–** | **–** | **–** | **–** | **–** | **(2)** | **(2)** |
| Additions | – | 36 | – | 12 | 24 | – | 72 |
| Disposals | – | (25) | – | (20) | (13) | – | (58) |
| Redemptions | (30) | (14) | – | – | – | – | (44) |
| Reclassifications | – | – | – | – | – | – | – |
| **Transfers out of level 3** | | | | | | | |
| From level 3 to level 1 | – | (23) | – | – | – | – | (23) |
| From level 3 to level 2 | – | – | (10) | – | – | – | (10) |
| **Transfers into level 3** | | | | | | | |
| From level 2 to level 3 | – | 32 | 1 | – | – | – | 33 |
| **Balance at 31 December 2024** | **185** | **322** | **15** | **76** | **771** | **134** | **1,503** |
| **Total unrealised (losses) / gains for the year included in profit or loss for level 3 assets at the end of the year** | **7** | **6** | **4** | **5** | **(32)** | **–** | **(10)** |
| *Net trading income* | – | *30* | *4* | – | – | – | *34* |
| *Interest income* | *7* | – | – | – | – | – | *7* |
| *Total investment losses* | – | *(24)* | – | – | *(21)* | – | *(45)* |
| *Share of results of associates* | – | – | – | *5* | – | – | *5* |
| *Other operating income* | – | – | – | – | *(11)* | – | *(11)* |

The transfer from level 3 to level 1 and level 2 arose as a result of the availability of observable inputs at 31 December 2024. The transfer from level 2 to level 3 arose as a result of certain material inputs becoming unobservable.

# 53 Fair values of assets and liabilities *(continued)*

| Group<br>Movements in level 3 assets<br>2023 | Loans advances customers at FVTPL €m | Other financial assets at FVTPL €m | Derivative financial instruments €m | Interest in associates €m | Investment property €m | Property held at fair value €m | Total €m |
|---|---|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **217** | **359** | **13** | **65** | **883** | **161** | **1,698** |
| Exchange adjustment | – | – | – | – | 5 | 1 | 6 |
| **Total gains or losses in:** | | | | | | | |
| **Profit or loss** | | | | | | | |
| Interest income | 8 | – | – | – | – | – | 8 |
| Net trading income | 7 | 5 | 22 | – | – | – | 34 |
| Revaluation | – | – | – | – | (104) | (4) | (108) |
| Share of result of associates | – | – | – | 4 | – | – | 4 |
| Total investment losses | – | (26) | – | – | – | – | (26) |
| **Other comprehensive expense** | **–** | **–** | **–** | **–** | **–** | **(8)** | **(8)** |
| Additions | – | 13 | – | 13 | – | – | 26 |
| Disposals | – | (5) | – | (3) | (4) | – | (12) |
| Redemptions | (27) | (6) | – | – | – | – | (33) |
| Reclassifications | – | (1) | – | – | 13 | (16) | (4) |
| **Transfers out of level 3** | | | | | | | |
| From level 3 to level 1 | – | – | – | – | – | – | – |
| From level 3 to level 2 | – | (26) | (15) | – | – | – | (41) |
| **Transfers into level 3** | | | | | | | |
| From level 2 to level 3 | – | – | – | – | – | – | – |
| **Balance at 31 December 2023** | **205** | **313** | **20** | **79** | **793** | **134** | **1,544** |
| **Total unrealised (losses) / gains for the year included in profit or loss for level 3 assets at the end of the year** | **14** | **(21)** | **18** | **4** | **(101)** | **–** | **(86)** |
| *Net trading income* | *6* | *5* | *18* | *–* | *–* | *–* | *29* |
| *Interest income* | *8* | *–* | *–* | *–* | *–* | *–* | *8* |
| *Total investment losses* | *–* | *(26)* | *–* | *–* | *(65)* | *–* | *(91)* |
| *Share of results of associates* | *–* | *–* | *–* | *4* | *–* | *–* | *4* |
| *Other operating income* | *–* | *–* | *–* | *–* | *(36)* | *–* | *(36)* |

The transfer from level 3 to level 2 arose as a result of the availability of observable inputs at 31 December 2023. There were no transfers between levels 1 and 2, or from levels 1 and 2 to level 3.

# 53 Fair values of assets and liabilities *(continued)*

| Group<br>Movements in level 3 liabilities | 2024<br>Customer accounts €m | 2024<br>Derivative financial instruments €m | 2024<br>Other liabilities[1] €m | 2024<br>Total €m | 2023<br>Customer accounts €m | 2023<br>Derivative financial instruments €m | 2023<br>Other liabilities[1] €m | 2023<br>Total €m |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January** | **–** | **17** | **33** | **50** | **17** | **292** | **32** | **341** |
| Exchange adjustments | – | – | – | – | – | – | – | – |
| **Total (gains) or losses in:** | | | | | | | | |
| **Profit or loss** | | | | | | | | |
| Net trading expense / (income) | – | 2 | – | 2 | 3 | (19) | – | (16) |
| Interest expense | – | – | – | – | – | – | 1 | 1 |
| **Other comprehensive expense** | **–** | **–** | **–** | **–** | **1** | **–** | **–** | **1** |
| Additions | – | – | – | – | – | – | – | – |
| Disposals | – | – | – | – | – | – | – | – |
| Reclassifications | – | – | – | – | – | (247) | – | (247) |
| **Transfers out of level 3** | | | | | | | | |
| From level 3 to level 2 | – | (5) | (33) | (38) | (21) | (11) | – | (32) |
| **Transfers into level 3** | | | | | | | | |
| From level 2 to level 3 | – | 1 | – | 1 | – | 2 | – | 2 |
| **Balance at 31 December** | **–** | **15** | **–** | **15** | **–** | **17** | **33** | **50** |
| **Total unrealised losses for the year included in profit or loss for level 3 liabilities at the end of the year** | | | | | | | | |
| Net trading expense | – | 14 | – | 14 | – | 17 | – | 17 |

[1] *Other Liabilities relate to the contingent consideration recognised for the acquisition of Davy.*

The transfers from level 3 to level 2 arose due to unobservable inputs becoming observable for the fair value measurement of these liabilities. The transfer from level 2 to level 3 at 31 December 2024 arose as a result of certain material inputs becoming unobservable.

# 53 Fair values of assets and liabilities *(continued)*

**Quantitative information about fair value measurements using significant unobservable inputs (Level 3)**

| Level 3 assets | Valuation technique | Unobservable input | Fair Value 2024 €m | Fair Value 2023 €m | Range 2024 % | Range 2023 % |
|---|---|---|---|---|---|---|
| Loans and advances to customers | Discounted cash flow | Discount on market rate | 185 | 205 | 4.5% - 6.40% | 4.5% - 7.25% |
| | | Collateral charges | | | 0% - 4.30% | 0% - 5.6% |
| Other financial assets at fair value through profit or loss | Discounted cash flow | Discount rate | 322 | 313 | 0% - 15% | 0% - 15% |
| | Equity Value less discount | Discount | | | 0% - 50% | 0% - 70% |
| | Market comparable property transactions | Yield | | | 3.05% - 14.17% | 2.85% - 12.17% |
| Derivative financial instruments | Discounted cash flow / Option pricing model | Counterparty credit spread | 15 | 20 | 0% - 1.5% | 0% - 1.45% |
| | | Own credit spread | | | 0.3% - 1.7% | 0.75% - 1.55% |
| Interest in associates | Market comparable companies | Price of recent investment | 76 | 79 | – | – |
| | | Earnings multiple | | | | |
| | | Revenue multiple | | | | |
| Investment property | Market comparable property transactions | Yield | 771 | 793 | 3.05% - 14.17% | 2.85% - 12.17% |
| Property held at fair value | Market comparable property transactions | Yield | 134 | 134 | 6.25% - 12.36% | 6.25% - 12.36% |

| Level 3 liabilities | Valuation technique | Unobservable input | Fair Value 2024 €m | Fair Value 2023 €m | Range 2024 % | Range 2023 % |
|---|---|---|---|---|---|---|
| Derivative financial instruments | Discounted cash flow / Option pricing model | Counterparty credit spread | 15 | 17 | 0% - 1.5% | 0% - 1.45% |
| | | Own credit spread | | | 0.3% - 1.7% | 0.75% - 1.55% |
| Other liabilities | Discounted cash flow | Probabilities of set conditions being met | – | 33 | – | 50% - 100% |

*Note: 100 basis points = 1%*

# 53 Fair values of assets and liabilities *(continued)*

### Valuation techniques and unobservable inputs

In the tables above:

- discount market rates represent a range of discount rates that market participants would use in valuing these assets;
- holdings in real estate property funds (within other financial assets at fair value through profit and loss) are valued through market comparable property transactions;
- counterparty and own credit spreads represent the range of credit spreads that market participants would use in valuing these contracts;
- earnings and revenue multiples represent multiples that market participants would use in valuing these investments;
- the Group does not disclose the ranges for interests in associates. Given the wide range of diverse investments and correspondingly large difference in prices, the Group believes disclosure of ranges would not provide meaningful information without a full list of underlying investments which would be impractical.

### Financial assets and liabilities carried at amortised cost

The carrying amount and the fair value of the Group's financial assets and liabilities which are carried at amortised cost are set out in the table below. Items where the carrying amount is a reasonable approximation of fair value are not included, as permitted by IFRS 7.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Group<br>Financial instruments | Carrying amount €m | Fair values €m | Carrying amount €m | Fair values €m |
| **Assets** | | | | |
| Loans and advances to banks | 1,683 | 1,683 | 1,807 | 1,807 |
| Debt securities at amortised cost | 6,387 | 6,374 | 5,715 | 5,757 |
| Loans and advances to customers | 82,353 | 82,690 | 79,524 | 80,127 |
| **Liabilities** | | | | |
| Deposits from banks | 1,805 | 1,805 | 3,095 | 3,095 |
| Customer accounts | 103,235 | 103,205 | 100,155 | 100,142 |
| Debt securities in issue | 8,935 | 8,915 | 8,414 | 8,504 |
| Subordinated liabilities | 1,857 | 1,920 | 1,604 | 1,622 |

# 53 Fair values of assets and liabilities *(continued)*

| Bank | 2024 Level 1 €m | 2024 Level 2 €m | 2024 Level 3 €m | 2024 Total €m | *Restated*[1] 2023 Level 1 €m | *Restated*[1] 2023 Level 2 €m | *Restated*[1] 2023 Level 3 €m | *Restated*[1] 2023 Total €m |
|---|---|---|---|---|---|---|---|---|
| **Financial assets held at fair value** | | | | | | | | |
| Derivative financial instruments | – | 3,809 | 38 | 3,847 | 3 | 4,881 | 55 | 4,939 |
| Other financial assets at FVTPL | 23 | 242 | 101 | 366 | – | 230 | 81 | 311 |
| Loans and advances to banks | – | – | – | – | – | 4 | – | 4 |
| Financial assets at FVOCI | 3,384 | – | – | 3,384 | 3,968 | – | – | 3,968 |
| Loans and advances to customers | – | – | 160 | 160 | – | – | 160 | 160 |
| **Non-financial assets held at fair value** | | | | | | | | |
| Property held at fair value | – | – | 111 | 111 | – | – | 109 | 109 |
| | **3,407** | **4,051** | **410** | **7,868** | **3,971** | **5,115** | **405** | **9,491** |
| **Financial liabilities held at fair value** | | | | | | | | |
| Deposits from banks | – | 178 | – | 178 | – | 241 | – | 241 |
| Customer accounts | – | 785 | – | 785 | – | 800 | – | 800 |
| Derivative financial instruments | – | 3,875 | 18 | 3,893 | 4 | 4,945 | 15 | 4,964 |
| Debt securities in issue | – | 27 | – | 27 | – | 26 | – | 26 |
| | **–** | **4,865** | **18** | **4,883** | **4** | **6,012** | **15** | **6,031** |
| **Fair value of financial assets held at amortised cost** | | | | | | | | |
| Loans and advances to banks | – | 19,396 | – | 19,396 | – | 16,390 | – | 16,390 |
| Loans and advances to customers | – | – | 48,576 | 48,576 | – | 1 | 47,181 | 47,182 |
| Debt securities at amortised cost[1] | 5,296 | 1,453 | – | 6,749 | 4,765 | 2,624 | – | 7,389 |
| **Fair value of financial liabilities held at amortised cost** | | | | | | | | |
| Deposits from banks | – | 2,365 | – | 2,365 | – | 2,391 | – | 2,391 |
| Customer accounts | – | 91,789 | – | 91,789 | – | 88,704 | – | 88,704 |
| Debt securities in issue | – | 6,999 | – | 6,999 | – | 6,571 | – | 6,571 |
| Subordinated liabilities | – | 1,920 | – | 1,920 | – | 1,662 | – | 1,662 |

[1] *The comparative figure for 'debt securities at amortised cost' included in level 1 has been restated by €388 million from €5,153 million to €4,765 million and the figure for 'debt securities at amortised cost' included in level 2 has been restated by the same amount from €2,236 million to €2,624 million due to a misclassification where certain level 2 debt securities at amortised cost were incorrectly reported as level 1.*

# 53 Fair values of assets and liabilities *(continued)*

| Bank<br>Movements in level 3 assets<br>2024 | Loans advances customers at FVTPL €m | Other financial assets at FVTPL €m | Derivative financial instruments €m | Property held at fair value €m | Total €m |
|---|---|---|---|---|---|
| **Balance at 1 January 2024** | **160** | **81** | **55** | **109** | **405** |
| Exchange adjustment | – | – | – | 2 | 2 |
| **Total gains or losses in:** | | | | | |
| **Profit or loss** | | | | | |
| Net trading income / (expense) | – | 21 | (8) | – | 13 |
| Revaluation | – | (2) | – | – | (2) |
| **Other comprehensive expense** | **–** | **–** | **–** | **(1)** | **(1)** |
| Additions | – | 36 | – | – | 36 |
| Disposals | – | (3) | – | – | (3) |
| Redemptions | – | (9) | – | – | (9) |
| Reclassifications | – | – | – | 1 | 1 |
| **Transfers out of level 3** | | | | | |
| From level 3 to level 1 | – | (23) | – | – | (23) |
| From level 3 to level 2 | – | – | (10) | – | (10) |
| **Transfer into level 3** | | | | | |
| From level 2 to level 3 | – | – | 1 | – | 1 |
| **Balance at 31 December 2024** | **160** | **101** | **38** | **111** | **410** |
| **Total unrealised gains for the year included in profit or loss for level 3 assets at the end of the year** | **–** | **21** | **15** | **–** | **36** |
| *Net trading income* | – | *21* | *15* | – | *36* |

The transfer from level 3 to level 1 and level 2 arose as a result of the availability of observable inputs at 31 December 2024. The transfer from level 2 to level 3 arose as a result of certain material inputs becoming unobservable. There were no transfers between levels 1 and 2.

