For the life you're after

AIB Group plc
Annual Financial Report

For the year ended 31 December 2024

Welcome to our 2024 Annual Financial Report

This report describes AIB Group's business, strategy and performance during 2024. It also provides an overview of our governance, approach to risk and capital management. This disclosure document explains how, over time, AIB Group creates value for our stakeholders.

New in this report is our Sustainability Statement, in line with the Corporate Sustainability Reporting Directive (CSRD). Our Sustainability Statement highlights our approach to environmental, social and governance (ESG) matters and shows how they are addressed as an integral part of our business strategy. We strive to contribute to society and to have a positive impact in areas that matter most to our stakeholders.

We are publishing this Annual Financial Report 2024 in conjunction with our Sustainability Disclosures Table, available on our website at https://aib.ie/sustainability

This copy of the statutory annual report of AIB Group plc for the year ended 31 December 2024 is not presented in the ESEF-format as specified in the Regulatory Technical Standards on ESEF (Delegated Regulation (EU) 2019/815). The ESEF annual report will also be published on: https://aib.ie/investorrelations/financial-information/results-centre/2024-financial-results

What's inside this report

Business Performance

2024 Results

Financial Performance

Profit After Tax

€2,351m

Profit before tax up 13% to €2.7bn
Operating profit[1] up 3% to €2.8bn, an impairment charge of €55m and exceptional items of €66m

Net Interest Income

€4,129m

Net interest income up 7%
Benefiting from a growing balance sheet and the favourable impact of higher average interest rates partly offset by an increase in interest expense on customer accounts.
Net interest margin (NIM) of 3.16%

Net Credit Impairment Charge

€55m

Asset quality remains resilient
Maintaining cautious, forward-looking approach with an expected credit loss balance sheet cover of 1.9%

NPE ratio 2.8%
Non-performing exposures[2] (NPEs) €2.0bn

New Lending

€14.5bn

New lending up 17%
Strong growth in Climate Capital, Irish mortgage lending (market share 36%) as well as corporate lending partially offset by lower property lending

Gross Loans

€71.2bn

Gross loans increased 6%
Gross loans up €4.2 billion driven by strong new lending exceeding redemptions and the acquisition of loans from Ulster Bank

Customer Accounts

€109.9bn

Customer accounts up 5%
Customer accounts increased by €5.1 billion driven by growth in personal and SME

1. Operating profit before impairment losses and exceptional items.
2. NPEs refers to non-performing loans (NPLs) and excludes € 103 million of off-balance sheet commitments.

Medium-term Financial Targets (2026)

Return on Tangible Equity[1]

A measure of how well capital is deployed to generate sustainable earnings

Outcome

26.7%

Return on tangible equity benefiting from increased profitability and substantially ahead of medium-term target

Target

15%

CET1 Ratio (fully loaded)

A measure of our ability to withstand financial stress and remain solvent

Outcome

15.1%

Strong capital position, well in excess of regulatory requirements and medium-term target. Distributions of €2.6bn - completed share buyback of €0.5bn, proposed dividend of €861m and share buyback of €1.2bn

Target

>14%

Absolute Cost Base[2]

Cost of running the business

Outcome

€1,971m

Cost income ratio 40%. Costs up 8%, reflecting the enlarged group, inflationary impacts, staff benefits and additional spend for customer and operational efficiency initiatives

Target

<€2.0bn

with a CIR <50%

Sustainability Performance

Our approach continues to evolve which may result in variations in methodologies and reported outcomes over time.

Greening our Business

Amount of new lending for Climate Action Fund[3] since 2019

€16.6bn

Continued growth in new lending for Climate Action in 2024, up 44% on 2023, delivered by strong performance in renewable energy and energy-efficient residential and commercial buildings

Target

€30bn by 2030

Helping Customers to Buy their First Home

New lending to first-time buyers

€2.79bn

Strong performance in new lending to first-time buyers in 2024, which accounted for 62% of AIB Group new mortgage lending in the Republic of Ireland and supported c.10,000[4] customers to buy their first home

Target

>€6bn by 2026

Universal Inclusion

Women as % of management[5]

43%

Gender balance maintained across management levels. Targeted programmes on leadership development, technical skills enhancement and career progression strategy have been implemented to ensure that our female workforce has the resources and opportunities needed to succeed and thrive within AIB.

Target

Gender Balanced[6]

(Ongoing)

1. Return on Tangible Equity (RoTE) is based on the target CET1 capital on a fully loaded basis. 2023 RoTE was based on previous CET1 target of greater than 13.5% For definition and basis of calculation, see pages 38 and 52.
2. Before exceptional items, bank levies and regulatory fees. For exceptional items, see pages 28 and 38.
3. Our green lending definition is aligned to our Sustainable Lending Framework (SLF), and includes mortgage lending to energy-efficient homes (BER A1-B3/EPC A-B). AIB's SLF outlines the key parameters on which a transaction can be classified as green.
4. Customer is defined at account level as such two buyers for the one property is only counted as one customer.
5. Within AIB's career structure management is defined as those in Level 4-6 positions including the Executive Committee. Payzone, Goodbody, contractors, AIB staff on career break or unpaid leave and Board members are excluded from the figure.
6. The Equileap annual Gender Equality Global Report & Ranking equates 'gender balanced' with between 40% and 60% women.

AIB Group at a Glance

Well positioned in the markets we serve

AIB Group operates predominantly in Ireland and the United Kingdom. Our shares are quoted on the Irish and London stock exchanges and we are a member of the FTSE4Good Index. Our four core operating segments are Retail Banking, Capital Markets, Climate Capital and AIB UK.

Whether it's adapting to a greener way of living, planning for the future, growing a business or simply navigating day-to-day life, our ambition as a Group is to be at the heart of our customers' financial lives.

Our purpose is empowering people to build a sustainable future

Our brands

AIB is our principal brand across all our geographies. AIB provides a range of products and services to retail, business and corporate customers. AIB holds market-leading positions across key segments.

EBS is a predominantly mortgage-focused brand within AIB Group, helping thousands of customers buy their own homes in Ireland. It offers mortgage, personal banking, savings and investment products and services.

Haven is our mortgage broker channel, providing mortgages through intermediaries on behalf of AIB Group.

Goodbody offers wealth management, asset management and investment banking services with quality advice and exceptional client service at the core of its offering.

Payzone, a subsidiary of AIB Group, provides comprehensive payment solutions to more than 7,500 retail stores, over 100 clients and over 500,000 app users across Ireland.

AIB life is a joint venture with Great-West Lifeco, providing protection, pensions and investments to help customers on their path to financial security for the life they're after.

AIB Merchant Services is an associate of the Group. It is one of Ireland's largest payment solution providers and one of Europe's largest e-commerce acquirers, with an international customer base.

Nifti is an associate of the Group. NiftiBusiness assists companies in achieving their fleet management goals including the transition to more sustainable mobility solutions.

Retail Banking

3.08m Active customers[1]

€42.1bn

Gross loans

Retail Banking supports our personal and business customers with a comprehensive range of banking and financial services, delivered through our branch and digital channels with an expanded reach via EBS, Haven, Payzone, AIB life, AIB Merchant Services and Nifti.

Capital Markets

Relationship-driven model

€17.6bn

Gross loans

Capital Markets, which includes Goodbody, serves the Group's large and medium-sized business customers as well as our private banking customers, taking a partnership approach and providing deep sector expertise combined with our comprehensive product offering.

Climate Capital

Relationship and transaction-driven model

€5.5bn

Gross loans

Climate Capital specialises in lending to large scale renewable and infrastructure projects, which are key drivers for sustainable economic growth, across Ireland, the UK, Europe and North America.

AIB UK

254.4k Active customers[1]

£5.0bn

Gross loans

AIB UK operates in two distinct markets of Great Britain and Northern Ireland. Across both regions, AIB supports our corporate customers with sector-specific expertise. In Northern Ireland, we offer full-service retail banking.

1. Active customers defined as those meeting specific criteria under one or more of three categories: activity, balance and holds a policy.

Operating Contribution by Segment

Retail Banking
€1.7bn

Capital Markets
€0.8bn

Climate Capital
€0.1bn

AIB UK
£0.1bn

Operating contribution is before exceptional items. Total includes Group segment contribution of €75m. For further information see Segment Reporting on pages 32 to 37 in the Operating and Financial Review, Annual Financial Report 2024.

Investment Thesis

- Earnings resilience and strong growth outlook
- Revenue diversification and wealth opportunity
- Focused on operational efficiency and resilience
- Strong capital generation and shareholder returns

Underpinned by

Supportive domestic macro backdrop	Conservative credit management	Robust balance sheet	Leading ESG credentials

Chair's Statement

Without doubt 2024 was an excellent year for the Group. We have made progress on our three-year strategy which was refreshed at the beginning of the year, and I remain very optimistic about the prospects for the Group in the years ahead.

Jim Pettigrew
Chair

I am delighted to report that 2024 was another year of record performance and profitability for AIB Group. The Group generated net interest income of €4,129m, some 7.5% ahead of 2023. This yielded a profit before tax of €2,702m, which was 12.9% ahead of 2023. Profit after tax amounted to €2,351m which translated to earnings per share of 92.5 cent.

Our business performance is underpinned by our three-year strategy, our purpose, values and our focus on our medium-term targets. Sustainability remains at the heart of the Group's agenda as we support our customers in the transition to a greener future. Colin's Chief Executive's Review in the pages following sets out in detail the highlights from the year which yielded the excellent result.

Capital, dividend and other distributions

The Group continued to generate capital over the period and ended the year with a fully loaded CET1 ratio of 15.1%, ahead of our medium-term target of greater than 14%. This position already takes account of distributions, paid and proposed, to shareholders which are described below.

Your Board has decided to distribute a total of €2,561m for 2024 by way of a combination of share buybacks and a cash dividend to shareholders. On 2 September 2024, the Group announced the completion of a €500m directed buyback from the Minister for Finance, having announced our intention to do so with our Half Yearly results. I am pleased to announce that the Board has resolved to undertake a further directed buyback with the Minister, subject to both shareholder approval at the 2025 Annual General Meeting (the AGM) and reaching agreement with the Minister. If concluded, this will amount to a further €1,200m. The Required pre-approval for these two reductions in capital has been received from the European Central Bank.

Finally, subject to shareholder approval at the AGM, which will be held on 1 May 2025, a cash dividend of 36.984 cent per share will be paid on 9 May 2025 to shareholders on the register on 28 March 2025. This represents an increase of 39.2% over the cash dividend of 26.568 cent per share for the prior year and amounts, in total, to €861m.

State shareholding

The Irish State's holding reduced substantially during 2024 through a combination of the Minister for Finance's on-market share trading plan, an accelerated book build of c.5% in June 2024 by the Department of Finance, and through two directed buyback transactions executed between the Group and the Minister. These comprised a €999m off market purchase of c 7.6% on 3 May 2024 following the Extraordinary General Meeting, and the €500m off market purchase of c 3.8% on 2 September 2024 referenced above.

Since the year end, further sales under the Minister's share trading programme combined with an accelerated book build transaction in January 2025 have resulted in the State's shareholding falling to 12.39%.

On behalf of the Board, I welcome the new shareholders and acknowledge again our existing holders who increased their stakes in the Group during the disposals by the Minister. Thank you for your support and for your confidence in the Board and Management of the Group.

The Irish State's holding in the Group has reduced significantly since the commencement of the disposals by the Minister in 2022, the first such activity following the relisting of the Group's shares in the 2017 Initial Public Offering when it stood at 71.12%. Each transaction is important to, and welcomed by, AIB as it evidences a return to the Irish taxpayers of their investment in the Group, which was necessary during the global financial crisis.

Delivering on our promises

I was reflecting recently on the progress achieved since the refloat of the Group's shares in 2017. In the period since the end of 2016, we have:

- Recorded loan book growth of 9.5% from €65.2bn to €71.4bn.
- Reduced non-performing exposures from €14.1bn, or 21.6% of gross loans, to €2.0bn, or 2.8% of gross loans.
- Increased customer accounts from €63.5bn to €109.9bn.
- Secured a reduction on our Pillar 2 Capital Requirement from 3.25% to 2.40%.
- Generated significant capital, much of which was used to repay the Irish State, mainly through directed buybacks of shares.
- Reinstated the annual dividend and published a clear distribution policy for shareholders.
- Reduced the cost income ratio from 52% to 40% and made clear our medium term target for costs in absolute money terms.
- Delivered greater levels of customer satisfaction, with some net promoter scores at the highest level ever recorded at the end of 2024.

We have completed the first year of our three-year strategy 2024 to 2026 and have set out our medium-term targets, against which we expect our success to be measured in 2026. I remain confident that this strategy is the right one for the Group.

Stakeholder engagement

Elsewhere in the Annual Report we have set out how the Group has engaged with our various stakeholders, including our customers, employees, suppliers, investors, regulators, society and the community. I would encourage you to read these sections when you have time. Each is important to the Board, and this is reflected in our engagement with them.

Executive remuneration

Our ability to attract and retain our senior executives is severely hampered by the ongoing remuneration restrictions which remain in place for AIB. This places the Group at a material disadvantage to our domestic and non-domestic competitors for attracting and retaining high calibre candidates both within financial services and outside of the industry.

The 2025 Programme for Government commits the Irish Government to "normalising the domestic banking system to best serve the interests of the economy". Throughout the year, I have continued my engagement with the serving Minister for Finance to secure the lifting of the remuneration restrictions to enable the Board to mitigate the senior executive retention risk. I will continue to advocate on behalf of the Group for the elimination of this disadvantage.

In conclusion

Without doubt 2024 was an excellent year for the Group. We have made progress on our three-year strategy which was refreshed at the beginning of the year, and I remain very optimistic about the prospects for the Group in the years ahead.

Our customers are truly at the centre of everything your Board considers. I want to thank them for their loyalty and placing their trust in us to be at the centre of their financial lives. I want to thank our employees for their passion and commitment to our customers and to the Group, for showing up with energy every day and really bringing our purpose to life, empowering people to build a sustainable future.

I want to thank the Executive Committee, under Colin's exemplary leadership, and my Board colleagues for their commitment to the success of the Group and doing right by our many stakeholders. I add my thanks to the Irish taxpayer and the Minister for Finance for their support at the time of the global financial crisis, when the Group needed it, and in the years since. Finally, I want to thank you, our shareholders, for your continued support.

Jim Pettigrew
Chair

4 March 2025

Chief Executive's Review

A key development during the year was the continued normalisation of the Group's share register, with the State's shareholding more than halving in 2024 and momentum maintained into 2025.

Colin Hunt
Chief Executive Officer

Introduction

2024 was another very strong year for AIB as we commenced our current three-year strategic cycle focusing on Customer first, Greening our business and Operational efficiency & resilience. The Irish economy continued its solid performance, reducing inflation, expanding modified domestic demand, increasing consumer spending and maintaining strong employment levels during a year of global volatility. Against this backdrop, I am pleased to report a very strong set of results, with profit after tax of €2,351m, a CET1 capital position of 15.1%, a return on tangible equity of 26.7% and robust growth in new lending.

A key development during the year was the continued normalisation of the Group's share register, with the State's shareholding more than halving in 2024 and momentum maintained into 2025. Total payments to the State now stand at €18.5bn, including c. €4.4bn returned over the last 15 months. The process of repaying Irish taxpayers for their support, enhancing liquidity in AIB shares and normalising the share register has been a key focus for the Group. With the State shareholding at c. 12.39% at the time of writing, this puts the opportunity of full private ownership in 2025 within the bounds of possibility.

We continue to make progress on the commitments made at the time of the Group's IPO.

Generating and returning capital to our shareholders has been a priority for the Group. Following commencement of additional distributions above our policy in 2024, we are pleased to announce a proposed payout of 109% of profit after tax subject to shareholder approval at the AGM on 1 May. As such, the Board is recommending a cash dividend of 36.984 cent per share subject to shareholder approval, representing an increase of 39.2% compared to last year.

The Group continues to have strong funding and liquidity ratios, with a loan to deposit ratio of 64%, a liquidity coverage ratio of 201% and a net stable funding ratio of 162%, which compare to 63%, 199% and 159% respectively at December 2023.

Strong balance sheet growth continued in 2024 with new lending of €14.5bn, an increase of 17% compared to 2023, and gross loans totalling €71.2bn, an increase of 6% and a 10-year high. Our customer accounts grew by 5% in 2024, totalling €109.9bn. AIB continues to be the number one provider of personal main current accounts in Ireland, holding 40% of the market (+15 population) in 2024. It is important to note just how significantly our customer numbers have grown since the IPO: from 2.7 million in 2017 to 3.35 million today. Meanwhile, we have increased efficiency through digitalisation and simplification, and expanded our product offering to service our enlarged customer base.

The Group's net interest income (NII) increased by 7% to €4.1bn, reflecting higher average interest rates and customer loans partly offset by an increase in interest expense. Our net interest margin (NIM) was 3.16%. We are, however, navigating a dynamic interest rate environment, and so our work on diversifying income streams continues in order to ensure sustainable growth and resilience. In particular, we further developed our pensions, savings and investments offering in 2024. Goodbody, which the Group acquired in 2021, celebrated 150 years in business, and proved to be a key enabler in driving our broader product offering and further deepening customer relationships. Meanwhile, new customers at AIB life – our joint venture with Great-West Lifeco – increased by 68% in its first full year of operation, and our growing team of Financial Advisors engaged 32,000 customers on their financial goals and futures. Strategically, and importantly, we have established a working ecosystem between AIB, Goodbody and the AIB life platform – a system that will serve our customers and the Group very well in the coming years.

AIB remains Ireland's foremost business bank and a leading mortgage provider, with the largest mortgage loan book in the country and a market share of 36% in 2024 (up from 33% in 2023), while also leading the sustainability agenda in financial services in the country. Our UK business also made good progress in 2024, having validated our sector-focused strategy.

Our current strategy to 2026 focuses on three interconnecting areas: Customer first, Greening our business and Operational efficiency & resilience. Our focus on Customer first will ensure we understand our customers, respond to their needs and deliver excellent services. In Greening our business, we aim to continue to grow our green loan book and support the vital transition to lower carbon emissions while we enable more sustainable practices through education and innovation. In delivering Operational efficiency & resilience, we will modernise our business, maximising productivity and improving our customers' experience while harnessing new technologies.

We significantly progressed this strategy in 2024.

Customer first

At the beginning of 2024, we set out to develop deeper, more enduring relationships with our customers, aiming for an enhanced customer experience across all of our channels. Having established a Chief Customer Officer role and business area within the Group, we focused on implementing incremental changes to our services throughout the year, building on our recognised key strengths.

Supporting home ownership

In October 2024, AIB announced two new shorter-term green fixed mortgage rates as part of our commitment to sustainability and supporting customers in their transition to a low-carbon society. The launch of these new green products followed a number of cuts to mortgage rates across AIB, EBS and Haven. AIB also extended the Approval in Principle period from six to 12 months, giving customers more time to find and purchase their new homes. AIB customers who are building their own home can also now avail of the full range of AIB mortgage products including our green rates. These enhancements reflect our unwavering dedication to providing choice, value and convenience to our customers throughout their home ownership journeys.

Chief Executive's Review *continued*

We maintain Ireland's largest branch network, and welcomed 11 million branch visits throughout the year. This is a vital part of the role AIB plays in our communities – a role we do not take lightly. We recognise that our customers value the face-to-face service provided in our branches, particularly when it comes to important financial decisions and support. That's why we have prioritised and invested in simplifying journeys, which has enabled our frontline colleagues to have more added value conversations. As announced in 2024, we're investing €40m by the end of 2025 in a range of upgrades to branches and ATMs, ensuring environments where all our customers are comfortable discussing their finances, while also reducing our operational carbon emissions by 10%.

At the same time, customer service expectations continue to heighten around digital financial services. AIB has long held the reputation of being the leading digitally-enabled Irish bank and we intend to maintain that position with, among other improvements, the development of an upgraded mobile offering, which commenced in 2024. In the meantime, we continued to innovate, launching, for example, Ireland's only end-to-end digital Home Energy Upgrade proposition through our App.

We are already seeing a positive response from our customers. We finished the year with encouraging Net Promoter Scores (NPS) – the measure by which we gauge customer satisfaction across many services and products. Our Homes Aggregated (66), Personal Relationship (36) and Channel (53, consisting of branches, Customer Engagement Centres and digital) NPS were in each case the highest scores AIB has ever recorded and surpassed our year-end targets. Meanwhile, our SME Aggregated (64) NPS surpassed our target, with these customers telling us that their experiences across our products and channels have improved.

Greening our business

Sustainability continues to play a central role in our Group strategy. Our focus area of Greening our business encompasses both our customer products and supports and the internal business practices we are implementing to ensure AIB continues to play a key role in the transition to a lower-carbon future.

Of all our new lending in 2024, 35% was green, amounting to €5.1bn. We have now issued, in total, €16.6bn of new green finance since 2019 as we continue to support our customers in the transition to a more sustainable future, deploying our €30bn Climate Action Fund. Our Climate Capital core segment had a strong performance in its first year of operation, with gross loans of €5.5bn in 2024, and our green mortgage offerings across our brands performed very well with 52% of all new mortgage lending going to finance energy efficient homes.

I invite you to read more about the Group's sustainability performance within the Sustainability Reporting section of this Annual Financial Report (pages 43 to 121).

I am, and always have been, an advocate for the critical role education plays in creating strong and resilient economies and communities. Quality education is the key to prosperity and opens a world of opportunities, making it possible for everyone to contribute to a healthy, vibrant society. The transition to a lower-carbon future creates real opportunity for learning and innovation. That is why, in November, at our annual Sustainability Conference – a stakeholder event that has grown in significance and audience number over the last eight years – I announced that AIB is committing over €20m in new sustainability-focused education and research initiatives. This includes €10m for the new AIB Trinity Climate Hub at Trinity College Dublin, which will bring researchers together to address challenges around maintaining a stable and liveable climate, securing biodiversity and the ecosystem services provided by nature, adapting to climate change, and reversing water degradation.

Operational efficiency & resilience

AIB has continued to pursue a strategy of progressive modernisation across our technology and data systems. This strategy is calibrated to strike a strong balance between ensuring AIB remains resilient and secure while evolving our digital, operations and people capabilities in line with customer and regulator expectations. Progress throughout the year included strengthening our infrastructure, enhancing the employee experience, and mobilising and progressing key transformational programmes, with a continued focus on digitalisation.

2024 was a year of heightened cyber threat activity. We continue to implement improvements in our infrastructure that enable safe and secure banking, including investment in our critical payments infrastructure. From a regulatory perspective, AIB is fully DORA ready, as the Act applies from January this year.

As for our people, the Group is focused on having the right capabilities in place to enable our strategy. In 2024 we commenced the roll-out of Dynamic Workforce Planning, which is an enterprise-wide, data-led and capability-focused approach to workforce planning that considers operational capacity and organisational resilience. Through this approach we will accelerate our ability to deliver the right capability by enabling the business to source the right talent and support longer-term planning and more sustainable, strategic decisions on the workforce.

Focus on Climate Capital

In its first year, our Climate Capital segment established itself as a key player in renewable energy and sustainable infrastructure lending in Ireland and further afield, with a year-end balance sheet of €5.5bn. With a bias towards renewables, the green qualifying activities it supported in 2024 included onshore and offshore wind developments in France, solar assets in the UK, and utility-scale renewable ventures in North America. In Ireland, Climate Capital funded key renewables transactions in the Onshore Wind and Solar sectors. It also supported broader infrastructure development including telecoms, transport and Public–Private Partnerships.

Optimising operations with AI

In 2024, AIB took significant steps to harness the potential of artificial intelligence (AI), aiming to transform customer experiences and streamline operations. We established our AI Centre of Excellence developing a core capability to support delivery of the bank's strategy. The capability will evolve over 2025, with a concentration on key use cases across customer engagement, developer and engineering productivity and operational efficiency, while ensuring responsible and transparent use of AI. One output came at the end of the year, when we launched Abi, a new digital assistant in our Customer Engagement Centre. Abi initially supports eight key customer needs but we plan to increase this number in 2025.

Our employee satisfaction continues to grow, with the latest Engage Survey returning an impressive employee satisfaction rate of 89%. We continue to focus on building a values-based, people-led culture, where colleagues throughout the organisation are empowered, accountable and focused on customer outcomes, with our enhanced reward proposition as of 2024 offering a progressive and sustainable level of benefit.

Total operating expenses in 2024 amounted to €1,971m, up 8% compared to the previous year in line with guidance, with a cost income ratio of 40%. The increase was due to higher average staff numbers, salary inflation, an increase in allowance for variable pay and the introduction of health insurance.

Outlook

Turning to the year ahead, while the outlook is somewhat clouded by geopolitical uncertainties, growth is anticipated for the global economy, with the International Monetary Fund (IMF) forecasting a slight acceleration in global growth to 3.3% from 3.2% in 2024. This will be characterised by relatively rapid US growth (2.7%) and more sluggish growth in the Eurozone (1%) in 2025. However, recent forecasts from the Economic and Social Research Institute (ESRI) and Central Bank of Ireland (CBI) show they expect continued strong Irish growth, with both GDP and modified domestic demand growing by 3-4% in 2025.

Several factors should underpin Irish growth. Inflation has returned to target and monetary policy is expected to be loosened further in the coming year. Combined with solid wage growth, this will boost real household disposable incomes. Fiscal policy is set to remain supportive in the context of the healthy state of the public finances. Our economy will continue to operate at a structurally higher growth rate than European peers amid rapid population growth and a robust industrial base.

Ireland's growing population is a key driver of prosperity and resilience in a competitive global landscape. From the Group's perspective, not only does continued growth provide AIB with potential new customers – both personal and business – it also increases the necessity for the development of infrastructure, improved public transport systems, continued housing development and enhanced urban planning, all with sustainability as a key consideration. The Group is well placed to take advantage of these opportunities in the coming years, with a growing loan book and resilient and diversifying income streams.

The IDA reports that Ireland's foreign direct investment proposition remains strong against an increasingly competitive international backdrop and uncertainty around US economic policy. While Ireland remains exposed to the threat of trade protectionism globally, our specialism in defensive export sectors provides a bulwark to potentially weaker global trade flows. Meanwhile, private sector balance sheets remain characterised by low debt and high levels of savings. These buffers will be vital if any downside risks emerge to impact growth in the highly open Irish economy.

Looking forward, AIB Group is well positioned for the future with a resilient balance sheet, diversifying income and an exceptional customer franchise. In 2025, we embark on the second year of our three-year strategy, guided by our three medium-term (end-2026) financial targets: a return on tangible equity of 15%, a CET1 ratio greater than 14%, and an absolute cost base of less than €2bn with a corresponding cost income ratio of less than 50%.

I would like to thank our customers for their business in 2024. I would also like to thank my fellow Board and Executive Committee members, and all my colleagues across the Group, for their support as we continue to progress our three areas of strategic focus. As a sustainability leader and a key support to our communities, we will continue to execute our plans at pace; prudently growing our loan book, diversifying our income, driving efficiencies and generating sustainable returns.

Colin Hunt
Chief Executive Officer

4 March 2025

Economic overview

Global and domestic growth continues

Moderate but uneven global growth

Despite a sharp synchronised tightening of monetary policy around the world, the global economy has remained remarkably resilient over the past two years. Moreover, tighter monetary policy and lower commodity prices have contributed to a reduction in inflation. Price pressures have dissipated more slowly in 2024 but headline inflation is now approaching 2% in many advanced economies. Core inflationary pressures are proving to be somewhat sticky, but they too have been on a downward trajectory, paving the way for central banks to cut interest rates.

Encouragingly, the decline in inflation has been achieved without causing major harm to labour markets. The unemployment rate remains low and relatively steady in many advanced economies despite the still restrictive stance of monetary policy. However, tight conditions in the labour market are feeding into elevated levels of services inflation, which is in turn contributing to the stickiness in core inflation.

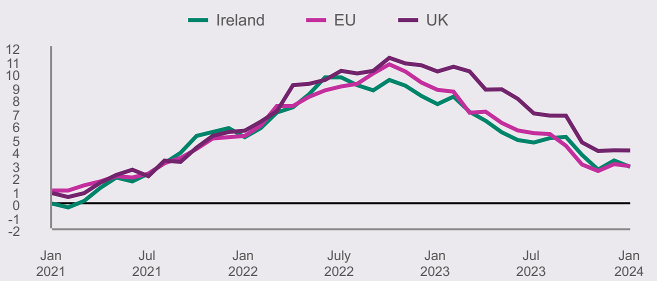
Against this backdrop, the global economy continued to expand at a moderate pace in 2024. In the main advanced economies, robust US growth offset weaker than anticipated out-turns in the large Eurozone countries, while the UK economy registered an upturn in activity. Both the IMF and OECD estimate that the world economy grew by 3.2% in 2024. However, growth has remained uneven, with US GDP expanding by 2.8% last year, compared to just 0.9% in the UK, and 0.7% in the Eurozone.

Irish domestic economy remains in good shape

Following a sharp fall in GDP in 2023 due to a downturn in the Pharma sector, GDP remained weak in 2024, mostly due to ongoing developments in the information and communications technology (ICT) sector. According to the CSO flash estimate, GDP expanded by 0.3% in 2024, having declined by 5.5% in 2023. However, this needs to be viewed in the context of the very strong performances seen in 2021 and 2022, when GDP rose by 16.3% and 8.6%, respectively. Furthermore, the domestic economy has continued to grow at a solid pace, with the available data indicating modified domestic demand expanded by 3.1% year-on-year between Q1-Q3. Consumer spending increased by 2.4% over the same period also.