# 53 Fair values of assets and liabilities *(continued)*

| Bank<br>Movements in level 3 assets<br>2023 | Loans advances customers at FVTPL €m | Other financial assets at FVTPL €m | Derivative financial instruments €m | Property held at fair value €m | Total €m |
|---|---|---|---|---|---|
| **Balance at 1 January 2023** | **160** | **93** | **82** | **118** | **453** |
| Exchange Adjustment | – | – | – | – | – |
| **Total gains or losses in:** | | | | | |
| **Profit or loss** | | | | | |
| Interest income | – | – | – | – | – |
| Net trading income | – | 9 | 25 | – | 34 |
| Revaluation | – | – | – | – | – |
| **Other comprehensive income** | **–** | **–** | **–** | **(8)** | **(8)** |
| Additions | – | 13 | – | – | 13 |
| Disposals | – | (5) | – | – | (5) |
| Redemptions | – | (3) | – | – | (3) |
| Reclassifications | – | – | – | (1) | (1) |
| **Transfers out of level 3** | | | | | |
| From level 3 to level 1 | – | – | – | – | – |
| From level 3 to level 2 | – | (26) | (52) | – | (78) |
| **Transfer into level 3** | **–** | **–** | **–** | **–** | **–** |
| From level 2 to level 3 | **–** | **–** | **–** | **–** | **–** |
| **Balance at 31 December 2023** | **160** | **81** | **55** | **109** | **405** |
| **Total unrealised gains for the year included in profit or loss for level 3 assets at the end of the year** | **–** | **8** | **15** | **–** | **23** |
| *Net trading income* | – | *8* | *15* | – | *23* |

The transfer from level 3 to level 2 arose as a result of unobservable inputs becoming less significant to the fair value measurement of these assets. There were no transfers between level 1 and 2 or from levels 1 and 2 to level 3.

# 53 Fair values of assets and liabilities *(continued)*

| Bank<br>Movements in level 3 liabilities | 2024<br>Customer accounts €m | 2024<br>Derivative financial instruments €m | 2024<br>Debt securities in issue €m | 2024<br>Total €m | 2023<br>Customer accounts €m | 2023<br>Derivative financial instruments €m | 2023<br>Debt securities in issue €m | 2023<br>Total €m |
|---|---|---|---|---|---|---|---|---|
| **Balance at 1 January** | **–** | **15** | **–** | **15** | **17** | **283** | **–** | **300** |
| Exchange adjustments | – | – | – | – | – | – | – | – |
| **Total gains or losses in:** | | | | | | | | |
| **Profit or loss** | | | | | | | | |
| Net trading expense / (income) | – | 2 | – | 2 | 3 | (19) | – | (16) |
| **Other comprehensive income** | **–** | **–** | **–** | **–** | **1** | **–** | **–** | **1** |
| Redemptions and maturities | – | 5 | – | 5 | – | 7 | – | 7 |
| Reclassifications | – | – | – | – | – | (247) | – | (247) |
| **Transfers out of level 3** | | | | | | | | |
| From level 3 to level 2 | – | (5) | – | (5) | (21) | (11) | – | (32) |
| **Transfers into level 3** | | | | | | | | |
| From level 2 to level 3 | – | 1 | – | 1 | – | 2 | – | 2 |
| **Balance at 31 December** | **–** | **18** | **–** | **18** | **–** | **15** | **–** | **15** |
| **Total unrealised losses for the year included in profit or loss for level 3 liabilities at the end of the year** | | | | | | | | |
| Net trading expense | – | 14 | – | 14 | – | 17 | – | 17 |

The transfers from level 3 to level 2 arose due to unobservable inputs becoming less significant to the fair value measurement of these liabilities. The transfer from level 2 to level 3 arose as a result of certain material inputs becoming unobservable. There were no transfers between 1 to level 3.

**Quantitative information about fair value measurements using significant unobservable inputs (Level 3)**

| Bank<br>Level 3 assets | | | Fair Value 2024 €m | Fair Value 2023 €m | Range 2024 % | Range 2023 % |
|---|---|---|---|---|---|---|
| Loans and advances to customers | Par value less discount | Discount | 160 | 160 | – | – |
| Other financial assets at FVTPL | Discounted cash flow | Discount rate | 101 | 81 | 0% - 15% | 0% -15% |
| | Equity value less discount | Discount | | | 0% - 50% | 0%-70% |
| Derivative financial instruments | Discounted cash flow/ Option pricing model | Counterparty credit spread | 38 | 55 | 0% - 6.63% | 0% - 8.65% |
| | | Own credit spread | | | 0.3% - 1.7% | 0.75% - 1.55% |
| Property held at fair value | Market comparable property transactions | Yields | 111 | 109 | 6.25% - 12.36% | 6.25% - 12.36% |

# 53 Fair values of assets and liabilities *(continued)*

| Bank<br>Level 3 liabilities | | | Fair Value<br>2024<br>€m | Fair Value<br>2023<br>€m | Range<br>2024<br>% | Range<br>2023<br>% |
|---|---|---|---|---|---|---|
| Derivative financial instruments | Discounted cash flow | Forecast central bank rates | 18 | 15 | 2.2% - 2.6% | 2.8% - 3.02% |
| | Discounted cash flow/ Option pricing model | Counterparty credit spread | | | 0% - 1.5% | 0.75% - 1.55% |
| | | Own credit spread | | | 0.3% - 1.7% | 0% - 1.45% |

*Note: 100 basis points = 1%*

### Valuation techniques and unobservable inputs

In the tables above:

- discount rate represent a range of discount rates that market participants would use in valuing these assets; and
- the credit spreads represent the range of credit spreads that market participants would use in valuing these contracts.

The carrying amount and the fair value of the Bank's financial assets and liabilities which are carried at amortised cost are set out in the tables below. Items where the carrying amount is a reasonable approximation of fair value are not included, as permitted by IFRS 7.

| Bank<br>Financial instruments | 2024<br>Carrying amount<br>€m | 2024<br>Fair values<br>€m | 2023<br>Carrying amount<br>€m | 2023<br>Fair values<br>€m |
|---|---|---|---|---|
| **Assets** | | | | |
| Loans and advances to banks | 19,396 | 19,396 | 16,390 | 16,390 |
| Debt securities at amortised cost | 6,763 | 6,749 | 7,347 | 7,389 |
| Loans and advances to customers | 48,690 | 48,576 | 46,790 | 47,182 |
| **Liabilities** | | | | |
| Deposits from banks | 2,365 | 2,365 | 2,391 | 2,391 |
| Customer accounts | 91,834 | 91,789 | 88,702 | 88,704 |
| Debt securities in issue | 6,964 | 6,999 | 6,437 | 6,571 |
| Subordinated liabilities | 1,857 | 1,920 | 1,604 | 1,662 |

# 54 Transferred financial assets

| Group<br>Transferred financial assets not derecognised | Carrying amount of transferred assets €m | Carrying amount of associated liabilities €m | Fair value of transferred assets €m | Fair value of associated liabilities €m | Net fair value position €m |
|---|---|---|---|---|---|
| **2024** | | | | | |
| **Securitisation - Loans and receivables** | | | | | |
| Residential mortgages book (Bowbell No 3 plc Special Purpose Entity) | 403 | 379 | 372 | 381 | (9) |
| **Repurchase agreements** | | | | | |
| Debt Securities (Davy) | 156 | 86 | – | – | – |
| **2023** | | | | | |
| **Securitisation - Loans and receivables** | | | | | |
| Residential mortgages book (Bowbell No 3 plc Special Purpose Entity) | 437 | 401 | 410 | 403 | 7 |
| **Repurchase agreements** | | | | | |
| Debt Securities (Davy) | – | – | – | – | – |

| Bank<br>Transferred financial assets not derecognised | Carrying amount of transferred assets €m | Carrying amount of associated liabilities €m | Fair value of transferred assets €m | Fair value of associated liabilities €m | Net fair value position €m |
|---|---|---|---|---|---|
| **2024** | | | | | |
| **Securitisation - Loans and receivables** | | | | | |
| Residential mortgages book (Luna Securities DAC Special Purpose Entity) | 12,688 | – | 13,324 | – | 13,324 |
| **2023** | | | | | |
| **Securitisation - Loans and receivables** | | | | | |
| Residential mortgages book (Luna Securities DAC Special Purpose Entity) | – | – | – | – | – |

### Transferred financial assets not derecognised

The Group has transferred certain financial assets that are not derecognised from the Group's balance sheet. The Group is exposed to substantially all risks and rewards including credit and market risk associated with the transferred assets.

The Group holds interests in a structured entity (Bowbell No 3 plc which was issued in November 2023), whose purpose is to acquire UK mortgage loans and other financial assets, and issue mortgage backed securities (note 51).

For each securitisation the relevant loan book / pool is ring-fenced whereby the cash flows associated with these assets can only be used to repay the related notes holders plus associated issuance fees / costs.

The Bank has transferred certain financial assets that are not derecognised from its balance sheet. The Bank is exposed to substantially all risks and rewards including credit and market risk associated with the transferred assets.

The Bank holds interests in a structured entity (Luna Securities DAC which was issued in January 2024) whose purpose is to provide contingent liquidity to the Group via the receipt of transfer of Irish mortgage loans from Group entities and issuing mortgage backed securities (note 51).

The relevant loan book / pool is ring-fenced whereby the cash flows associated with these assets can only be used to repay the related notes holders plus associated issuance fees / costs.

### Transfer of financial assets - Davy

In the ordinary course of business, Davy enters into transactions that result in the transfer of financial assets, primarily debt and equity securities. In accordance with the accounting policy set out in note 1, the transferred financial assets continue to be recognised in their entity or to the extent of Davy's continuing involvement, or are derecognised in their entirety.

Davy transfers financial assets that are not derecognised in their entirety or for which Davy has continuing involvement primarily through the sale of and repurchase agreements in which Davy sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. Davy continues to recognise the securities in their entirety in the Statement of Financial Position because it retains substantially all of the risks and rewards of ownership.

The cash consideration received is recognised as a financial asset and a financial liability is recognised for the obligation to pay the repurchase price.

# 54 Transferred financial assets *(continued)*

As Davy sells the contractual rights to the cash flows of the securities, it does not have the ability to use the transferred assets during the term of the arrangement.

**Transferred financial assets derecognised in full with continuing involvement**

Following the termination of the Mulcair Securities DAC securitisation in 2022 and the repayment of the Group's holding of the notes in full, the Group was appointed as servicer to the refinanced securitisation, Mulcair Securities No.3 DAC (Mulcair 3). Under the servicing agreement, the Group is required to make payments to Mulcair 3 if the weighted average variable rate is less than the variable rate floor. During 2024, the total payments made were c.€5 million (2023: c.€6 million) and at 31 December 2024, the volume of loans being serviced was €219 million (2023: €258 million).

Following the termination of the Mulcair Securities No.2 DAC securitisation in 2024 and the repayment of the Group's holding of the VRR Loan in full, the Group was appointed as servicer to the refinanced securitisation, Jamestown Residential 2024-1 DAC (Jamestown). Under the servicing agreement, the Group is required to make payments to Jamestown if the weighted average variable rate is less than the variable rate floor. During 2024, the total payments made were c.€0.6 million (2023: €nil) and at 31 December 2024, the volume of loans being serviced was €229 million (2023: €nil).

The Group has not entered into any other agreements on the sale of assets that entail the Group's continuing involvement in derecognised financial assets other than assets transferred to Temple Quay No. 1 plc (note 51).

# 55 Offsetting financial assets and liabilities

The following tables set out the effect or potential effect of netting arrangements on the Group's financial position. This includes the effect or potential effect of rights of set off associated with the Group's recognised financial assets and recognised financial liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are set off in accordance with paragraph 42 of IAS 32.

The 'Financial Instruments' column identifies financial assets and liabilities that are subject to set off under netting agreements such as an ISDA Master agreement.

The agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities are settled on a gross basis; however each party to the master netting agreement has the option to settle all such amounts on a net basis in the event of default of the other party.

| Group<br>Assets | Gross amounts of recognised financial assets €m | Gross amounts of recognised financial liabilities set off in the balance sheet €m | Net amounts of financial assets presented in the balance sheet €m | Related amounts not set off in the balance sheet | | Net amount €m |
|---|---|---|---|---|---|---|
| | | | | Financial instruments €m | Cash collateral received €m | |
| **2024** | | | | | | |
| Derivative financial assets | 3,462 | – | 3,462 | (3,137) | (234) | 91 |
| Loans and advances to customers | 98 | (98) | – | – | – | – |
| Loans and advances to banks | 114 | (49) | 65 | – | – | 65 |
| **Total** | **3,674** | **(147)** | **3,527** | **(3,137)** | **(234)** | **156** |
| | | | | | | |
| **2023** | | | | | | |
| Derivative financial assets | 4,334 | – | 4,334 | (3,928) | (305) | 101 |
| Loans and advances to customers | 99 | (99) | – | – | – | – |
| Loans and advances to banks | – | – | – | – | – | – |
| **Total** | **4,433** | **(99)** | **4,334** | **(3,928)** | **(305)** | **101** |

# 55 Offsetting financial assets and liabilities *(continued)*

| Bank<br>Assets | Gross amounts of recognised financial assets €m | Gross amounts of recognised financial liabilities set off in the balance sheet €m | Net amounts of financial assets presented in the balance sheet €m | Related amounts not set off in the balance sheet | | | Net amount €m |
|---|---|---|---|---|---|---|---|
| | | | | Financial instruments €m | Cash collateral received €m | Deposits from bank €m | |
| **2024** | | | | | | | |
| Derivative financial assets | 3,462 | – | 3,462 | (3,137) | (234) | – | 91 |
| Loans and advances to banks | 1,562 | – | 1,562 | – | – | (99) | 1,463 |
| Loans and advances to customers | – | – | – | – | – | – | – |
| **Total** | **5,024** | **–** | **5,024** | **(3,137)** | **(234)** | **(99)** | **1,554** |
| | | | | | | | |
| **2023** | | | | | | | |
| Derivative financial assets | 4,334 | – | 4,334 | (3,928) | (305) | – | 101 |
| Loans and advances to banks | 1,221 | – | 1,221 | – | – | (291) | 930 |
| Loans and advances to customers | – | – | – | – | – | – | – |
| **Total** | **5,555** | **–** | **5,555** | **(3,928)** | **(305)** | **(291)** | **1,031** |

Included in the gross amounts of recognised derivative financial assets, are amounts of €3,137 million that do not meet the offsetting criteria (2023: €3,928 million). Cash collateral amounts disclosed reflect the maximum collateral available for offset. Cash collateral received is reported within deposits from banks (note 34).

In Bank, loans and advances to banks of €1,562 million (2023: €1,221 million) and deposits from banks of €99 million (2023: €291 million) represent balances with a subsidiary undertaking, BoI (UK) plc.

The following financial liabilities are subject to offsetting, enforceable master netting arrangements.

| Group<br>Liabilities | Gross amounts of recognised financial liabilities €m | Gross amounts of recognised financial assets set off in the balance sheet €m | Net amounts of financial liabilities presented in the balance sheet €m | Related amounts not set off in the balance sheet | | Net amount €m |
|---|---|---|---|---|---|---|
| | | | | Financial instruments €m | Cash collateral pledged €m | |
| **2024** | | | | | | |
| Derivative financial liabilities | 3,659 | – | 3,659 | (3,137) | (343) | 179 |
| Customer deposits | 98 | (98) | – | – | – | – |
| Deposits from banks | 135 | (49) | 86 | – | – | 86 |
| **Total** | **3,892** | **(147)** | **3,745** | **(3,137)** | **(343)** | **265** |
| | | | | | | |
| **2023** | | | | | | |
| Derivative financial liabilities | 4,483 | – | 4,483 | (3,928) | (314) | 241 |
| Customer deposits | 99 | (99) | – | – | – | – |
| Deposits from banks | – | – | – | – | – | – |
| **Total** | **4,582** | **(99)** | **4,483** | **(3,928)** | **(314)** | **241** |

## 55 Offsetting financial assets and liabilities *(continued)*

| Bank<br>Liabilities | Gross amounts of recognised financial liabilities €m | Gross amounts of recognised financial assets set off in the balance sheet €m | Net amounts of financial liabilities presented in the balance sheet €m | Related amounts not set off in the balance sheet | | | Net amount €m |
|---|---|---|---|---|---|---|---|
| | | | | Financial instruments €m | Cash collateral pledged €m | Loans and advances to banks €m | |
| **2024** | | | | | | | |
| Derivative financial liabilities | 3,659 | – | 3,659 | (3,137) | (343) | – | 179 |
| Deposits from banks | 99 | – | 99 | – | – | (1,562) | (1,463) |
| Customer deposits | – | – | – | – | – | – | – |
| **Total** | **3,758** | **–** | **3,758** | **(3,137)** | **(343)** | **(1,562)** | **(1,284)** |
| | | | | | | | |
| **2023** | | | | | | | |
| Derivative financial liabilities | 4,483 | – | 4,483 | (3,928) | (314) | – | 241 |
| Deposits from banks | 291 | – | 291 | – | – | (1,221) | (930) |
| Customer deposits | – | – | – | – | – | – | – |
| **Total** | **4,774** | **–** | **4,774** | **(3,928)** | **(314)** | **(1,221)** | **(689)** |

Included in the gross amounts of recognised derivative financial liabilities, are amounts of €3,137 million that do not meet the offsetting criteria (2023: €3,928 million). Cash collateral amounts disclosed reflect the maximum collateral available for offset. Loans and advances to banks of €1,562 million (2023: €1,221 million) and deposits from banks of €99 million (2023: €291 million) represent balances with a subsidiary undertaking, BoI (UK) plc.

## 56 Other

- The Bank financial statements are prepared in accordance with Section 290 (1) of the Companies Act 2014.
- The Bank is domiciled in Ireland.
- The Bank is a corporation established in Ireland in 1783 under Royal Charter, with registration number of C-1.
- The Bank's immediate and ultimate holding undertaking, BoIG plc, includes the Bank in its consolidated financial statements. The consolidated financial statements of the BoIG plc Group are prepared in accordance with IFRS, are available to the public and may be obtained from the Bank of Ireland Head Office, 2 College Green, Dublin 2.
- At 31 December 2024, the Bank has provided a guarantee under Section 357 of the Companies Act, 2014 for the following companies:
  - Bank of Ireland Commercial Finance Limited, Bank of Ireland Finance Limited, Bank of Ireland Insurance Management Services Limited, Bank of Ireland Insurance Services Limited, Bank of Ireland International Finance Designated Activity Company, BOI Leasing Ltd, Bank of Ireland Life Holdings Limited, Bank of Ireland Nominee 1 Limited, Bank of Ireland Pensions Trust Unlimited Company, Bank of Ireland Unit Managers Limited, BOI-IF Services No 5 Company Unlimited Company, Bushfield Leasing Limited, C and I (Division) Holdings Unlimited Company, Edendork Leasing Limited, Hibernian Bank Limited, Hill Wilson Secretarial Limited, IBI Property Nominees Limited, Lansdowne Leasing Unlimited Company, Leopardstown Offices Management Company Limited by Guarantee, Nerling Limited, Nestland Limited, New Ireland Financial Services Limited, Dawson Master Trustee DAC, Professional Audit Services Limited, Scribe Holdings Limited, The Investment Bank of Ireland Limited, The National Bank of Ireland Limited, Tockhill Unlimited Company, Trustcase Limited, Tustin Limited, New Ireland Life Management Services, Amber Note Unlimited Company, White Note Limited Company, Green Note Unlimited Company, J&E Davy Holdings Unlimited Company, Davy Property Leasing Unlimited Company, J&E Davy Unlimited Company, Davy Corporate Finance Unlimited Company, J&E Davy UK Limited, Davy Securities Unlimited Company, Bronze Note Unlimited Company, Orange Note Unlimited Company, Grey Note Unlimited Company, Purple Note Unlimited Company, Red Note Unlimited Company, Yellow Note Unlimited Company, Davy Nominees Unlimited Company, Davycrest Nominees Unlimited Company, Davy Pensioneer Trustees Unlimited Company, Davy Property Holdings Unlimited Company, Davy Private Equity Unlimited Company, Davy Estates Unlimited Company and JED Master Trustee Designated Activity Company.
- On 25 May 2021 the Bank and BoIMB executed a framework deed (the 'Framework Deed') with the CBI under which the Bank may issue special mortgage-backed euro promissory notes ('SMBPN notes') to the CBI. The Bank and BoIMB also entered into a floating charge ('Deed of Charge') in favour of the CBI as security for the Bank's obligations under the SMBPN notes and related finance documents. The Deed of Charge creates a first floating charge over all the Bank's and BoIMB's right, title, interest and benefit in and to certain mortgages and related loans forming part of a mortgage pool and the benefit of all related security. The secured property include mortgages

## 56 Other *(continued)*

that the Bank is the beneficial owner of and BoIMB is the legal owner of, and mortgages that the Bank is both the legal owner and the beneficial owner of. The Deed of Charge provides that, otherwise than with the prior written consent of the CBI, the Bank and BoIMB shall not:

- create or attempt to create or permit to arise or subsist any encumbrance on or over the property charged under the Deed of Charge or any part thereof, which includes the property of which the Bank is the beneficial owner and BoIMB is the legal owner and in respect of which the Bank is both the legal owner and the beneficial owner; or
- otherwise than in the ordinary course of business, sell, transfer, lend or otherwise dispose of the property charged under the Deed of Charge or any part thereof which includes the property of which the Bank is the beneficial owner and BoIMB is the legal owner and in respect of which the Bank is both the legal owner and the beneficial owner, or redeem, agree to redeem or accept repayment in whole or in part of any loan or attempt or agree to do so whether by means of one or a number of transactions related or not and whether at one time or over a period of time.

- On 15 May 2014 the Bank entered into a framework agreement with the CBI in respect of Eurosystem Operations (the 'Pooling Agreement'). The Bank's obligations under the Pooling Agreement are secured over certain collateral pool assets pursuant to a related Deed of Charge (the 'Pooling Deed of Charge'). Pursuant to the Pooling Agreement, the Bank may participate in Eurosystem Operations (as defined therein) which, inter alia, provides for access to the Eurosystem's main refinancing operations.. As more fully described in the Pooling Deed of Charge, the Bank's obligations pursuant to the Pooling Agreement are secured by way of:
  - a first fixed charge over the Bank's right, title, interest and benefit, present and future in and to eligible assets (as identified as such by the CBI) which comprise present and future rights, title, interest, claims and benefits of the Bank at that time in and to, or in connection with, a collateral account (the 'Collateral Account') and eligible assets which stand to the credit of the Collateral Account (together, the 'Collateral Account Assets'); and
  - a floating charge over the Bank's right, title, interest and benefit, present and future in and to other eligible assets of the Bank.

  The Pooling Deed of Charge provides that the Bank may not, save with the prior written consent of the CBI or as permitted by the Pooling Agreement, until its obligations under the Pooling Agreement have been discharged in full:
  - receive, withdraw, redeem or otherwise transfer or deal with the Collateral Account Assets;
  - assign, transfer or otherwise dispose of all or any of its rights, title, interest or benefit in or to the Collateral Account Assets;
  - give any instructions in respect of the Collateral Account Assets;
  - give any instructions in respect of the Collateral Account Assets;
  - create or attempt to create or permit to arise or subsist any encumbrance on or over the property charged under the Pooling Deed of Charge;
  - sell, transfer, lend or otherwise dispose of or deal in the assets subject to the fixed charge under the Pooling Deed of Charge or any part thereof or, in each case, attempt or agree to do so whether by means of one or a number of transactions related or not and whether at one time or over a period of time; and
  - otherwise than in the ordinary course of business (and provided that (A) no event of default or event that, with the giving of notice or the lapse of time or both, would constitute an event of default, has occurred, (B) the floating charge has not crystallised without being reconverted into, and continuing in effect as, a floating charge), sell, transfer, lend or otherwise dispose of or deal in the assets subject to the floating charge under the Pooling Deed of Charge or any part thereof, or redeem, agree to redeem or accept repayment in whole or in part of any credit claim subject to the floating charge, or enforce or release any related security or, in each case, attempt or agree to do so whether by means of one or a number of transactions related or not and whether at one time or over a period of time.
- On 16 March 2023 The Bank entered into a participation agreement, and a deed of floating charge (the 'TARGET-Ireland Floating Charge'), with the CBI in respect of the Bank's participation in TARGET-Ireland. Target-Ireland is the Irish component system of T2, the Eurosystem's real-time gross settlement system. Under the TARGET-Ireland Floating Charge' the Bank granted security over its present and future right, title, interest and benefit in and to the balances any time standing to the credit of the Bank's account held as a TARGET-Ireland participant with the CBI (the 'charged property'). The TARGET-Ireland Floating Charge provides that the Bank shall not (a) create or permit any encumbrance over the charged property or (b) sell, transfer, lend, or dispose, of the charged property otherwise than in the ordinary course of business or as permitted under the participation agreement.
- In connection with certain credit risk transfer transactions, the Bank entered into certain Cash Deposit Bank Security Agreements (CDBSAs) under which the Bank created a first fixed charge over certain cash and securities held on deposit on behalf of the Bank and related rights. The CDBSAs are dated 5 December 2019, 27 October 2021, 8 December 2021, 15 December 2023 and 13 June 2024, and are in favour of Vale Securities Finance DAC, Glen Securities Finance DAC, Mespil Securities No.2 DAC, Vale Securities Finance No.2 DAC and Mespil Securities No.3 DAC respectively (the 'issuers'). During the term of each CDBSA, the Bank may not withdraw the deposited property without the consent of the relevant issuer or its agent.
- Bank income statement: In accordance with Section 304 of Companies Act 2014, the Bank is availing of the exemption to not present its individual income statement to the AGC and from filing it with the Registrar of Companies. The Bank's profit after tax for the year ended 31 December 2024 determined in accordance with FRS 101 is €1,305 million (2023: €1,592 million).

# 57 Post balance sheet events

**Proposed dividend**

On 25 July 2024, the Bank declared and approved an interim dividend of €351 million, equivalent to 1 cent per unit of ordinary stock, payable to its parent, BoIG plc. This dividend was paid in November 2024. On 20 February 2025, the Bank declared and approved a final dividend of €868 million, equivalent to 3 cent per unit of ordinary stock, payable to its parent, BoIG plc in respect of the year ended 31 December 2024. Combined with the interim ordinary dividend of €351 million, this is equivalent to a dividend payout of 4 cent per unit of ordinary stock in respect of the full year ended 31 December 2024.

# 58 Approval of financial statements

The Court of Directors approved the Consolidated and Bank financial statements on 21 February 2025.

# Other Information

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# Forward-looking statement

This document contains forward-looking statements with respect to certain of The Governor and Company of the Bank of Ireland (the 'Bank') and its subsidiaries' (collectively the 'Group') plans and its current goals and expectations relating to its future financial condition and performance, the markets in which it operates and its future capital requirements. These forward-looking statements often can be identified by the fact that they do not relate only to historical or current facts.

Generally, but not always, words such as 'may', 'could', 'should', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'assume', 'believe', 'plan', 'seek', 'continue', 'target', 'goal', 'would', or their negative variations or similar expressions identify forward-looking statements, but their absence does not mean that a statement is not forward-looking.

Examples of forward-looking statements include, among others: statements regarding the Group's near term and longer term future capital requirements and ratios, LDRs, expected impairment charges, the level of the Group's assets, the Group's financial position, future income, business strategy, projected costs, margins, future payment of dividends, future share buybacks, the implementation of changes in respect of certain of the Group's pension schemes, estimates of capital expenditures, discussions with Irish, United Kingdom, European and other regulators, plans and objectives for future operations, and the continued impact of regional conflicts on the above issues and generally on the global and domestic economies.

Such forward-looking statements are inherently subject to risks and uncertainties, and hence actual results may differ materially from those expressed or implied by such forward-looking statements.

Such risks and uncertainties include, but are not limited to, those as set out in the 'Principal Risks and Uncertainties' section in this document.