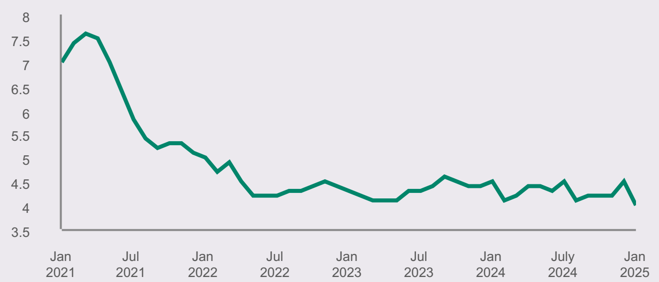
Growth in the domestic economy was driven by the Irish labour market, which continued to perform very strongly in 2024. Ongoing strong net inward migration helped sustain robust growth in the workforce. Employment rose sharply and was up by 2.6% year-on-year in the fourth quarter. The number of people in employment has risen by c. 70,000 people during 2024, to just below 2.8 million people. Meantime, the unemployment rate averaged 4.3% for the year. Encouragingly, inflation fell substantially over the course of 2024, with the annual HICP declining to 0.0% by September, before edging higher to 1.0% in December. Overall, HICP inflation averaged just 1.3% in 2024.

Inflation
(%)



Source: CSO, EuroStat, ONS

Irish unemployment rate
(%)



Source: CSO

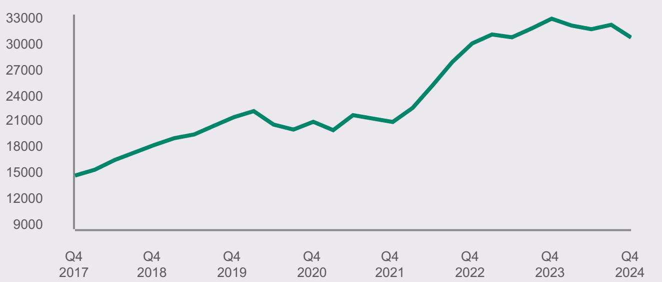
House price inflation accelerates markedly

House price inflation trended higher throughout 2024. The latest CSO data show prices were up by 8.7% year-on-year in December 2024, compared to 4.1% at end-2023. In terms of supply, housing completions totalled 30,300 in 2024, compared to 32,500 in 2023, and just below 30,000 in 2022. Completions numbered around just 20,500 per annum in the period 2019-2021. Meanwhile, official government data show housing commencements picked up sharply in 2024, totalling c. 60,000 for the year, up from 32,800 in 2023. At the same time, household savings were maintained at a very high level in 2024. This manifested itself in a further rise in levels of Irish private sector deposits. These stood at €324bn in December, up from €307bn at the start of 2024.

Real income growth and high levels of savings contributed to the sharp rise in residential property prices in 2024. However, the main factor influencing house prices remained the mismatch between supply and demand. Despite the recent increase in housing supply, the number of new units built per annum to meet demographic and pent-up demand which has been accumulating over the last number of years, needs to be higher. In this regard, the latest forecast from the Central Bank of Ireland indicates that housing completions could amount to 37,500 in 2025 and 41,000 in 2026.

New dwelling completions

(Total, 4 Qrt Mov Avg)



Source: CSO

Outlook for 2025

All the main international forecasters are projecting another year of modest growth for the global economy in 2025. World output is forecast to expand by 3.3% this year according to the IMF. However, there are significant downside risks to the outlook amid elevated levels of uncertainty, most notably owing to current geopolitical tensions and conflict around the globe. The potential ratcheting up of protectionist trade policies by the new US administration also poses a significant downside risk to the outlook. In the US, growth is projected to remain robust, amid still strong underlying demand conditions and a tight labour market. Growth in Europe is expected to accelerate, as falling inflation and interest rates stimulate activity, but it is set to remain well below that of the US.

From an Irish perspective, IDA Ireland is indicating that there is a more challenging backdrop for foreign direct investment (FDI). However, GDP is forecast to return to growth in 2025, underpinned by the rebound in exports seen in 2024. Furthermore, the domestic economy is set to continue to grow at a solid pace, aided by ongoing employment growth and a renewed rise in real wages. The public finances are in strong shape, allowing fiscal policy to remain supportive of activity also. Meanwhile, private sector balance sheets are characterised by low debt and high savings. Thus, most forecasts are for Irish modified domestic demand and GDP to grow by between 3-4% in 2025.

Irish private sector deposits and household savings ratio

€bn

Source: CSO, CBI

Our strategic progress

A strategy for the future

The AIB Group strategy is centred on an informed view of our customers' needs and anchored in a progressive ESG agenda. With one year of our three-year strategic cycle complete, we are progressing our three areas of focus at pace.

Three areas of strategic focus	Customer first	Greening our business
What this means	We will develop deeper, more enduring relationships with our customers by better serving their financial needs through integrated propositions.	We will mobilise capital to support climate action, be a catalyst for positive change and continue to build on our sustainability leadership.
2024 outcomes	• Chief Customer Officer appointed, focused on driving a deep understanding of our customers and embedding the Customer First ethos across the organisation. • Our Customer Digital programme delivered many mobile enhancements, building an engaged customer base while addressing pain points. • We introduced new push notifications on the AIB Mobile App to give our customers real-time transaction information. • We have Ireland's largest branch network with significant investment made in branches in 2024. • Our NPS scores are at an all-time high across multiple customer journeys. • We made a series of mortgage rate cuts across AIB, EBS and Haven, as well as expanded our offerings for self-build customers.	• Continued support for our customers by deploying green finance – c. 35% of our new lending is green or transition. • Majority (52%) of our new mortgage lending in Ireland was to energy efficient homes, underpinned by the launch of two new green fixed rate mortgage products and a range of green mortgage rate reductions. • We launched Sustainability Linked Loans, a new transition product for corporate customers, and supported home retrofits through our Home Energy Upgrade proposition. • Strong progress made towards reducing carbon emissions in our operations by 2030 supported by a significant branch investment programme commenced across c. 60% of our network. • AIB Community €1 Million Fund supported 70 charities in 2024, and over 200 charities to date. • Continued successful greening of our funding model with €6.4bn in ESG bond issuance in recent years.
Looking ahead	Leveraging customer feedback, research and the power of artificial intelligence (AI), critical focus ahead is on developing a deeper understanding of what our customers need and want. We will harness customer insights to drive customer personalisation, proposition developments and enhance service levels. Upgrading our mobile app, with enhanced features and capability for customers, blending security and convenience.	Our Climate Capital business is well positioned to address the significant financing opportunities and market liquidity that renewables offer. Beyond Climate Capital, there will be ongoing enhancement of our green/transition product offering and related propositions. We will invest further in data to support our understanding of the transition profile of our business, and in sustainability-related innovation including academic research.

Three areas of strategic focus	**Operational efficiency & resilience**
What this means	We will ensure the appropriate capability, capacity and resilient platforms are in place to support the Group's strategic ambition.
2024 outcomes	• Our Simple & Sustainable Servicing programme is delivering efficiency through detailed focus on key processes within our Operations area. • We have made sustained progress on improving processes which support key customer journeys. This includes activities that: enable quicker account opening; digitalisation of some paper-heavy processes; introduction of 24-hour mortgage approval in-principle for EBS and Haven, and; a reduction in home loans turnaround time in our UK business from c. 35 to 15 days. • We have established an AI Centre of Excellence and have successfully implemented a new AI-capable payment fraud monitoring system. • Launch of Abi, our new digital assistant – part of our ongoing commitment to enhance customer service, helping our customers to resolve simple queries with a digitally available solution.
Looking ahead	Continued investment in AI capability in our Customer Engagement Centre. Investment in credit data and customer credit systems to modernise, reduce paper and speed time-to-decision. Continued modernisation of our technology systems to drive efficiency and improve product development capabilities. Use of dynamic workforce planning tools to ensure readiness for future skills needs.

Risk Summary

Our approach to risk

Our prudent approach to risk management is fundamental for the Group to achieve our strategic objectives.

Our Risk Management Framework ('RMF') sets out the governance, principles, arrangements, roles and responsibilities in place for the Group to manage our risks. The Group's risk management principles are as set out below:

Risk Governance and Oversight	
1	The Group Board has ultimate responsibility for the governance of all risk-taking activity in the Group and risks assumed through our investments in joint ventures and associated companies.
Identification and Assessment	
2	The Group identifies, assesses and reports all material risks through the Material Risk Assessment review process.
3	Risk management is embedded in the strategic planning, performance management and strategic decision-making processes of the Group.
4	The Group develops and uses models across a range of risks and activities to inform key strategic business and financial decisions.
Monitoring, Escalating and Reporting	
5	The Group accepts that certain risks (within the bounds of risk appetite) may be taken in the short-to-medium term to support environmental, social and governance ('ESG') initiatives for the benefit of all our stakeholders over the long term.
6	The Group operates and manages risks in line with the Group's Risk Appetite Statement ('RAS') and understands, manages, measures, monitors and reports all risk it takes or originates.
7	The Group aims to provide clarity in all communications, which will help to better inform business decisions.
Risk Culture	
8	The Group supports the delivery of a strong risk culture.
9	Risk management capabilities are valued, encouraged and developed.
Control Environment	
10	The Group has a system of internal controls designed to mitigate rather than eliminate risk.
11	A comprehensive, fit-for-purpose framework and policy architecture is in place to support risk management and is reviewed regularly.
12	The Group has adopted a Three Lines of Defence ('3LOD') model and risks are managed in line with the model.

The Risk Management section, from pages 179 to 246, gives more detail on how risk is managed within the Group, detailing the approach to risk governance including the 3LOD committee structures, risk appetite and stress testing.

The Group operates an enterprise-wide RMF, which is centred around the embedding of a strong risk culture and ensures the governance and capabilities are in place to facilitate a consistent approach to risk management across the Group. The risk management approach is set out in more detail on pages 179 to 246. The RMF aligns our risk approach to the Group's overall strategic objectives.

The RMF is designed and maintained by the Group's Risk function, and is subject to annual review and approval by the Board.

The RMF governs the way in which the Group identifies and manages our risks.

The Group identified 10 Principal Risks and Emerging Risks which are described on pages 17 to 21.

On an annual basis, the Board sets out the maximum amount of risk the Group is willing to accept within our RAS. The approved risk thresholds are monitored and reported on an ongoing basis to the Board Risk Committee to ensure the Group remains within its risk appetite. RAS metrics are also reported to the Board as part of the escalation process for RAS breaches.

The Group tests the resilience of our strategy across each of the Principal Risks through scenario analysis and stress testing. The scenarios used are informed by the key Emerging Risks and are used to assess the Internal Capital Adequacy Assessment Process ('ICAAP'), the Internal Liquidity Adequacy Assessment Process ('ILAAP') and the three-year financial plan.

Principal Risks

Principal Risks are those risks that could have a material adverse effect on our customers or the financial or operational outcomes or reputational standing of the Group.

The Group's risks are reviewed as part of the Material Risk Assessment ('MRA'), reflecting the Group's risk profile in light of internal and external factors such as the Group's strategy and the regulatory environment in which we operate.

The Group faces 10 Principal Risks across our business, which are key areas of management focus.

Although there was no changes to the Principal Risks for 2024, the Board decided that, from 1 January 2025, Information Security (including Cyber) Risk has been deemed as a Principal Risk for the Group and will no longer be a sub risk of Operational Risk. This reflected consistent identification in internal surveys as a critical risk, increased regulatory focus and an evolving threat landscape. The Cybersecurity section in the Sustainability Reporting from pages 110 to 112 and the Governance Report on pages 154 and 156 provides additional information around identifying, assessing and governing cyber security.

A. Credit Risk

What is the Risk?
The risk that the Group will incur losses as a result of a customer or counterparty being unable or unwilling to meet contractual obligations and associated credit exposure in respect of loans or other financial transactions.

Key Developments in 2024
The credit quality of the lending portfolio has remained robust during the year and new lending is in line with targeted quality levels. The Group's risk appetite for corporate renewable energy and related infrastructure lending was expanded, reflecting the Group's strategy for sustainable lending. Expected Credit Losses ('ECLs') continue to reflect the Group's vigilant stance on emerging risks while maintaining a comprehensive approach to assessing the credit environment, ensuring that the level of ECL stock remains appropriately conservative. The Group also successfully concluded the Ulster Bank portfolio acquisitions.

Key Risk Indicators
- Asset class concentration risk metrics
- Country concentration risk metrics
- Non-Performing Exposures ('NPE') as a % of customer loans and ECL cover rates

Read more: page 186 to 230

B. Market and Equity Risk

What is the Risk?
The uncertainty of Group returns attributable to fluctuations in market factors. Where the uncertainty is expressed as a potential loss in earnings or value, it represents a risk to the income and capital position of the Group.

Key Developments in 2024
Cooling inflation data throughout the year has led to interest rate cuts by the ECB. The Group responded by adapting our strategic approach to managing and hedging our interest rate exposure, in particular as regards to Net Interest Income.

Key Risk Indicators
- Earnings sensitivity
- Interest rate capital at risk
- Credit spread capital at risk
- Pension capital at risk
- Equity nominal investment

Read more: page 231 to 234

Principal Risks *continued*

C. Capital Adequacy Risk

What is the Risk?
The risk that the Group breaches, or may breach, regulatory capital ratios and internal targets measured on a forward-looking basis, across a range of scenarios, including a severe but plausible stress.

Key Developments in 2024
The Group maintained a strong capital position throughout 2024 with buffers to regulatory requirements for Fully Loaded Common Equity Tier 1 ('CET1') and Total Capital ratios. Stress testing activities in 2024 demonstrated the robustness of the capital position including the annual ICAAP.

The Group improved its CET1 ratio by 20bps in Quarter 4 after completing its inaugural Significant Risk Transfer ('SRT') transaction.

Three new metrics were added to the suite of capital adequacy metrics reported to ALCo on a monthly basis. Two of these relate to Climate & Environmental Risk ('C&E Risk') including Transition Risk Depletion and Physical Risk Depletion while the third is a Stress CET1 Management Buffer.

Key Risk Indicators
- Fully loaded CET1 ratio
- Fully loaded internal capital buffer
- Aggregate Group RAROC on new business

Read more: page 235

D. Liquidity and Funding Risk

What is the Risk?
The risk that the Group will not be able to fund its assets and meet its obligations as they come due, without incurring unacceptable costs or losses. Funding is the means by which liquidity is generated, for example, secured or unsecured, corporate or retail. In this respect, Funding Risk is the risk that liquidity cannot be obtained at an acceptable cost.

Key Developments in 2024
Customer deposits have continued to grow reflecting higher income and employment levels in the Irish economy. The interest rate environment has seen the Group continue to expand our suite of fixed term deposit offerings, with continued investment and focus on improving customer journeys and engagements to retain and grow our customer base.

C&E Risk (Physical and Transition) is being considered as part of the suite of adverse Liquidity Stress Tests.

Key Risk Indicators
- Liquidity coverage ratio ('LCR')
- Survival period
- Net stable funding ratio ('NSFR')

Read more: page 235 to 240

E. Business Model Risk

What is the Risk?
Business Model Risk ('BMR) is the risk of not achieving the agreed strategy or approved business plan either as a result of an inadequate implementation plan, or failure to execute the implementation plan as a result of inability to secure the required investment. This also includes the risk of implementing an unsuitable strategy, or maintaining an obsolete business model, in light of known internal and external factors.

Key Developments in 2024
The BMR assessment was reviewed, with the profile and outlook now driven primarily as an output from the bi-annual risk review of the status of strategic initiatives in addition to financial performance and regular assessments of the point-in-time external and internal operating environment.

Timeline of assessment within internal risk reporting has increased to a three-year horizon in alignment with financial and strategic planning cycles. During 2024, the previously combined BMR and Capital Adequacy Risk Framework was separated into two distinct Frameworks to better reflect the differences in processes and procedures between the two risks.

Key Risk Indicators
- Operating profit % variance to plan
- Return on tangible Equity
- Net interest margin ('NIM')

Read more: page 241

F. Operational Risk

What is the Risk?
The risk to the Group arising from inadequate or failed internal processes, people and systems, or from external events. This includes legal risk, but excludes strategic and reputational risk.

Key Developments in 2024
Established closer and more effective cooperation with the Technology & Data ('T&D') function, including risk monitoring and management, by conducting various second line of defence activities, such as Thematic Risk Reviews, Quality of Service checks, Oversight & Challenge activities, and by active participation by second line of defence in key T&D Fora such as Technology & Data Advisor Committee ('TDAC') and the Architecture Review Board ('ARB').

In 2024 AIB established the Maturing the Operating Control Environment Programme under the Group Strategy and Group Risk Plan. This programme will drive enhancements to Operational Risk tools and processes for all users in the Group and enrich our Operational Risk data for risk measurement, reporting and decision making.

The Change Risk Policy has been enhanced to include a Risk Impact Assessment ('RIA') as a mandatory step for all new material change programmes. The RIA supports the identification of potential impacts to material risk exposure and reputational impacts in a timely manner.

The People Risk Policy has been enhanced to ensure effective identification, assessment, management, monitoring and reporting of people-related risks.

Key Risk Indicators
- Cumulative operational risk losses
- Cyber security and technology risk metrics

Read more: page 241 to 242

G. Climate and Environmental Risk

What is the Risk?
Climate and Environmental ('C&E') Risk encompasses the financial and non-financial impacts on the Group arising from climate change, environmental change and the transition to a sustainable economy. These risks can affect the Group directly through our operations or indirectly through our relationships with customers and third party suppliers.

Key Developments in 2024
Following the approval to elevate C&E Risk to a Principal Risk in 2023, the Group continued to embed C&E Risk into the Risk Management Framework during 2024. A detailed materiality assessment was completed, including transmission channel assessment, to measure the impact that C&E Risk drivers have on the Group's Principal Risks. Results were subsequently incorporated in the RAS through additional Key Risk Indicators, as well as enhancements to C&E stress testing processes.

Key Risk Indicators
- % of new lending to energy efficient homes (residential mortgages)
- % of new lending to energy efficient buildings

Read more: page 242 to 243

H. Model Risk

What is the Risk?
The loss the Group may incur, as a consequence of decisions that could be principally based on the output of models, due to errors in the development, implementation or use of such models.

Key Developments in 2024
In the first quarter the Group implemented three new Pillar II stress testing Climate & Environmental models: two models measuring Transition Risk across Retail and non-Retail credit exposures, and an updated Flood Risk Model.

In 2024 the Group received regulatory approval and completed the deployment of three redeveloped IRB rating systems covering AIB Mortgage, SME and Corporate borrowers.

The Group also updated and implemented the IFRS 9 AIB Mortgage and Corporate models.

Key Risk Indicators
- Quarterly risk score of approved models in use

Read more: page 244

Principal Risks *continued*

I. Culture Risk and Conduct Risk

What is the Risk?
Culture Risk and Conduct Risk are two distinct risks.

Culture Risk is the risk that the core values of the Group are not shared by all staff and as a consequence are not consistently demonstrated through staff behaviour. This includes the risk that consistent, fully understood and risk adjusted performance measures are not in place resulting in outcomes that are not aligned to the Group's Strategy, Behaviour or Values.

Conduct Risk is the risk that inappropriate actions or inactions by the Group cause poor or unfair customer outcomes or negatively impact market integrity.

Key Developments in 2024
The Central Bank of Ireland's ('CBI') focus on a customer centric leadership remains a priority and highlights the need to secure customer interests such that they are front and centre in the decision-making process.

The Culture Risk and Conduct Risk Framework has been updated to expand the key risk management principles to cover Culture. Principles expanded from four to eight overarching principles which govern the design and operation of the Framework within the Group covering our Values, Code of Conduct, Inclusion & Diversity and Remuneration.

The Culture and Conduct Framework was updated to include Customer Impact Assessment ('CIA'), which is conducted whenever customer impacts need to be evaluated, such as assessing a breach, policy change or other customer impacting decisions. Culture Risk and Risk Culture definitions have also been added, along with the first line of defence responsibilities for completing Risk Impact Assessments ('RIA') and CIA.

Key Risk Indicators
- The identification of critical customer impacting conduct issues
- Number of product portfolio reviews outstanding >3 months
- Completion of mandatory training courses

Read more: page 244 to 245

J. Regulatory Compliance Risk

What is the Risk?
The risk of legal or regulatory sanctions, material financial loss, or loss to reputation that the Group may suffer as a result of a failure to comply with principal laws, regulations, rules, related self-regulatory codes and related supervisory expectations that relate to the Group's regulated banking and financial service activities, i.e. those activities in which the Group is licensed to conduct business.

Key Developments in 2024
The CBI issued their first annual Regulatory and Supervisory Outlook Report in 2024 which emphasised the importance of firms proactively managing risk, adopting a customer centric focus and ensuring that firms manage change including climate capital and transition change effectively.

Key developments within the Group include the establishment of a standalone Compliance Monitoring Team within the Group Risk function and continued development in maturing the control environment. A regulatory questionnaire has been introduced by the Regulatory Compliance team to ensure strategic and regulatory change prioritises the critical regulatory requirements associated with business developments.

Key regulatory programmes supported across 2024 include SEAR (Senior Executive Accountability Regime) and Basel IV.

The CBI launched a consultation paper on updates to the Consumer Protection Code ('CPC') in March 2024 with the final code expected to be published in early 2025.

The Consumer Duty in the U.K. set higher and clearer standards of consumer protection and requires firms to act to deliver good outcomes for consumers from 31 July 2023 for open products, and 31 July 2024 for products not open to new business. There is a new FCA Individual Conduct Rule that requires all staff to act to deliver good outcomes for retail customers.

C&E Risk remains in sharp regulatory focus, in particular regarding enhanced reporting requirements under Corporate Sustainability Reporting Directive ('CSRD') on ESG factors, managing potential greenwashing and reputational risks.

Key Risk Indicators
- Regulatory breaches
- Impact assessment for delayed delivery of regulatory directive change initiatives
- Number of data protection incidents that resulted in a significant personal data breach (Sustainability Reporting on page 43 provides additional information around management of data protection)

Read more: page 245 to 246

Evolving and Emerging Risks

The Group identifies evolving and emerging risks as part of the Group's MRA process.

Evolving Risks are current risks that have emerged across any of our risk types and have the potential to increase in significance, have a material impact on the Group's strategy, operations and on our customers in the short-term (<1 year). Emerging Risks are less certain in terms of outcome, timing and may manifest themselves in the longer term (>1 year).

The table below sets out the evolving and emerging risks identified.

Evolving and emerging risks	How we responded during 2024	Links to Principal Risks
Cyber Risk The risk of diminished operational capability of the Group's IT systems. In addition, the potential for legal liability, data risk, fraud or loss of reputation with our customers due to an evolving cyber threat landscape and heightened threats related with cyber criminals, rogue nation states and artificial intelligence. Information Security (including Cyber Risk) is a Principal Risk from 1 January 2025.	• Cybersecurity remained a top risk in 2024, reflecting the ever-evolving nature of threats and the increasing frequency, sophistication, and impact of cyber incidents globally. Societal change, especially in terms of technology adoption and privacy concerns, has also been a notable driver of this risk. • In response, key initiatives focused on strengthening leadership within critical cybersecurity domains, refining our operating model to prioritise Information Security (including Cyber Risk) and recruiting high performing candidates from the external market. • Although not a Principal Risk for the Group in 2024, as part of the 2024 Material Risk Assessment it was decided to formally recognise Information Security (including Cyber Risk) as a Principal Risk from 1 January 2025. This strategic move ensures we proactively address the evolving threat landscape by enhancing our capability to anticipate, mitigate, and respond to cyber threats. The comprehensive Double Materiality Assessment ('DMR') process evaluated the Group's material sustainability matters from both an impact and financial materiality perspective with cyber security identified as one of seven material topics, (the Sustainability Reporting section from pages 107 to 110 provides additional information). • While our operating model continues to mature, we have maintained a strong focus on foundational practices to mitigate risk effectively. These efforts include strengthening workforce awareness to reduce the risk of social engineering; ensuring 24/7 rapid response capabilities to address emerging vulnerabilities; deploying industry-leading enterprise data protection measures; enhancing collaboration with industry peers to improve threat intelligence sharing; and alignment to industry standards to inform the Group's control environment. • In addition, as part of the holistic business resilience agenda, the group has taken proactive steps to enhance digital operational resilience in alignment with DORA (Digital Operational Resilience Act) requirements. This includes strengthening ICT and cyber risk management, incident reporting processes and resilience testing across important business systems to provide demonstrable operational continuity for the Group and its customers whiles ensuring compliance with regulatory leading practice. • These actions reflect our commitment to safeguarding customer trust, protecting data, and ensuring the Group's operational resilience in an increasingly complex threat landscape.	**ADEFHIJ**
Geopolitical Risk The risk that geopolitical developments and tensions could escalate and could negatively impact the Group's operations or result in other financial or macroeconomic impacts.	• Geopolitical Risk remained a central theme in 2024, with global conflicts and a heavy electoral schedule all contributing to a high degree of economic uncertainty, especially for a small open economy such as Ireland. • We have analysed associated market, economic, policy and strategic impacts on the Group in detail through governance fora including Executive Committee ('ExCo'), Group Risk Committee ('GRC'), Asset and Liability Management Committee ('ALCo') and Board Risk Committee. • Geopolitical Risk has been taken into account in the design and calibration of scenarios used in stress tests and the calculation of expected losses (including weightings) as well as in the setting of the Group's risk appetite. • In particular, the moderate downside scenario is centred on an escalation of geopolitical risk global fragmentation and heightened trade tensions. The ICAAP also investigated the macroeconomic impacts of a shock to foreign direct investment (FDI) as a result of changes in US tax laws. Further development of these scenarios to include impacts from trade tariffs have been highlighted for ICAAP and stress testing in early 2025. • The Group's Risk function compared the Group's downside scenarios with independent third party scenarios (e.g. from IMF) which assessed the impact of the various potential policy changes such as tariffs and immigration associated with the new US administration. It concluded that the Group's scenarios were conservatively calibrated *vis-a-vis* these other scenarios. • As evidenced in the results of the heavy electoral cycle during 2024, the risk associated with changing societal preferences and voting behaviour have been identified by the Group and work on assessing potential impacts for the Group will be continued into 2025. • We have continued to apply sanctions requirements in various jurisdictions as applicable.	**ABCDEF GHJ**
AI Risk The potential harm that the Group, as well as its customers and communities, which may incur due to decisions primarily based on the outputs of AI systems. These risks can arise from errors in the development, implementation, or use of AI systems.	• Whilst the rapid growth of AI technologies has the potential to significantly improve efficiency there is also significant risks associated such as implementation risk, legal risk, governance risk, risk of bias/hallucinations etc. • The Group's Technology & Data function has defined the approach to the implementation of AI in the Group through an AI strategy that has been presented to ExCo and Board. The strategy defines the approach for the ethical and responsible use of AI. • To comply with the newly established EU AI Act, a dedicated EU AI Act programme has been mobilised, with representatives from across the Group. • The programme has assessed how AI is currently used and how it is intended to be used across business activities in the future. As part of this, a comprehensive approach was taken to define the relevant characteristics of AI systems.	**ABCDEF HIJ**

Making a difference with GOAL

In 2024, the GOAL Mile achieved its most successful campaign to date, with over 200 events held across Ireland in towns, GAA clubs, and local parks. This initiative, proudly supported by AIB, brought communities together to make a meaningful impact during the Christmas holidays. AIB has provided invaluable support for the GOAL Mile since 2021, helping the event grow and deliver much needed funds to communities in crisis from climate change and conflict around the world.

More than €750,000 was raised across the country through the GOAL Mile, directly supporting GOAL's global humanitarian efforts. These vital funds enable GOAL to deliver life-saving assistance to vulnerable communities in 14 countries – including emergency response in crisis-affected regions such as Gaza, Lebanon, Syria, Ukraine, and Sudan. This engagement shows AIB's commitment to supporting communities – both locally and globally.

Above: Mangui Robert, GOAL Nutrition Supervisor, providing vital emergency food and nutrition services at Renk, on the Sudan-South Sudan border.

Business Review

In this section

Business Review –
1. Operating and Financial Review

Basis of presentation

The operating and financial review 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 Board and Executive Committee. Non-IFRS measures include management performance measures which are considered Alternative Performance Measures ('APMs'). APMs arise where the basis of calculation is derived from non-IFRS measures. A description of the Group's APMs and their calculation is set out on page 38. These measures should be considered in conjunction with IFRS measures as set out in the consolidated financial statements from page 259. A reconciliation between the IFRS and management performance summary income statements is set out on page 39.

Figures presented in the operating and financial review may be subject to rounding and thereby differ to the risk management section and the consolidated financial statements.

Basis of calculation

Percentages are calculated on exact numbers and therefore may differ from the percentages based on rounded numbers. The impact of currency movements is calculated by comparing the results for the current reporting period to results for the comparative reporting period retranslated at exchange rates for the current reporting year.