Nothing in this document should be considered to be a forecast of future profitability, dividend forecast or financial position of the Group and none of the information in this document is or is intended to be a profit forecast, dividend forecast or profit estimate. Any forward-looking statement speaks only at the date it is made. The Group does not undertake to release publicly any revision to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date hereof.

# Other disclosures

## TARGET2

On 15 February 2008 a first floating charge (the Floating Charge) was placed in favour of the CBI over all The Governor and Company of the Bank of Ireland's right, title, interest and benefit, present and future, in and to (i) the balances now or at any time standing to the credit of The Governor and Company of the Bank of Ireland's account held as a TARGET2 participant with the CBI; and (ii) certain segregated securities listed in an Eligible Securities Schedule kept by The Governor and Company of the Bank of Ireland for purposes of participating in TARGET2 ((i) and (ii) together the Charged Property) where TARGET2 is a real time gross settlement system for payments in euro with settlement in central bank money.

This Floating Charge contained a provision whereby during the subsistence of the security, otherwise than with the prior written consent of the CBI, The Governor and Company of the Bank of Ireland shall:

- not create or attempt to create or permit to arise or subsist any encumbrance on or over the Charged Property or any part thereof; or
- not, otherwise than in the ordinary course of business, sell, transfer, lend or otherwise dispose of the Charged Property or any part thereof or attempt or agree to do so whether by means of one or a number of transactions related or not and whether at one time or over a period of time.

On 14 September 2018, The Governor and Company of the Bank of Ireland entered into an Agreement in respect of Continued Participation in TARGET2 Ireland with the CBI to restate and modify the terms and conditions applicable to The Governor and Company of the Bank of Ireland's existing participation in TARGET2 with effect from 14 September 2018.

This Agreement provided that The Governor and Company of the Bank of Ireland would continue to participate in TARGET2 in accordance with the Agreement and the TARGET2 Ireland terms and conditions as published on the CBI's website from time to time and that the Floating Charge would continue in full force and effect with respect to such continued and amended participation in TARGET2.

In 2017, the ECB undertook a project to consolidate and optimise TARGET2 and TARGET2-Securities systems, benefiting from state-of-the-art approaches and technological innovation, enabling a decrease in the combined operational cost and enhancing liquidity management across the various services provided to participants. The result of this consolidation project is a new-generation Trans-European Automated Real-time Gross Settlement Express Transfer system settling in euro in central bank money (TARGET). The new TARGET component systems constitute the legal successors to the TARGET2 System and provides for the transition of participation in the TARGET2 System to the corresponding TARGET component system. TARGET-Ireland is a component part of the new-generation TARGET system. On account of this new TARGET-Ireland system, on 16 March 2023 The Governor and Company of the Bank of Ireland entered into a new Participation Agreement with the CBI and a first floating charge over all of The Governor and Company of the Bank of Ireland's right, title, interest and benefit, present and future, in and to the balances now or at any time standing to the credit of The Governor and Company of the Bank of Ireland's account held as a TARGET-Ireland participant with the CBI. As a result of the Bank entering into the 2023 TARGET-Ireland documents the 2008 TARGET2 participation agreement and floating charge were terminated with effect from 20 March 2022.

# EU Taxonomy disclosure tables

## 1 Assets for the calculation of GAR

### Turnover Based

**Key:**
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2024 | | Total gross carrying amount €m | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | |
| | | | | | €m | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | €m |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | 60,824 | 51,682 | 3,787 | 3,727 | 3,787 | – | 53 | 0 | – | 0 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 51,736 | 3,787 | 3,727 | 3,787 | – |
| 2 | Financial undertakings | 4,548 | 704 | 60 | – | 60 | – | 53 | 0 | – | 0 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 757 | 61 | – | 60 | – |
| *3* | *Credit institutions* | *3,492* | *704* | *60* | – | *60* | – | *53* | *0* | – | 0 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *757* | *61* | – | *60* | – |
| 4 | *Loans and advances* | *484* | *84* | *4* | – | *4* | – | *1* | *0* | – | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *85* | *4* | – | *4* | – |
| 5 | *Debt securities, including UoP* | *3,008* | *620* | *56* | – | *56* | – | *53* | *0* | – | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *673* | *57* | – | *56* | – |
| 6 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – | – | – | – | – | – | | – | – |
| *7* | ***Other financial corporations*** | *1,057* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *8* | *of which; **Investment firms*** | *19* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 9 | *Loans and advances* | *19* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 10 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 11 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – | – | – | – | – | – | | – | – |
| *12* | *of which; **Management companies*** | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 13 | *Loans and advances* | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 14 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 15 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – | – | – | – | – | – | | – | – |
| *16* | *of which; **Insurance undertakings*** | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 17 | *Loans and advances* | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 18 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 19 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – | – | – | – | – | – | | – | – |
| 20 | **Non-financial undertakings** | *315* | *78* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *78* | – | – | – | – |
| 21 | *Loans and advances* | *315* | *78* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *78* | – | – | – | – |
| 22 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 23 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – | – | – | – | – | – | | – | – |
| 24 | **Households** | 55,919 | 50,860 | 3,685 | 3,685 | 3,685 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 50,860 | 3,685 | 3,685 | 3,685 | – |
| *25* | *of which; **Loans collateralised by residential immovable property*** | *50,676* | *50,676* | *3,685* | *3,685* | *3,685* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *50,676* | *3,685* | *3,685* | *3,685* | – |
| *26* | *of which; **Building renovation loans*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *27* | *of which; **Motor vehicle loans*** | *3,462* | *184* | – | – | – | – | | | | | | | | | | | | | | | | | | | | | *184* | – | – | – | |
| 28 | **Local governments financing** | 41 | 41 | 41 | 41 | 41 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 41 | 41 | 41 | 41 | – |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | 41 | 41 | 41 | 41 | 41 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 41 | 41 | 41 | 41 | – |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

# EU Taxonomy disclosure tables *(continued)*

## 1 Assets for the calculation of GAR *(continued)*

### Turnover Based *(continued)*

**Key:**
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| | 2024 | Total gross carrying amount €m | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | |
| | | | | | €m | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | €m |
| **32** | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **36,524** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 33 | Financial and Non-financial undertakings | 28,793 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *34* | *SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations* | *17,789* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 | Loans and advances | 17,785 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *36* | *of which; **Loans collateralised by commercial immovable property*** | *4,012* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *37* | *of which; **Building renovation loans*** | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *38* | *Debt securities* | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *39* | *Equity instruments* | *4* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *40* | ***Non-EU country counterparties not subject to NFRD disclosure obligations*** | ***11,004*** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 41 | Loans and advances | 9,624 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 42 | Debt securities | 1,295 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 43 | Equity instruments | 84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **44** | **Derivatives** | **1,873** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **45** | **On demand interbank loans** | **130** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **46** | **Cash and cash-related assets** | **371** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **47** | **Other categories of assets (e.g. Goodwill, commodities etc.)** | **5,357** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **48** | **Total GAR assets** | **97,348** | **51,682** | **3,787** | **3,727** | **3,787** | – | **53** | **0** | – | **0** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **51,736** | **3,787** | **3,727** | **3,787** | – |
| **49** | **Assets not covered for GAR calculation** | **39,979** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 50 | Central governments and Supranational issuers | 5,130 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 51 | Central banks exposure | 33,076 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 52 | Trading book | 1,773 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **53** | **Total assets** | **137,327** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 54 | Financial guarantees | 732 | 28 | 3 | – | 3 | – | 0 | 0 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 28 | 3 | – | 3 | – |
| 55 | Assets under management[1] | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *56* | *of which; **Debt securities*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *57* | *of which; **Equity instruments*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

[1] *The AUM KPI is not material for the year ended 2024. The Group's Wealth and Insurance division offers clients access to a number of investment portfolios and funds that promote environmental and social characteristics but these investments are not considered sustainable investments within the context of the EU taxonomy regulation.*

# EU Taxonomy disclosure tables *(continued)*

## 1 Assets for the calculation of GAR *(continued)*

### Turnover Based *(continued)*

**Key:**
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2023 | | Total gross carrying amount €m | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | | |
| | | | | | €m | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | €m |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **57,997** | **48,218** | **2,289** | **2,289** | **2,289** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **48,218** | **2,289** | **2,289** | **2,289** | – |
| 2 | Financial undertakings | 4,343 | 611 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 611 | – | – | – | – |
| *3* | *Credit institutions* | *3,784* | *611* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *611* | – | – | – | – |
| *4* | *Loans and advances* | *415* | *29* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *29* | – | – | – | – |
| *5* | *Debt securities, including UoP* | *3,369* | *582* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *582* | – | – | – | – |
| *6* | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – |
| ***7*** | ***Other financial corporations*** | ***559*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***8*** | *of which; **Investment firms*** | ***8*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *9* | *Loans and advances* | *2* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *10* | *Debt securities, including UoP* | *6* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *11* | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – |
| ***12*** | *of which; **Management companies*** | *531* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *13* | *Loans and advances* | *502* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *14* | *Debt securities, including UoP* | *7* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *15* | *Equity instruments* | *22* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – |
| ***16*** | *of which; **Insurance undertakings*** | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *17* | *Loans and advances* | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *18* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *19* | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – |
| **20** | **Non-financial undertakings** | *155* | *5* | *0* | – | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *5* | *0* | – | *0* | – |
| *21* | *Loans and advances* | *155* | *5* | *0* | – | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *5* | *0* | – | *0* | – |
| *22* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *23* | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – |
| **24** | **Households** | **53,455** | **47,558** | 2,245 | 2,245 | 2,245 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **47,558** | 2,245 | 2,245 | 2,245 | – |
| **25** | *of which; **Loans collateralised by residential immovable property*** | ***47,508*** | ***47,508*** | *2,245* | *2,245* | *2,245* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***47,508*** | *2,245* | *2,245* | *2,245* | – |
| **26** | *of which; **Building renovation loans*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **27** | *of which; **Motor vehicle loans*** | ***2,547*** | ***50*** | – | – | – | – | | | | | | | | | | | | | | | | | | | ***50*** | – | – | – | |
| **28** | **Local governments financing** | **44** | **44** | **44** | 44 | 44 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **44** | **44** | 44 | 44 | – |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | 44 | 44 | 44 | 44 | 44 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 44 | 44 | 44 | 44 | – |
| **31** | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

# EU Taxonomy disclosure tables *(continued)*

## 1 Assets for the calculation of GAR *(continued)*

### Turnover Based *(continued)*

**Key:**
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2023 | | Total gross carrying amount €m | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | | Water & Marine Resources (WTR) | | | | | Circular Economy (CE) | | | | | Pollution (PPC) | | | | | Biodiversity and Ecosystems (BIO) | | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | |
| | | | | | €m | €m | €m | | | €m | €m | | | | €m | €m | | | | €m | €m | | | | €m | €m | | | | €m | €m | | | | €m | €m |
| **32** | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **36,218** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 33 | Financial and Non-financial undertakings | 28,396 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *34* | *SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations* | *17,373* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 | Loans and advances | 17,364 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *36* | *of which; **Loans collateralised by commercial immovable property*** | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *37* | *of which; **Building renovation loans*** | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *38* | *Debt securities* | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *39* | *Equity instruments* | *9* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *40* | *Non-EU country counterparties not subject to NFRD disclosure obligations* | *11,023* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 41 | Loans and advances | 10,052 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 42 | Debt securities | 905 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 43 | Equity instruments | 66 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **44** | **Derivatives** | **2,338** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **45** | **On demand interbank loans** | **149** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **46** | **Cash and cash-related assets** | **304** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **47** | **Other categories of assets (e.g. Goodwill, commodities etc.)** | **5,031** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **48** | **Total GAR assets** | **94,215** | **48,218** | **2,289** | **2,289** | **2,289** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **48,218** | **2,289** | **2,289** | **2,289** | – |
| **49** | **Assets not covered for GAR calculation** | **40,244** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **50** | **Central governments and Supranational issuers** | **5,540** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **51** | **Central banks exposure** | **32,612** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **52** | **Trading book** | **2,092** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **53** | **Total assets** | **134,459** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **54** | **Financial guarantees** | **821** | **27** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **27** | – | – | – | – | – | – | – |
| **55** | **Assets under management** | **26,222** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *56* | *of which; **Debt securities*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *57* | *of which; **Equity instruments*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

# EU Taxonomy disclosure tables *(continued)*

## 1 Assets for the calculation of GAR *(continued)*

### CapEx Based

**Key:**
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2024 | | Total gross carrying amount €m | Climate Change Mitigation (CCM) | | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | | | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | | |
| | | | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | | | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | |
| | | | | €m | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | 60,824 | 51,687 | 3,788 | 3,727 | 3,788 | – | 3 | 0 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 51,690 | 3,788 | 3,727 | 3,788 | – |
| 2 | Financial undertakings | 4,548 | 695 | 61 | – | 61 | – | 3 | 0 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 697 | 61 | – | 61 | – |
| *3* | *Credit institutions* | *3,492* | *695* | *61* | – | *61* | – | *3* | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *697* | *61* | – | *61* | – |
| 4 | *Loans and advances* | *484* | *85* | *5* | – | *5* | – | *0* | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *85* | *5* | – | *5* | – |
| 5 | *Debt securities, including UoP* | *3,008* | *610* | *57* | – | *57* | – | *2* | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *612* | *57* | – | *57* | – |
| 6 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | | – | – | – | | | – | – | – | – | | – | – | – | – | | – | – | – | – |
| *7* | ***Other financial corporations*** | *1,057* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *8* | *of which; **Investment firms*** | *19* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 9 | *Loans and advances* | *19* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 10 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 11 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | | – | – | – | | | – | – | – | – | | – | – | – | – | | – | – | – | – |
| *12* | *of which; **Management companies*** | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 13 | *Loans and advances* | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 14 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 15 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | | – | – | – | | | – | – | – | – | | – | – | – | – | | – | – | – | – |
| *16* | *of which; **Insurance undertakings*** | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 17 | *Loans and advances* | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 18 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 19 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | | – | – | – | | | – | – | – | – | | – | – | – | – | | – | – | – | – |
| 20 | **Non-financial undertakings** | *315* | *92* | *0* | – | – | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *92* | *0* | – | – | *0* |
| 21 | *Loans and advances* | *315* | *92* | *0* | – | – | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *92* | *0* | – | – | *0* |
| 22 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 23 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | | – | – | – | | | – | – | – | – | | – | – | – | – | | – | – | – | – |
| 24 | **Households** | 55,919 | 50,860 | 3,685 | 3,685 | 3,685 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 50,860 | 3,685 | 3,685 | 3,685 | – |
| *25* | *of which; **Loans collateralised by residential immovable property*** | *50,676* | *50,676* | *3,685* | *3,685* | *3,685* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *50,676* | *3,685* | *3,685* | *3,685* | – |
| *26* | *of which; **Building renovation loans*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *27* | *of which; **Motor vehicle loans*** | *3,462* | *184* | – | – | – | – | | | | | | | | | | | | | | | | | | | | | | *184* | – | – | – | – |
| 28 | **Local governments financing** | 41 | 41 | 41 | 41 | 41 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 41 | 41 | 41 | 41 | – |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | 41 | 41 | 41 | 41 | 41 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 41 | 41 | 41 | 41 | – |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

# EU Taxonomy disclosure tables *(continued)*

## 1 Assets for the calculation of GAR *(continued)*

### CapEx Based *(continued)*

**Key:**
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2024 | | Total gross carrying amount €m | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | *of which; Towards taxonomy relevant sectors (Taxonomy-eligible)* €m | | *of which; Environmentally sustainable (Taxonomy-aligned)* €m | | | *of which; Towards taxonomy relevant sectors (Taxonomy-eligible)* €m | | *of which; Environmentally sustainable (Taxonomy-aligned)* €m | | *of which; Towards taxonomy relevant sectors (Taxonomy-eligible)* €m | | *of which; Environmentally sustainable (Taxonomy-aligned)* €m | | *of which; Towards taxonomy relevant sectors (Taxonomy-eligible)* €m | | *of which; Environmentally sustainable (Taxonomy-aligned)* €m | | *of which; Towards taxonomy relevant sectors (Taxonomy-eligible)* €m | | *of which; Environmentally sustainable (Taxonomy-aligned)* €m | | *of which; Towards taxonomy relevant sectors (Taxonomy-eligible)* €m | | *of which; Environmentally sustainable (Taxonomy-aligned)* €m | | *of which; Towards taxonomy relevant sectors (Taxonomy-eligible)* €m | | *of which; Environmentally sustainable (Taxonomy-aligned)* €m | | |
| | | | | | €m | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | €m |
| **32** | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **36,524** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 33 | Financial and Non-financial undertakings | 28,793 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *34* | *SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations* | *17,789* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 | Loans and advances | 17,785 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *36* | *of which; **Loans collateralised by commercial immovable property*** | *4,012* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *37* | *of which; **Building renovation loans*** | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *38* | *Debt securities* | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *39* | *Equity instruments* | *4* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *40* | ***Non-EU country counterparties not subject to NFRD disclosure obligations*** | *11,004* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 41 | Loans and advances | 9,624 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 42 | Debt securities | 1,295 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 43 | Equity instruments | 84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **44** | **Derivatives** | **1,873** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **45** | **On demand interbank loans** | **130** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **46** | **Cash and cash-related assets** | **371** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **47** | **Other categories of assets (e.g. Goodwill, commodities etc.)** | **5,357** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **48** | **Total GAR assets** | **97,348** | **51,687** | **3,788** | **3,727** | **3,788** | – | **3** | **0** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **51,690** | **3,788** | **3,727** | **3,788** | – |
| **49** | **Assets not covered for GAR calculation** | **39,979** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **50** | **Central governments and Supranational issuers** | **5,130** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **51** | **Central banks exposure** | **33,076** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **52** | **Trading book** | **1,773** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **53** | **Total assets** | **137,327** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **54** | **Financial guarantees** | **732** | **29** | **3** | – | – | – | **0** | **0** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **29** | **3** | – | – | – |
| **55** | **Assets under management**[1] | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *56* | *of which; **Debt securities*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *57* | *of which; **Equity instruments*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

[1] *The AUM KPI is not material for the year ended 2024. The Group's Wealth and Insurance division offers clients access to a number of investment portfolios and funds that promote environmental and social characteristics but these investments are not considered sustainable investments within the context of the EU taxonomy regulation.*

# EU Taxonomy disclosure tables *(continued)*

## 1 Assets for the calculation of GAR *(continued)*

### CapEx Based *(continued)*

**Key:**
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2023 | | Total gross carrying amount €m | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | |
| | | | | €m | €m | €m | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | 57,997 | 48,246 | 2,289 | 2,289 | 2,289 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 48,246 | 2,289 | 2,289 | 2,289 | – |
| 2 | Financial undertakings | 4,343 | 611 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 611 | – | – | – | – |
| 3 | *Credit institutions* | *3,784* | *611* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *611* | – | – | – | – |
| 4 | *Loans and advances* | *415* | *29* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *29* | – | – | – | – |
| 5 | *Debt securities, including UoP* | *3,369* | *582* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *582* | – | – | – | – |
| 6 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – |
| 7 | ***Other financial corporations*** | ***559*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 8 | *of which; **Investment firms*** | ***8*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 9 | *Loans and advances* | *2* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 10 | *Debt securities, including UoP* | *6* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 11 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – |
| 12 | *of which; **Management companies*** | *531* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 13 | *Loans and advances* | *502* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 14 | *Debt securities, including UoP* | *7* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 15 | *Equity instruments* | *22* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – |
| 16 | *of which; **Insurance undertakings*** | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 17 | *Loans and advances* | *20* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 18 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 19 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – |
| 20 | **Non-financial undertakings** | *155* | *33* | *0* | – | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *33* | *0* | – | *0* | – |
| 21 | *Loans and advances* | *155* | *33* | *0* | – | *0* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *33* | *0* | – | *0* | – |
| 22 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 23 | *Equity instruments* | – | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – |
| 24 | **Households** | 53,455 | 47,558 | 2,245 | 2,245 | 2,245 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 47,558 | 2,245 | 2,245 | 2,245 | – |
| 25 | *of which; **Loans collateralised by residential immovable property*** | *47,508* | *47,508* | *2,245* | *2,245* | *2,245* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *47,508* | *2,245* | *2,245* | *2,245* | – |
| 26 | *of which; **Building renovation loans*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 27 | *of which; **Motor vehicle loans*** | *2,547* | *50* | – | – | – | – | | | | | | | | | | | | | | | | | | | | | *50* | – | – | – | – |
| 28 | **Local governments financing** | 44 | 44 | 44 | 44 | 44 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 44 | 44 | 44 | 44 | – |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | 44 | 44 | 44 | 44 | 44 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 44 | 44 | 44 | 44 | – |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

# EU Taxonomy disclosure tables *(continued)*

## 1 Assets for the calculation of GAR *(continued)*

### CapEx Based *(continued)*

**Key:**
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2023 | | Total gross carrying amount €m | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | of which; Towards taxonomy relevant sectors (Taxonomy-eligible) €m | | of which; Environmentally sustainable (Taxonomy-aligned) €m | | | | |
| | | | | | €m | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | | | €m | €m | €m |
| **32** | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | **36,218** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 33 | Financial and Non-financial undertakings | 28,396 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *34* | *SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations* | *17,373* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 | Loans and advances | 17,364 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *36* | *of which; **Loans collateralised by commercial immovable property*** | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *37* | *of which; **Building renovation loans*** | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *38* | *Debt securities* | – | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *39* | *Equity instruments* | *9* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *40* | ***Non-EU country counterparties not subject to NFRD disclosure obligations*** | *13,361* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 41 | Loans and advances | 10,052 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 42 | Debt securities | 905 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 43 | Equity instruments | 66 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **44** | **Derivatives** | **2,338** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **45** | **On demand interbank loans** | **149** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **46** | **Cash and cash-related assets** | **304** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **47** | **Other categories of assets (e.g. Goodwill, commodities etc.)** | **5,031** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **48** | **Total GAR assets** | **94,215** | **48,246** | **2,289** | **2,289** | **2,289** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **48,246** | **2,289** | **2,289** | **2,289** | – |
| **49** | **Assets not covered for GAR calculation** | **40,244** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **50** | **Central governments and Supranational issuers** | **5,540** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **51** | **Central banks exposure** | **32,612** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **52** | **Trading book** | **2,092** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **53** | **Total assets** | **134,459** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| **54** | **Financial guarantees** | **821** | **27** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **27** | – | – | – | – |
| **55** | **Assets under management** | **26,222** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *56* | *of which; **Debt securities*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *57* | *of which; **Equity instruments*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

# EU Taxonomy disclosure tables *(continued)*

## 2 GAR sector information

### Turnover Based

| | 2024 Breakdown by sector - NACE 4 digits level (code and label) | Climate Change Mitigation (CCM) | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| | | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m |
| 1 | A1.6.1 Support activities for crop production | 94 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 94 | – | | | | |
| 2 | C10.5.1 - Operation of dairies and cheese making | 30 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 30 | – | | | | |
| 3 | F41.2.0 Construction of residential and non-residential buildings | 1 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 1 | – | | | | |
| 4 | G46.4.6 - Wholesale of pharmaceutical goods | 113 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 113 | – | | | | |
| 5 | H51.1.0 - Passenger air transport | 38 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 38 | – | | | | |
| 6 | I55.1.0 - Hotels and similar accommodation | 39 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 39 | – | | | | |

### CapEx Based

| | 2024 Breakdown by sector - NACE 4 digits level (code and label) | Climate Change Mitigation (CCM) | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| | | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m | (Gross) carrying amount €m | of which; Environ-mentally sustainable €m |
| 1 | A1.6.1 Support activities for crop production | 94 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 94 | – | | | | |
| 2 | C10.5.1 - Operation of dairies and cheese making | 30 | 0 | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 30 | 0 | | | | |
| 3 | F41.2.0 Construction of residential and non-residential buildings | 1 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 1 | – | | | | |
| 4 | G46.4.6 - Wholesale of pharmaceutical goods | 113 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 113 | – | | | | |
| 5 | H51.1.0 - Passenger air transport | 38 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 38 | – | | | | |
| 6 | I55.1.0 - Hotels and similar accommodation | 39 | – | | – | – | | – | – | | – | – | | – | – | | – | – | | – | – | | 39 | – | | | | |

# EU Taxonomy disclosure tables *(continued)*

## 3 GAR KPI stock

### Turnover Based

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2024 | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | |
| | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | | | | Proportion of total assets covered % |
| | | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **84.97** | **6.23** | **6.13** | **6.23** | – | **0.09** | **0.00** | – | **0.00** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **85.06** | **6.23** | **6.13** | **6.23** | – | **44.29** |
| 2 | Financial undertakings | 15.47 | 1.33 | – | 1.33 | – | 1.17 | 0.01 | – | 0.01 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 16.65 | 1.34 | – | 1.33 | – | 3.31 |
| *3* | *Credit institutions* | *20.15* | *1.73* | – | *1.73* | – | *1.53* | *0.01* | – | 0.01 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *21.68* | *1.74* | – | *1.73* | – | *2.54* |
| 4 | *Loans and advances* | *17.38* | *0.84* | – | *0.84* | – | *0.11* | *0.00* | – | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *17.49* | *0.84* | – | *0.84* | – | *0.35* |
| 5 | *Debt securities, including UoP* | *20.60* | *1.87* | – | *1.87* | – | *1.76* | *0.01* | – | *0.01* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *22.36* | *1.88* | – | *1.87* | – | *2.19* |
| 6 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| *7* | ***Other financial corporations*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.77*** |
| *8* | *of which; **Investment firms*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.01*** |
| 9 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| 10 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 11 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| *12* | *of which; **Management companies*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.01*** |
| 13 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| 14 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 15 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| *16* | *of which; **Insurance undertakings*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.01*** |
| 17 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| 18 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 19 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| 20 | **Non-financial undertakings** | *24.66* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *24.66* | – | – | – | – | ***0.23*** |
| 21 | *Loans and advances* | *24.66* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *24.66* | – | – | – | – | *0.23* |
| 22 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 23 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| 24 | **Households** | **90.95** | **6.59** | **6.59** | **6.59** | – | – | – | – | – | | | | | – | – | – | – | – | – | – | – | | | | **90.95** | **6.59** | **6.59** | **6.59** | – | **40.72** |
| *25* | *of which; **Loans collateralised by residential immovable property*** | ***100.00*** | *7.27* | *7.27* | *7.27* | – | – | – | – | – | | | | | – | – | – | – | | | | | | | | ***100.00*** | *7.27* | *7.27* | *7.27* | – | ***36.90*** |
| *26* | *of which; **Building renovation loans*** | – | – | – | – | – | – | – | – | – | | | | | – | – | – | – | | | | | | | | – | – | – | – | – | – |
| *27* | *of which; **Motor vehicle loans*** | *5.31* | – | – | – | – | | | | | | | | | | | | | | | | | | | | *5.31* | – | | | | |
| 28 | **Local governments financing** | 100.00 | 100.00 | 100.00 | 100.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 100.00 | 100.00 | 100.00 | 100.00 | – | 0.03 |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | 100.00 | 100.00 | 100.00 | 100.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 100.00 | 100.00 | 100.00 | 100.00 | – | 0.03 |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 32 | **Total GAR assets** | **53.09** | **3.89** | **3.83** | **3.89** | – | **0.05** | **0.00** | – | **0.00** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **53.15** | **3.89** | **3.83** | **3.89** | – | **70.89** |