Management performance - summary income statement	**2024 € m**	2023 € m	*% change*
Net interest income	**4,129**	3,841	*7*
Other income[1]	**779**	900	*-13*
Total operating income[1]	**4,908**	4,741	*4*
Personnel expenses[1]	**(980)**	(901)	*9*
General and administrative expenses[1]	**(690)**	(630)	*10*
Depreciation, impairment and amortisation[1]	**(301)**	(295)	*2*
Total operating expenses[1]	**(1,971)**	(1,826)	*8*
Bank levies and regulatory fees[1]	**(138)**	(185)	*-25*
Operating profit before impairment losses and exceptional items[1]	**2,799**	2,730	*3*
Net credit impairment charge	**(55)**	(172)	*-68*
Operating profit before exceptional items[1]	**2,744**	2,558	*7*
Income from equity accounted investments	**26**	12	
Loss on disposal of business	**(2)**	(26)	
Profit before exceptional items[1]	**2,768**	2,544	*9*
Customer redress	**(46)**	(62)	
Restructuring costs	**(4)**	(11)	
Inorganic transaction costs	**(32)**	(59)	
Gain/(loss) on disposal of loan portfolios	**1**	(18)	
Other	**15**	—	
Total exceptional items[1]	**(66)**	(150)	
Profit before taxation	**2,702**	2,394	*13*
Income tax charge	**(351)**	(336)	*4*
Profit for the year	**2,351**	2,058	*14*

1. Performance has been adjusted to exclude items viewed as exceptional by management and which management view as distorting comparability of performance year-on-year. The adjusted performance measure is considered an APM.

Net interest income

Net interest income
€4,129m

Net interest income	2024 € m	2023 € m	% change
Interest income[1]	5,374	4,643	16
Interest expense	(1,245)	(802)	55
Net interest income	4,129	3,841	7
Average interest earning assets	130,190	123,563	5
	%	%	change
Net interest margin (NIM)	3.16	3.11	0.05

Net interest income
€4,129m

Net interest income of € 4,129 million increased by € 288 million or 7% compared to 2023.

The increase in net interest income reflected the benefit of higher average interest rates in 2024 compared to 2023 and higher average interest earning assets partly offset by an increase in interest expense on customer accounts.

Interest income

Interest income of € 5,374 million in 2024 increased by € 731 million compared to 2023 primarily due to:

- Increased asset yields driven by higher average Euro, Sterling and US Dollar interest rates reflecting the graduated changes by central banks to official interest rates.
- Higher average customer loan volumes primarily driven by an increase in new lending and the completion of loan acquisitions from Ulster Bank.
- Increase in average investment security volumes.

Interest expense

Interest expense of € 1,245 million in 2024 increased by € 443 million compared to 2023. The increase in funding costs was primarily due to:

- Higher interest expense on customer accounts as customers avail of higher yielding term products.
- Increased other debt issued and subordinated liabilities funding costs reflecting interest rate impacts and higher average MREL volumes.

Net interest margin
3.16%

NIM increased by 5 basis points to 3.16% in 2024 compared to 3.11% in 2023 driven by the impact of higher average interest rates.

Average interest earning assets of € 130.2 billion in 2024 were € 7 billion or 5% higher compared to 2023 driven by an increase in customer accounts and other debt issued.

Average balance sheet	Year ended 31 December 2024			Year ended 31 December 2023		
Assets	Average balance € m	Interest[1] € m	Average rate %	Average balance € m	Interest[1] € m	Average rate %
Loans and advances to customers[2]	68,300	2,817	4.11	63,411	2,391	3.77
Investment securities	18,011	841	4.66	16,410	712	4.34
Loans and advances to banks[3]	43,879	1,716	3.90	43,742	1,540	3.52
Average interest earning assets	130,190	5,374	4.12	123,563	4,643	3.76
Non-interest earning assets	7,816			8,123		
Total average assets	138,006	5,374		131,686	4,643	
Liabilities & equity						
Deposits by banks[3]	1,328	60	4.50	1,066	42	3.96
Customer accounts	49,242	468	0.95	44,528	175	0.39
Other debt issued	8,563	539	6.29	7,284	436	5.98
Subordinated liabilities	1,645	112	6.80	1,429	97	6.86
Lease liabilities	268	9	3.30	248	9	3.47
Average interest earning liabilities	61,046	1,188	1.94	54,555	759	1.39
Non-trading derivatives (economic hedges)		57			43	
Non-interest earning liabilities	62,010			63,978		
Equity	14,950			13,153		
Total average liabilities & equity	138,006	1,245		131,686	802	
Net interest income		4,129	3.16		3,841	3.11

1. Negative interest income on assets of € 2 million in 2024 (2023: € 2 million) is offset against interest income.
2. Income on Loans and advances to customers includes the negative impact of € 618 million from cash flow hedges in 2024 (2023: € 607 million). See note 4 to the consolidated financial statements.
3. Loans and advances to banks and Deposits by banks include Securities financing.

Business Review – 1. Operating and Financial Review *continued*

Other income

Other income[1]
€779m

Other income[1]	**2024 € m**	2023 € m	% change
Net fee and commission income	**666**	633	*5*
Net gain on equity investments (FVTPL)	**70**	27	
Net trading income	**50**	210	
– Loan acquisition forward contracts	**27**	223	
– Equity investment hedges	**(12)**	(15)	
– Other	**35**	2	
Net gain on loans and advances to customers (FVTPL)	**12**	3	
Other (expense)/income	**(19)**	27	
Other income	**779**	900	*-13*

Other income[1]
€779m

Other income decreased by € 121 million or 13% compared to 2023 as higher fee and commission income and equity investment gains were more than offset by lower income from loan acquisition forward contracts as the majority of the Ulster Bank loans migrated in the prior year.

Net fee and commission income	**2024 € m**	2023 € m	% change
Customer accounts	**248**	240	*3*
Card income	**148**	148	*1*
Customer related foreign exchange	**91**	88	*4*
Lending related fees	**56**	54	*3*
Stockbroking client fees and commissions	**57**	46	*23*
Payzone	**20**	19	*6*
Other fees and commissions	**46**	38	*20*
Net fee and commission income	**666**	633	*5*

Net fee and commission income of € 666 million in 2024 increased by € 33 million or 5% compared to 2023 primarily reflecting higher transaction volumes with other fees and commissions benefiting from higher wealth income. Stockbroking client fees and commissions were up 23% due to increased market activity.

Net gain on equity investments[2] of € 58 million in 2024 increased by € 36 million compared to 2023 and included a gain of € 22 million following partial conversion of Visa Inc. Series B Preferred Stock.

Loan acquisition forward contract gain of € 27 million was recognised in 2024 in respect of Ulster Bank tracker mortgages (2023: € 203 million) which reflected income earned on the portfolios since the Group acquired an economic interest and changes in valuation parameters since the original transaction pricing. The prior year also included a gain of € 20 million on Ulster Bank corporate and commercial loans[3].

Net trading income (excluding the loan acquisition forward contracts and equity investment hedges) of € 35 million in 2024 increased by € 33 million compared to 2023 due to favourable movements on non-customer foreign exchange contracts and derivative valuation adjustments (XVA).

Other expense of € 19 million in 2024 decreased by € 46 million compared to other income of € 27 million in 2023 primarily due to a loss on the redemption of subordinated debt and on the disposal of investment securities.

IFRS basis

On an IFRS basis other income, including a net gain of € 20 million on exceptional items[1], was € 799 million in 2024 compared to € 881 million in 2023.

1. Other income before exceptional items. A gain of € 20 million on exceptional items in 2024 comprises: net fee and commission income of € 15 million (2023: Nil), other operating income € 4 million (2023: Nil) and € 1 million net gain on disposal of loan portfolios (2023: net loss on disposal of loan portfolios € 19 million).
2. Net gain on equity investments comprises a net gain on equity investments (FVTPL) of € 70 million in 2024 (2023: € 27 million) and a loss on equity investment hedges of € 12 million in 2024 (2023: € 15 million).
3. For further information see note 43 to the consolidated financial statements.

Operating expenses

Total operating expenses[1]

€1,971m

Operating expenses[1]	**2024 € m**	2023 € m	*% change*
Personnel expenses	**980**	901	*9*
General and administrative expenses	**690**	630	*10*
Depreciation, impairment and amortisation	**301**	295	*2*
Total operating expenses	**1,971**	1,826	*8*
Staff numbers at period end[2]	**10,469**	10,551	*-1*
Average staff numbers[2]	**10,655**	10,200	*4*

Total operating expenses[1]

€1,971m

Total operating expenses of € 1,971 million increased by € 145 million or 8% compared to 2023.

Personnel expenses
Personnel expenses increased by € 79 million compared to 2023 primarily due to higher average staff numbers, salary inflation, an increase in the allowance for variable pay and the introduction of health insurance.

Staff numbers at period end were 1% lower compared to 31 December 2023.

General and administrative expenses
General and administrative expenses increased by € 60 million compared to 2023 and included €25m additional spend for customer and operational efficiency initiatives.

Depreciation, impairment and amortisation
Depreciation, impairment and amortisation increased by € 6 million compared to 2023.

Cost income ratio[1]

40%

Costs of € 1,971 million and income of € 4,908 million resulted in a cost income ratio of 40% in 2024 compared to 39% in 2023.

Bank levies and regulatory fees

€138m

Bank levies and regulatory fees	**2024 € m**	2023 € m
Irish bank levy	**94**	37
Deposit Guarantee Scheme	**11**	86
Single Resolution Fund	**—**	36
Other regulatory levies and charges	**33**	26
Total bank levies and regulatory fees	**138**	185

Total bank levies and regulatory fees of € 138 million decreased by € 47 million compared to 2023 primarily due to a reduction in Deposit Guarantee Scheme and Single Resolution Fund fees which was partly offset by an increase in the Irish bank levy following a change in the relevant legislation.

The European Single Resolution Fund and Irish Deposit Guarantee Scheme (DGS) Contributory Fund have reached their respective target levels. Future contributions to these funds is dependent on growth in covered deposits.

IFRS basis
On an IFRS basis total costs, including bank levies and regulatory fees of € 138 million and the cost of exceptional items[3] of € 86 million, were € 2,195 million in 2024 compared to € 2,142 million in 2023. This results in a cost income ratio (IFRS basis) of 45% in 2024, in line with 2023.

1. Before bank levies and regulatory fees and exceptional items.
2. Staff numbers are on a full time equivalent (FTE) basis.
3. The cost of exceptional items of € 86 million in 2024 (2023: € 131 million) comprised: Personnel expenses € 4 million (2023: € 10 million) as well as General and administrative expenses € 82 million (2023: € 121 million).

Business Review – 1. Operating and Financial Review *continued*

Net credit impairment charge

€55m

There was a net credit impairment charge of € 55 million in 2024 (2023: € 172 million) comprising a € 57 million charge on loans and advances to customers (2023: € 172 million) partially offset by a € 2 million writeback for investment securities exposures (2023: Nil).

The net credit impairment charge on loans and advances to customers in 2024 comprised:
- Other personal portfolio net impairment charge of € 80 million (2023: € 36 million).
- Non-property business portfolio net impairment charge of € 12 million (2023: writeback of € 138 million).
- Residential mortgage portfolio net impairment writeback of € 36 million (2023: net impairment charge of € 30 million).
- Property and construction portfolio net impairment writeback of € 1 million (2023: net impairment charge of € 244 million).

For further information see pages 185 to 230 in the Risk Management section.

Loss on disposal of business

€2m

The loss on disposal of business was € 2 million in 2024. The loss of € 26 million in 2023 primarily reflected the transfer to the income statement of a portion of the foreign currency translation reserves following repatriation of part of the capital of foreign subsidiaries which have ceased trading.

Income tax charge

€351m

The income tax charge was € 351 million in 2024, representing an effective tax rate of 13% compared to a tax charge of € 336 million in 2023 (effective tax rate 14%). The effective tax rate is influenced by geographic mix of profit streams which may be taxed at different rates.

For further information see note 14 and note 26 to the consolidated financial statements.

Total exceptional items

€66m

Total exceptional items	2024 € m	2023 € m
Customer redress	**(46)**	(62)
Inorganic transaction costs	**(32)**	(59)
Restructuring costs	**(4)**	(11)
Gain/(loss) on disposal of loan portfolios	**1**	(18)
Other	**15**	—
Total exceptional items	**(66)**	(150)

These (costs)/gains were viewed as exceptional by management.

Customer redress in 2024 reflects a net charge of € 46 million for remediation payments to customers and associated costs in respect of legacy matters.

Inorganic transaction costs reflect costs associated with the migration of a portfolio of Ulster Bank tracker (and linked) mortgages.

Gain/(loss) on disposal of loan portfolios reflects a gain of € 1 million relating to the disposal of non-performing loan portfolios.

Other includes a fee receivable on the exit of a servicing agreement for a non-core legacy business.

Assets

Gross loans to customers
€71.2bn

New lending
€14.5bn

Assets	31 Dec 2024 € bn	31 Dec 2023 € bn	% change
Gross loans to customers	71.2	67.0	6
ECL allowance	(1.3)	(1.5)	-12
Net loans to customers	69.9	65.5	7
Investment securities	18.7	17.4	8
Loans and advances to banks	38.6	39.3	-2
Securities financing	6.6	6.5	3
Other assets	7.5	7.6	-2
Total assets	141.3	136.3	4

Gross loans to customers
€71.2bn

Gross loans to customers increased by € 4.2 billion or 6% compared to 31 December 2023 primarily driven by strong new lending, which exceeded redemptions by € 3.1 billion, and the acquisition of loans from Ulster Bank of € 0.8 billion.

In September 2024 the Group completed the migration of the final tranche of Ulster Bank tracker (and linked) mortgages with a fair value of € 0.8 billion.

New lending
€14.5bn

New lending of € 14.5 billion in 2024 was € 2.2 billion or 17% higher compared to 2023.

New lending comprises of € 13.0 billion in term lending (€ 10.7 billion in 2023) and € 1.5 billion of transaction lending (€ 1.6 billion in 2023).

Irish mortgage lending of € 4.5 billion, representing a market share of 36% (2023: 33%) was 14% higher compared to 2023.

Personal lending was up 7% to € 1.3 billion.

Non-property lending of € 6.8 billion was up 36% driven by growth in renewable energy & infrastructure and corporate lending, including selective growth in syndicated lending.

Property related lending was 21% lower at € 1.6 billion reflecting lower lending in Ireland and the UK.

Non-performing loans
€2.0bn

Non-performing loans ratio
2.8%

Non-performing loans at 31 December 2024 were in line with 31 December 2023 with net flows to non-performing of € 0.8 billion offset by redemptions and disposals of € 0.8 billion.

Non-performing loans ratio
Non-performing loans as a percentage of gross loans to customers was 2.8% at 31 December 2024 compared to 3.0% at 31 December 2023.

ECL allowance
€1.3bn

Non-performing loans cover
32%

The ECL allowance on loans (at amortised cost) of € 1.3 billion at 31 December 2024 decreased by € 0.2 billion compared to 31 December 2023 driven by repayments and loan portfolio disposals.

Non-performing loans cover
The ECL allowance cover rate on non-performing loans of 32% was in line with 31 December 2023.

Summary of movement in loans to customers
The table below sets out the movement in loans to customers from 1 January 2024 to 31 December 2024.

Loans to customers	Performing loans € bn	Non-performing loans € bn	Loans to customers € bn
Gross loans (opening balance 1 January 2024)	65.0	2.0	67.0
New lending	14.5	—	14.5
Redemptions	(10.7)	(0.7)	(11.4)
Portfolio acquisitions	0.8	—	0.8
Portfolio disposals	(0.2)	(0.1)	(0.3)
Net movement to non-performing	(0.8)	0.8	—
Write-offs and restructures	—	(0.1)	(0.1)
Foreign exchange and other movements	0.6	0.1	0.7
Gross loans (closing balance 31 December 2024)	69.2	2.0	71.2
ECL allowance	(0.7)	(0.6)	(1.3)
Net loans (closing balance 31 December 2024)	68.5	1.4	69.9

Business Review –
1. Operating and Financial Review *continued*

Assets *continued*

The tables below summarise the credit profile of the loan portfolio by asset class and includes a range of credit metrics that the Group uses in managing the portfolio. Further information on the Group's risk profile and non-performing loans is available in the Risk Management section on pages 185 to 230.

	At amortised cost				
Loan portfolio profile 31 December 2024	**Residential mortgages € bn**	**Other personal € bn**	**Property and construction € bn**	**Non-property business € bn**	**Total € bn**
Gross loans to customers	**37.0**	**3.3**	**8.7**	**22.2**	**71.2**
Of which: Stage 2	***1.9***	***0.6***	***2.7***	***2.8***	***8.0***
Non-performing loans[1]	***0.9***	***0.1***	***0.5***	***0.5***	***2.0***
Total ECL allowance	**0.3**	**0.1**	**0.4**	**0.5**	**1.3**
Total ECL allowance cover	**0.7 %**	**4.2 %**	**5.3 %**	**2.1 %**	**1.9 %**
ECL allowance cover Stage 2	**2.8 %**	**8.4 %**	**8.3 %**	**7.0 %**	**6.6 %**
ECL allowance cover non-performing	**24.1 %**	**66.0 %**	**33.2 %**	**39.2 %**	**32.4 %**
31 December 2023	€ bn	€ bn	€ bn	€ bn	€ bn
Gross loans to customers	34.8	2.9	9.2	20.1	67.0
Of which: Stage 2	*2.4*	*0.2*	*2.8*	*2.3*	*7.7*
Non-performing loans[1]	*0.7*	*0.1*	*0.7*	*0.5*	*2.0*
Total ECL allowance	0.3	0.1	0.5	0.6	1.5
Total ECL allowance cover	0.9 %	3.3 %	5.9 %	2.9 %	2.3 %
ECL allowance cover Stage 2	3.2 %	13.0 %	9.6 %	11.5 %	8.3 %
ECL allowance cover non-performing	29.7 %	54.7 %	29.3 %	34.6 %	31.9 %

1. Non-performing loans as a percentage of gross loans was 2.8% at 31 December 2024 (31 December 2023: 3.0%), comprised Mortgages 2.4% (31 December 2023: 2.1%), Personal 3.1% (31 December 2023: 2.7%), Property and construction 6.1% (31 December 2023: 7.1%) and Non-property business 2.2% (31 December 2023: 2.6%).

Investment securities
Investment securities of € 18.7 billion, primarily held for liquidity purposes, increased by € 1.3 billion from 31 December 2023.

Loans and advances to banks
Loans and advances to banks of € 38.6 billion, including € 36.4 billion of cash and balances at central banks, were € 0.7 billion lower than 31 December 2023.

Securities financing
Securities financing of € 6.6 billion increased by € 0.1 billion from 31 December 2023.

Other assets
Other assets of € 7.5 billion comprised:
- Deferred tax assets of € 2.3 billion[2], decreased by € 0.3 billion from 31 December 2023.
- Derivative financial instruments of € 2.1 billion decreased by € 0.2 billion from 31 December 2023.
- Remaining assets of € 3.1 billion, increased by € 0.4 billion from 31 December 2023.

2. For further information see note 26 to the consolidated financial statements.

Liabilities & equity

Customer accounts
€109.9bn

Equity
€15.4bn

Liabilities & equity	31 Dec 2024 € bn	31 Dec 2023 € bn	% change
Customer accounts	**109.9**	104.8	*5*
Deposits by banks	**0.8**	1.8	*-53*
Debt securities in issue	**8.8**	8.4	*5*
Subordinated liabilities	**1.6**	1.5	*11*
Other liabilities	**4.8**	4.7	
Total liabilities	**125.9**	121.2	*4*
Equity	**15.4**	15.1	*2*
Total liabilities & equity	**141.3**	136.3	*4*

	%	%	change
Loan to deposit ratio	**64**	63	*1*

Customer accounts
€109.9bn

Customer accounts increased by € 5.1 billion or 5% compared to 31 December 2023 driven by an increase in personal and SME balances.

Interest bearing customer accounts of € 51.4 billion at 31 December 2024 increased by € 5.3 billion or 11% compared to 31 December 2023 driven by an increase in term deposits. The mix between current and interest bearing customer accounts remained in line with 31 December 2023.

Loan to deposit ratio
The loan to deposit ratio was 64% at 31 December 2024 compared to 63% at 31 December 2023.

Deposits by banks
Deposits by banks of € 0.8 billion decreased by € 1.0 billion compared to 31 December 2023 driven by lower deposits by central banks and cash collateral received from derivative counterparties.

Debt securities in issue
Debt securities of € 8.8 billion increased by € 0.4 billion from 31 December 2023 driven by an increase in commercial paper of € 0.8 billion and credit linked notes of € 0.1 billion partially offset by a reduction in MREL related volumes of € 0.5 billion.

Subordinated liabilities
Subordinated liabilities of € 1.6 billion increased by € 0.1 billion compared to 31 December 2023 driven by a green Tier 2 capital issuance of € 0.65 billion partially offset by redemptions of € 0.5 billion.

Other liabilities
Other liabilities of € 4.8 billion comprised:
- Derivative financial instruments of € 1.8 billion, decrease of € 0.1 billion from 31 December 2023.
- Securities financing € 0.2 billion, € 0.4 billion decrease from 31 December 2023.
- Remaining liabilities of € 2.8 billion, € 0.6 billion increase from 31 December 2023.

Equity
€15.4bn

Equity increased by € 0.3 billion to € 15.4 billion compared to € 15.1 billion at 31 December 2023.

The table below sets out the movements to 31 December 2024.

Equity	€ bn
Opening balance (1 January 2024)	**15.1**
Profit for the year	**2.4**
Distributions paid	**(2.3)**
Cash flow hedging reserves	**0.2**
Closing balance (31 December 2024)	**15.4**

Distributions paid in the period included the buyback of ordinary shares of € 1.5 billion and a dividend payment on ordinary shares of € 0.7 billion.

The Group issued € 0.6 billion of Additional Tier 1 securities in April 2024 at a coupon rate of 7.125% and completed the redemption of Additional Tier 1 securities of € 0.5 billion.

Business Review –
1. Operating and Financial Review *continued*

Segment overview
In 2024 the Group introduced a new customer facing segment, 'Climate Capital', increasing the Group's reportable segments from four to five. The Group's performance is now therefore managed and reported across Retail Banking, AIB Capital Markets (Capital Markets), Climate Capital, AIB UK and Group segments. Comparative segment information for the prior period has been re-presented. Segment performance excludes exceptional items.

Retail Banking
Our leading Irish retail franchise provides a comprehensive range of products and services to more than 3 million customers delivered through our branch, digital and phone banking channels; with an expanded reach into the retail customer base via EBS, Haven, AIB Merchant Services, Payzone, Nifti and AIB life.

- Homes and Consumer are responsible for meeting the everyday banking needs of customers in Ireland by delivering innovative products, propositions and services and for growing our market leading positions. Our aim is to achieve a seamless and transparent customer experience across all our products and services including mortgages, current accounts, personal lending, payments and credit cards, deposits, insurance and wealth.
- SME serves our micro and small SME customers through our sector-led strategy and local expertise with an extensive product and services offering. Our aim is to help our customers create and build sustainable businesses in their communities.

Capital Markets
Capital Markets provides institutional, corporate and business banking services to the Group's larger customers and customers requiring specific sector or product expertise. Capital Markets' relationship-driven model serves customers through sector specialist teams including: corporate banking, real estate finance and business banking.

In addition to traditional credit products, Capital Markets offers customers foreign exchange and interest rate risk management products, cash management products, trade finance, mezzanine finance, structured and specialist finance and equity investments, as well as Private Banking services and advice. Capital Markets also has syndicated and international finance teams based in Dublin and in New York. Goodbody offers further capabilities in wealth management, corporate finance, asset management and wider capital markets propositions.

Climate Capital
Climate Capital is a new segment comprised of assets and resources previously residing in Capital Markets and AIB UK segments.

Climate Capital specialises in lending to large scale renewable energy and infrastructure projects, which are key drivers for sustainable economic growth. The business serves the Irish, UK, European and North American markets through offices in Dublin, London and New York.

AIB UK
AIB UK offers corporate, retail and business banking services in two distinct markets:

- A sector-led corporate bank supporting mid to large corporates focused on housing, commercial real estate, health, hotels and manufacturing businesses across both Great Britain and Northern Ireland. Services include lending, treasury, trade facilities, asset finance and invoice discounting.
- A full-service retail bank in Northern Ireland ('AIB (NI)') to personal and business customers with a focus on mortgage and business lending.

Group
Group comprises wholesale treasury activities and Group control and support functions. Treasury manages the Group's liquidity and funding positions and provides customer treasury services and economic research. The Group control and support functions in the period included Technology and Data, Operations and Business Services, Finance, Risk, Legal and Corporate Governance, Chief Customer Office, Human Resources, Strategy and Sustainability, Corporate Affairs and Group Internal Audit.

Segment allocations
Under the Group's cost allocation methodology, substantially all of the costs of the Group's control, support and Treasury functions are allocated to Retail Banking, Capital Markets, Climate Capital and AIB UK. In addition, certain Bank levies and regulatory fees, such as the Irish bank levy, are allocated to the Retail Banking, Capital Markets and Climate Capital segments.

Funding and liquidity income/charges are based on each segment's funding requirements and the Group's funding cost profile, which is informed by wholesale and retail funding costs. Income attributable to capital is allocated to segments based on each segment's capital requirement.

Retail Banking

Retail Banking contribution statement	2024 € m	2023 € m	% change
Net interest income	2,633	2,409	9
Other income	509	662	-23
Total operating income	3,142	3,071	2
Total operating expenses	(1,353)	(1,253)	8
Bank levies and regulatory fees	(104)	(51)	
Operating contribution before impairments and exceptional items	1,685	1,767	-5
Net credit impairment charge	(28)	(57)	-51
Operating contribution before exceptional items	1,657	1,710	-3
Income from equity accounted investments	21	7	
Contribution before exceptional items	1,678	1,717	-2

Retail Banking balance sheet metrics	31 Dec 2024 € bn	31 Dec 2023 € bn	% change
Mortgages	4.5	3.9	
Personal	1.3	1.2	
Property	0.1	0.1	
Non-property business	0.9	0.9	
New lending	6.8	6.1	11
Mortgages	35.5	33.4	
Personal	3.1	2.8	
Property	0.4	0.5	
Non-property business	3.1	3.1	
Gross loans	42.1	39.8	6
ECL allowance	(0.5)	(0.6)	-17
Net loans	41.6	39.2	6
Current accounts	47.0	46.7	1
Deposits	37.2	33.8	10
Customer accounts	84.2	80.5	5

Net interest income

€2,633m

Net interest income increased by € 224 million compared to 2023 primarily driven by the favourable impact of higher average interest rates and an increase in average loan volumes, including the acquisition of loans from Ulster Bank, partly offset by higher interest expense on customer accounts.

Other income

€509m

Other income decreased by € 153 million compared to 2023 as higher transactions volumes and wealth income was more than offset by lower income from the loan acquisition forward contract to acquire tracker (and linked) mortgages from Ulster Bank.

Total operating expenses

€1,353m

Total operating expenses increased by € 100 million in 2024 compared to 2023 due to higher personnel and general and administrative expenses.

Bank levies and regulatory fees

€104m

Following changes in the relevant legislation, bank levies and regulatory fees increased to € 104 million in 2024 compared to € 51 million in 2023.

Net credit impairment charge

€28m

There was a net credit impairment charge of € 28 million in 2024 (2023: € 57 million). This comprised a charge on personal of € 80 million partially offset by writebacks on mortgages of € 35 million, non-property business € 13 million and property € 4 million.

New lending

€6.8bn

New lending of € 6.8 billion was € 0.7 billion or 11% higher than 2023 driven by growth of 13% in mortgage lending and 7% in personal lending.

Gross loans

€42.1bn

Gross loans increased by € 2.3 billion or 6% to € 42.1 billion as new lending exceeded redemptions and the acquisition of Ulster Bank tracker (and linked) mortgages.

ECL allowance

€0.5bn

The ECL allowance of € 0.5 billion in 2024 decreased by € 0.1 billion compared to 31 December 2023 driven by a portfolio disposal and write-offs during the year.

Customer accounts

€84.2bn

Customer accounts increased by € 3.7 billion compared to 31 December 2023 driven by higher personal and SME balances.

Business Review – 1. Operating and Financial Review *continued*

Capital Markets

Capital Markets contribution statement	2024 € m	2023 € m	% change
Net interest income	906	841	8
Other income	223	185	21
Total operating income	1,129	1,026	10
Total operating expenses	(375)	(353)	6
Bank levies and regulatory fees	(19)	(12)	58
Operating contribution before impairments and exceptional items	735	661	11
Net credit impairment writeback/ (charge)	83	(85)	
Gain on disposal of business	—	2	
Contribution before exceptional items	818	578	42

Net interest income

€906m

Net interest income increased by € 65 million compared to 2023 primarily driven by the favourable impact of higher average interest rates partly offset by higher interest expense on customer accounts.

Other income

€223m

Other income increased by € 38 million compared to 2023 driven by higher income from equity investments, loan disposal gains and wealth and asset management in Goodbody Stockbrokers, partly offset by lower income from loan acquisition forward contracts.

Total operating expenses

€375m

Total operating expenses increased by € 22 million compared to 2023 primarily due to higher personnel expenses.

Bank levies and regulatory fees

€19m

Following changes in the relevant legislation, bank levies and regulatory fees increased to € 19 million in 2024 compared to € 12 million in 2023.

Net credit impairment writeback

€83m

There was a net credit impairment writeback of € 83 million in 2024 (2023: net credit impairment charge € 85 million). This comprised a writeback on non-property business of € 71 million and on property and construction of € 12 million.

Capital Markets balance sheet metrics	31 Dec 2024 € bn	31 Dec 2023 € bn	% change
Mortgages	0.1	0.0	
Property	0.9	1.3	
Non-property business	3.4	2.6	
New lending	4.4	3.9	11
Mortgages	0.5	0.5	
Personal	0.1	0.0	
Property	5.9	6.5	
Non-property business	11.1	10.4	
Gross loans	17.6	17.4	1
ECL allowance	(0.6)	(0.7)	-12
Net loans	17.0	16.7	2
Investment securities	2.5	2.4	4
Current accounts	10.4	10.9	-5
Deposits	5.2	4.0	30
Customer accounts	15.6	14.9	5

New lending

€4.4bn

New lending of € 4.4 billion was € 0.5 billion or 11% higher than 2023 driven by growth in corporate lending in Ireland and selective growth in syndicated lending partially offset by lower property lending.

Gross loans

€17.6bn

Gross loans excluding the favourable impact of foreign exchange movements is broadly in line with 2023 with growth in business lending largely offset by a reduction in property.

ECL allowance

€0.6bn

The ECL allowance of € 0.6 billion decreased by € 0.1 billion compared to 31 December 2023 driven by the net credit impairment writeback during the year.

Customer accounts

€15.6bn

Customer accounts increased by € 0.7 billion compared to 31 December 2023.

Climate Capital

Climate Capital contribution statement	2024 € m	2023 € m	% change
Net interest income	110	89	24
Other income	21	13	62
Total operating income	131	102	28
Total operating expenses	(47)	(35)	34
Bank levies and regulatory fees	(2)	—	
Operating contribution before Impairments and exceptional items	82	67	22
Net credit impairment (charge)/ writeback	(22)	9	
Contribution before exceptional items	60	76	-21

Net interest income

€110m

Net interest income increased by € 21 million compared to 2023 primarily driven by higher average loan volumes.

Other income

€21m

Other income increased by € 8 million compared to 2023.

Total operating expenses

€47m

Total operating expenses increased by € 12 million compared to 2023 primarily due to higher personnel expenses driven by higher staff numbers to support the growing business.

Net credit impairment charge

€22m

There was a net credit impairment charge of € 22 million in 2024 compared to a writeback of € 9 million in 2023.

Climate Capital balance sheet metrics	31 Dec 2024 € bn	31 Dec 2023 € bn	% change
New lending	1.9	1.2	55
Climate Capital Europe	2.5	2.3	
Climate Capital UK	1.9	1.4	
Climate Capital US	1.1	0.4	
Gross loans	5.5	4.1	35
ECL allowance	0.0	0.0	
Net loans	5.5	4.1	34
Investment securities	0.1	0.1	
Current accounts	0.2	0.2	
Deposits	0.2	0.1	
Customer accounts	0.4	0.3	33

New lending

€1.9bn

New lending of € 1.9 billion was € 0.7 billion or 55% higher than 2023 as we continue to finance the transition to renewable energy and infrastructure.

New lending includes the financing of onshore and offshore wind developments in France, solar assets in the UK and utility scale renewable ventures in North America. In Ireland, Climate Capital funded key renewable transactions in the onshore wind and solar sectors.

Gross loans

€5.5bn

Gross loans increased by € 1.4 billion or 35% to € 5.5 billion driven by higher new lending.

Customer accounts

€0.4bn

Customer accounts in line with 31 December 2023.

Business Review – 1. Operating and Financial Review *continued*

AIB UK

AIB UK contribution statement	2024 £ m	2023 £ m	% change
Net interest income	321	340	-5
Other income	22	34	-35
Total operating income	343	374	-8
Total operating expenses	(154)	(148)	4
Bank levies and regulatory fees	(2)	(1)	95
Operating contribution before impairments and exceptional items	187	225	-17
Net credit impairment charge	(76)	(33)	
Operating contribution before exceptional items	111	192	-42
Income from equity accounted investments	5	5	-3
Contribution before exceptional items	116	197	-41
Contribution before exceptional items € m	137	227	-40

AIB UK balance sheet metrics	31 Dec 2024 £ bn	31 Dec 2023 £ bn	% change
AIB GB Corporate	1.0	0.8	22
AIB NI Retail	0.2	0.1	75
New lending	1.2	0.9	30
AIB GB Corporate	3.8	3.8	
AIB NI Retail	1.2	1.1	9
Gross loans	5.0	4.9	1
ECL allowance	(0.1)	(0.2)	-26
Net loans	4.9	4.7	3
Current accounts	3.7	3.9	-5
Deposits	3.4	3.0	13
Customer accounts	7.1	6.9	3

Net interest income
£321m

Net interest income decreased by £ 19 million compared to 2023 driven by higher interest expense on customer accounts.

Other income
£22m

Other income of £ 22 million in 2024 decreased by £ 12 million compared to 2023 driven by a loss on the disposal of legacy assets.

Total operating expenses
£154m

Total operating expenses increased by £ 6 million compared to 2023 due to higher general and administrative and personnel expenses.

Net credit impairment charge
£76m

There was a net credit impairment charge of £ 76 million in 2024 (2023: £ 33 million). This comprised of a charge of £ 64 million on non property business and £ 12 million on property.

New lending
£1.2bn

New lending of £ 1.2 billion in 2024 increased by £ 0.3 billion or 30% compared to 2023 driven by strong growth in corporate and mortgage lending.

Gross loans
£5.0bn

Gross loans increased by £ 0.1 billion or 1% to £ 5.0 billion as the impact of new lending exceeding redemptions was partly offset by the disposal of legacy loans of £ 0.2 billion during the year.

ECL allowance
£0.1bn

The ECL allowance of £ 0.1 billion at 31 December 2024 was £ 0.1 billion lower compared to 2023 primarily due to the impact of the loan disposal in the period.

Customer accounts
£7.1bn

Customer accounts of £ 7.1 billion at 31 December 2024 were £ 0.2 billion higher compared to 31 December 2023.

Group

Group contribution statement	2024 € m	2023 € m	% change
Net interest income	**101**	111	*-9*
Other income	**—**	1	
Total operating income	**101**	112	*-10*
Total operating expenses	**(14)**	(15)	*-7*
Bank levies and regulatory fees	**(11)**	(121)	*-91*
Operating contribution before impairments and exceptional items	**76**	(24)	
Net credit impairment writeback/(charge)	**2**	(1)	
Operating contribution before exceptional items	**78**	(25)	
Loss on equity accounted investments	**(1)**	(1)	
Loss on disposal of business	**(2)**	(28)	
Contribution before exceptional items	**75**	(54)	

Group balance sheet metrics	31 Dec 2024 € bn	31 Dec 2023 € bn	% change
Investment securities	**16.1**	14.9	*8*
Securities financing	**6.6**	6.5	*2*
Customer accounts	**1.2**	1.2	

Total operating income

€101m

Total operating income of € 101 million decreased by € 11 million compared to 2023 driven by the loss on redemption of subordinated debt and on disposal of investment securities which was partly offset by higher equity gains and net trading income.

Total operating expenses

€14m

Total operating expenses of € 14 million decreased by € 1 million compared to December 2023.

Bank levies and regulatory fees

€11m

Bank levies and regulatory fees decreased by € 110 million compared to 2023 due to lower Deposit Guarantee Scheme and Single Resolution Fund fees.

Loss on disposal of business

€2m

The loss on disposal of business was € 2 million in 2024. The loss of € 28 million in 2023 primarily reflected the transfer to the income statement of a portion of the foreign currency translation reserves following repatriation of part of the capital of foreign subsidiaries which have ceased trading.

Investment securities

€16.1bn

Investment securities of € 16.1 billion, primarily held for liquidity purposes, increased by € 1.2 billion from 31 December 2023.

Securities financing

€6.6bn

Securities financing of € 6.6 billion increased by € 0.1 billion from 31 December 2023.

Customer accounts

€1.2bn

Customer accounts of € 1.2 billion are in line with 31 December 2023.

Alternative performance measures

The following is a list, together with a description, of APMs used in analysing the Group's performance, provided in accordance with the European Securities and Markets Authority (ESMA) guidelines.

Average rate	Interest income/expense for balance sheet categories divided by the corresponding average balance.
Average balance	Average balances for interest-earning assets are based on daily balances for all categories. Average balances for interest-earning liabilities are based on a combination of daily/monthly balances, with the exception of customer accounts which are based on daily balances.
Absolute cost base	Total operating expenses excluding exceptional items, bank levies and regulatory fees.
Cost income ratio	Total operating expenses excluding exceptional items, bank levies and regulatory fees divided by total operating income excluding exceptional items.
Cost income ratio (IFRS basis)	Total operating expenses divided by total operating income.
Exceptional items	Performance measures have been adjusted to exclude items viewed as exceptional by management and which management views as distorting the comparability of performance year-on-year. The adjusted performance measure is considered an APM. A reconciliation between the IFRS and management performance summary income statements is set out on page 39. Exceptional items include: • ***Customer redress*** reflects a net charge for remediation payments to customers and associated costs in respect of legacy matters. • ***Inorganic transaction costs*** include costs associated with the acquisition and migration of a portfolio of Ulster Bank corporate and commercial loans and a portfolio of Ulster Bank tracker (and linked) mortgages. • ***Restructuring costs*** primarily reflect termination benefits. • ***Loss on disposal of loan portfolios*** relates to the disposal of non-performing loan portfolios. • ***Other*** includes a fee receivable on the exit of a servicing agreement for a non-core legacy business.
Loan to deposit ratio	Net loans and advances to customers divided by customer accounts.
Net interest margin	Net interest income divided by average interest-earning assets.
Non-performing exposures	Non-performing exposures as defined by the European Banking Authority, include loans and advances to customers (non-performing loans) and off-balance sheet exposures such as loan commitments and financial guarantee contracts.
Non-performing loans cover	ECL allowance on non-performing loans as a percentage of non-performing loans.
Non-performing loans ratio	Non-performing loans at amortised cost as a percentage of total gross loans.
Return on Tangible Equity (RoTE)	Profit after tax less AT1 coupons paid, divided by targeted CET1 capital on a fully loaded basis. Details of the Group's RoTE is set out in the Capital Section on page 42.
Management performance – summary income statement	The following line items in the management performance summary income statement are considered APMs: • Other income • Total operating income • Personnel expenses • General and administrative expenses • Depreciation, impairment and amortisation • Total operating expenses • Bank levies and regulatory fees • Operating profit before impairment losses and exceptional items • Operating profit before exceptional items • Profit before exceptional items • Total exceptional items

Reconciliation between IFRS and management performance summary income statements

Performance has been adjusted to exclude items viewed as exceptional by management and which management view as distorting comparability of performance year-on-year. The adjusted performance measure is considered an APM. A reconciliation of management performance measures to the directly related IFRS measures, providing their impact in respect of specific line items and the overall summary income statement, is set out below.

IFRS - summary income statement	2024 € m	2023 € m
Net interest income	4,129	3,841
Other income	799	881
Total operating income	4,928	4,722
Total operating expenses	(2,195)	(2,142)
Operating profit before impairment losses	2,733	2,580
Net credit impairment charge	(55)	(172)
Operating profit	2,678	2,408
Income from equity accounted investments	26	12
Loss on disposal of business	(2)	(26)
Profit before taxation	2,702	2,394
Income tax charge	(351)	(336)
Profit for the year	2,351	2,058

Adjustments - between IFRS and management performance

		2024	2024 € m	2023	2023 € m
Other income	**of which: exceptional items**				
	(Gain)/loss on disposal of loan portfolios	(1)		19	
	Other	(19)		—	
			(20)		19
Total operating expenses	**of which: bank levies and regulatory fees**		138		185
	of which: exceptional items				
	Customer redress	46		62	
	Restructuring costs	4		10	
	Inorganic transaction costs	32		59	
	Other	4		—	
			86		131

Management performance - summary income statement	2024 € m	2023 € m
Net interest income	4,129	3,841
Other income[1]	779	900
Total operating income[1]	4,908	4,741
Total operating expenses[1]	(1,971)	(1,826)
Bank levies and regulatory fees[1]	(138)	(185)
Operating profit before impairment losses and exceptional items[1]	2,799	2,730
Net credit impairment charge	(55)	(172)
Operating profit before exceptional items[1]	2,744	2,558
Income from equity accounted investments	26	12
Loss on disposal of business	(2)	(26)
Profit before exceptional items[1]	2,768	2,544
Total exceptional items[1]	(66)	(150)
Profit before taxation	2,702	2,394
Income tax charge	(351)	(336)
Profit for the year	2,351	2,058

1. Performance has been adjusted to exclude items viewed as exceptional by management and which management view as distorting comparability of performance year-on-year. The adjusted performance measure is considered an APM.

Business Review – 2. Capital

Objectives

The objectives of the Group's capital management policy are to at all times comply with regulatory capital requirements and to ensure that the Group has sufficient capital to cover the current and future risk inherent in its business and to support its future development. Detail on the management of capital and capital adequacy risk can be found in 'Risk management 2.3' on page 235.

Regulatory capital and capital ratios[1]

	Fully loaded 31 December 2024 € m	Transitional 31 December 2023 € m	Fully loaded 31 December 2023 € m
Equity	**15,437**	15,077	15,077
Less: Additional tier 1 Securities	**(1,239)**	(1,115)	(1,115)
Proposed ordinary dividend	**(861)**	(696)	(696)
Proposed share buyback[2]	**(1,201)**	(1,000)	(1,000)
Regulatory adjustments:			
Intangible assets and goodwill	**(548)**	(535)	(535)
Cash flow hedging reserves	**121**	287	287
IFRS 9 CET1 transitional add-back	**—**	223	—
Pension	**(26)**	(26)	(26)
Deferred tax	**(2,153)**	(2,218)	(2,458)
Calendar provisioning[3]	**(90)**	(77)	(77)
Other[4]	**(64)**	(52)	(52)
	(2,760)	(2,398)	(2,861)
Total common equity tier 1 capital	**9,376**	9,868	9,405
Additional tier 1 capital			
Additional tier 1 issuance	**1,239**	1,115	1,115
Other	**(3)**	(3)	(3)
Total additional tier 1 capital	**1,236**	1,112	1,112
Total tier 1 capital	**10,612**	10,980	10,517
Tier 2 capital			
Subordinated debt[5]	**1,661**	1,500	1,500
Instruments issued by subsidiaries that are given recognition in tier 2 capital	**—**	29	30
IRB Excess of provisions over expected losses eligible	**11**	111	111
IFRS 9 tier 2 transitional adjustment	**—**	(65)	—
Other	**(3)**	(3)	(3)
Total tier 2 capital	**1,669**	1,572	1,638
Total capital	**12,281**	12,552	12,155
Risk-weighted assets			
Credit risk	**53,806**	53,409	53,229
Market risk	**730**	342	342
Operational risk	**7,434**	5,822	5,822
Credit valuation adjustment and settlement risk	**60**	70	70
Total risk-weighted assets	**62,030**	59,643	59,463
	%	%	%
Common equity tier 1 ratio	**15.1**	16.5	15.8
Tier 1 ratio	**17.1**	18.4	17.7
Total capital ratio	**19.8**	21.0	20.4

1. Prepared under the regulatory scope of consolidation.
2. A proposed share buyback of € 1,201 million has been included as a foreseeable distribution, in line with the new EBA Q&A 2023_6887 released in quarter 4 2023. The prior year comparative (December 2023) share buyback was € 1,000 million.
3. Calendar provisioning is a Supervisory Review and Evaluation Process ("SREP") recommendation to ensure minimum coverage levels on long term NPE exposures. The difference between the SREP recommended coverage levels and the IFRS 9 ECL coverage is taken as a CET1 deduction.
4. In December 2024 Other primarily includes a prudent valuation adjustment. The prior year comparative includes an adjustment for the Ulster Bank forward contract,which has since expired.
5. In December 2024 Non-CET1 own fund instruments include accrued interest and fair value hedge adjustments in line with the EBA report on the monitoring of Additional Tier 1, Tier 2 and TLAC/MREL Eligible Liabilities instruments of EU institutions published on 27th June 2024 (paragraphs 144 to 162).

Key Points

- The Group is reporting a fully loaded CET1 ratio of 15.1% at 31 December 2024 against a regulatory requirement of 11.4%.
- Proposed share buyback of € 1.2 billion and a cash dividend of € 0.9 billion from profits of € 2.4 billion.
- € 500 million directed share buyback completed in September 2024.
- The Pillar 2 requirement (P2R) has decreased from 2.6% to 2.4% for 2025.
- CET1 target of greater than 14.0%.

Capital requirements

The table below sets out the capital requirements at 31 December 2024 and the pro forma requirements for 31 December 2025.

	Actual	Pro Forma
Regulatory Capital Requirements	**31 Dec 2024**	**31 Dec 2025**
CET1 Requirements		
Pillar 1	4.50 %	4.50 %
Pillar 2 requirement ('P2R')	1.46 %	1.35 %
Capital Conservation Buffer ('CCB')	*2.50 %*	*2.50 %*
Other Systemically Important Institutions Buffer ('O-SII')	*1.50 %*	*1.50 %*
Countercyclical buffer ('CCyB') Impact	*1.44 %*	*1.44 %*
CET1 Requirement	**11.40 %**	**11.29 %**
AT1	**1.99 %**	**1.95 %**
Tier 2	**2.65 %**	**2.60 %**
Total Capital Requirement	**16.04 %**	**15.84 %**

Under Article 104a any shortfall in AT1 and Tier 2 must be held in CET1. There is currently no shortfall. The table does not include Pillar 2 Guidance ('P2G') which is not publicly disclosed.

The Central Bank of Ireland ('CBI') increased the CCyB for Irish exposures to 1.5% on 7 June 2024 (equating to an estimated 1.08% Group requirement). The CCyB for UK exposures remains at 2% (equating to an estimated 0.27% Group requirement). Other jurisdictional exposures equate to a 0.09% Group requirement.

Capital ratios at 31 December 2024

Fully Loaded Ratio

The fully loaded CET1 ratio decreased to 15.1% at 31 December 2024 from 15.8% at 31 December 2023. Profit for the year attributable to equity holders of the parent (+4.0%), DTA utilisation (+0.5%), less proposed ordinary dividend (-1.5%), proposed share buyback (-2.0%), mid-year buyback (-0.8%) and increased Risk Weighted Assets ('RWA') (-0.7%).

The fully loaded total capital ratio decreased to 19.8% from 20.4% at 31 December 2023. The decrease in the ratio was primarily driven by the CET1 ratio movements outlined above.

The Group elected to cease reporting the transitional arrangement in June 2024 (as per CRR Article 473a).

Capital Actions

In April 2024, the Group issued a perpetual € 625 million Additional Tier 1 instrument (first call date 30 October 2029), with a discretionary coupon of 7.125%.

In May 2024, the Group issued a € 650 million Green Tier 2 instrument (first call date 20 May 2030), carrying a coupon of 4.625%.

These issuances supported the redemption of the € 500 million AT1 and € 500 million Tier 2 capital instruments.

Significant Risk Transfer ('SRT')

In November 2024, the Group executed a SRT transaction referencing a portfolio of c.€ 1.0 billion of corporate loans. The benefit of this transaction for the Group's CET1 ratio as at December 2024 is c. 20bps.

The SRT transaction reduced the Group's credit risk exposure through a risk sharing structure whereby a significant portion of the credit risk on the reference portfolios of loan assets was transferred to external investors. No assets were derecognised from the Group balance sheet and the reference portfolio of loan assets and related customer relationships will continue to be maintained by the Group.

Distributions

Proposed Dividend

The Board proposes to pay an ordinary dividend of 36.984 cent per share from 2024 profits (totalling € 0.9 billion based on the total number of ordinary shares currently outstanding). This is subject to shareholder approval at the Annual General Meeting on 1 May 2025.

Share Buybacks

The Group has received regulatory approval from the European Central Bank to undertake a buyback of its ordinary shares in an aggregate consideration amount of € 1.2 billion. Discussions with the Department of Finance in relation to a potential directed buyback of ordinary shares are currently underway. Any buyback of ordinary shares would be subject to the approvals of the Board and the Minister for Finance. Furthermore, a buyback of € 1.2 billion from the Minister for Finance would require the approval of independent shareholders, which, subject to agreeing the terms of the buyback with the Department of Finance, the Group will seek in due course.

In September 2024, the Group with agreement from the Minister of Finance, executed an off-market purchase for a total consideration of € 500 million of 91,827,364 ordinary shares at a price of € 5.445 per Ordinary Share, being the closing price of the Ordinary Shares on 30 August 2024 on Euronext Dublin.

In October 2024, the Group completed its Odd-lot Offer to eligible shareholders resulting in the Group buying back 253,765 ordinary shares at a price of € 5.65 each for a total consideration of c.€ 1.4 million. The Odd-lot Offer was launched on 9 September 2024 to facilitate the disposal by Eligible Odd-lot Holders of their Ordinary Shares at a 5% premium to the market price, without the dealing costs that would typically render such a disposal uneconomic, whilst giving Eligible Odd-lot Holders the ability to opt-out of such a disposal.

Regulatory Developments

Capital Requirements Regulation 3 ('CRR3')/Basel IV

Basel IV capital regulations enacted in EU legislation through the CRR3 came into effect on 1 January 2025, the benefit is estimated at c. 120bps. The key impacts are a combination of reduced LGD input factors on certain Foundation IRB exposure classes, the removal of the IRB risk weight scalar of 1.06 and reduced risk weights on portfolios on standardised models.

Business Review – 2. Capital *continued*

Model Development
In 2024 redeveloped models for AIB Mortgages, Corporates and SME were implemented resulting in a largely neutral capital impact as scalars had been applied to the outgoing models during 2023.

A regulatory decision in relation to the Permanent Partial Use ('PPU') to apply the standardised approach to certain exposure classes has been received. The implementation of the decision has resulted in € 0.6bn reduction in RWA (0.1% CET1%) mainly due to sovereign exposures now receiving a lower risk weight than under the IRB approach.

Headwinds may be faced as further exposures transition from the standardised approach to IRB.

Leverage ratio
The fully loaded leverage ratio is 7.3% at 31 December 2024 (7.5% at 31 December 2023).

Leverage Ratio Metrics	2024 €m	2023 €m
Total Exposure (Fully Loaded)	145,609	140,289
Tier 1 Capital (Fully Loaded)	10,612	10,517
Leverage Ratio (Fully Loaded)	7.3 %	7.5 %

Minimum Requirement for Own Funds and Eligible Liabilities ('MREL')
At 31 December 2024 the Group has a MREL ratio of 31.7% of RWA (34.0% at 31 December 2023).

The Group's MREL ratio is in excess of the target for 2024 indicating that the Group has sufficient loss absorption and re-capitalisation capability. In the 12 months to 31 December 2024, the Group issued $ 1 billion MREL bonds.

The Group's January 2025 requirement is 28.9% of RWA including the combined buffer requirement.

The Group continues to monitor developments in the Single Resolution Board's ('SRB') MREL policy which has the potential to impact the Group's MREL requirements.

Ratings
AIB Group plc and Allied Irish Banks, p.l.c. are rated at investment grade with Moody's and S&P Global.

AIB Group plc
On 26 Nov 2024, S&P Global moved AIB's outlook to Positive from Stable and reaffirmed all ratings.

The positive outlook reflects multiple factors including; S&P Global's expectations that risk-adjusted profitability for the Group will remain solid despite the declining interest rates and the Group's sound risk management together with stronger and more efficient franchise thanks to advancing digital capabilities, could help close the gap with higher rated peers.

Long term Ratings	31 December 2024 Moody's	31 December 2024 S&P Global
Long term	A3	BBB
Outlook	Positive	Positive
Investment grade	√	√

Long term Ratings	31 December 2023 Moody's	31 December 2023 S&P Global
Long term	A3	BBB
Outlook	Positive	Stable
Investment grade	√	√

Return on Shareholder Equity ('RoE')/ Return on Tangible Equity ('RoTE')

Return on Shareholder Equity (RoE)/ Return on Tangible Equity (RoTE)	2024 €m	2023 €m
Profit after tax	2,351	2,058
AT1 coupons paid	(80)	(65)
Attributable earnings	2,271	1,993
Average Shareholder Equity	14,078	12,555
Return on Shareholder Equity	**16.1%**	**15.9%**
Average RWA	60,747	57,398
RWA * 14% CET1 target[1]	8,505	7,749
Return on Tangible Equity	**26.7%**	**25.7%**

The Group has a financial target for RoTE of 15%.

Return on Assets
The Return on Assets (RoA) at 31 December 2024 is 1.6% (2023: 1.5%).

1. The Group's CET1 target for 2024 is greater than 14%. The 2023 RoTE is calculated using the target of greater than 13.5%
Note: RoTE is considered an Alternative Performance Measure

Sustainability Reporting

Progressing our sustainability agenda is a core tenet of our corporate strategy.

In this section

Our Approach to Sustainability

We are pleased to present our first sustainability statement which has been prepared in accordance with CSRD. This statement builds on our well-established approach to transparent sustainability disclosures. We believe sustainability reporting is an important enabler of our broader approach to embed sustainable practices across our business model.

Mary Whitelaw
Chief Strategy and Sustainability Officer

AIB has reported against the Non-Financial Reporting Directive (NFRD) since 2017. This year, we have prepared our sustainability statement in line with the European Sustainability Reporting Standards (ESRS) to comply with the Corporate Sustainability Reporting Directive (CSRD).

Progressing our sustainability agenda is a strategic priority for AIB. We integrate environmental, social and governance (ESG) factors into financial decision-making to promote sustainable development, which is often defined as the development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

We continue to support the low-carbon transition, empowering people to build a sustainable future, and have made ambitious commitments to play a central role in supporting our customers, colleagues and many other stakeholders on this journey. We are committed to complying with regulatory requirements and providing our stakeholders with a fair and balanced view of our material sustainability matters, practices and results for the 2024 financial year, reflecting our belief that open disclosure and accountability promote trust and confidence among stakeholders.

We have included a content index detailing our progress against the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, from page 120 for details. In addition to this sustainability statement, you can find our disclosures with reference to the Global Reporting Initiative (GRI) framework, United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking and the Equator Principles on our website.

Companies in scope of the CSRD are required to report on a double materiality basis. This means disclosing both the risks and the opportunities they face from a changing climate and other ESG matters **(financial materiality)**, as well as the impacts they have or may have on people and the environment **(impact materiality)**.

In line with this requirement, we have carried out a detailed Double Materiality Assessment (DMA) to identify our material topics across the value chain. Our value chain encompasses a range of activities and relationships with stakeholders across upstream, own operations and downstream components.

As a result of the DMA process we have identified our **seven material topics,** which we disclose in this sustainability statement.

Material topic	ESRS
Climate change	ESRS E1
Financial wellbeing	ESRS S4
Housing	ESRS S3 ESRS S4
Own workforce (Equal treatment & opportunities for all)	ESRS S1
Governance, ethics & accountability	ESRS G1
Culture & reputation	ESRS G1
Cyber security & data protection	ESRS S1 ESRS S4 ESRS G1

How to read the sustainability statement

BP-2

In line with the ESRS 1 general requirements, our sustainability statement is a standalone section of the management report, structured in four parts. The first part includes mandatory information as required by the general disclosures of ESRS 2, including the outcome of the DMA. The other three parts are topical – Climate & Environmental Action, Societal & Workforce Progress and Governance & Responsible Business.

In line with the ESRS, the topical sections include information on our seven material topics. We have included material information with respect to the policies, actions, metrics and targets we have adopted to manage the corresponding impacts, risks and opportunities (IROs) of each material topic. You will find details of our material topics throughout the topical sections, within the Our policies, Our actions and Our performance measures categories, including key metrics that we have highlighted for your reference.

Key performance measures / metrics are indicated by this icon:

Some of the required information is incorporated by way of reference to other sections of this report, including the Annual Review, Governance and Oversight Report, and Risk Management, as we believe this information is best read in conjunction with the financial information and overview of our other activities. We have indicated clearly where this is the case.

Additionally, given that the ESRS are sector-agnostic, we have included entity-specific metrics to disclose material information for the reader. The index tables in Appendix 1 from page 113 summarises where the ESRS Disclosure Requirements (DR) can be found in this report.

We have utilised visuals and diagrams to facilitate understandability of information, and, where applicable, have included a reference to the corresponding DR within the text.

Throughout this report, 'sustainability matters' and 'sustainability topics' are used interchangeably. Key sustainability related terms are defined in the Glossary of Terms in the General Information section from page 389.

Basis of Preparation

We have prepared our sustainability statement on a consolidated basis and the scope of consolidation aligns with that of the Group's Consolidated Financial Statements, available from page 247 of this report.

BP-1, BP-2

General basis of preparation
Within AIB Group plc, the material subsidiaries as of 31 December 2024 are:
- Allied Irish Banks, p.l.c.;
- AIB Mortgage Bank Unlimited Company;
- EBS d.a.c;
- AIB Group (UK) p.l.c.

Page 326 of this report lists our principal businesses and their locations. Further detail on our subsidiaries is available in the Financial Statements.

Our sustainability statement covers our upstream, own operations and downstream value chain, to the extent required to enable an understanding of our material sustainability matters. The sustainability statement is prepared in accordance with Part 28 of the Companies Act 2014 and in compliance with the ESRS requirements.

Our materiality assessment has considered IROs that arise through direct and indirect business relationships across the value chain. When reporting on policies, actions and targets, we have covered value chain stakeholders where applicable. We report on metrics associated with our value chain using relevant qualitative and quantitative data and information collected across the business or directly from customers.

For certain environmental metrics related to value chain information, we use proxy information as detailed under estimations. The Group has prepared a policy document outlining the principles, specific measures and methods for collection of all relevant sustainability data and information. Data collection is based on relevant data sources, and the information is aligned with the material data points defined in the ESRS.

We have not omitted any specific information on the basis of intellectual property, know-how, or innovation results, or the basis of negotiation. In line with ESRS 1, Appendix C, we have taken advantage of certain phase-in provisions applicable to AIB, as set out in the Appendix index table on pages 113 to 115.