# EU Taxonomy disclosure tables *(continued)*

## 3 GAR KPI stock *(continued)*

### Turnover Based *(continued)*

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2023 | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | | Water & Marine Resources (WTR) | | | | | Circular Economy (CE) | | | | | Pollution (PPC) | | | | | Biodiversity and Ecosystems (BIO) | | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total assets covered % |
| | | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **83.14** | **3.95** | **3.95** | **3.95** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **83.14** | **3.95** | **3.95** | **3.95** | **–** | **43.13** |
| 2 | Financial undertakings | 14.08 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 14.08 | – | – | – | – | 3.23 |
| *3* | *Credit institutions* | *16.15* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *16.15* | – | – | – | – | *2.81* |
| 4 | *Loans and advances* | *6.95* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *6.95* | – | – | – | – | *0.31* |
| 5 | *Debt securities, including UoP* | *17.29* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *17.29* | – | – | – | – | *2.51* |
| 6 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| *7* | ***Other financial corporations*** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | ***0.42*** |
| *8* | *of which; **Investment firms*** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | ***0.01*** |
| 9 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 10 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 11 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| *12* | *of which; **Management companies*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.39*** |
| 13 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.37* |
| 14 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| 15 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | *0.02* |
| *16* | *of which; **Insurance undertakings*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.01*** |
| 17 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| 18 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 19 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| 20 | **Non-financial undertakings** | *2.98* | *0.00* | – | – | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *2.98* | *0.00* | – | *0.00* | – | ***0.12*** |
| 21 | *Loans and advances* | *2.98* | *0.00* | – | – | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *2.98* | *0.00* | – | *0.00* | – | *0.12* |
| 22 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 23 | *Equity instruments* | – | – | | – | – | – | – | | – | – | | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| 24 | **Households** | **88.97** | **4.20** | **4.20** | **4.20** | **–** | **–** | **–** | **–** | | | | | | | **–** | **–** | **–** | **–** | | | | | | | **88.97** | **4.20** | **4.20** | **4.20** | **–** | **39.76** |
| *25* | *of which; **Loans collateralised by residential immovable property*** | ***100.00*** | ***4.73*** | ***4.73*** | ***4.73*** | **–** | **–** | **–** | **–** | | | | | | | **–** | **–** | **–** | **–** | | | | | | | ***100.00*** | ***4.73*** | ***4.73*** | ***4.73*** | **–** | ***35.33*** |
| *26* | *of which; **Building renovation loans*** | – | – | – | – | – | – | – | – | | | | | | | – | – | – | – | | | | | | | – | – | – | – | – | – |
| *27* | *of which; **Motor vehicle loans*** | ***1.95*** | – | – | – | – | | | | | | | | | | | | | | | | | | | | ***1.95*** | – | | | | |
| 28 | **Local governments financing** | **100.00** | **100.00** | **100.00** | **100.00** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **100.00** | **100.00** | **100.00** | **100.00** | **–** | **0.03** |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | 100.00 | 100.00 | 100.00 | 100.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 100.00 | 100.00 | 100.00 | 100.00 | – | 0.03 |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| 32 | **Total GAR assets** | **51.18** | **2.43** | **2.43** | **2.43** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **51.18** | **2.43** | **2.43** | **2.43** | **–** | **70.07** |

# EU Taxonomy disclosure tables *(continued)*

## 3 GAR KPI stock *(continued)*

### CapEx Based

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2024 | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | |
| | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total assets covered % |
| | | | | % | % | % | | % | % | | % | % | | % | % | | % | % | | % | % | | % | % | | % | % | | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **84.98** | **6.23** | **6.13** | **6.23** | – | **0.00** | **0.00** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **84.98** | **6.23** | **6.13** | **6.23** | – | **44.29** |
| 2 | Financial undertakings | 15.27 | 1.35 | – | 1.35 | – | 0.06 | 0.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 15.32 | 1.35 | – | 1.35 | – | 3.31 |
| *3* | *Credit institutions* | *19.89* | *1.76* | – | *1.76* | – | *0.07* | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *19.96* | *1.76* | – | *1.76* | – | *2.54* |
| *4* | *Loans and advances* | *17.56* | *0.97* | – | *0.97* | – | *0.02* | *0.01* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *17.57* | *0.97* | – | *0.97* | – | *0.35* |
| *5* | *Debt securities, including UoP* | *20.27* | *1.88* | – | *1.88* | – | *0.08* | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *20.35* | *1.89* | – | *1.88* | – | *2.19* |
| *6* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| ***7*** | ***Other financial corporations*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.77*** |
| ***8*** | *of which;* ***Investment firms*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.01*** |
| *9* | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| *10* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *11* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| ***12*** | *of which;* ***Management companies*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.01*** |
| *13* | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| *14* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *15* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| ***16*** | *of which;* ***Insurance undertakings*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.01*** |
| *17* | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| *18* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *19* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| **20** | **Non-financial undertakings** | *29.07* | *0.07* | – | – | *0.07* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *29.07* | *0.07* | – | | *0.07* | ***0.23*** |
| *21* | *Loans and advances* | *29.07* | *0.07* | – | – | *0.07* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *29.07* | *0.07* | – | | *0.07* | *0.23* |
| *22* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *23* | *Equity instruments* | – | – | | – | – | – | – | | – | – | | | – | – | | | – | – | | | – | – | | | – | – | | – | – | – |
| **24** | **Households** | **90.95** | **6.59** | **6.59** | **6.59** | – | – | – | – | – | | | | | – | – | – | – | – | | | | | | | **90.95** | **6.59** | **6.59** | **6.59** | – | **40.72** |
| ***25*** | *of which;* ***Loans collateralised by residential immovable property*** | ***100.00*** | ***7.27*** | ***7.27*** | ***7.27*** | – | – | – | – | – | | | | | – | – | – | – | – | | | | | | | ***100.00*** | ***7.27*** | ***7.27*** | ***7.27*** | – | ***36.90*** |
| ***26*** | *of which;* ***Building renovation loans*** | – | – | – | – | – | – | – | – | – | | | | | – | – | – | – | – | | | | | | | – | – | – | – | – | – |
| ***27*** | *of which;* ***Motor vehicle loans*** | *5.31* | – | – | – | – | | | | | | | | | | | | | | | | | | | | *5.31* | – | | | | |
| **28** | **Local governments financing** | **100.00** | **100.00** | **100.00** | **100.00** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **100.00** | **100.00** | **100.00** | **100.00** | – | **0.03** |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | 100.00 | 100.00 | 100.00 | 100.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 100.00 | 100.00 | 100.00 | 100.00 | – | 0.03 |
| **31** | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **32** | **Total GAR assets** | **53.10** | **3.89** | **3.83** | **3.89** | – | **0.00** | **0.00** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **53.10** | **3.89** | **3.83** | **3.89** | – | **70.89** |

# EU Taxonomy disclosure tables *(continued)*

## 3 GAR KPI stock *(continued)*

### CapEx Based *(continued)*

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2023 | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | | Water & Marine Resources (WTR) | | | | | Circular Economy (CE) | | | | | Pollution (PPC) | | | | | Biodiversity and Ecosystems (BIO) | | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total assets covered % |
| | | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **83.19** | **3.95** | **3.95** | **3.95** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **83.19** | **3.95** | **3.95** | **3.95** | **–** | **43.13** |
| 2 | Financial undertakings | 14.08 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 14.08 | – | – | – | – | 3.23 |
| *3* | *Credit institutions* | *16.15* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *16.15* | – | – | – | – | *2.81* |
| 4 | *Loans and advances* | *6.95* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *6.95* | – | – | – | – | *0.31* |
| 5 | *Debt securities, including UoP* | *17.29* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *17.29* | – | – | – | – | *2.51* |
| 6 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| ***7*** | ***Other financial corporations*** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | ***0.42*** |
| ***8*** | *of which;* ***Investment firms*** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | ***0.01*** |
| 9 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 10 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 11 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| ***12*** | *of which;* ***Management companies*** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | ***0.39*** |
| 13 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.37* |
| 14 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| 15 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | *0.02* |
| ***16*** | *of which;* ***Insurance undertakings*** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | ***0.01*** |
| 17 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.01* |
| 18 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 19 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| **20** | **Non-financial undertakings** | *21.59* | *0.00* | **–** | *0.00* | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | *21.59* | *0.00* | **–** | *0.00* | **–** | ***0.12*** |
| 21 | *Loans and advances* | *21.59* | *0.00* | – | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *21.59* | *0.00* | – | *0.00* | – | *0.12* |
| 22 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 23 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | – |
| **24** | **Households** | **88.97** | **4.20** | **4.20** | **4.20** | **–** | **–** | **–** | **–** | | | | | | | **–** | **–** | **–** | **–** | | | | | | | **88.97** | **4.20** | **4.20** | **4.20** | **–** | **39.76** |
| ***25*** | *of which;* ***Loans collateralised by residential immovable property*** | ***100.00*** | ***4.73*** | ***4.73*** | ***4.73*** | **–** | **–** | **–** | **–** | | | | | | | **–** | **–** | **–** | **–** | | | | | | | ***100.00*** | ***4.73*** | ***4.73*** | ***4.73*** | **–** | ***35.33*** |
| ***26*** | *of which;* ***Building renovation loans*** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | | | | | | **–** | **–** | **–** | **–** | | | | | | | **–** | **–** | **–** | **–** | **–** | **–** |
| ***27*** | *of which;* ***Motor vehicle loans*** | ***1.95*** | **–** | **–** | **–** | **–** | | | | | | | | | | | | | | | | | | | | ***1.95*** | **–** | | | | |
| **28** | **Local governments financing** | **100.00** | **100.00** | **100.00** | **100.00** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **100.00** | **100.00** | **100.00** | **100.00** | **–** | **0.03** |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | 100.00 | 100.00 | 100.00 | 100.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 100.00 | 100.00 | 100.00 | 100.00 | – | 0.03 |
| **31** | **Collateral obtained by taking possession: residential and commercial immovable properties** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **32** | **Total GAR assets** | **51.21** | **2.43** | **2.43** | **2.43** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **51.21** | **2.43** | **2.43** | **2.43** | **–** | **70.07** |

# EU Taxonomy disclosure tables *(continued)*

## 4 GAR KPI flow *(continued)*

### Turnover Based

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2024 | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total assets covered % |
| | | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **78.88** | **11.27** | **11.25** | **11.27** | – | **0.00** | **0.00** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **78.88** | **11.27** | **11.25** | **11.27** | – | **60.64** |
| 2 | Financial undertakings | 3.42 | 0.38 | – | 0.38 | – | 0.08 | 0.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 3.50 | 0.38 | – | 0.38 | – | 3.64 |
| *3* | *Credit institutions* | *18.29* | *2.06* | – | *2.06* | – | *0.44* | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *18.73* | *2.06* | – | *2.06* | – | *0.68* |
| *4* | *Loans and advances* | *18.29* | *2.06* | – | *2.06* | – | *0.44* | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *18.73* | *2.06* | – | *2.06* | – | *0.68* |
| *5* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *6* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – |
| *7* | ***Other financial corporations*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***2.96*** |
| *8* | *of which; **Investment firms*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.09*** |
| *9* | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.09* |
| *10* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *11* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – |
| *12* | *of which; **Management companies*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.09*** |
| *13* | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.09* |
| *14* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *15* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – |
| *16* | *of which; **Insurance undertakings*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *17* | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *18* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *19* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – |
| **20** | **Non-financial undertakings** | *0.54* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.54* | – | – | – | – | ***0.74*** |
| *21* | *Loans and advances* | *0.54* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.54* | – | – | – | – | *0.74* |
| *22* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *23* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – |
| **24** | **Households** | **84.79** | **12.12** | **12.12** | **12.12** | – | – | – | – | – | | | | | – | – | – | – | – | – | | | | | **84.79** | **12.12** | **12.12** | **12.12** | – | **56.26** |
| **25** | ***of which; Loans collateralised by residential immovable property*** | ***100.00*** | ***14.47*** | ***14.47*** | ***14.47*** | – | – | – | – | – | | | | | – | – | – | – | – | – | | | | | ***100.00*** | ***14.47*** | ***14.47*** | ***14.47*** | – | ***47.12*** |
| **26** | ***of which; Building renovation loans*** | – | – | – | – | – | – | – | – | – | | | | | – | – | – | – | – | – | | | | | – | – | – | – | – | – |
| **27** | ***of which; Motor vehicle loans*** | ***6.43*** | – | – | – | – | | | | | | | | | | | | | | | | | | | ***6.43*** | – | | | | |
| **28** | **Local governments financing** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **31** | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **32** | **Total GAR assets** | **49.19** | **7.03** | **7.01** | **7.03** | – | **0.00** | **0.00** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **49.19** | **7.03** | **7.01** | **7.03** | – | **97.25** |

# EU Taxonomy disclosure tables *(continued)*

## 4 GAR KPI flow *(continued)*

### Turnover Based *(continued)*

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2023 | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | | | | Proportion of total assets covered % |
| | | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | % | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | 96.86 | 1.96 | 1.96 | 1.96 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 96.86 | 1.96 | 1.96 | 1.96 | – | 45.54 |
| 2 | Financial undertakings | 71.83 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 71.83 | – | – | – | – | 0.35 |
| *3* | *Credit institutions* | *100.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *100.00* | – | – | – | – | *0.24* |
| 4 | *Loans and advances* | 100.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 100.00 | – | – | – | – | 0.24 |
| 5 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 6 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | | – | – | – |
| *7* | ***Other financial corporations*** | *9.88* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *9.88* | – | – | – | – | *0.11* |
| *8* | *of which; **Investment firms*** | *9.88* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *9.88* | – | – | – | – | *0.11* |
| 9 | *Loans and advances* | 100.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 100.00 | – | – | – | – | 0.01 |
| 10 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 0.05 |
| 11 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | | – | – | 0.05 |
| *12* | *of which; **Management companies*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 13 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 14 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 15 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | | – | – | – |
| *16* | *of which; **Insurance undertakings*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 17 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 18 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 19 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | | – | – | – |
| 20 | **Non-financial undertakings** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 21 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 22 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 23 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | | – | – | – |
| 24 | **Households** | 97.05 | 1.97 | 1.97 | 1.97 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 97.05 | 1.97 | 1.97 | 1.97 | – | 45.20 |
| *25* | *of which; **Loans collateralised by residential immovable property*** | *100.00* | *2.04* | *2.04* | *2.04* | – | – | – | – | – | | | | | – | – | – | – | | | | | | | *100.00* | *2.04* | *2.04* | *2.04* | – | *43.55* |
| *26* | *of which; **Building renovation loans*** | – | – | – | – | – | – | – | – | – | | | | | – | – | – | – | | | | | | | – | – | – | – | – | – |
| *27* | *of which; **Motor vehicle loans*** | *19.28* | – | – | – | – | | | | | | | | | | | | | | | | | | | *19.28* | – | | | | |
| 28 | **Local governments financing** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 32 | **Total GAR assets** | 45.52 | 0.92 | 0.92 | 0.92 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 45.52 | 0.92 | 0.92 | 0.92 | – | 96.91 |

# EU Taxonomy disclosure tables *(continued)*

## 4 GAR KPI flow *(continued)*

### CapEx Based

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2024 | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | |
| | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | | | Proportion of total assets covered % |
| | | | | % | % | % | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | **78.91** | **11.27** | **11.25** | **11.27** | – | **0.00** | **0.00** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **78.91** | **11.27** | **11.25** | **11.27** | – | **60.64** |
| 2 | Financial undertakings | 3.44 | 0.40 | – | 0.40 | – | 0.00 | 0.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 3.44 | 0.40 | – | 0.40 | – | 3.64 |
| *3* | *Credit institutions* | *18.37* | *2.12* | – | *2.12* | – | *0.01* | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *18.38* | *2.13* | – | *2.12* | – | *0.68* |
| *4* | *Loans and advances* | *18.37* | *2.12* | – | *2.12* | – | *0.01* | *0.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *18.38* | *2.13* | – | *2.12* | – | *0.68* |
| *5* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *6* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – |
| *7* | ***Other financial corporations*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***2.96*** |
| *8* | *of which; **Investment firms*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.09*** |
| *9* | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.09* |
| *10* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *11* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – |
| *12* | *of which; **Management companies*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | ***0.09*** |
| *13* | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *0.09* |
| *14* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *15* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – |
| *16* | *of which; **Insurance undertakings*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *17* | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *18* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *19* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – |
| **20** | **Non-financial undertakings** | *3.24* | *0.17* | – | *0.17* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *3.24* | *0.17* | – | *0.17* | – | ***0.74*** |
| *21* | *Loans and advances* | *3.24* | *0.17* | – | *0.17* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *3.24* | *0.17* | – | *0.17* | – | *0.74* |
| *22* | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| *23* | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | – | – | – | – |
| **24** | **Households** | **84.79** | **12.12** | **12.12** | **12.12** | – | – | – | – | – | | | | | – | – | – | – | – | – | | | | | | **84.79** | **12.12** | **12.12** | **12.12** | – | **56.26** |
| ***25*** | *of which; **Loans collateralised by residential immovable property*** | ***100.00*** | ***14.47*** | *14.47* | *14.47* | – | – | – | – | – | | | | | – | – | – | – | | | | | | | | ***100.00*** | ***14.47*** | *14.47* | *14.47* | – | ***47.12*** |
| ***26*** | *of which; **Building renovation loans*** | – | – | – | – | – | – | – | – | – | | | | | – | – | – | – | | | | | | | | – | – | – | – | – | – |
| ***27*** | *of which; **Motor vehicle loans*** | ***6.43*** | – | – | – | – | | | | | | | | | | | | | | | | | | | | ***6.43*** | – | | | | |
| **28** | **Local governments financing** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **31** | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **32** | **Total GAR assets** | **49.21** | **7.03** | **7.01** | **7.03** | – | **0.00** | **0.00** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | **49.21** | **7.03** | **7.01** | **7.03** | – | **97.25** |

# EU Taxonomy disclosure tables *(continued)*

## 4 GAR KPI flow *(continued)*

### CapEx Based *(continued)*

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2023 | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | | | | Proportion of total assets covered % |
| | | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | % | |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | **Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation** | 96.86 | 1.96 | 1.96 | 1.96 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 96.86 | 1.96 | 1.96 | 1.96 | – | 45.54 |
| 2 | Financial undertakings | 71.83 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 71.83 | – | – | – | – | 0.35 |
| *3* | *Credit institutions* | *100.00* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *100.00* | – | – | – | – | *0.24* |
| 4 | *Loans and advances* | 100.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 100.00 | – | – | – | – | 0.24 |
| 5 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 6 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | | – | – | – |
| *7* | ***Other financial corporations*** | *9.88* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *9.88* | – | – | – | – | *0.11* |
| *8* | *of which; **Investment firms*** | *9.88* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | *9.88* | – | – | – | – | *0.11* |
| 9 | *Loans and advances* | 100.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 100.00 | – | – | – | – | 0.01 |
| 10 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 0.05 |
| 11 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | | – | – | 0.05 |
| *12* | *of which; **Management companies*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 13 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 14 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 15 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | | – | – | – |
| *16* | *of which; **Insurance undertakings*** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 17 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 18 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 19 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | | – | – | – |
| 20 | **Non-financial undertakings** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 21 | *Loans and advances* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 22 | *Debt securities, including UoP* | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 23 | *Equity instruments* | – | – | | – | – | – | – | | – | – | – | | – | – | – | | – | – | – | | – | – | | – | – | | – | – | – |
| 24 | **Households** | 97.05 | 1.97 | 1.97 | 1.97 | – | – | – | – | – | – | – | | | – | – | – | – | – | – | | | | | 97.05 | 1.97 | 1.97 | 1.97 | – | 45.20 |
| *25* | *of which; **Loans collateralised by residential immovable property*** | *100.00* | *2.04* | *2.04* | *2.04* | – | – | – | – | – | | | | | – | – | – | – | – | | | | | | *100.00* | *2.04* | *2.04* | *2.04* | – | *43.55* |
| *26* | *of which; **Building renovation loans*** | – | – | – | – | – | – | – | – | – | | | | | – | – | – | – | – | | | | | | – | – | – | – | – | – |
| *27* | *of which; **Motor vehicle loans*** | *19.28* | – | – | – | – | | | | | | | | | | | | | | | | | | | *19.28* | – | | | | |
| 28 | **Local governments financing** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 29 | Housing financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 30 | Other local government financing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 32 | **Total GAR assets** | 45.52 | 0.92 | 0.92 | 0.92 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 45.52 | 0.92 | 0.92 | 0.92 | – | 96.91 |

# EU Taxonomy disclosure tables *(continued)*

## 5 KPI stock off-balance sheet exposures

### Turnover Based

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2024 % (compared to total covered assets in the denominator) | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | |
| | | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | % |
| 1 | Financial guarantees (FinGuar KPI) | 3.87 | 0.40 | – | 0.40 | – | 0.00 | 0.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 3.87 | 0.40 | – | 0.40 | – |
| 2 | Assets under management (AuM KPI)[1] | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

[1] *The AUM KPI is not material for the year ended 2024. The Group's Wealth and Insurance division offers clients access to a number of investment portfolios and funds that promote environmental and social characteristics but these investments are not considered sustainable investments within the context of the EU taxonomy regulation.*

### CapEx Based

Key:
- *of which; use of proceeds*
- *of which; transitional*
- *of which: enabling*

| 2024 % (compared to total covered assets in the denominator) | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | Water & Marine Resources (WTR) | | | | Circular Economy (CE) | | | | Pollution (PPC) | | | | Biodiversity and Ecosystems (BIO) | | | | Total (CCM+CCA+WTR+CE+PPC+BIO) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) % | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) % | | | |
| | | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | % |
| 1 | Financial guarantees (FinGuar KPI) | 3.91 | 0.42 | – | 0.42 | – | 0.00 | 0.00 | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | 3.91 | 0.42 | – | 0.42 | – |
| 2 | Assets under management (AuM KPI)[1] | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

[1] *The AUM KPI is not material for the year ended 2024. The Group's Wealth and Insurance division offers clients access to a number of investment portfolios and funds that promote environmental and social characteristics but these investments are not considered sustainable investments within the context of the EU taxonomy regulation.*

# EU Taxonomy disclosure tables *(continued)*

## 5 KPI flow off-balance sheet exposures

### Turnover Based

| Key: | Climate Change Mitigation *(CCM)* | | | | | Climate Change Adaptation *(CCA)* | | | | Water & Marine Resources *(WTR)* | | | | Circular Economy *(CE)* | | | | Pollution *(PPC)* | | | | Biodiversity and Ecosystems *(BIO)* | | | | Total *(CCM+CCA+WTR+CE+PPC+BIO)* | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *of which; use of proceeds* | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | |
| *of which; transitional* | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | |
| *of which: enabling* | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | % |
| **2024 % (compared to total covered assets in the denominator)** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 Financial guarantees (FinGuar KPI) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 2 Assets under management (AuM KPI)[1] | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

[1] *The AUM KPI is not material for the year ended 2024. The Group's Wealth and Insurance division offers clients access to a number of investment portfolios and funds that promote environmental and social characteristics but these investments are not considered sustainable investments within the context of the EU taxonomy regulation.*

### CapEx Based

| Key: | Climate Change Mitigation *(CCM)* | | | | | Climate Change Adaptation *(CCA)* | | | | Water & Marine Resources *(WTR)* | | | | Circular Economy *(CE)* | | | | Pollution *(PPC)* | | | | Biodiversity and Ecosystems *(BIO)* | | | | Total *(CCM+CCA+WTR+CE+PPC+BIO)* | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *of which; use of proceeds* | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-eligible)* % | | | |
| *of which; transitional* | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | | Proportion of total covered assets funding taxonomy relevant sectors *(Taxonomy-aligned)* % | | | |
| *of which: enabling* | | | % | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | | | % | % | % |
| **2024 % (compared to total covered assets in the denominator)** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 Financial guarantees (FinGuar KPI) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| 2 Assets under management (AuM KPI)[1] | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

[1] *The AUM KPI is not material for the year ended 2024. The Group's Wealth and Insurance division offers clients access to a number of investment portfolios and funds that promote environmental and social characteristics but these investments are not considered sustainable investments within the context of the EU taxonomy regulation.*

# EU Taxonomy disclosure tables *(continued)*

## Annex XII

The disclosure requirements of Article 8(6) and (7) along with Annex XII of Regulation (EU) 2021/2178 were inserted by the Complimentary Climate Delegated Act and applied from 1 January 2023. This Act included specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy. The criteria for the specific gas and nuclear activities are in line with EU climate and environmental objectives and will help accelerate the shift from solid or liquid fossil fuels, including coal, towards a climate-neutral future.

### Template 1 Nuclear and fossil gas related activities

| | | |
|---|---|---|
| **Nuclear energy related activities** | | |
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| **Fossil gas related activities** | | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

# EU Taxonomy disclosure tables *(continued)*

### Template 2: Taxonomy-aligned economic activities (denominator)

| | | Amount and proportion (the information is to be presented in monetary amounts and as percentages) | | | | | |
|---|---|---|---|---|---|---|---|
| | | CCM + CCA | | CCM | | CCA | |
| | Economic activities based on KPI Turnover | €m | % | €m | % | €m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 7 | Amount and proportion of taxonomy-aligned economic activity not referred to in rows 1 to 6 above in the denominator of the applicable KPI. | 3,787 | 3.89 | 3,787 | 3.89 | 0 | 0.00 |
| **8** | **Total applicable KPI** | **3,787** | **3.89** | **3,787** | **3.89** | **0** | **0.00** |

# EU Taxonomy disclosure tables *(continued)*

### Template 2: Taxonomy-aligned economic activities (denominator) *(continued)*

| | | Amount and proportion (the information is to be presented in monetary amounts and as percentages) | | | | | |
|---|---|---|---|---|---|---|---|
| | | CCM + CCA | | CCM | | CCA | |
| | Economic activities based on KPI CapEx | €m | % | €m | % | €m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 7 | Amount and proportion of taxonomy-aligned economic activity not referred to in rows 1 to 6 above in the denominator of the applicable KPI. | 3,788 | 3.89 | 3,788 | 3.89 | 0 | 0.00 |
| **8** | **Total applicable KPI** | **3,788** | **3.89** | **3,788** | **3.89** | **0** | **0.00** |

# EU Taxonomy disclosure tables *(continued)*

### Template 3: Taxonomy-aligned economic activities (numerator)

| | | Amount and proportion (the information is to be presented in monetary amounts and as percentages) | | | | | |
|---|---|---|---|---|---|---|---|
| | | CCM + CCA | | CCM | | CCA | |
| | Economic activities based on KPI Turnover | €m | % | €m | % | €m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 7 | Amount and proportion of taxonomy-aligned economic activity not referred to in rows 1 to 6 above in the numerator of the applicable KPI. | 3,787 | 100.00 | 3,787 | 99.99 | 0 | 0.01 |
| **8** | **Total applicable KPI** | **3,787** | **100.00** | **3,787** | **99.99** | **0** | **0.01** |

# EU Taxonomy disclosure tables *(continued)*

### Template 3: Taxonomy-aligned economic activities (numerator) *(continued)*

| | Economic activities based on KPI CapEx | Amount and proportion (the information is to be presented in monetary amounts and as percentages) | | | | | |
|---|---|---|---|---|---|---|---|
| | | CCM + CCA | | CCM | | CCA | |
| | | €m | % | €m | % | €m | % |
| 1 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 2 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 3 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 4 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 6 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the numerator of the applicable KPI. | – | – | – | – | – | – |
| 7 | Amount and proportion of taxonomy-aligned economic activity not referred to in rows 1 to 6 above in the numerator of the applicable KPI. | 3,788 | 100.00 | 3,788 | 100.00 | 0 | 0.00 |
| **8** | **Total applicable KPI** | **3,788** | **100.00** | **3,788** | **100.00** | **0** | **0.00** |

# EU Taxonomy disclosure tables *(continued)*

### Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

| | | Amount and proportion (the information is to be presented in monetary amounts and as percentages) | | | | | |
|---|---|---|---|---|---|---|---|
| | | CCM + CCA | | CCM | | CCA | |
| | Economic activities based on KPI Turnover | €m | % | €m | % | €m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 7 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity not referred to in rows 1 to 6 above in the denominator of the applicable KPI. | 47,949 | 100.00 | 47,896 | 99.89 | 53 | 0.11 |
| **8** | **Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity in the denominator of the applicable KPI** | **47,949** | **100.00** | **47,896** | **99.89** | **53** | **0.11** |

# EU Taxonomy disclosure tables *(continued)*

### Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities *(continued)*

| | Economic activities based on KPI CapEx | Amount and proportion (the information is to be presented in monetary amounts and as percentages) | | | | | |
|---|---|---|---|---|---|---|---|
| | | CCM + CCA | | CCM | | CCA | |
| | | €m | % | €m | % | €m | % |
| 1 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 2 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 3 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 4 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 5 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 6 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – | – | – | – | – |
| 7 | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity not referred to in rows 1 to 6 above in the denominator of the applicable KPI. | 47,901 | 100.00 | 47,899 | 100.00 | 2 | 0.00 |
| **8** | **Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity in the denominator of the applicable KPI** | **47,901** | **100.00** | **47,899** | **100.00** | **2** | **0.00** |

# EU Taxonomy disclosure tables *(continued)*

### Template 5: Taxonomy non-eligible economic activities

| | Economic activities based on KPI Turnover | €m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | 3 | 0.00 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI. | 93,558 | 96.11 |
| **8** | **Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI** | **93,560** | **96.11** |

# EU Taxonomy disclosure tables *(continued)*

### Template 5: Taxonomy non-eligible economic activities *(continued)*

| | Economic activities based on KPI CapEx | €m | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | 3 | 0.00 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI. | – | – |
| 7 | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI. | 93,557 | 96.11 |
| **8** | **Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI** | **93,559** | **96.11** |

# Alternative performance measures

**This section contains further information related to certain measures referred to in the OFR.**
The OFR is prepared using IFRS and non-IFRS measures to analyse the Group's performance, providing comparability year on year. These performance measures are consistent with those presented to the Court and Group Executive Committee and include alternative performance measures as set out below. These performance measures may not be uniformly defined by all companies and accordingly they may not be directly comparable with similarly titled measures and disclosures by other companies. These measures should be considered in conjunction with IFRS measures as set out in the consolidated financial statements from page 216.