Where applicable, a reference to the Financial Statements indicating direct connectivity is included alongside monetary amounts.

Disclosures for specific circumstances
Time horizons
For the purposes of this statement our time horizons are defined as follows:
- short-term: Up to 1 year;
- medium-term: 1 – 5 years;
- long-term: > 5 years.

We deviate from the medium- and long-term time horizons when reporting climate-related physical and transition risks. In line with the Regulatory Guidance from the European Banking Authority (EBA), we define long term as > 10 years. Given that the ESRS does not permit a deviation from the 1-year short term horizon, the medium term defaults to >1 – 10 years.

Estimations
We report certain value chain and quantitative metrics by relying on data derived indirectly through third-party data providers or sector-average value. This information may be estimated using estimation factors which may significantly affect the reported information. The Group cannot influence estimates and assumptions made by a third-party data provider.

As real data becomes available and calculation methods develop, the quality of data will improve gradually.

This means that figures in the sustainability statement may change over the coming years, and there may also be changes in figures from previous ESG reports. New guidance, industry standards and scientific research are anticipated, and we reserve the right to periodically review and update targets, methodologies and approaches and to restate baselines as necessary.

Limited assurance
In accordance with section 1613 of the Companies Act, 2014, this sustainability statement, set out on pages 43 to 116, has been subject to limited assurance by PricewaterhouseCoopers. The elements of this report outside of the sustainability statement that are covered by their limited assurance procedures are clearly indicated by the specific '(limited assurance)' reference. Their limited assurance procedures do not extend to any comparative information, links or references to material outside of the Annual Financial Report (AFR) nor to other sections of the AFR unless clearly otherwise indicated to the contrary. Their limited assurance report is included on pages 117 to 119 of the AFR and should be read in conjunction with this sustainability report.

Our Sustainability Strategy

We continue to support the transition to a more sustainable future, building long-term resilience for our business, customers, economy and society.

SBM-1

Our sustainability strategy is integrated with our overall Group strategy, with Sustainable Communities as a core pillar. It aligns with the three strategic areas of focus, which place an enhanced focus on serving our customers across the Group, greening the business and driving greater operational efficiency.

To support the delivery of the Group strategy, AIB has appointed a Chief Customer Officer to drive improved customer experience by better understanding customer behaviour and attitudes and using those insights to meet their evolving needs.

As a financial institution, we have a role to play in combatting climate change through our lending and investment activities, recognising that significant investments are required globally to finance the green transition.

Our ambition is for our own operations to be Net Zero by 2030 and for our lending portfolio to be Net Zero by 2050. To deliver on our decarbonisation ambition, we have sharpened our ESG principles across three pillars, as shown in the graphic below. Similar to our peers, we recognise the challenges of implementing our strategy due to the evolving policy landscape, stringent regulatory requirements, ESG data limitations and the global struggle to stay on track for limiting long-term global warming to 1.5^{0}C.

The implementation of our strategy is supported by our four operating segments: Retail Banking, Capital Markets, Climate Capital and AIB UK. We operate predominantly in Ireland and the UK. Further information on our operating segments, including significant groups of products and services, can be found on pages 4 to 5 of the Annual Review section. Number of employees by geographical area is reported on page 94 of this statement. Information on how our material IROs correlate to our strategy and business model is on page 58 of this section.

Three strategic areas of focus	**Customer first** We will develop deeper, more enduring relationships with our customers by better serving their financial needs through integrated propositions.	**Greening our business** We will mobilise capital to support climate action, be a catalyst for positive change and continue to build on our sustainability leadership.	**Operational efficiency & resilience** We will ensure the appropriate capability, capacity and resilient platforms are in place to support the Group's strategic ambition.

Customer first | **Sustainable communities** | **Simple & efficient** | **Risk & capital** | **Talent & culture**

Our Sustainability Strategy

ESG strategic pillars	**Climate & environmental action**	**Societal & workforce progress**	**Governance & responsible business**
Our purpose	**Empowering people to build a sustainable future**		
Guided by our ESG principles	by providing responsible green finance, investments and advice to drive structural change and support the transition to a low-carbon future	by maximising positive outcomes for customers and colleagues, helping build a brighter and a more prosperous future for all	by acting responsibly, with integrity and transparency, while embedding sustainability capabilities and measures
Our material sustainability topics	**Climate change**	**Financial wellbeing** **Housing** **Own workforce (Equal treatment & opportunities for all)**	**Governance, ethics & accountability** **Culture & reputation** **Cyber security & data protection**
	ESRS E1 – Climate change	**ESRS S4 – Consumers & end-users** **ESRS S3 – Affected communities** **ESRS S1 – Own workforce**	**ESRS G1 – Business conduct**
Alignment with UN SDGs[1]	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action	1 No poverty; 4 Quality education; 11 Sustainable cities and communities	5 Gender equality

1. While AIB supports all 17 United Nations Sustainable Development Goals, we believe we can make the most sustained and scalable impact in those listed above.

Climate & environmental action

Areas of focus for 2024 – 2026

- Lend responsibly and steer our portfolios towards Net Zero by 2050.
- Reach Net Zero in own operations by 2030.
- Increase consideration and management of climate and environmental risks.
- Contribute to protecting nature and safeguarding natural ecosystems/habitats.

We have developed a range of products and services to deliver on our strategic ambition to lend responsibly and decarbonise our loan book by 2050. Our retail offerings include green mortgage products across the AIB, EBS and Haven brands and the AIB green personal loan, along with green commercial real estate (CRE) lending and renewables lending delivered by AIB, as well as electric vehicle (EV) car leasing options through Nifti, our joint venture with Nissan Ireland.

Our Climate Capital segment is mobilised and growing, providing finance for renewable energy and sustainable infrastructure projects across Ireland, the UK, Europe and North America. We have established a €30bn Climate Action Fund to support our strategy implementation.

Across our four segments, we intend to broaden our green product suite for personal, small and medium-sized enterprises (SME) and corporate customers. We plan to steadily increase new green and transition lending to reach our target of 70% of all new lending to be green and transition by 2030.

We are also focused on managing our own carbon footprint, with an ambition to reach Net Zero in our own operations and source 100% of electricity from certified renewable energy sources by 2030 through virtual Power Purchase Agreements (VPPAs).

To support our decarbonisation ambitions, we closely monitor and manage climate and environmental risks, which are integrated into our credit risk management policies and processes. Understanding our green and transition lending and continuously improving data capture and analysis will support our long-term management of climate-related and environmental risk in our lending portfolio, by not funding or lending to companies that are not aligned with our sustainability targets.

We will continue to further develop our approach to nature and to include considerations for nature into both our business strategy and risk management approach.

Read more in Climate & Environmental Action.

Societal & workforce progress

Areas of focus for 2024 – 2026

- Put our customers first, always treating them fairly and with respect.
- Continue to proactively contribute to a robust and sustainable economy and society.
- Empower our workforce and foster a safe, inclusive and supportive work environment.
- Support our communities and local initiatives in a sustainable way.

Customer First continues to be at the centre of our strategy. We invest in developing tailored financial products that meet our customers' needs and support their financial wellbeing. We strive to deliver simplicity, agility, speed and self-service while safeguarding the accessibility and equality of opportunities to access financial services for all. We offer advisory services via Goodbody Clearstream and specialist advice for our clients on their sustainability journey, from advisors across AIB Group. We also provide financial literacy programmes and have additional supports in place to take extra care of our vulnerable customers.

As a pillar bank in Ireland, we recognise our role in supporting with social challenges such as access to housing. We fund new developments and support social and affordable housing programmes, seeking to improve the availability and affordability of housing for our customers and the wider community.

Our people know and serve our customers. To promote equal treatment and opportunities for our own workforce, we have dedicated policies and actions in place to support diversity and inclusion as well as training and skill development. We have dedicated sustainability resources, including an in-house ESG research function, AIB Sustainability Champions and an AIB Sustainability Academy which is a hub for all ESG learning, sustainability resources and education opportunities. We continuously engage with product owners and frontline staff when developing new green and transition products.

Overall, stakeholder awareness is key to advancing our strategic ambitions. Our Sustainability Conference brings together exceptional international and Irish trailblazers, each providing their unique perspective to help demystify the global transition to a more sustainable future.

We continued with our contribution to the wider community and society through the annual AIB Community €1 Million Fund, part of our €11.3m Community Investment.

Read more in Societal & Workforce Progress.

Governance & responsible business

Areas of focus for 2024 – 2026

- Facilitate a culture that promotes our values and fosters engagement.
- Ensure that the Board and management work to the highest standards to deliver long-term value.
- Operate responsibly at all levels, while managing cyber security, data security and operational resilience risks.

We promote a strong culture of accountability through our Code of Conduct, robust corporate governance rules, regular compliance monitoring and dedicated training at all levels in the organisation.

Our policies, controls and procedures help us protect ourselves and our stakeholders against threats like insider trading, corruption, bribery and money laundering. Our culture and reputation help us align our business activities with our principal values of integrity, transparency and accountability.

In line with our values, we strive to act and conduct our business sustainably, including our supply chain. We only do business with companies who adhere to our Responsible Supplier Code, which sets out our expectations, including the responsible and ethical behaviours that we look for.

Our Sustainability Transformation Programme oversees and embeds sustainable practices across our business and takes an integrated approach to delivering on our regulatory, strategic and customer enablement objectives. Through continued oversight of our policies, processes and governance structures, we seek to ensure positive outcomes.

In a digital and interconnected world, safeguarding all forms of data and maintaining cyber resilience is imperative to our business and to our stakeholders. We will further improve our efforts to manage cyber security, data security and operational resilience risks, protecting customers, our colleagues and the Group.

Read more in Governance & Responsible Business.

Our Value Chain

Our ability to create long-term value is deeply interconnected with our value chain and our stakeholders.

SBM-1

Our value chain encompasses a range of activities and stakeholder relationships, which we rely on to provide banking products and services.

We have identified our key stakeholder groups along the upstream, own operations and downstream of our value chain, and, in line with the ESRS, we group them into:

- **Affected stakeholders**, who are individuals or groups whose interests are affected, or could be affected, by our activities, either directly through contractual relationships (e.g. employees and customers) or indirectly through our value chain (e.g. community and society).
- **Users of the sustainability statement**, who are primary users of general-purpose financial reporting and other users (e.g. investors and regulators).

The nature of our business means that we have a complex value chain. It extends beyond direct contractual business relationships. For example, in our role as a lender we have direct relationships with our personal and business customers. Our business customers have their own value chains, through which we may be associated with impacts on the wider society and the environment. As an employer, we have a direct relationship with our own workforce, who are part of our own operations. As a regulated business, funded by debt and equity, and as a procurer of goods and services, we are connected to stakeholders in our upstream value chain, such as our regulators, investors and suppliers.

For each of our roles we perform due diligence processes. The diagram below is a high-level depiction of our intricate value chain and our relationships with our key stakeholder groups.

Upstream value chain
Our investors refer to our shareholders, including capital providers, both debt and equity.
Our suppliers refer to any third-party organisation that provides goods or services to or on behalf of AIB Group.[1]
Regulators refer to regulatory bodies, governments and policy-makers responsible for creating rules and regulations which supervise or moderate AIB's functioning business.

Own operations
Our own workforce refers to our colleagues. It includes employees who are in an employment relationship with AIB Group, and non-employees, including our subsidiaries.

Downstream value chain
Community refers to different groups with whom we are connected, both directly and indirectly. These include industry groups and associations, schools and universities, and groups established to represent the interests of the wider community and the environment.
Our customers include retail and business customers to whom we provide products and services.

1. This definition does not include individual contractors, agents, or intermediaries.

Value chain key:

- → Direct relationships
- → Indirect relationships
- → Direct and indirect relationships
- ● Affected stakeholders
- ● Users of the sustainability statement
- ● Both affected stakeholders and users of the sustainability statement

Our Stakeholder Engagement

Effective, systematic and continuous stakeholder engagement is a key focus of our approach to sustainability.

SBM-2

Stakeholders' views, interests and expectations are integral to our strategy and business model, and are considered by the Board in all its deliberations. To understand our stakeholders' views and serve their best interests, the Group engages with them through a range of regular engagement channels, including our due diligence processes, as well as through industry representative groups.

Throughout 2024, the Board continued engaging directly with key stakeholders, including our colleagues, customers, suppliers, investors, regulators and the wider society and community. It received management reports and updates on stakeholder matters. Information on the key engagement outcomes and how they informed the Group's strategic decisions is included in Section 172 Statement and Stakeholder Engagement from page 140 in the Governance Report.

When engaging with stakeholders, including our own workforce (i.e., our colleagues), our suppliers, our customers and the wider community and society (including affected communities), we pay particular attention to human rights.

We do so by promoting a culture of accountability and inclusivity, conducting appropriate checks as part of our due diligence and onboarding processes, and ensuring that we have channels for all of our stakeholders to raise any concerns, including our whistleblowing channels for raising concerns of wrongdoing as defined by Protected Disclosures legislation.

A new Whistleblowing Policy, with the sole purpose of facilitating the reporting and effective management of Protected Disclosures was approved by Group Board Audit Committee in November 2024, and effective from January 2025. It replaces the Speak Up Policy, which has been retired. Our respect for human rights is embedded in our Human Rights Commitment and it is shaped by the UN Guiding Principles on Business and Human Rights. It operates alongside AIB's Code of Conduct and Responsible Supplier Code. Further details on Our Human Rights Commitment are included on page 95 of this statement.

Additionally, in 2023, as part of the DMA process, we have engaged with our key stakeholders, the outcome of which was communicated to the respective ExCo and Board Committees. This process is outlined in Our Approach to the Double Materiality Assessment from page 54.

We will continue our annual stakeholder engagement process in a responsible manner to build strong relationships and continuously inform our strategy, while delivering long-standing outcomes.

The sustainability statement highlights, along with a link to the full report, is shared with all of our colleagues following publication. Senior leaders are also provided with key messages for their teams to further ensure channels of communication are available to raise any questions.

We are members of and actively participate in the:
- Banking and Payment Federation Ireland (BPFI)
- Business in the Community Ireland
- European Banking Federation
- Financial Services Union
- Irish Business and Employers' Confederation (IBEC)
- Irish Banking Culture Board
- Irish Paper Clearing Company[1]
- Irish Payments Council[1]
- Institute of Bankers[1]
- Cyber Defence Alliance[1]
- UNEP-FI

1. AIB holds a governance position with these organisations

Creating Value through Our Business Model

Our value creation model

SBM-1

We are committed to creating value for our stakeholders through a robust and dynamic Group business model. In 2024, AIB Group operated four core segments, Retail Banking, Capital Markets, Climate Capital and AIB UK, predominantly in Ireland and the UK, as described on pages 4 and 5. Our ambition as a Group is to be at the heart of our customers' financial lives. Our value creation model depends on inputs across our three strategic priorities, including key intangible resources such as brand reputation, employee expertise, intellectual property and technology innovation. These key intangible resources drive strong relationships with our customers and other stakeholders. By leveraging these key intangible resources, we strive to empower people to build a sustainable future, while driving our business growth and competitive advantage. The diagram below includes a **non-exhaustive list** of the key inputs that we rely on to deliver value for our stakeholders, in the form of outputs and outcomes.

Guided by our strategic pillars

- Customer first
- Sustainable communities
- Simple & efficient
- Risk & capital
- Talent & culture

With three strategic areas of focus

Customer first	Greening our business	Operational efficiency & resilience

Inputs include the resources and relationships that we rely on to operate our business and deliver value for our stakeholders

€110bn Customer accounts	**€30bn** Climate Action Fund by 2030	**10,469** Employees (Actual Full Time Equivalent)
236 170 AIB branches and 66 EBS offices in ROI	**100%** Sourcing of renewable energy for our own operations by 2030	**€4.93bn** Total operating income

Our business model includes the activities, products and services through which we deliver value for our stakeholders

Our purpose
Empowering people to build a sustainable future

Our Values
- Put customers first
- Be one team
- Show respect
- Own the outcome
- Drive progress
- Eliminate complexity

Our operating segments
- Retail Banking
- Capital Markets
- Climate Capital
- AIB UK

Our material topics
- Climate change
- Own workforce (Equal treatment & opportunities for all)
- Housing
- Financial wellbeing
- Governance, ethics & accountability
- Corporate culture
- Cyber security & data protection

Supported by our relationships with key stakeholders across the value chain
- Our customers
- Our colleagues
- Our investors
- Our suppliers
- Regulators
- Society & community

Outputs include the results that our business activities create for our stakeholders

€14.5bn New lending	**€16.6bn** Cumulative Climate Action Fund lending since 2019	**89%** People satisfaction rate (H2 2024)
2.27m Digitally active customers	**84%** of renewable energy achieved from VPPAs	**10.33%** Cybersecurity spending of overall IT spend

Outcomes include longer-lasting impacts and benefits for our stakeholders

Developing deeper, more enduring relationships with our customers by better serving their financial needs through integrated propositions.
- Know our customers
- Respond to their needs
- Deliver service excellence
- Educate and innovate

Mobilising capital to support climate action, be a catalyst for positive change and continue to build on our sustainability leadership.
- Grow green
- Support transition
- Enable sustainable practices
- Invest for the future

Ensuring the appropriate capability, capacity and resilient platform are in place to support the Group's strategic ambition.
- Resource efficiency
- Process efficiency
- Measure and manage
- Harness new technology

Our Sustainability Governance

Our strong governance structures are key to delivering our sustainability commitments. Our governance framework provides clear oversight and ownership of the Group's sustainability strategy and the management of IROs at Board and Executive levels.

This section outlines the roles and responsibilities of these bodies in relation to sustainability matters and business conduct, including their relevant skills and expertise. The Governance Report provides details of their overall roles and responsibilities, composition and diversity[1] as well as representation of employees (pages 128 to 135 and 154 to 155).

Roles and responsibilities

GOV-1

AIB Group Board

The Board is responsible for promoting the Group's long-term sustainable performance. It approves the Group's strategy and our financial and investment plans, which includes considering sustainability factors. The Board approves our sustainability targets as part of the strategic planning process. These targets then form part of the financial planning process across our core operating segments. The Board receives regular updates on the execution of the Group's sustainability strategy, enabling it to monitor performance against the sustainability targets. These reports include regular updates on People & Culture and bi-annual sustainability updates. The Board is also responsible for overall business conduct as detailed on page 134 of the Governance Report. Our Board-approved Code of Conduct supports the Group's values and helps us to deliver on our Group strategic purpose. At 31 December 2024, the Board consisted of the Chair, who was deemed independent on appointment, twelve Independent Non-Executive Directors and two Executive Directors, being the Chief Executive Officer and the Chief Financial Officer.

Board Committees

The Board is supported in discharging its duties by a number of Board and Advisory Committees. Part of their role is to oversee and challenge the Group's sustainability strategy and performance, while the Board retains ultimate responsibility, ensuring a robust approach. In relation to sustainability matters, the Board Audit Committee (BAC) oversees the quality and integrity of the non-financial disclosures, internal controls and mechanisms through which employees and contractors may raise concerns, in line with the scope of the Whistleblowing Policy. The Board Risk Committee (BRC) oversees and fosters sound risk governance across the Group, including ESG-related risks. The Sustainable Business Advisory Committee (SBAC) assists the Board in overseeing sustainability matters and supports the execution of the Group's sustainable business strategy, in accordance with the Group Strategic and Financial Plan. The Technology and Data Advisory Committee (TDAC) supports with the review and challenge of the strategy, governance and execution of matters relating to technology, data including cybersecurity, areas aligned to our material topics. The Nomination and Corporate Governance Committee (NomCo) ensures that the Board and Executive Committee are equipped with the necessary skills and diversity to effectively guide the group towards sustained success. The Remuneration Committee (RemCo) oversees the Remuneration Policy, including the variable remuneration scheme. Each Committee operates under Terms of Reference approved by the Board, as detailed in the Governance Report.

How we define our governance

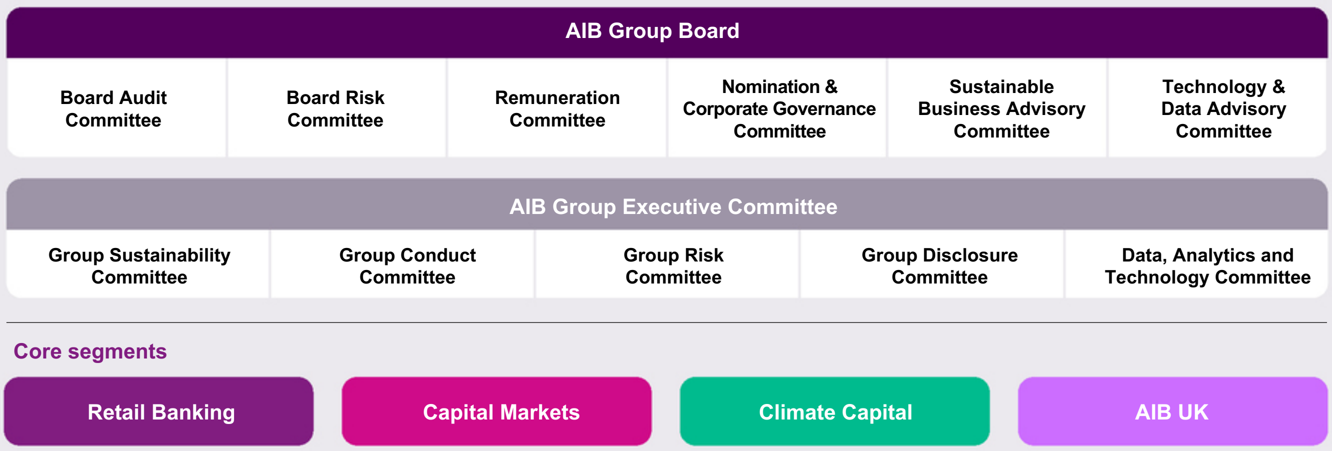
- **Management Body** – the Group Board and Board Committees
- **Management Body in its Supervisory Function** – Non-Executive Directors
- **Management Body in its Management Function** – Executive Directors
- **Senior Management** – ExCo and, where delegated by ExCo, a sub-committee of ExCo.

AIB Group Executive Committee (ExCo)

ExCo is led by the Chief Executive Officer (CEO) and includes the managing directors of our four core operating segments. It provides input on the design, development and delivery of our purpose, strategy and values, and is responsible for our day-to-day operations. ExCo ensures we have an effective organisational structure, including the selection, motivation and direction of senior management, and oversees the execution of the strategy agreed with the Board, as well as the operational management, compliance and performance of all of the Group's businesses.

ExCo is also responsible for maintaining an effective internal governance and control framework that includes a clear organisational structure and independent risk management, compliance and audit functions. In addition, it evaluates the effectiveness of the systems that ensure the integrity of our financial and sustainability information, as well as the soundness and effectiveness of risk management and internal controls.

AIB Group governance structure



1. In line with ESRS 2, gender diversity is calculated as the average ratio for the year. For FY24 this is the same figure as the year-end figure presented in the Governance Report on page 129.

Our Sustainability Governance *continued*

ExCo operates under defined Terms of Reference and has full authority to delegate any of its powers, authority or activities to identified executives or to one or more of its sub-committees. In line with this, ExCo has established several sub-committees. The Chair of each sub-committee reports to ExCo on the key aspects of its work. ExCo oversees the sub-committees and regularly evaluates their effectiveness.

Group Sustainability Committee (GSC)
The GSC is chaired by our Chief Sustainability Officer. Its remit includes the effective fulfilment of strategic objectives and regulatory obligations, and our data strategy as it relates to ESG disclosures. It reviews and assesses current and emerging ESG risks, interacting with the Group Risk Committee (see below) on relevant matters.

It also maintains relationships with key sustainability stakeholders, and ensures that the Group's portfolio of ESG products aligns to its sustainability agenda and strategy. The GSC oversees internal and external communications with stakeholders on the Group's approach to ESG matters. The SBAC receives updates on sustainability matters including the sustainability strategy, from Management, following review and recommendation from GSC.

Additionally, the GSC manages and oversees the DMA process. The outcome of the DMA and any subsequent updates to it are communicated to SBAC and BAC on an annual basis.

Group Risk Committee (GRC)
The GRC is the senior management risk committee and is accountable to ExCo for setting policy and monitoring all risk types across the Group, to enable delivery of the Group's risk strategy. As part of this process, it receives updates on the effectiveness of the Group's policies and programmes related to identifying, managing and mitigating the Group's ESG risks, including Climate & Environmental (C&E) Risk, and ensuring compliance with regulatory requirements and industry standards. The GRC also approves the Climate and Environmental Policy.

The BRC receives updates from the ExCo members following review at GRC, including the effectiveness of policies and programmes, which relate to identifying, managing and mitigating ESG risks, in connection with the Group's operations and ensuring compliance with regulatory requirements and industry standards.

Group Disclosure Committee (GDC)
The GDC oversees material Group disclosures. This includes recommending the disclosures in the sustainability statement for review to the BAC, ahead of recommendation to the Board for approval. As part of this, the GDC reviews the key judgements and estimates applied to sustainability disclosures, following their consideration by the GSC, as well as the clarity and consistency of the GSC's recommended response to new legal and regulatory requirements impacting Group ESG disclosures.

To ensure completeness, sustainability disclosures are also shared with SBAC for information and feedback.

Group Conduct Committee (GCC)
The GCC is responsible for oversight of conduct related issues in the Group. It seeks to promote and sustain a customer centric culture to demonstrate and evidence consideration of customer outcomes and to ensure that products and propositions are consistent with the Risk Strategy and Risk Appetite of the Group.

Data, Analytics and Technology Committee (DATC)
The DATC is responsible for the governance, oversight and approval of all material aspects of the Group's data and technology activities, including the technology, data and analytics strategy, data quality, cyber, ethics and privacy standards.

Oversight of material sustainability matters

GOV-1, GOV-2

Our Board Committees are regularly informed by Management and ExCo subcommittees as detailed above. This supports them in fulfilling their oversight and management responsibilities for our material IROs.

As detailed in the topical sections, we manage the material IROs that cut across our core operating segments through dedicated controls and procedures, including policies, actions, metrics and targets. For example, as the sponsors or owners of particular policies, Management and ExCo members are responsible for overseeing their effectiveness in addressing impacts and risks. We also manage and monitor impacts through our enhanced due diligence processes, as detailed below and in the Governance & Responsible Business.

Our material risks are effectively managed through our risk management framework and internal controls, in accordance with the Three Lines of Defence (3LOD) model. The Board of Directors is ultimately responsible for the effective management of risks and for our system of internal controls as detailed from page 169 to 171 in the Governance Report. The Board has delegated a number of risk governance responsibilities to various committees. Further details can be found from page 180 to 183 of the Risk Management section.

Opportunities are considered as part of strategic planning, including financial and investment plans. SBAC ensures that the DMA results frame our approach to developing our sustainability strategy, including major decisions and transactions.

The Group monitors progress towards the Board-approved sustainability targets via the Climate & Environment Dashboard, which is reported quarterly to GSC and SBAC. The Group continues to work on integrating the processes, controls and procedures to monitor, manage and oversee material IROs within the specific Executive and Board committees and internal functions.

Due diligence assessment

GOV-2, GOV-4

In addition to policies, actions, metrics and targets in place to manage material IROs, we also manage and monitor material impacts and risks through enhanced due diligence processes, as detailed below and in our Governance section.

Our approach to due diligence demonstrates our commitment to identifying, preventing, mitigating and accounting for the ESG-related impacts of our business on people and the environment.

Our controls include extensive due diligence assessments of clients and other business partners. For example, as part of our C&E Risk due diligence, the ESG Questionnaire continues to be used in credit applications for borrowers identified as carrying increased transitional, environmental, social and/or governance-related risk.

The ESRS do not impose any conduct requirements in relation to due diligence or require any modification to our governance. The due diligence table in Appendix 1 of this statement on page 114 maps where the main elements of the due diligence process are reflected in our sustainability statement, including how we apply them in practice.

Key sustainability matters discussed in 2024

GOV-2

The Board and ExCo and/or their Committees discussed a broad range of sustainability matters in 2024, including:

- Sustainability transformation and targets
- Mobilisation of CSRD and readiness for implementation
- Double Materiality Assessment – refresh exercise
- Development of the Social Agenda, including vulnerable customers
- ESG propositions
- Diversity & inclusion
- AIB's environmental footprints
- Regulatory engagement and expectations
- Employee communications on sustainability matters
- Sustainability Reporting
- Board succession planning, renewals, composition and diversity
- Stakeholder engagement
- Whistleblowing and the Code of Conduct
- Climate and environmental risk
- Conduct risk and Culture risk
- Cyber risk
- Corporate Governance
- Variable remuneration
- Operational efficiency & resilience
- Data & AI
- Collaboration with community partners

Further details on areas of focus in 2024 for the Board can be found on page 138 of the Governance Report and in the detailed reports of each Board committee.

Sustainability-related skills and expertise

GOV-1

Acquiring and maintaining knowledge on sustainability matters, including business conduct, is crucial to enable us to deliver on our sustainability commitments.

To ensure that the Board, its Committees and the Executive are equipped with the necessary skills and diversity to effectively guide the Group towards sustained success, we have a rigorous Director recruitment process, managed by the NomCo. Similarly, the Group's Senior Selection Policy provides that all candidates for ExCo positions are assessed against key role criteria and capabilities in the job description.

Our Board and ExCo have members with specialised knowledge and expertise in sustainability. The skills and expertise of each Board member are evaluated in relation to core skills, including Climate & Environmental (Sustainability) and Customer & Conduct, which covers business conduct. The Board is supported by SBAC, as described on page 168. SBAC includes members of ExCo, including our Chief Sustainability Officer, and Head of Climate Capital.

Throughout 2024, several ESG-related training events took place to advance the Board's collective knowledge and skills. The training sessions were delivered by internal and external subject matter experts on topics including industry perspectives, emerging practices, challenges with data quality for climate-related disclosures and CSRD.

Our Board also has full access to an online corporate governance library and a suite of AIB-specific online training courses.

The Human Resources team, in partnership with Corporate Governance, also runs a professional development and continuous education programme to ensure that the Directors are equipped to lead with integrity and oversee compliance. More information on the Professional Development and Continuous Education Programme, including Board skills and experience can be found from page 154 of the Governance Report.

Variable remuneration

GOV-3

AIB operates a short-term variable remuneration scheme which focuses on delivery against Group performance measures. The scheme applies to all employees. The scheme comprises of three financial measures, accounting for 60% of the award calculation, and three non-financial measures accounting for the remaining 40%. The non-financial measures relate to gender balance, customer satisfaction and green finance, and underline the importance placed on the ESG and customer agendas in line with the Group's strategy. Each non-financial measure has an equal weighting of 13.33%. Currently, performance is not assessed against GHG emission reduction targets. The Scheme has a Group Profit underpin, which is a minimum level of profit that must be achieved to trigger an award under the Scheme. The underpin was achieved for the 2024 performance year. The variable remuneration scheme is a component of the Remuneration Policy and the terms of the Scheme are approved by the RemCo. Further details on the variable remuneration are included in the Governance Report, from page 157.

Governance of our sustainability reporting

GOV-5

Our governance approach to sustainability reporting is aligned with financial reporting and is integrated within our internal control system. It is governed by the Sustainability Disclosure Policy, which applies to all material sustainability disclosures of the Group and all in-scope entities. On an annual basis, the Chief Strategy and Sustainability Officer, as sponsor of the policy, recommends the sustainability disclosures for review by the GSC, after which they are reviewed by the GDC and BAC as detailed above on page 52, with the Board having final approval authority. SBAC is also kept informed.

Risks are identified through a combination of risk assessment methodologies and internal controls and are in line with the 3LOD model. The key risk identified is in relation to regulatory compliance, which is minimised by the Sustainability Disclosure Policy and is managed as part of the Risk Management Framework outlined from page 245. Other risks identified relate to inaccurate disclosures and lack of awareness of reporting regulatory requirements, resulting in inaccurate disclosures, green-washing or regulatory censure and damage to our reputation. They are also mitigated by our Sustainability Disclosure Policy, as well as the internal control framework and minimum control standard detailed on pages 180 to 183 of the Risk Management section.

Any findings or issues identified as part of our assessment of the reporting process are captured and reported to BAC and are also then tracked and monitored until closure by the relevant First Line Assurance teams. Please see pages 147 to 148 of the Governance Report.

Our Approach to the Double Materiality Assessment

Double materiality assessment process

IRO-1 (E1-E5, G1)

The DMA is the starting point for preparing our sustainability statement. In 2023, we carried out a DMA process to identify and assess our material sustainability matters from an impact and financial materiality perspective.

From an impact materiality perspective, we define impacts as the positive or negative effects we have or could have on people and the environment, connected with our own operations and our upstream and downstream value chains across short-, medium-, or long-term. Impacts are linked to our products and services, as well as to our direct and indirect business relationships, for example through our clients' value chains.

From a financial materiality perspective, we define risks and opportunities as the financial effects that affect, or could reasonably be expected to affect, our financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium- and long-term.

Collectively, the impacts, risks and opportunities are referred to as IROs.

In 2024, we began a new three-year strategic cycle and our Climate Capital segment became fully operational. We reviewed the DMA, as required by the ESRS, and concluded that the foundational work from 2023 continues to provide a reliable basis for our sustainability reporting and strategic decision-making processes.

Through the 2024 review, we identified 'Own workforce (Equal treatment & opportunities for all)' as an additional material topic. We also merged two environmental topics, 'Responsible lending and investment' and 'Climate change adaptation' into one topic, 'Climate change', and two social topics, 'Financial inclusion and wellbeing' and 'Customer banking experience' into one topic, 'Financial wellbeing'.

In line with the ESRS requirements, we designed a five-step process to inform our materiality assessment. The following details the steps taken, including our methodology and assumptions, for both the 2023 assessment and 2024 update.

Methodologies and assumptions

Scope of the assessment

We conducted the DMA process for AIB Group plc. Given that the Bank's operations are based in developed markets, mainly Ireland and the UK, where the socio-economic and environmental factors do not vary materially, disaggregation was not deemed necessary. This was confirmed throughout the process with our colleagues across the Group.

Our value chain analysis was informed by both internal and external sources, including risk management documentation, and input from our colleagues. For example, our downstream analysis focused on sustainability IROs related to sectors of the AIB Group loan portfolio, such as residential mortgages, property and construction, distribution and manufacturing. Additionally, the outcome of our due diligence processes informed our analysis of the upstream value chain and our suppliers. Our initial desktop analysis was complemented by input from our colleagues in business areas across the Group.

Stakeholder engagement methodology

In 2023, we conducted an internal and external stakeholder engagement process.

The internal engagement process required the bank-wide involvement of our colleagues, including the highest level of governance – the Board and ExCo. They were involved in identifying, assessing and validating the results of the DMA, based on impact and financial materiality parameters. The Board and ExCo provided input through surveys and oversaw the process, including validating and approving the outcomes. Our colleagues were engaged through a series of workshops and validation sessions.

The external engagement process was carried out through an online survey and focus group discussions. We selected a sample size to be representative of the stakeholder population group. We engaged directly with customers, investors and suppliers through surveys.1,201 customers responded to our survey.

We also engaged through working sessions with representatives of industry associations and non-governmental organisations in relation to the interests and views of the wider community and the environment. These included the Climate Change Advisory Council, Open Doors Initiative, International Financial Services Centre of Excellence, IBEC, BPFI, and Sustainability Works. These organisations were also involved in validating the DMA results.

We engaged some stakeholder groups to provide inputs on impact materiality, while others assessed topics from both impact and financial materiality perspectives. We determined this based on assumptions about their level of expertise and the stakeholder group category. Affected stakeholders provided input from an impact materiality perspective, while users of the sustainability statement provided input from both impact and financial materiality perspectives.

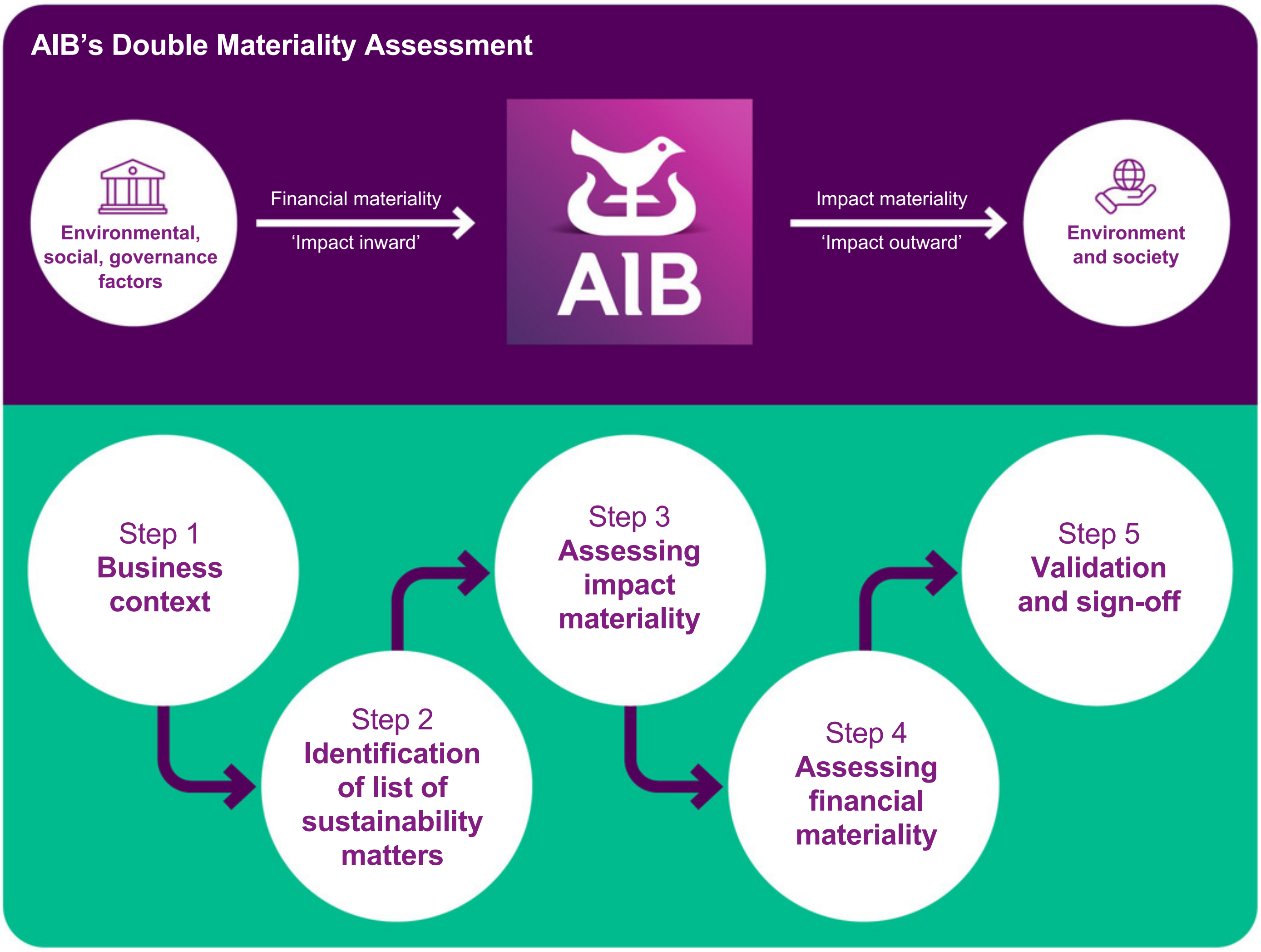
Scoring and thresholds

We developed the scoring methodology in line with the impact and financial materiality parameters detailed in ESRS 1. Impacts are assessed based on their scale, scope, irremediable character and likelihood. Risks and opportunities are assessed based on the magnitude of their financial effect and their likelihood.

We tailored the assessment process to internal and external stakeholders, and their expertise levels, to ensure effective engagement and reliable DMA outcomes. Our colleagues assessed the IROs for each topic across impact and financial materiality parameters (as detailed below in steps 3 and 4). External stakeholders provided their input on material topics on a scale of 0 – 5, ranging from not material to critical.

The results were first calculated within each stakeholder group and then consolidated by taking a weighted average across all stakeholder groups. We assigned weightings to each stakeholder group. To support the prioritisation of material IROs, all scores were consolidated in an overall scale of 0 – 5, ranging from none, minimal, informative, important, significant and critical.

We set our materiality threshold to include topics ranked from the high end of important up to critical. IROs scoring above this threshold and the associated topics are deemed to be material. As detailed in step 5 below, the results were validated by internal stakeholders and representatives of external stakeholder groups, and then reviewed, challenged and approved through the GSC.



Step 1 – **Business context**

We analysed our strategy and business model to inform the context for the DMA, including the key markets in which we operate and the sector exposures associated with our financial products and services. We mapped our value chain by considering the direct and indirect business relationships that we depend on and identified key internal and external stakeholders. In line with the ESRS guidance we categorised them as affected stakeholders or users of the sustainability statement. Understanding these relationships helped us identify and assess the impact of these stakeholders in our value chain and the risks and opportunities posed to our business, as developed in the following steps.

Step 2 – **Identification of the list of sustainability matters**

The ESRS provides a list of sector-agnostic sustainability matters to consider. To ensure a comprehensive assessment that took the nature of our business into account, we examined additional inputs to identify potential sector and entity-specific topics across different categories. These inputs were:

1. Peers and competitors;
2. ESG-focused regulations relevant for AIB;
3. ESG frameworks;
4. Media;
5. Industry publications;
6. Company documents.

For each category, we scored topics based on their frequency and relevance to our business. This resulted in a list of 24 preliminary material sustainability topics across our ESG pillars, which were challenged and reviewed by Sustainability Transformation Steering Committee.

Steps 3 & 4 – **Assessing impact and financial materiality**

Through desktop research, we identified the IROs for each of the 24 topics identified in step 2. The desktop results were complemented by input from our colleagues.

Identifying impacts

We categorised all identified impacts as positive or negative, actual or potential.

Social impacts were informed by company documentation, insights from the due diligence process and existing stakeholder engagement output. We considered impacts on our employees associated with our operations.

In relation to our customers and the wider society and community, we considered the direct and indirect impacts associated with our lending and investment activities.

Environmental impacts relate to climate change, pollution, water and marine resources, biodiversity and ecosystems, and resource use and circular economy. To understand how they relate to our business activities, sector exposures and geographical locations, we consulted company documents and publicly available databases such as UNEP-FI. We also consulted representatives of non-governmental organisations representing the views of affected stakeholders, and those regarding nature.

Impacts related to **business conduct** were considered in relation to our own operations and the associated impacts for stakeholders along the value chain. They were mainly informed by the regulatory framework in place. The correlation between negative impacts and risks was considered, particularly their potential to trigger regulatory and reputational risks for the Group.

Our Approach to the Double Materiality Assessment *continued*

Identifying risks and opportunities
After identifying impacts across the ESG pillars, we considered risks and opportunities, including factors that could trigger them, such as impacts, or dependencies on business relationships and natural resources. For example, the impact of transitioning our business model to support a low-carbon economy could lead to transition risks associated with exposure to high GHG-emitting sectors. At the same time, this transition presents opportunities to develop and finance green products, thereby growing our business.

Opportunities were mainly informed by desktop research and strategic documentation. The outcome of the DMA, including opportunities identified, inform the strategic orientation for the Group.

Risks were considered in relation to physical and transition channels related to our operations and value chain. To ensure overall alignment, the existing risk management processes were an important input factor to the DMA. We conducted the analysis through desktop research, including analysis of the Material Risk Assessment (MRA) framework (see page 57 for more details), Annual Reports, Pillar 3 disclosures and credit rating reports.

Assessing the materiality of IROs
After the IROs were identified, our colleagues from across different areas, including subsidiaries and entities, assessed them based on the impact and financial materiality parameters prescribed by the ESRS. The scoring methodology was defined on a scale of 0 – 5, ranging from not material to critical, including a time horizon lens of short-, medium- and long-term.

In line with impact materiality parameters, impacts were assessed based on:

- **Scale:** we assessed how grave the negative impact is, or how beneficial the positive impact is, for people or for the environment.
- **Scope:** we assessed how widespread the negative or positive impacts are. For environmental impacts, the scope may be understood as the extent of environmental damage or a geographical perimeter. For impacts on people, the scope may be understood as the number of people affected.
- **Irremediable character of the impact:** for negative impacts, we assessed whether, and to what extent, we could remediate the impacts by restoring the environment or affected people to their prior state.
- **Likelihood:** for potential impacts, we assessed how likely the impact is to occur.

In line with financial materiality parameters, risks and opportunities were assessed based on:

- **Magnitude of the financial effect:** the potential current or anticipated financial effect of the risks and opportunities.
- **Likelihood:** how likely a risk or opportunity is to occur.

Assessing human rights impacts
For human rights impacts, the severity of the impact takes precedence over its likelihood. While we identified certain potential negative impacts, their severity scored below our materiality threshold. Severity comprises scale, scope and the irremediable character of the impact.

However, the right to privacy is recognised by the Universal Declaration of Human Rights and falls within ‘Cyber security and data protection’, which is a material topic for AIB. Our Human Rights Commitment also compels us to safeguard our customers’ right to privacy. More information on our commitment to protecting human rights can be found on page 95.

Consolidation of results
To arrive at a prioritised list of material topics, the input received by our colleagues and the input received by our stakeholders was consolidated. The consolidated results were validated through a series of working sessions.

We prioritised material topics, and their corresponding IROs, based on their final score and materiality threshold.

Step 5 – Validation and sign-off

In terms of the decision-making process and the related internal controls procedures, the overall process is overseen by our senior management through the GSC, which reviews, challenges and validates the results of the DMA.

Prior to review by the GSC, the consolidated results were validated by our colleagues and approved by the Sustainability Transformation Steering Committee. We also organised separate validation sessions with representatives of external stakeholder groups, as detailed above.

As a final step, the DMA results were noted by SBAC, BAC and the Board.

Our seven material topics – outcome of the DMA process

As a result of the DMA process we have identified **seven material topics:**

- Climate change, Own workforce (Equal treatment & opportunities for all), and Cyber security & data protection are material from both impact and financial (risk and opportunity) perspectives.
- Culture & reputation is material from a financial perspective only (risk).
- Financial wellbeing, Housing and Governance, ethics & accountability are material from an impact perspective only.

Details on the corresponding material IROs for each topic are included in Our Material Impacts, Risks and Opportunities on pages 58 to 61.

Materiality of information
Once the material topics were determined, they were mapped to the corresponding ESRS. A materiality of information process was carried out to identify material DR and data points to be included in the sustainability statement. Please see Appendix 1 from page 113 for more information.

DMA and MRA connectivity

IRO-1 (E1-E5)

AIB carries out an annual Material Risk Assessment (MRA) where risks such as C&E Risk are identified, assessed, managed, monitored and reported upon, as described below. The MRA is an annual top-down process, identifying the Group's material risks in line with the Group's Risk Management Framework. It is a key input into the Group's risk management processes, including the Risk Appetite Statement (RAS). The Risk and Control Assessment (RCA) process is a detailed bottom-up risk assessment identifying the risks arising from the Group's processes and business activities. Further details can be found from page 180 to 183 of the Risk Management section.

In addition to the MRA and RCA, the Group has other risk management processes, such as the Internal Capital Adequacy Assessment (ICAAP) and the Internal Liquidity Adequacy Assessment (ILAAP), both of which consider climate-related factors in assessing capital adequacy and liquidity adequacy.

The outcomes of risk management processes are an important input factor in the DMA process, informing the alignment and calibration of results. The Group is continuously working on integrating the DMA process, including the identification of risks and opportunities, in terms of the overall planning, risk management and internal controls as applicable.

Transmission Channel Analysis

Transmission channel analysis is conducted annually and is used to analyse how different C&E risk drivers transmit through micro and macroeconomic factors and impact the Group's material risks. The analysis considers the Group's geographical footprint, such as credit, market and third party providers, economic sectors and different asset classes, which is overlaid with the intelligence gathered through a Business Environment Scan (BES), heatmaps and other internal research to map the Group's material risk to C&E Risk drivers. For each of the C&E Risk drivers, the micro and macro transmission channels are identified, and first- and second-order impacts are assessed.

The Group's Materiality Matrix (GMM) was used to determine the materiality of the impact on individual risk types, which considers reputational and regulatory impacts, as well as financial losses and impacts on business objectives.

The 2024 assessment considered 16 drivers including transition, physical and environmental risk, and was completed over the short (<1 years), medium (1 – 10 years) and long-term (10+ years) to recognise the changing impacts of C&E risk drivers over different time horizons.

AIB at the Kaleidoscope Festival.

For further details regarding stress testing and the scenario analysis undertaken, please refer to Climate & Environmental Risk in this sustainability report from page 68.

Business Environment Scan

BES is conducted to provide a clear view on how the business environment is changing, given C&E risks. This gives a strategic view at a macro-level, covering developments in government policy, ambition and achievements in reaching climate targets (including keeping track of narratives on carbon pricing), policy and regulation, key technologies, demographic and social trends and the competitive landscape, as well as trends for priority sectors.

The latest climate science is also monitored closely, given the potential for new information on the physical effects of climate change to alter perspectives on the likelihood, frequency or type of physical risks impacting the geographies in which the Group operates. Risk drivers identified in the BES exercise are incorporated for an assessment of their impact on material risks in the Transmission Channel Assessment.

Deep Dive on Sectors – 'House View'

Granular research is conducted for sectors that are material to the Group's balance sheet, resulting in 'house views'. These assess how key sectors will be impacted by broad sustainability factors, supporting the identification of key impacts, risks and opportunities, as well as supporting customer engagement. At a national level, engagement with climate scientists, academics and customers informs expert views on likely pathways for these material sectors, while local business areas across the Group, where the sector specialists are based, are directly involved in research and debate on current and future developments at a sectoral level.

The output of sectoral deep-dives informs internal debate and strategy at various levels of the Group, while key insights are also translated into customer-focused outputs as appropriate to ensure broader dissemination to stakeholders and to assist customers in understanding transition pathways.

C&E Risk Heatmap Tools

By leveraging external studies, reports, global tools, regulatory guidelines and internal knowledge, three heatmaps have been developed and are used to inform which C&E risks are most prevalent, and where these risks might crystallise. These heatmaps relate to physical risk, transition risk and environmental risk. Heatmaps are a core tool in understanding the C&E risk profile of AIB's business.

Our Material Impacts, Risks and Opportunities

Our materiality assessment identified the sustainability matters that we believe have the most impact for our stakeholders, including the risks and opportunities arising from our strategy and business model.

SBM-3

This section provides an overview of our seven material topics and their corresponding IROs. It discusses the effects on people and the planet, and how we can best manage and monitor these effects, including any effects on our business.

This section discusses how our material IROs relate to our strategy and business model, which is designed to be resilient in addressing impacts and risks, while leveraging opportunities.

Impacts

We operate predominantly in Ireland and the UK. Through our business model, we finance a large part of the economy, and the most significant impacts of our operations relate to retail and corporate lending activities.

As a people business, we impact our retail customers and the wider community through our approach to financial services, the products we offer and the clients we serve, thereby directly influencing their financial well-being. By prioritising responsible lending, communicating clearly and implementing inclusive banking practices, we aim to enhance the positive impacts of our business on our customers and the wider community. Housing is a strategic priority for AIB. We lend to first-time buyers and finance social housing that benefits the wider community. This, in turn, supports people's ability to achieve financial stability and security, influencing their quality of life and wellbeing.

We also lend to corporate clients who operate in sectors that impact the wider society and the environment. We have considered these direct and indirect relationships when identifying our most material impacts. In line with our strategic commitment to supporting customers in the transition to a sustainable future, our Climate Action Fund provides green lending and finances energy efficiency infrastructure and technology development for climate change mitigation and adaptation solutions. We also acknowledge that our financed emissions have negative impacts on climate change. These are linked to our lending activities and exposures to certain high GHG-emitting sectors, and we have therefore committed to greening our business and decarbonising our loan book by setting financed emission targets and integrating ESG criteria into our lending and investment strategies.

From the perspective of our own operations, our most material impacts relate to our own workforce. These are directly linked to our commitment to empowering our colleagues while fostering a safe, inclusive and supportive work environment. We continuously monitor our policies, practices and initiatives that support inclusion, diversity, learning and development, which, in turn, impact employee satisfaction, engagement and retention, so we can respond effectively and enhance the benefits for our own workforce.

From a time horizon perspective, actual impacts generally occur during the reporting period. Many impacts (both positive and negative) may also be expected to continue in the medium to long term. Potential impacts tend to have a medium- to long-term time horizon, while some potential impacts could occur at any time, such as those related to cyber security and data protection.

Risks

The Group's RMF ensures that our control arrangements provide appropriate governance of the Group's strategy, operations and mitigation of related material risks. Enhanced management of climate, environmental and wider ESG risks is an important component of our sustainability strategy. The MRA process has identified C&E Risk as a principal risk for the Group, and we have established robust risk management processes to manage both physical and transitional climate risks.

In addition to environmental risks, we have identified social and governance-related risks.

As a business we handle vast amounts of sensitive personal and financial information. Our approach to safeguarding and protecting all forms of data, information and assets, and ensuring we only use them within the required rules and regulations, has a significant impact on our stakeholders. Our banking operations therefore depend on secure and reliable data management systems and robust technology infrastructure.

Cyber security and data protection is integral to our strategy and operational resilience. Consequently, we have established dedicated technology and data advisory governance structures.

In addition to the AIB Technology Strategy 2024-2026, which the Board approved in December 2023, we are developing a refresh of the Group Cyber strategy to contend with ever-evolving cyber threats.

Our robust approach supports us in maintaining customer trust, ensuring regulatory compliance and the security of our digital infrastructure, while preventing any risks that might arise from cyber-attacks or data privacy breaches. To ensure appropriate oversight and alignment in the direction of the AIB cybersecurity strategy, TDAC members oversee and advise on relevant operational cyber risk metrics, delivery progress and business benefits.

Our ability to operate and deliver our strategic commitments is closely tied to ensuring equal treatment and opportunities for our own workforce, with talent attraction and retention as a key risk. By having sustainability at the forefront of our plans, investing in employee development and fostering an inclusive workplace, we align our people strategy with our business goals to achieve long-term success and resilience.

In terms of our strategic resilience, we use scenario analysis and stress testing to assess the resilience of our strategy across each of our principal risks, including C&E Risk. The scenarios we use are informed by the key emerging risks and form part of the ICAAP and our assessment of our three-year financial plan. See the Climate & Environmental Action from page 68 for more details on the methodology applied.

Opportunities

In line with our strategic commitment, our material opportunities are mainly linked to financing the transition to a sustainable future. In 2024, we fully mobilised our Climate Capital segment, which specialises in lending to large-scale renewable and infrastructure projects, which are key drivers for sustainable economic growth, across Ireland, the UK, Europe and North America. To deliver on our strategic commitments, we continue to focus on attracting and retaining a skilled and talented workforce.

Overall, our business model and strategy are underpinned by a strong culture of accountability, integrity and openness, and are supported by the robust governance processes in place. Our governance is essential for managing our impacts and risks, and leveraging the opportunities.

More information can be found in the relevant topical sections, where we report on our material IROs in line with the ESRS DR.

A description of our material IROs

SBM-3

The following tables list the sustainability-related IROs that we have identified and assessed as material as a result of our DMA process. A topic can be material because of the actual impacts that we have or may have on people or the planet (impact materiality), because of the financial effects of sustainability factors, in terms of risks or opportunities, on AIB (financial materiality), or both. An impact may also be positive, or negative, actual or potential. The tables also identify in which part of our value chain the matter originates.

Where material risks and opportunities were identified through the DMA process, further analysis was conducted to determine whether they resulted in current financial effects. Where applicable, a summary has been provided to explain further.

Climate change		ESRS E1
Impacts	• Transition to renewable energy is essential for the sustainable use of resources and for mitigating climate change, which we support by implementing efficiency measures in our own operations and by prioritising renewable energy investments, financing and supporting the development and adoption of clean energy sources, and funding research and development. Actual impact	**Value chain:** Own operations, downstream
	• The Climate Capital segment specialises in lending to large-scale renewable and infrastructure projects, which are key drivers for sustainable economic growth across the markets in which we operate. Actual impact	
	• Financed emissions from certain lending activities contribute to climate change, impacting the environment and people. Actual impact	
	• Our responsible lending policies, which govern how we provide a range of products such as green mortgages, along with our Green Bond Framework and excluded list of activities, support climate change mitigation activities and contribute to environmental protection. Actual impact	
	• Through our green mortgage products, we are supporting customers to make more sustainable housing choices,[1] which aligns with our strategy to further green our business. Positive impacts include long-term cost savings and a reduced environmental footprint. Potential impact	
Risks	• Physical climate-related risks can have a negative financial impact on the Group. These risks can arise from extreme events such as droughts, floods, and storms, and from progressive shifts such as increasing temperatures, sea level rises, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity. This can directly result in negative outcomes, such as damage to property or reduced productivity, or indirectly lead to outcomes such as the disruption of the Group's supply chains.[2]	**Value chain:** Upstream, downstream
	• Transition climate-related risks are also a threat. These risks can arise from the process of transitioning to a lower-carbon and more environmentally sustainable economy. They could be triggered by technological progress, changes in laws or regulations, or changes in customer demands and preferences.[2]	
Opportunities	• As the global economy seeks to decarbonise and invest in green infrastructure, there is an opportunity for growth through green and transition financing.	**Value chain:** Upstream, downstream

Current financial effects

The following provides a summary in relation to the current financial effects of the risks and opportunities related to climate change, a topic that was deemed material from a financial materiality perspective in 2024.

Climate change

In line with our Group strategic priorities, new green and transition lending in 2024 was €5.1bn bringing the total drawdown of the Climate Action Fund to €16.6bn. We achieved this through continued growth in green finance, delivered by strong performance in mortgages to energy-efficient homes, green mortgage products and lending for green buildings and renewable energy projects. We plan to steadily increase new green and transition lending, to reach our target of 70% of all new lending being green by 2030.

In relation to climate-related risks, we have not identified a material impact on the Group's financial reporting judgements and estimates. There is currently no reasonable and supportable information that indicates a material impact of climate change on Estimated Credit Loss, going concern and viability, provisions and contingent liabilities or impairment of non-financial assets. For more detail, please refer to note 1 to the Consolidated Financial Statements.

1. By sustainable choices we are referring to choices and behaviours that actively minimise environmental degradation (use of natural resources, CO_2 emissions, waste and pollution) while supporting equitable socio-economic development and better quality of life for all. This also includes references to green lifestyles. Please refer to the Glossary of Terms for sustainability-related definitions.
2. We manage these risks through our C&E Risk Framework as detailed in the Climate & Environmental Action.