**Business income** is net other income before other gains and other valuation items.

**Constant currency** to enable a better understanding of performance, certain variances are calculated on a constant currency basis by adjusting for the impact of movements in exchange rates during the year as follows:
- for balance sheet items, by reference to the closing rate at the end of the current and prior period ends; and
- for items relating to the income statement, by reference to the current and prior period average rates.

**Liquid assets** are comprised of cash and balances at central banks, loans and advances to banks, debt securities at amortised cost, financial assets at FVOCI and certain financial assets at FVTPL (excluding balances in Wealth and Insurance).

**Liquidity Coverage Ratio (LCR)** is calculated based on the Commission Delegated Regulation (EU) 2015/61 and is prepared on a regulatory group basis, in accordance with the Capital Requirements Directive (CRD IV), which comprises banking and other relevant financial institutions within the Bank of Ireland Group, but excludes non-banking related institutions such as insurance entities. For further information, see the Group's Pillar 3 disclosures (tab 1.3), available on the Group's website.

**Loan to deposit ratio** is calculated as being net loans and advances to customers divided by customer deposits.

**Net Stable Funding Ratio (NSFR)** is prepared on a regulatory group basis, in accordance with the EU Capital Requirement Regulations and Directive, as amended, which requires the maintenance of a NSFR ratio greater than or equal to 100%, effective June 2021. For further information see the Group's Pillar 3 disclosures (tab 1.3), available on the Group's website.

**Net organic capital generation** primarily consists of attributable profit after impairment and movements in regulatory deductions and is calculated with reference to RWAs at the start of the year.

**New lending volumes**
- Net new lending volumes represent loans and advances to customers drawn down during the year (including revolving credit facility activity) and portfolio acquisitions, net of repayments and redemptions.
- Gross new lending volumes represent loans and advances to customers drawn down during the period and portfolio acquisitions.

**NPEs are**:
- credit-impaired loans which includes loans where the borrower is considered unlikely to pay in full without recourse by the Group to actions such as realising security, and / or loans where the borrower is greater than or equal to 90 days past due and the arrears amount is material; and
- other loans meeting NPE criteria as aligned with regulatory requirements.

**NPEs ratio** is calculated as NPEs on loans and advances to customers at amortised cost (excluding loans and advances to customers measured at FVTPL) as a percentage of the gross carrying value of loans and advances to customers at amortised cost.

**Return on assets** is calculated as being statutory net profit / loss after tax divided by total assets, in line with the requirement in the EU (Capital Requirements) Regulations 2014.

**Underlying** excludes non-core items which are those items that the Group believes obscure the underlying performance trends in the business. See page 145 for further information.

**Underlying divisional contribution** reflects the underlying financial contribution of each division towards the consolidated Group underlying profit or loss, before tax, excluding non-core items which obscure the underlying performance of the business.

**Wholesale funding** is comprised of deposits by banks (including collateral received) and debt securities in issue.

# Abbreviations

| | |
|---|---|
| **1LOD** | First Line of Defence |
| **2LOD** | Second Line of Defence |
| **3LOD** | Third Line of Defence |
| **AGC** | Annual General Court |
| **AGM** | Annual General Meeting |
| **AIB** | Allied Irish Banks Group plc and subsidiaries |
| **ALCO** | Group Asset & Liability Committee |
| **AML** | Anti-Money Laundering |
| **APMs** | Alternative Performance Measures |
| **AT1** | Additional tier 1 |
| **ATM** | Automated Teller Machine |
| **AUM** | Assets Under Management |
| **Bank** | The Governor and Company of the Bank of Ireland |
| **BAU** | Business As Usual |
| **BCBS** | Basel Committee on Banking Supervision |
| **BMR** | Benchmark Reform |
| **BoE** | Bank of England |
| **BoIG plc** | Bank of Ireland Group plc |
| **BoIGM** | Bank of Ireland Global Markets |
| **BoIMB** | Bank of Ireland Mortgage Bank |
| **BoI (UK) plc** | Bank of Ireland (UK) plc |
| **bps** | Basis points |
| **BRC** | Board Risk Committee |
| **BRR** | Board Risk Report |
| **BSPF** | Bank of Ireland Staff Pensions Fund |
| **BTL** | Buy to let |
| **CAC** | Court Audit Committee |
| **CBI** | Central Bank of Ireland |
| **CCA** | Climate Change Adaptation |
| **CCM** | Climate Change Mitigation |
| **CCO** | Chief Customer Officer |
| **CDEAs** | Cleared Derivatives Execution Agreements |
| **CDP** | Carbon Disclosure Project |
| **CEO** | Chief Executive Officer |
| **CES** | Customer Effort Score |
| **CET1** | Common equity tier 1 |
| **CFO** | Chief Financial Officer |
| **CFT** | Countering the Financing of Terrorism |
| **CGU** | Cash generating units |
| **CPI** | Consumer Price Index |
| **CPO** | Chief People Officer |
| **CR** | Credit Review |
| **CRC** | Court Risk Committee |
| **CRD** | Capital Requirements Directive (EU) |
| **CRE** | Commercial Real Estate |
| **CRO** | Chief Risk Officer |
| **CRR** | Capital Requirements Regulation |
| **CSAs** | Credit Support Annexes |
| **CSM** | Contractual Service Margin |
| **CSO** | Central Statistics Office |
| **CSP** | Concentrated Solar Power |
| **CSRD** | Corporate Sustainability Reporting Directive |
| **CVA** | Credit Valuation Adjustment |
| **DAC** | Designated Activity Company |
| **DAE** | Directly Attributable Expenses |
| **DCA** | Discretionary Commission Arrangements |
| **DCF** | Discounted Cash Flow |
| **DGS** | Deposit Guarantee Scheme |
| **DMA** | Double Materiality Assessment |
| **DTA** | Deferred tax asset |
| **EAD** | Exposure at Default |
| **EBA** | European Banking Authority |
| **ECB** | European Central Bank |
| **ECL** | Expected credit losses |
| **EEA** | European Economic Area |
| **EFRAG** | European Financial Reporting Advisory Group |
| **EGM** | Extraordinary General Meeting |
| **ELBE** | Expected Loss Best Estimate |
| **ERC** | Executive Risk Committee |
| **ERV** | Estimated recovery value |
| **ESEF** | European Single Electronic Format |
| **ESG** | Environmental, Social and Governance |
| **ESMA** | European Securities and Markets Authority |
| **EU** | European Union |
| **EV** | Electric Vehicle |
| **ERU** | Economic Research Unit |
| **EWC** | European Works Council |
| **FCA** | Financial Conduct Authority |
| **FCC** | Financial Crime Compliance |
| **FHS** | First Home Scheme |
| **FIRB** | Foundation Internal Rating Based |
| **FLI** | Forward-looking information |
| **FRES** | First Rate Exchange Services Limited |
| **FRESH** | First Rate Exchange Services Holdings Limited |
| **FRS** | Financial Reporting Standards |
| **FSA** | Fixed Share Allowance |
| **FSCS** | Financial Services Compensation Scheme |
| **FSQS** | Financial Supplier Qualification System |
| **FTE** | Full Time Equivalents |
| **FVA** | Funding Valuation Adjustment |
| **FVOCI** | Fair Value through Other Comprehensive Income |
| **FVTPL** | Fair Value Through Profit or Loss |
| **FX** | Foreign exchange |
| **GAR** | Green Asset Ratios |
| **GB** | Great Britain |
| **GCA** | Gross Carrying Amount |
| **GCCO** | Group Chief Compliance Officer |
| **GCIA** | Group Chief Internal Auditor |
| **GCRC** | Group Credit Risk Committee |
| **GCTC** | Group Credit Transactions Committee |
| **GEC** | Group Executive Committee |
| **GHG** | Green House Gas |
| **GIA** | Group Internal Audit |
| **GMCLR** | Group Market, Capital & Liquidity Risk |

# Abbreviations *(continued)*

| | |
|---|---|
| **GMM** | Group Measurement Model |
| **GPS** | Group Performance Scheme |
| **GRCRC** | Group Regulatory and Conduct Risk Committee |
| **GRI** | Global Reporting Initiative |
| **GRPC** | Group Risk Policy Committee |
| **GSC** | Group Sustainability Committee |
| **GTC** | Group Transformation Committee |
| **GTOC** | Group Transformation Oversight Committee |
| **HICP** | Harmonised Index of Consumer Prices |
| **HVO** | Hydrogenated Vegetable Oil |
| **IAASA** | Irish Auditing Accounting Supervisory Authority |
| **IAS** | International Accounting Standard |
| **IBR** | Incremental borrowing rate |
| **ICAAP** | Internal Capital Adequacy Assessment Process |
| **IFIE** | Insurance Finance Income or Expenses |
| **IFRS** | International Financial Reporting Standards |
| **ILA** | Impairment loss allowance |
| **ILAAP** | Internal Liquidity Adequacy Assessment Process |
| **ILO** | International Labour Organisation |
| **INED** | Independent Non-Executive Director |
| **IRB** | Internal Ratings Based |
| **IRO** | Impacts, Risks and Opportunities |
| **IRRBB** | Interest Rate Risk in the Banking Book |
| **ISDA** | International Swaps and Derivatives Association |
| **JST** | Joint Supervisory Team |
| **KBCI** | KBC Bank Ireland |
| **KMP** | Key management personnel |
| **KPIs** | Key performance indicators |
| **KRI** | Key Risk Indicator |
| **LCR** | Liquidity Coverage Ratio |
| **LDI** | Liability Driven Investment |
| **LDR** | Loan to deposit ratio |
| **LGD** | Loss Given Default |
| **LIBOR** | London Inter Bank Offered Rate |
| **LIC** | Liability for Incurred Claims |
| **LME** | Liability management exercise |
| **LoA** | Level of Aggregation |
| **LRC** | Liability for remaining coverage |
| **LTV** | Loan to Value |
| **MDD** | Modified Domestic Demand |
| **MFS** | Minimum Funding Standard |
| **MLRO** | Money Laundering Reporting Officer |
| **MRC** | Model Risk Committee |
| **MREL** | Minimum Requirement for own Funds and Eligible Liabilities |
| **MRT** | Material Risk Taker |
| **NACE** | Nomenclature of Economic Activities |
| **NBV** | Net Book Value |
| **NED** | Non-Executive Director |
| **NGFS** | Network of central banks and Supervisors for Greening the Financial System |
| **NGO** | Non-Governmental Organisations |
| **NI** | Northern Ireland |
| **NIAC** | New Ireland Assurance Company plc |
| **NPE** | Non-Performing Exposure |
| **NSFR** | Net Stable Funding Ratio |
| **NTMA** | National Treasury Management Agency |
| **NUTS** | Nomenclature of Territorial Units for Statisics |
| **N&G** | Court Nomination and Governance Committee |
| **OCI** | Other Comprehensive Income |
| **OCIO** | Outsourced Chief Investment Officer |
| **OECD** | Organisation for Economic Co-operation and Development |
| **OFR** | Operating and Financial Review |
| **ORSA** | Own Risk and Solvency Assessment |
| **O-SII** | Other Systemically Important Institutions |
| **OTC** | Over the Counter |
| **P2G** | Pillar 2 Guidance |
| **P2R** | Pillar 2 requirement |
| **PAA** | Premium Allocation Approach |
| **PD** | Probability of Default |
| **PMA** | Post model adjustment |
| **POCI** | Purchased or Originated Credit-impaired financial asset |
| **PPC** | Pollution Prevention and Control |
| **PRA** | Prudential Regulatory Authority |
| **PSAG** | Product and Service Approval and Governance |
| **PV** | Photovoltaics |
| **RAROC** | Risk Adjusted Return on Capital |
| **RC** | Remuneration Committee |
| **RCA** | Root Cause Analyses |
| **RCF** | Revolving Credit Facility |
| **REAU** | Real Estate Advisory Unit |
| **RMC** | Risk Measurement Committee |
| **RMF** | Risk Management Framework |
| **RNS** | Regulatory News Services |
| **RoI** | Republic of Ireland |
| **RoU** | Right of Use |
| **RoW** | Rest of World |
| **RPI** | Retail Price Index |
| **RPPI** | Residential Property Price Index |
| **RWAs** | Risk weighted assets |
| **S&P** | Standard & Poor's |
| **SASB** | Sustainability Accounting Standards Board |
| **SAPS** | Self-administered Pension Schemes |
| **SBT** | Science Based Target |
| **SCE** | Societas Cooperative Europaea |
| **SCM** | Supplier Criticality Methodology |
| **SDA** | Sector Decarbonisation Approach |
| **SE** | Societas Europaea |
| **SIA** | Strategic Investment Advisors |
| **SID** | Senior Independent Director |
| **SME** | Small and Medium Enterprise |
| **SPE** | Small purpose entity |
| **SPOF** | Single Point of Failure |
| **SSM** | Single Supervisory Mechanism |
| **SUI** | Speak Up & Investigation unit |
| **TCFD** | Task Force for Climate-related Financial Disclosure |
| **TFS** | Term Funding Scheme |
| **TFSME** | Term Funding Scheme for Small and Medium-sized Enterprises |
| **TPRM** | Third party risk management |
| **TtC** | Through-the-Cycle |

# Abbreviations *(continued)*

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|---|---|
| **UK** | United Kingdom |
| **UN** | United Nations |
| **UNPRB** | United Nations Principles for Responsible Banking |
| **US** | United States |
| **VaR** | Value at Risk |
| **VFA** | Variable Fee Approach |
| **VIU** | Value in Use |
| **VRR** | Vertical Risk Retention |
| **WACC** | Weighted Average Cost of Capital |
| **WED** | Workforce Engagement Director |
| **WTR** | Water and Marine Resources |
| **WRI** | World Resources Institute |
| **WWF** | World Wildlife Fund |
| **ZEV** | Zero-emission Vehicle |
| **€STR** | Euro Short term rate |

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