Our Material Impacts, Risks and Opportunities *continued*

Own workforce (Equal treatment & opportunities for all) — ESRS S1

Impacts	• We promote a culture of universal inclusion by implementing an Inclusion & Diversity strategy and a strong programme of engagement, wellbeing and inclusion initiatives. We aim to support our colleagues in achieving a sustainable work-life balance, while they navigate life stages. Actual impact • By introducing variable pay based on performance against specific financial and non-financial measures, we reward employees for their performance and achievements. This encourages skill development and contributes to enhanced job satisfaction, supporting their overall career advancement. Actual impact • We provide training and skills development to our employees, enabling them to develop their careers. This, in turn, drives initiatives that align with our commitments and ambition, ultimately fostering a culture of growth and sustainability. Potential impact	**Value chain:** Own operations
Risks	• Failure to upskill our colleagues, or recruit banking talent to support the transition of the Group's loan book, could impact our ability to deliver our strategic commitments. This could lead to outcomes such as reputational damage or heightened credit risk from exposure to physical and transition climate risks.[1] • Failure to attract or retain appropriately qualified employees could also impact our ability to meet customers' expectations. This could lead to a decline in our customer base and a negative financial performance outcome for our shareholders.[1]	**Value chain:** Own operations
Opportunities	• As a recognised sustainability leader, we can retain and attract a talented workforce who share the same values. A stable workforce fosters continuity and expertise, leading to improved operational efficiency and customer services. Attracting top talent can drive innovation in sustainable finance products, leading to increased profitability for the Group.[1]	**Value chain:** Own operations

Housing — ESRS S3, S4

Impacts	• By providing home loans, we enable individuals and families to purchase their own homes. This can help foster a sense of stability and security for our customers and their families. Potential impact • By financing housing development, housing schemes and Private Rented Sector developments, we contribute to the greater availability of housing stock, particularly affordable housing – stimulating economic growth and improving quality of life for residents. Actual impact • By supporting and financing social and affordable housing, we are improving access to housing, bringing security and peace of mind to those who need it. Potential impact	**Value chain:** Downstream

Financial wellbeing — ESRS S4

Impacts	• By providing tailored financial products and services to different customer groups, including vulnerable customers who may need additional support, we provide access to essential financial resources, promoting financial inclusion and wellbeing. Actual impact • Through targeted financial wellbeing and education initiatives, we support customers to make more informed financial decisions and increase their potential to access finance. For example, in supporting women-focused communities and initiatives, we support the professional and personal development of women in business. Actual impact • Our complaint management process allows us to track and manage the complaints raised by customers to deliver positive customer experiences. We implement lasting solutions for issues through root cause analysis processes, to improve the customer experience overall. Actual impact • We have a continued focus on products and services, constantly striving to serve our customers best as their banking needs evolve. This aligns with our Customer First strategic pillar, helping us to meet our customers' needs in a proactive, seamless and innovative manner, and develop deeper and more enduring relationships. Actual impact • We aim to provide digestible and straightforward communication for our customers. This has a positive impact on customer satisfaction and helps ensure that their needs are met. Actual impact	**Value chain:** Downstream

1. No material current financial effects are identified for FY 2024 in relation to our material topic Own workforce (Equal treatment & opportunities for all).

Corporate governance, ethics & accountability

ESRS G1

Impacts	• By implementing a robust Financial Crime Policy (incorporating Anti-Bribery & Corruption), we help to safeguard our customers, the Group and the wider financial system against financial crime and fraud. We do so through the detection, prevention and deterrence of financial crime across the Group. Actual impact • The integration of sustainability criteria into our risk management processes, policies, and procedures supports responsible and sustainable business practices and investments. This contributes positively to environmental protection, social wellbeing, a more sustainable supply chain and an enhanced reputation with our investors. Actual impact • Our tax principles contribute positively to society through transparent, fair and responsible tax practices throughout the territories in which we operate. Actual impact	**Value chain:** Upstream, own operations, downstream

Culture & reputation

ESRS G1

Risks	• Misconduct, inappropriate actions or inactions on a systemic scale can cause poor or unfair customer outcomes and potential failure to meet regulatory expectations and can negatively impact our market integrity and reputation. A conduct-focused culture is crucial to AIB, underpinned by strong internal support structures that incentivise the required behaviours and hold people accountable.[1] • If the Group's purpose and values are not shared by all colleagues, it could result in poor customer and market outcomes. Through our robust internal controls and Risk Management Framework, we promote a strong conduct culture underpinned by our core values.[1]	**Value chain:** Own operations

Cybersecurity & data protection

ESRS S1, S4, G1

Impacts	• We take steps to safeguard our customers' information, ensure the continued resilience of our digital channels, and protect against fraud. This includes implementing a wide range of initiatives, such as promptly notifying customers of suspicious activities, and actively engaging customers regularly via email, mobile app and social channels to raise awareness about potential scams, ongoing security alerts, and emerging threats. Actual impact • Data security breaches in AIB can compromise employees' and customers' data if proper safeguards are not in place, leading to negative outcomes. Potential impact	**Value chain:** Own operations, downstream
Risks	• Cyber attacks can pose a significant operational risk to the Group, leading to potential financial losses, legal liability, regulatory fines and reputational damage.	**Value chain:** Upstream, downstream

Current financial effects

The following summarises the current financial effects of the risk related to Cybersecurity and data protection, a topic we deemed financially material in 2024.

Cybersecurity and data protection
Cyber risk is a top and emerging risk for the Bank during 2024, due to its constantly evolving nature as well as the increased frequency, sophistication, impact and severity of cyber threats. In 2024, our overall cyber security spending was 10.33% of our total IT spending which is a subset of the Total Operating Expenses. For more detail, please refer to note 10 to the Consolidated Financial Statements.

1. No material current financial effects are identified for FY 2024 in relation to our material topic Culture & reputation.

Climate & Environmental Action

We are mobilising capital, investing in new products and propositions, and improving business practices to build a more sustainable future.

In this section

Material Topic: Climate Change

At AIB, our ambition is to be a catalyst for positive change, building long-term value for stakeholders while protecting our planet and contributing to a better society.

This is one of our seven material topics. For each topic, we report in accordance with the ESRS. We disclose our approach to managing our material IROs through our policies, actions and performance measures.

Value chain: Upstream, own operations, downstream

We continue to champion sustainability and are transforming our business operations to better align the Group with best-in-class sustainability practices, ensuring that they are embedded across our business. This will allow us to continue to fulfil our purpose of empowering people to build a sustainable future. We recognise that we have a long-term role to play in providing the finance required to transition to a sustainable economy. In 2019, we launched our Climate Action Fund, with an ambition to lend €5bn over a five-year period. Due to exceptional demand, this doubled to €10bn in 2021 and it has now increased to €30bn by 2030. This fund is realised through the Group's various green and transition products for personal, SME and corporate customers in Ireland, the UK and further afield, and focuses on energy, climate and infrastructure projects.

To support real, transformative action, our dedicated green financing segment, Climate Capital, complements our other segments – Retail Banking, Capital Markets and AIB UK – and focuses on funding renewable energy assets and ESG infrastructure projects across North America, the UK and Europe.

We began reducing emissions for our own operations in 2016 and, in 2020, AIB became the first Irish bank to make decarbonisation commitments, including our commitment to be Net Zero in our own operations by 2030 and in our customer lending portfolios by 2050. We launched our Green Mortgage product in 2019. We were the first bank in the world to receive Science Based Target Initiative (SBTi) approved maintenance targets for electricity generation in April 2023 and have set SBTi-approved financed emissions targets for 75% of the AIB loan book.

In 2019, AIB was the first Irish Bank to enter the Green Bond market and, in 2020, AIB was the first Irish Bank to issue a Green Bond, for €1bn. Over the last five years, AIB has raised a combined €4.65bn from the issuance of Green Bonds.

Decarbonisation Journey

During 2022

- Issued two Green Bonds totalling €1.5bn
- Successful launch of the Strategic Banking Corporation of Ireland (SBCI) Energy Efficient Loan Scheme
- Signed the VPPA to support our energy needs
- **€3.3bn in green and transition lending in 2022**

During 2023

- SBTi validated targets for Residential Mortgages, Commercial Real Estate, Electricity Generation and a Portfolio Coverage Target, which covered 75% of the lending portfolio as of 2021
- Acquired Clearstream (a corporate climate and sustainability services provider) to enable us to further support our customers in their transition
- AIB raised €750m during 2023 by issuing its fifth Green Bond
- Increased our Climate Action Fund to €30bn
- **€3.7bn in green and transition lending in 2023 (30% of new lending)**

During 2024

€5.1bn in green and transition lending in 2024

- This represents 35% of new lending and results in a cumulative total of €16.6bn of green and transition finance lending since AIB's Climate Action Fund was launched in 2019
- Began purchasing certified renewable energy via the two newly constructed solar farms in Co. Wexford
- Launched a strategic investment programme in our network, investing in a range of upgrades to branches and ATMs
- Developed our new Transition Finance Guidance to enhance our transition finance proposition for our corporate and business customers


AIB at the National Ploughing Championships.

- Announced that we will invest over €20m in sustainability education and research, with €10m allocated to a new AIB Trinity Climate Hub in Trinity College Dublin and a €10m commitment as a founding partner of Innovate for Ireland
- Established AIB's Sustainability Academy, a hub for ESG learning, research and training support for all colleagues
- Developed our 'SME Steps to Sustainability', a go-to resource for SME businesses, designed to guide them to take sustainable action
- AIB launched new shorter-term green mortgage products with rates starting from 3% for higher energy efficient homes. The launch of these new Green Fixed Rates follows a number of cuts to mortgage rates by AIB Group throughout the year

Since 2020, AIB has issued six Green Bonds, totalling €4.65bn
The Socially Responsible Investment Bond Portfolio reached €2.67bn

2030 Ambition

- Own operations – Net Zero ambition across Scope 1 & 2 emissions by 2030
- 70% of new lending to be green and transition by 2030


Enda Buckley
Director of Sustainability at Carbery group.

2050 Ambition

Net Zero

in our customer lending portfolio


Manager Cliona Walker and Chef Kallam Moriarty with Dingle Branch Manager Roisin Healy.

Decarbonisation Journey *continued*

Our approach to transition planning

E1-1

Introduction
Through our purpose of empowering people to build a sustainable future, we are committed to building long-term resilience and sustainability for our business, economy and society. We want to ensure that our stakeholders are aware of our decarbonisation ambition to transition to a sustainable future and will join us on this journey. While AIB does not currently have a standalone Transition Plan published, we are mapping and further maturing a Transition Plan in line with current industry best practice, regulatory guidance and national plans, strategies and targets. This Transition Plan will be published within 12 months and will further evolve over time.

As part of our transition planning, we consider the financial effects of climate and environment on our business within two key processes:

- The financial impact associated with our decarbonisation strategy is considered as part of business and financial planning, ensuring that our strategy and business model are compatible with the transition to a sustainable economy and is in line with the Paris Agreement aim to limit global warming to 1.5°C. We require each AIB business area to consider how meeting these targets will impact its projected revenues, costs and margins.
- We conduct scenario analysis relating to future possible climate change outcomes, which includes quantitative forecasts for short and long term transition and physical risk. Further details of our scenario analysis can be found on page 68 to 69.

To support our decarbonisation ambition, we regularly review and sharpen the focus of our sustainability strategy across the ESG pillars, aligning with our wider business strategy, industry best practice and emerging themes. Under our Sustainable Lending Framework (SLF) which enables the classification of new customer loans as green, transition or social, we have now developed Transition Finance Guidance to support our corporate customers in their transition journey. Please see page 70 for more details.

Approach to transition planning policies
To support our transition, we have two primary frameworks in place, the SLF and the Green Bond Framework (GBF), as well as supporting internal policies, including our C&E Risk Policy, our Group Energy Policy and our Group Environmental Policy, all of which are described on pages 70 and 75.

We have also had an excluded activities list in place since 2020, which sets out a range of business activities that do not align with our Group strategy. From a sustainability perspective, excluded activities include the exploration, extraction and upgrading of oil sands projects, nuclear power generation, nuclear waste transportation, and the decommissioning and/or final disposal of high-level nuclear waste. Our rules prohibit us from providing customers with new money when their activities are covered by this list.

Funding and resourcing the transition
Achieving our purpose of empowering people to build a sustainable future and delivering on our decarbonisation ambitions is a multi-year programme, requiring appropriate funding and resourcing.

The transition to a sustainable future will require significant investments over the coming decades, and the financial services sector has a key role to play.

AIB will lead by example and want to support customers along their transition pathways by financing energy efficiency measures and providing loans to businesses and individuals who are transitioning to a low-carbon economy. AIB's €30bn Climate Action Fund will support enabling customers to reduce emissions and help make a positive environmental impact.

AIB does not have large exposures to carbon-intensive activities, and our focus is on mobilising capital towards renewable power generation and sustainable infrastructure.

To direct more finance towards climate action initiatives, our Climate Capital segment became fully operational in 2024, with approximately 75% of it's activities in green infrastructure. We have focused on making resources available to support the new segment, creating a step change in our ability to finance energy transition and ESG infrastructure.

Our Sustainability Transformation programme also continues to oversee our transformation as we embed sustainable practices across our business. The programme includes the delivery of key strategic objectives and regulatory expectations.

How we measure progress and track metrics
To support our transition planning and to assist us in reaching our commitments, we have identified the following measures:

- **Financed emissions targets** – in 2020, we set a financed emissions target of reaching Net Zero in our customer lending portfolio by 2050. To steer our business to more sustainable financing activities, our validated SBTi targets (which guide our transition planning) set a 1.5°C trajectory linked to our green lending ambition and science-based target requirements. We have validated financed emissions targets aligned to a 1.5°C scenario set for 75% of the 2021 AIB loan book and, in 2023, were the first bank in the world to receive an SBTi-approved maintenance target for electricity generation. Please refer to Decarbonising Our Loan Book from page 70 for more details.
- **Own operations targets** – in 2020, we announced an ambition of achieving Net Zero in our own operations by 2030. We measure and report our operational emissions according to the Greenhouse Gas Protocol, where we cover Scope 1 and Scope 2 emissions. Please refer to Decarbonising Our Own Operations from page 75 for more details.

These targets are embedded into the Group's formal review and planning processes, including the Annual Business Review, which forms part of the Strategic, Financial and Investment Planning processes.

We publicly disclose our progress against these targets on an annual basis. Open disclosures and accountability promote trust and confidence among stakeholders. We regularly review and monitor our metrics and targets to maintain a clear view on where we are, where we want to be and how we will get there. We do not currently use GHG removals or carbon credits, or any form of internal carbon pricing.

Actions supporting our Transition Planning (Levers)

E1-1

Offering green products and propositions to meet our customers' needs	Please refer to page 70 in Decarbonising Our Loan Book for further details.
Providing green and transition financing to support climate action	Please refer to page 70 in Decarbonising Our Loan Book for further details.
Investing in reducing our direct emissions, and that of our value chain	Please refer to page 75 in Decarbonising Our Own Operations and page 77 in Methodology for Calculating GHG Emissions for further details.

Supporting measures

Educating our customers and colleagues on their sustainability journeys	Please refer to page 70 in Decarbonising Our Loan Book for further details.
Collaborations, partnerships and thought leadership to support change	Please refer to page 70 in Decarbonising Our Loan Book for further details.
Assigning accountability and managing climate-related risks	Please refer to page 242 in the Risk Management section for further details.

We have made good progress towards our decarbonisation ambition in recent years, driven by a number of our decarbonisation levers and transition actions. These are presented at a high level in the table above and expanded on throughout this Sustainability Statement.

Taken together, the levers described above show how we aim to achieve our 2050 decarbonisation ambition of net zero in our lending portfolio. Further details are provided in the Decarbonising Our Own Operations and Decarbonising Our Loan Book sections below.

Our management response to drive progress against our ambition is integrated into strategic, business and financial planning processes, with regular reporting to ExCo and Board on progress.

We are committed to working with our customers, our colleagues and partners to achieve our goals and to support them on their own transition journeys.

Next steps in transition planning
Further embedding our Transition Plan is a priority at all levels of AIB.

While progress towards our decarbonisation ambition is being made, there is an acknowledgement that more can be done to further enhance our transition planning journey and to further embed sustainable practices across our business. Further details will be included in our Transition Plan.

In line with any changes, AIB's policies, actions, targets and metrics will be monitored to facilitate appropriate implementation and alignment, not only with our transition planning, but also with our overarching ambition, strategy and validated financed emissions reduction targets.

Climate & Environmental Risk

As part of the overarching risk management process described in the Risk Management section of our Annual Report from page 179, AIB identifies top and emerging risks that have the potential to increase in significance and could have a material impact on the Group's strategy, operations and customers over the short-, medium- and long-term.

SBM-3, IRO-1

Climate change is identified as a material topic through our DMA process, both from an impact and financial materiality perspective. Our Material Impacts, Risks and Opportunities section from page 58 outline the material IROs across our value chain, as well as their interaction with our strategy and business model. In addition to the DMA process, C&E Risk is identified as a material principal risk for the Group through the risk management processes such as the MRA, as detailed on DMA and MRA Connectivity on page 57.

C&E Risk is defined as any potential negative financial or non-financial (e.g. reputational) impact on the Group stemming from climate and environmental change and the transition to a sustainable economy. Further details regarding the identification and management of climate related physical and transition risks are included in the Risk Management section of this AFR on page 242.

Climate risk is defined as potential negative impacts due to climate change on the Group. This includes risks posed by direct exposure to climate change and indirect exposure through customers and suppliers. Climate risk includes the impacts that the Group and its customers and suppliers have on climate, and the impact from climate on the Group and its customers and suppliers.

Environmental risk is defined as potential negative impacts of the activities or actions of the Group, its customers or suppliers, either directly or indirectly, on the naturally occurring living and non-living components of the Earth which together constitute the biophysical environment. Changes in the state of nature (quality or quantity) may act as drivers on the Group's financial performance through risk events and could result in changes to the capacity of nature to fulfil social and economic functions.

Physical and transition risk

The Transmission Channel Analysis, previously described on page 57, referenced how different C&E risk drivers transmit through micro and macroeconomic factors and impact the Group's material risks. These are broken down into a the following categories:

- Climate (Physical Risk) – Includes flooding, rising sea levels and heatwaves / droughts.
- Environmental (Physical Risk) – Includes water availability, biodiversity and raw material availability.
- Climate (Transition Risk) – Includes consumer and investor behaviour, regulatory requirements, litigation and technological improvements.
- Environmental (Transition Risk) – Includes enhanced regulations.

In mapping these risk drivers against the Group's material risks, the Transmission Channel Analysis provides insight into how C&E risk can be managed within AIB. Using scenario analysis and stress testing, further insights into the potential impact of C&E Risk are noted.

Stress testing

The impact of C&E risk is incorporated in the Group's stress testing framework by conducting comprehensive scenario analyses to evaluate the potential impact of various climate-related events on the Group's credit and treasury portfolios, operations and overall financial position. Scenario testing enables the Group to assess the interconnectedness of risks, considering not only direct physical risks but also transition risks arising from shifts in market dynamics, investor sentiment and regulatory landscapes. As well as participating in the ECB Climate Stress Tests in early 2022, in 2024, the Group participated in the European Commission's 'Fit-for-55' climate risk scenario analysis exercise, which assessed the resilience of the financial sector in line with the EU's 'Fit-for-55' plan for green transition.

The Business Model, the Capital Adequacy Framework and the Stress Testing Policy integrate C&E risks into the Group's stress testing operations. The Group's Stress Testing Policy sets out the key processes, governance arrangements and roles and responsibilities around stress testing in general, including C&E risk impacts.

The climate stress testing approach and the associated models consider the impact of physical and transition risks across a range of scenarios on the Group's credit exposures. The initial scope of climate stress testing activities and climate modelling in the Group is primarily focused on the credit risk implications for the loan portfolio, via both transition and physical risk. This is where the most material impact of climate stresses impacts the Group, with the approach covering all customer loans and advances on the balance sheet. As such, aside from the indirect macro impact stemming from the climate scenarios (e.g., interest rate trajectories), direct transmission channels (via other material risks) or direct upstream impacts (e.g., via our suppliers) are excluded from these stress scenarios.

The Group has identified that flooding is the most material physical risk to the Group. The Group is exposed to the risk that flooding will adversely affect the value of properties, collateralising the Group's lending, causing an increase in credit provisioning to compensate. The development of an enhanced flood-risk model to support the quantification of flood-related risks was rolled out during 2024. The newly developed model represents a significant step forward, in terms of both granularity and flexibility relative to previous approaches.

As a first step, the new model locates individual properties and overlays a series of flood maps corresponding to river, coastal and surface water flood events. This is repeated for multiple return periods (1-in-20-year or 1-in-1000-year periods) allowing for a probability distribution of flood levels to be calibrated for each property. The damage to each property for a given level of flooding is estimated, based on building type and flood type. Estimates of rebuild costs are applied to calculate the cost of repair.

Using this approach, the model can be used to quantify flood-damage impacts across a probability distribution of flood severities and, from this information, estimate the 'Expected Annual Damage' as the probability-weighted average of flood-damage costs. This approach can be applied to reflect current climate conditions or projected climate conditions under a variety of science-based scenarios developed by the IPCC (Intergovernmental Panel on Climate Change).

The scenarios currently available are Representative Concentration Pathway (RCP) 2.6, 4.5, 6.0 and 8.5 at 5-year intervals until 2100. RCP 8.5 assumes by far the greatest CO_2 concentration and temperature anomalies, whereas RCP 2.6 assumes a far lower amount. RCPs work intuitively; the greater the RCP value, the stronger the physical risk signal will be for the scenario. Some RCPs map closely to the Network for Greening of the Financial System (NGFS) scenarios being used by the regulators for climate stress testing.

In this way, the model is used to quantify flood risk under a range of climate scenarios, including high-emissions scenarios for horizons out to 2055. Consequently, the model supports the Group's ICAAP and stress testing more generally which, in turn, informs assessments of the materiality of flood risk in the short-, medium- and long-term, such that, if required, mitigating actions can be taken in a timely manner.

A known constraint of the new model is that, while it can estimate the probabilities of a given level of flooding for individual properties, it cannot estimate the joint probability of a given level of flooding for multiple properties. This limitation is overcome by stressing the flood risk of individual properties in a way that is consistent with a plausible stress-scenario narrative characterised in geographic terms.

The new flood-risk model's 'layered' approach to quantifying flood damage impacts facilitates the analysis of key risk drivers and their relevance to the Group's exposure. For example, acute scenario impacts can be broken down into flood type, building type, customer type and geographic location.

The Group is exposed to risk through the potential negative impact on the creditworthiness of its customers that is associated with the uncertainties and challenges associated with a transition to a more sustainable low-carbon economy. The Group quantifies this potential impact using transition risk models centred on carbon emissions charges. Following the development of two new transition risk models, one for Retail (Mortgages) and one for Non-Retail, these models were implemented and rolled out in 2024.

Climate scenarios for Transition risks are focused on a forecast of the macroeconomic drivers of risk, used in stress testing models, to assess a climate-focused 3 year forecast under the ICAAP structure. Two scenarios are used to assess transition risk in the short to medium term.

- The first, Paris-aligned, assumes that governments pursue incentives to reduce carbon emissions. They do this in a carefully structured way, with incentives geared towards a reduction that is systematically implemented.
- In the Sudden Realisation scenario, it is assumed that a limited number of actions have taken place, with the 'shock' coming from an unstructured and significant implementation of carbon-reduction levies and taxes. The resultant volatility is caused by the sudden implementation of climate-positive policies to 'make up' for time when they weren't in place.

In these scenarios, forecasts of those factors that drive increased risk in the Group's credit portfolios have been made. These factors are implemented in the ICAAP credit stress testing engine and are applied to the Group's balance sheet, with business plans integrated into growth forecasts in credit exposures and the existing IFRS9 risk parameters.

Both 'stressed' Climate Risk economic forecast scenarios focus on the impacts of additional (hypothetical) carbon emissions charges caused by changes to market conditions and through government policy and incentives.

For the Retail model, this tax would affect disposable incomes for Retail customers, which may present challenges for customers and the Group, depending on how unexpected they are and how punitive the taxes. The stress test output is an analysis of the potential impacts of this scenario on the mortgage book, where charges are applied based on the carbon emissions of homes, which leverages data on property Building Energy Ratings (BER).

For Non-Retail customers, the model reflects the borrower's affordability by reducing profits and increasing costs. Charges are applied in this model based on the scope of the carbon emissions of the NACE[1] sector in which the borrower operates. The stress test output provides an analysis of the potential impacts of this scenario on the Non-Retail borrowers.

The stress tests described above were included in the ICAAP process (which was approved in 2024), which provided assurance that the Group had adequate capital to withstand these risks.

As referenced above, the impact of climate risk under various climate scenarios is assessed as part of the stress testing process within the Group. It is noted however that the impacts are not expected to manifest in the short-term and therefore there is no requirement to make any related adjustments to the financial statements.

1. NACE is a pan-European classification system that groups organisations according to their business activities.

Protecting nature and biodiversity

Nature and Biodiversity play a crucial role in the health of our planet. Nature provides raw materials such as wood, minerals and food, as well as a range of services such as pollination, water purification and climate regulation.

Over the course of 2024, we have further developed our approach to C&E to more clearly articulate our nature strategy and to integrate nature considerations into both our business strategy and risk management approach. Nature considerations are location specific and often site-specific. AIB has carried out detailed mapping exercises to identify any own premises located in areas of biodiversity sensitivity. In addition, a business environment scan has been carried out to understand risks to our business as well as areas where AIB and our customers have greatest potential impact on nature and dependencies on specific ecosystem services (e.g. fresh water, soil quality).

Understanding Nature risks, impacts and dependencies is complex. Best practice continues to evolve as will AIB's approach.

Decarbonising Our Loan Book

Lending is a crucial element of our value chain and financed emissions account for the majority of our total emissions. Loan book decarbonisation is, therefore, central to reducing our impact on the climate, environment and society, helping to mitigate the Group's C&E Risk and facilitating the broader transition across our economy.

In this section, we detail our approach to managing the material IROs related to our financed emissions and decarbonising our loan book through the lens of our policies, actions and performance measures.

Our policies

E1-2

The Group has implemented several Board-approved policies and frameworks, which are monitored on an ongoing basis.

The three policies and frameworks that facilitate green and transition lending and support the decarbonisation of our loan book are our C&E Risk Policy, our SLF and our GBF. These policies and frameworks will support us in reducing the negative impacts related to financed emissions, to increase our positive impacts and opportunities related to sustainable lending and renewable energy development, and to mitigate both physical and transition C&E risks.

The key contents of these policies and their contribution to managing our material climate change mitigation and adaptation IROs are described below. Our C&E Risk Policy is approved by GRC, while our SLF and GBF are approved by GSC, with regular reporting to ExCo, SBAC and the Board on progress.

Climate & Environmental Risk Policy
The C&E Risk Policy sets out how AIB Group defines, manages, mitigates and measures C&E risk (physical and transition) and details the roles and responsibilities for identifying, assessing, managing, monitoring, reporting and overseeing C&E risk. This policy is a component part of the C&E Risk Framework and has been prepared in line with the Group's Risk Policy Governance Framework (PGF) requirements. The C&E Risk Policy is made available to all staff through the AIB intranet.

In recognising the transverse nature of C&E risk, the policy refers to multiple frameworks and policies to ensure C&E risks are identified and managed appropriately.

The C&E Risk Policy is an overarching policy that influences all C&E targets across the Group. All the policies, actions, and targets set out below contribute to the objective laid out in the C&E Risk Policy of mitigating C&E risk.

The C&E Risk Policy applies to all staff, contractors and third parties providing a service or function across the 3LOD, including senior management and the Board of Directors, and in all jurisdictions in which the Group operates.

Sustainable Lending Framework
The SLF provides transparency on the criteria that we employ when classifying and reporting on green, transition and social lending, to help us achieve our ambition that 70% of new lending should be green or transition by 2030. The policy is a Group-wide framework and is available on the AIB website.

Lending across all of our business units and geographies is within the scope of the SLF. It supports our sustainable lending to further energy efficiency and renewable energy development.

We developed and implemented the SLF in July 2021 to comply with the EBA guidelines on Loan Origination and Monitoring. The guidelines defined in the SLF, to classify new lending as green or transition lending, aim to be aligned to the greatest extent possible with the technical criteria outlined in the EU Taxonomy regulation for relevant activities. As further work is completed to consider the full implications of reporting under the EU Taxonomy and, in particular, the Green Asset Ratio (GAR), we expect our approach to evolve and mature.

Green Bond Framework
The GBF enables AIB to fund projects that support climate change mitigation and the transition to a circular economy.

The purpose of the GBF is to support AIB, and its subsidiaries, in the issuance of Green Bond instruments, which may include covered bonds, senior bonds (either preferred or non-preferred), subordinated bonds, medium-term notes, and commercial paper, to finance and/or refinance eligible green loans with a positive environmental benefit.

AIB's green bonds fund eligible projects or assets that mitigate climate change by reducing emissions, protecting ecosystems, or have a positive environmental impact. Eligible projects include renewable energy generation, transmission and storage, green buildings, circular economy and waste management assets, and clean transportation.

Our GBF is based on the International Capital Market Association (ICMA) Green Bond Principles of 2021, including the updated Appendix I of June 2022, and defines the portfolio of loans eligible to be funded by the proceeds of Green Bonds issued by AIB. Our GBF is publicly available on our website.

Our actions

E1-3

To achieve our green and transition lending target and decarbonisation ambitions, and manage our material IROs, AIB has taken actions and allocated resources for implementation.

We take an integrated approach to overseeing and embedding sustainable practices across our business. In this regard, we have established our ongoing Sustainability Transformation Programme to support AIB in its regulatory, strategic and customer enablement objectives.

The following key actions and resources are grouped by the decarbonisation lever that best fits with our specific actions. These levers were referenced above in Our Decarbonisation Journey and are further expanded on in the following pages.

We expect that these actions will help us to achieve our financed emission reduction targets, reduce C&E Risk and support the transition to a more sustainable economy. We want to encourage our customers to go green. We do this by providing a range of products and services that will enable our customers to reduce their own carbon emissions and help AIB deliver its purpose of empowering people to build a sustainable future.

All actions relate to our lending portfolio and, therefore, our downstream value chain. The impacts of these actions should be considered within the context of our 2030 and 2050 targets, as detailed below.

Offering green products and propositions to meet our customers' needs

AIB has a suite of green products and propositions that support our customers in building a sustainable future. These actions relate to our responsible lending policies, which govern the provision of a range of products to support climate change mitigation activities and support us in managing our material IROs. Please see our full list of IROs on page 59, and a description of related products as follows:

Products that enable greener homes

We offer Green Mortgages across AIB, EBS and Haven, with favourable interest rates available for energy efficient homes. All three entities provide Green Mortgages to homes with a BER of between A1 and B3 to new and existing mortgage customers, including customers seeking to switch their mortgage.

AIB is a preferred finance provider to Electric Ireland Superhomes, a One Stop Shop which looks after all the key stages of a home energy retrofit and, through them, they offer the AIB Green Personal Loan. Customers who are building their own home can choose from the full range of mortgage products, including one of the lowest Green rate mortgages in the Irish market (where compliance with nearly Zero Energy Building (nZEB) standards is demonstrated).

In 2024, the Government, in partnership with the SBCI, launched the new low-cost Home Energy Upgrade Loan Scheme for homeowners. AIB is one of the finance providers approved to participate in this scheme. Customers can borrow between €5,000 and €75,000 per property, for up to three properties, up to a maximum of €225,000 in total. Furthermore, up to 25% of the loan can be used for non energy upgrades. Loans will be available up to 31 December 2026 or until the scheme is fully subscribed.

Products that enable greener lifestyles

We offer green loans to personal customers who are looking to make a lifestyle change in their home or transport options. As an example, Nifti, our joint venture with Nissan Ireland Ltd for both business and personal customers, offers an alternative to owning a car, with new car-leasing options including electric and hybrid vehicles.

Products that enable greener businesses

We are committed to supporting businesses of all sizes. Through our partnership with the SBCI, we offer the Growth and Sustainability Loan Scheme. This is a long-term, low-cost loan scheme to support our customers in business and agriculture.

There are two loans offered under the SBCI Growth and Sustainability Loan Scheme. The 'Climate Action & Environmental Loan' is available to businesses who qualify as a green enterprise or who are investing in green measures. The 'Growth and Resilience Loan' is for long-term investments in the business's growth and resilience.

The SBCI operates the scheme, which benefits from a guarantee from the European Investment Bank Group and support from the Department of Enterprise, Trade and Employment and the Department of Agriculture, Food and the Marine.

We continue to be focused on the long-term sustainability of our business customers. In 2024 we launched our new Transition Finance Guidance to assist with the classification of financing as transition, which is complementary to our SLF in supporting our corporate customers.

Providing green and transition financing to support climate action (AIB's Climate Action Fund & Climate Capital segment)

The investment required to finance the global transition to a low-carbon economy will need to increase to about $9tn a year by 2030, according to estimates from the Climate Policy Initiative.[1] The International Monetary Fund estimates that the cost for Ireland will amount to c.€20bn per annum over the next decade, much of which will come from the private sector.

Recognising the importance of climate finance in funding the transition, AIB has been rapidly growing its green lending portfolio. See Our Performance Measures below for further information.

Given the growing importance and complexity of infrastructure and energy requirements in the transition to a low-carbon economy, AIB has established the Climate Capital segment, that centralises our green energy-related activities across the Group to increase our capability, support business growth and demonstrate our position as a driving force in the transition to a sustainable future.

Climate Capital is a fast-growing part of the bank's lending book and, with a strong focus on renewable energy assets that displace fossil fuel-fired generating assets, will help deploy AIB's €30bn Climate Action Fund and play a key role in underpinning the Group's Green Bond offerings. AIB continues to fund renewable energy assets and ESG infrastructure, either on a bilateral or co-funding basis. These assets are located across ROI, the UK, the EU and North America, and include technologies such as onshore and offshore wind and solar generation.

Educating our customers and our colleagues on their sustainability journeys

Sustainability is complex and everyone is trying to make better choices when faced with many challenges, including the cost of living.

Educating customers is central to supporting their transitions, as well as deploying our Climate Action Fund, achieving our green and transition lending targets, our financed emissions reduction targets and reducing C&E risk. We also have dedicated educational resources, available on our website, to support our customers in building a more sustainable future, such as: Sector Sustainability Guides and the AIB Green Living Hub. Additionally, our commitment to educating our customers is reflected in our 'SME Steps to Sustainability' resource for SME businesses to guide them to take sustainable action. We developed this resource in 2024, following conversations with SME customers and in partnership with many colleagues supporting SMEs across AIB.

We also publish reports on our website of research carried out, such as the AIB Homes Retrofit Report, which highlights retrofit options, generous grants and competitively priced loans available to consumers wishing to improve their homes' energy efficiency.

We also announced a €20m investment in sustainability education and research at our 2024 Sustainability Conference, with €10m allocated to a new AIB Trinity Climate Hub in Trinity College Dublin and a €10m commitment as a founding partner of Innovate for Ireland.

1. https://www.climatepolicyinitiative.org/publication/global-landscape-of-climate-finance-2023/

Decarbonising our Loan Book *continued*

Quality education and knowledge play a critical role in creating strong, resilient economies and societies. The transition to a low-carbon future creates real opportunities for learning and innovation. The work undertaken by the AIB Trinity Climate Hub, alongside our partnership with Innovate for Ireland, aims to benefit society and shape a better future for us all.

Our colleagues must undertake the mandatory 'Sustainability and AIB' online course every year, which gives both context and colour to our sustainability strategy. We also provide a course on 'Understanding ESG for Business Customers', in partnership with the Institute of Bankers. This gives an overview of the particular challenges and opportunities facing businesses.

Collaborating through the transition
AIB will continue to support transition efforts that are aligned with our strategy and decarbonisation ambitions and engage with organisations to ensure that we can support positive change. To help drive this agenda, we have joined a multitude of voluntary organisations, including the Carbon Disclosure Project (CDP), SBTi, Net Zero Banking Alliance (NZBA), UN Global Compact, and the World Business Council for Sustainable Development (WBCSD).

We also participate in and provide thought leadership and knowledge-sharing sessions. The eighth AIB Sustainability Conference opened Climate Finance Week in November 2024. With 11,481 hybrid attendees, it was the largest event to date, hosting impactful conversations with global figures. AIB's customer panel discussions also provided an opportunity for our customers and other attendees to understand how they can act, regardless of size or industry, and be part of the solution.

We also collaborate with our customers by advising them on their transition pathway through dedicated sustainability champions, an in-house Sustainability Research function, customer events and webinars and an enhanced sustainability advisory services offering, provided via Goodbody Clearstream.

Our performance measures

E1-4

We are driving positive change through our decarbonisation ambition to reach Net Zero across our own operations by 2030 and in our customer lending portfolio by 2050, while protecting our planet and contributing to society.

We were the first Irish bank to set this commitment, and, in 2020, our Board also approved an ambition for 70% of AIB's new customer lending to be green or transition by 2030. These targets take into account the overall Group strategy and are embedded in our financial planning process.

The cumulative Climate Action Fund drawdown is a measurement of total cumulative green lending over the period of 2019-2030, which is included in AIB's Climate Action Fund and adheres to criteria outlined in the SLF. We provided €11.6bn of green lending between 2019 and 2023, and in 2024, we provided a further €5.1bn of green lending as we progress towards our target.

Amount of new lending for Climate Action Fund in 2024

€5.1bn

Against the cumulative Climate Action Fund target of €30bn by 2030

This equates to 35% of total lending in 2024 being classified as green (from a 2019 baseline of 10%), in accordance with criteria outlined in the SLF. Delivering for our customers whilst steering finance towards green and transition activities is an important way in which we can support the transition to a more sustainable future. Our validated SBTi targets set a trajectory linked to our green lending ambition and science-based target requirements.

% of new lending in 2024 that is classified as green and transition

35%

Target 70% by 2030

Although we do not have any sustainability targets related to bonds, in recent years, the Group's ESG bond issuance has supported €6.4bn of green and social collateral, with €0.65bn of that being issued in 2024. Of the €6.4bn in ESG Bonds issued to date, €4.65bn of these are green bonds. These proceeds contribute to the financing of projects with clear environmental and climate action benefits, while further strengthening the Bank's capital position.

Our Socially Responsible Investment (SRI) Bond portfolio funds domestic and international projects that are aimed at global sustainability, carbon emissions reduction and social improvement, all under the overarching themes of ESG. AIB promotes and supports the transition to a more sustainable global economy and contributes to positive environmental and social change via investment in green, social and sustainable bonds. The SRI Bond portfolio reached €2.67bn at year-end 2024.

Our performance measures are integrated into our Climate & Environmental Dashboard, Strategic Outcomes Report, CFO and CRO reports and GSC reporting. Progress towards achieving our targets will also help us mitigate C&E risks and reach our decarbonisation ambition. Over time, we will steadily increase our new sustainable lending activities to reach our 70% green and transition lending target by 2030.

Financed emissions reduction targets
We have set financed emissions reduction targets, based on a 2021 baseline for our three most material sectors – Residential Mortgages, Commercial Real Estate (CRE), and Electricity Generation – which are the loan portfolios with the highest transition risk. We also have a Corporate Portfolio Coverage target, an engagement target, which aims to drive the adoption of SBTi' and emissions reductions across all sectors.

Factors outside of our control
Our financed emissions reduction targets use a decarbonisation reference scenario that aims to limit global warming to 1.5⁰C. This ambition is considered alongside external interdependencies, requiring a careful balance between strategic and transition risks. The world is not on track to limit global warming to 1.5⁰C, with the latest climate science suggesting a trajectory of greater than 2⁰C warming[1]. This trajectory gap between global ambition and reality is also visible in AIB's year-on-year performance against certain targets. While it is important to communicate clearly and transparently, to promote stakeholder awareness of this gap, we will not allow this to inhibit our efforts to reduce our financed emissions and will continue to support our customers throughout the transition.

We do not expect to make linear progress towards our targets each year, given our reliance on external factors such as policy, regulation, market trends and consumer behaviours. For example, when setting decarbonisation reference scenarios and targets for our Commercial Real Estate and Residential Mortgages portfolios, we have relied on the projections set out in the Government's Climate Action Plan regarding building stock shifts from C+ rated properties to A or B rated properties through obsolescence, new builds and retrofit. We have also considered the projected decarbonisation of the Irish energy grid and the decrease in building energy-related emissions that would result.

Overall, a large portion of our decarbonisation levers are outside our direct control such as government policy and the speed with which the electricity grid transitions to renewables.

Strategic progress against decarbonisation reference scenarios is tracked and reported through executive and Board governance channels. Steps to align our portfolios with our decarbonisation reference scenarios have been embedded into our strategic, financial and investment planning process.

Target validation, methodology and tracking
In line with SBTi methodology, we have set both Sectoral Decarbonisation Approach (SDA) and Portfolio Coverage Approach (PCA) targets accounting for 75% of our loan book in 2021.

In 2023, our targets were validated by the SBTi. We were the first bank globally to have an Electricity Generation maintenance target validated by the SBTi. Across our portfolio, our SBTi-validated targets use physical emissions intensity and engagement metrics, in line with SBTi's SDA and PCA best practice target-setting methodologies. In addition, we set our targets and baseline emissions using the Partnership for Carbon Accounting Financials Greenhouse Gas (GHG) guidance.

1. https://www.unep.org/resources/emissions-gap-report-2024

We measure, track and disclose progress as per our SBTi commitments. In accordance with the SBTi SDA target-setting methodology, we aim to roughly halve absolute emissions by 2030 and reduce emissions as far as possible by 2050.

We are prioritising the measurement and reduction of our emissions as far as possible, as per SBTi best practice. Over time, we will develop a carbon removal strategy for any remaining unavoidable emissions to achieve our decarbonisation ambition.

In 2024, working closely with key stakeholders from relevant business areas across AIB through internal workshops and regular communication, we reviewed our decarbonisation reference scenarios to take account of external factors, the latest climate science and internal data enhancements, and to incorporate recent inorganic growth by AIB through the acquisitions of new loan books.

We have made significant progress in setting and reviewing our decarbonisation reference scenarios and targets and we are now further maturing the operationalisation of the process across the Group to support the climate transition across AIB.

Given the data availability challenges for financed emissions calculations, proxies are required when direct customer data are not available. For example, for our Commercial Real Estate and Residential Mortgages portfolios, where a BER certificate or EPC is not available, a proxy median is assigned based on national publicly available information or, where a property's floor area is unknown, floor area is calculated at the property sub-type level using publicly available Central Statistics Office property figures. Emissions related to our Electricity Generation (Power) portfolio are based on actual data sourced from customers.

We are continuing to put measures in place to enhance our data across our lending portfolio.

For all our portfolios, we continue to systematically review, validate and update customer-level data as necessary, accompanied by a robust quality assurance process. This will further improve our ability to track emissions, targets and the relevant physical activity data.

Over time, we aim to replace estimates with actual counterparty or asset-level data and reduce our reliance on proxy data. As more specific data becomes available, we will need to revise our actual emissions, targets and underlying assumptions.

Progress towards the achievement of our targets will help us mitigate C&E risks, achieve our decarbonisation ambition and increase our sustainable lending supporting our ambition for 70% of AIB's new customer lending to be green or transition by 2030.

Financed emissions targets

We have set financed emissions targets, using a SDA, for three sectors – Residential Mortgages, Commercial Real Estate, and Electricity Generation, along with a Corporate Portfolio Coverage target, aligning with a PCA, all of which were validated by the SBTi in 2023.

Actual measurements of progress achieved to date, against these targets is detailed on page 74.

75% **SBTi-validated targets for Residential Mortgages, Commercial Real Estate, Electricity Generation and Corporate Portfolio Coverage, which cover 75% of the loan book.**

Corporate Portfolio Coverage[1]	Residential Mortgages[2]	Commercial Real Estate[3]	Electricity Generation[4]
54%	**58%**	**67%**	**Maintain**
Increase loan volume covered by emissions targets from 12% to 54% by 2030*	Reduction in emissions intensity required by 2030*	Reduction in emissions intensity required by 2030*	To maintain at or below 21gCO_2/kWh

*From a baseline of 2021

Calculations, judgements and estimates

The following are noted as sources of estimation and outcome uncertainty:

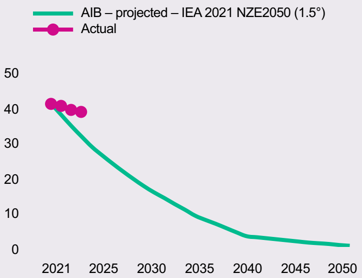
1. Corporate Portfolio Coverage targets are calculated by taking the sum of exposure of the company, dividing it by exposures of all companies in the scope (i.e., companies with > 500 employees) and multiplying this by the SBTi indicator (i.e., 1 = SBTi targets, 0 = does not have SBTi targets). The data provided to AIB from external sources are confirmation of SBTi committed (Y/N) & >500 employees (Y/N) and Exposure (€MM).
2. AIB Group Residential Mortgages Financed Emissions Intensity targets: Residential Mortgages Portfolio GHG emissions are calculated by taking the sum of (Estimated CO_2 emissions of property X (Current Loan Outstanding/Original Property Value)) divided by sum of (Floor Area of the Property X (Current Loan Outstanding/Original Property Value)).The estimations proxy information is: i) Property value: If the property value given is less than €20,000, AIB assigns the median value of all Residential Mortgages properties greater than €20,000. ii) Floor area: When the property floor area is unknown regarding the minimum threshold of 20 m^2 or above the cap of 500 m^2 , apply the property area at the property sub- type level, calculated from the data provided by the Central Statistics Office (CSO). If the property sub-type level is unknown, blank, or if property sub-type cannot be mapped to CSO property categories, then, apply the overall property average size. iii) CO_2 emissions (BER/EPC): When EPC is not known, assign median of kWh/m^2 and KGCO_2/m^2 of properties by building type. When no other information is available, the 75th percentile of KGCO_2/m^2 is assigned to the Residential SEAI BER table. BER/EPC is assigned based on the kWh/m^2 ratio vs notional building (methodology used by SEAI).
3. AIB Group CRE Emission Intensity targets: CRE Portfolio GHG Emissions are calculated by taking the sum of (Estimated CO_2 emissions of property X (Current Loan Outstanding/Original Property Value)) divided by sum of (Floor Area of the Property X (Current Loan Outstanding/Original Property Value)). The following Estimations / Proxy Information is used: a) If the property value is unknown, AIB assigns average property value by property type and sub-type. b) Floor area: A cap of 88,156 m^2 and a minimum threshold of 30 m^2 are applied to the property floor area, based on the maximum and minimum property size registered in the SEAI data base for non-residential buildings. Where CO_2 emissions (BER/EPC) are not known, AIB assigns median of kWh/m^2 and KGCO_2/m^2 of properties by dwelling type. When these data are unknown, AIB assigns the 75th percentile of KGCO_2/m^2 from the SEAI database.
4. Electricity Generation Maintenance targets: electricity production data is based on actuals where data is sourced directly from counterparties to understand the emissions intensity of our Electricity Generation portfolio. This has a very low emissions intensity overall, given the high share of renewables. Since the maintenance target was validated by the SBTi, Waste to Energy counterparties have been de-scoped as per SBTi guidance. The reason for this exclusion is that Waste to Energy facilities are not based on fossil fuels and electricity generation is not their main purpose and revenue generator. Emissions intensity in the Electricity Generation book decreased further as outlined below.

Decarbonising our Loan Book *continued*

Financed emissions progress

Progress against our financed emissions reduction targets is tracking in the right direction versus the 2021 baseline:

Residential Mortgages:
Emissions Intensity $kgCO_2e/m^2$

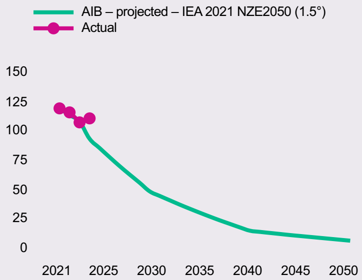


In 2021, we established a baseline physical emissions intensity of 40 $kgCO_2e/m^2$ for our Residential Mortgages portfolio, utilising the International Energy Agency (IEA) 2021 NZE2050 1.5°C SDA Scenario to reduce our mortgage portfolio GHG emissions 58% per square meter by 2030 from a 2021 base year.

The scope of our target reflects the total lending within our Residential Mortgages portfolio, which was €29.4bn in 2021, representing 50% of the Group's total lending at that time. By 2024, our Residential Mortgages portfolio had increased to 51% of the Group's total lending, with a total of €36.3bn.

In 2024, the physical emissions intensity of our Residential Mortgages portfolio decreased by approximately 5.6%, compared to our 2021 baseline. As previously noted, progress against targets is not expected to be linear on a year on-year basis given reliance on external factors such as policy, regulation, market trends and consumer behaviours. AIB remains committed to investing in residential mortgage products and propositions to support the achievement of our targets.

Commercial Real Estate:
Emissions Intensity $kgCO_2e/m^2$

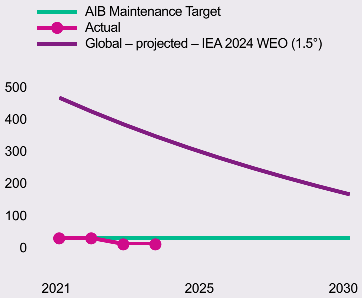


In 2021, we established a baseline physical emissions intensity of 135 $kgCO_2e/m^2$, utilising the International Energy Agency (IEA) 2021 NZE2050 1.5°C SDA Scenario to reduce GHG emissions from the CRE sector within its corporate loan portfolio 67% per square meter by 2030 from a 2021 base year. The scope of our target reflects the total lending within our CRE portfolio of €5.6bn in 2021, 10% of the Group's total lending.

Throughout 2024, we undertook a process to enhance the quality of our data alongside our decarbonisation models and methodologies, reflecting our commitment to more accurately measure emissions. As a result of this effort, we are revising our 2021 baseline from 135 $kgCO_2e/m^2$ to 116 $kgCO_2e/m^2$, while maintaining our current IEA pathway. This adjustment allows us to present a more accurate representation of our progress to date, while retaining our emissions reduction target of 67% by 2030. In 2024, our CRE portfolio accounted for 8% of the Group's total lending, with total lending at €5.6bn. In 2024, the physical emissions intensity of our CRE portfolio reduced by approximately 8% compared to our 2021 restated baseline.

We are competitive in the CRE sector in our home market, with our commitment to sustainability being a key differentiator. CRE is also an important sector to us because of the social impact of our business. We work with developers and housing schemes and, through the provision of finance, we have a positive social impact by increasing the housing supply in Ireland.

Electricity Generation:
Emissions Intensity gCO_2e/kWh

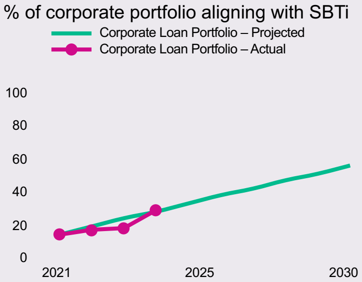


AIB's Electricity Generation portfolio has a significantly low emissions intensity relative to the global average for electricity generation (458 gCO2e/kWh in 2024), given the high share of renewable energy assets such as offshore wind energy.

In 2021, we established our baseline maintenance target to maintain the emissions intensity of our electricity generation project finance portfolio at or below 21 gCO_2e/kWh from 2021 through 2030 and only finance 1.5°C aligned electricity generation projects. The scope of our baseline and target reflects the total lending within our Electricity Generation portfolio of €1.6bn in 2021, comprising 3% of the Group's total lending. Since setting our maintenance target, waste to energy has been excluded from the Electricity Generation target scope, following bilateral guidance received from the SBTi. This is primarily due to the fact that waste-to-energy facilities are not based on fossil fuels, and electricity generation is not their main purpose or revenue source. Consequently, the baseline emissions intensity decreased significantly from 21 gCO_2e/kWh to 0.01 gCO_2e/kWh. Note that, financed emissions related to waste to energy will continue to be tracked against our maintenance target internally. In 2024, the portfolio was 5% of total lending €3.6bn with an emissions intensity of 0.97gCO_2e/kWh.

We are committed to maintaining the emissions intensity level of the Electricity Generation portfolio below 21 gCO_2e/kWh through 2030 by keeping the portfolio focused on renewable electricity generation projects. In addition, we intend to grow AIB's business in renewable energy infrastructure to support the broader transition to a sustainable future.

Corporate Portfolio Coverage:
% of corporate portfolio aligning with SBTi



Our Corporate Portfolio Coverage target considers large corporations with >500 employees that have SBTi validated targets. In 2021, we established a target to increase our corporate portfolio loan volumes covered by emission targets from 12% to 54% by 2030 from a 2021 baseline. In 2024, we increased our Corporate Portfolio Coverage to 27%.

The percentage of customers with SBTi-validated targets set is expected to increase in the coming years, as new regulations around transition plan disclosures come into force. Key sectors should decarbonise in line with the Government's Climate Action Plan 2024, and corporate customers with >500 employees are expected to set their own emissions targets in the medium term.

Decarbonising Our Own Operations

In supporting our customers in the transition to a sustainable future, we are ever mindful of our own carbon footprint, including entities in our upstream value chain. We have a clear ambition to reach Net Zero in our own operations, while sourcing 100% of electricity from certified renewable energy sources by 2030.

In this section, we detail our approach to managing the material IROs related to the decarbonisation of our own operations through the lens of our policies, actions and performance measures.

We have implemented and regularly review several policies and frameworks to enable this journey, along with the targets and actions to achieve them.

These policies will support us in increasing our positive impacts through energy efficiency measures, in reducing physical climate-related risks, and in grasping our opportunity of becoming net zero in our own operations by 2030.

Our policies

E1-2

While we have many policies that reference sustainability and ESG factors, there are two primary policies that focus on how we will meet our responsibility to protect the environment, increase our energy efficiency and tackle our operational emissions.

- **Our Group Energy Policy** outlines how we conduct our business and operations as energy-efficiently as possible, striving to achieve continual improvement in our energy performance and Energy Management System. This policy is managed and controlled through the implementation of Energy Management Standard ISO 50001.
- **Our Group Environmental Policy** aims to support us to meet our current needs without compromising the ability of future generations to meet their own needs. This principle of sustainable development demands that we accept responsibility for the direct impact of our own operations on the environment. The policy also commits us to supporting initiatives aimed at mitigating, adapting or responding to climate change. AIB takes environmental action into account, in accordance with international standard ISO 14001.

We considered the interests of all AIB stakeholders when setting these policies. The Chief Operating Officer is accountable for their implementation. The policies are publicly available on our website.

Our actions

E1-3

As detailed in Our approach to transition planning on page 66, one of our decarbonisation levers is investment to reduce direct emissions. We made the following actions in 2024:

Sourcing renewable energy
We had previously purchased electricity on green tariffs. However, in 2022, we entered into a VPPA with NTR plc to create two new solar farms in Co. Wexford. Construction began swiftly and the first solar farm started energisation in February 2024.

These two solar farms will deliver certified renewable energy to the Group. In 2024, 84% of AIB's own electrical energy needs was produced from these solar farms. This action is instrumental to meeting our renewable electricity sourcing target of 100% by 2030.

The agreement also ensures that the Group has a sustainable and secure energy supply at a fixed price for 15 years and will continue to reduce our operational carbon emissions.

Greener Branches Refurbishment
We are continuously upgrading our branch and office buildings to improve their energy efficiency. One example of this is our investment in our Branch Network Greener Branches Refurbishments Programme.

Our performance measures

E1-4

Own operations targets
We have an ambition to reach Net Zero in our own operations by 2030.

AIB has an interim target validated by the SBTi to reduce absolute Scope 1 GHG emissions by 34% by 2027. We use 2019 as the baseline year. The baseline values which the target is measured against are 4,784 tCO_2e for Scope 1. In 2024, AIB's cumulative reduction in Scope 1 emissions was 40%. See page 77 for further details on GHG emissions.

Due to the nature of our business, we have set an SBTi-validated target to increase our annual sourcing of renewable electricity needs. In this regard, our Scope 2 target is to increase the annual sourcing of renewable electricity to 100% by 2030 from a 2019 baseline of 1%.

The targets have used assumptions around availability of renewable energy in Ireland and the UK and the changes within our estate over the period. As we approach the midpoint of our target delivery period we will take the opportunity to consider future developments and how these will impact on our target by 2030. When setting these targets stakeholders across the business were engaged with through consultation.

AIB have a stated objective of achieving net zero in our own operations by 2030. This target is relative and measured as a percentage reduction in emissions.

Decarbonising our Own Operations *continued*

Energy consumption and mix

E1-5

Energy consumption and mix		2023	2024
Fossil Energy Consumption			
(1)	Fuel consumption from coal and coal products (MWh)	0	0
(2)	Fuel consumption from crude oil and petroleum products (MWh)	8,008	5,034
	(2a) Stationary Fuel Consumption	2,740	3,057
	(2b) Mobile Fuel Consumption	5,268	1,977
(3)	Fuel consumption from natural gas (MWh)	8,201	8,408
(4)	Fuel consumption from other fossil sources (MWh)	0	0
(5)	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	2,038	3,049
	(5a) Consumption of purchased electricity (office buildings)	1,924	2,518
	(5b) Consumption of purchased electricity (EV fleet)	114	508
	(5c) Consumption of purchased or acquired heat	0	22
	(5d) Consumption of steam and cooling	0	0
(6)	**Total fossil energy consumption (MWh) (calculated as the sum of 1 to 5)**	**18,248**	**16,491**
	Share of fossil sources in total energy consumption (%)	**49 %**	**50 %**
Nuclear Energy Consumption			
(7)	**Consumption from nuclear sources (MWh)**	**0**	**0**
	Share of consumption from nuclear sources in total energy consumption (%)	**0 %**	**0 %**
Renewable Energy Consumption			
(8)	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
(9)	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	19,075	16,537
	(9a) Direct Procurement (VPPA)	0	16,360
	(9b) Contract with electricity suppliers	19,075	177
(10)	Consumption of self-generated non-fuel renewable energy (MWh)	0	0
(11)	**Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)**	**19,075**	**16,537**
	Share of renewable sources in total energy consumption (%)	**51 %**	**50 %**
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)		**37,323**	**33,028**
Total Energy consumption (MWh) Reported on Net Calorific Value (NCV)		**36,523**	**32,209**

Disaggregating our energy consumption and mix into distinct categories and sources gives us a detailed understanding of our total energy consumption in absolute value, helping us to focus on improving our approach to energy efficiency and to further increase the share of renewable energy in our energy mix.

AIB does not operate within a high-climate-impact sector, as defined by ESRS, and, as such, this has not affected our energy intensity calculations. The Group's total net revenue is, therefore, shown as the Total Operating Income line item within the Financial Statements section below.

Calculations, judgements and estimates

Calculating energy consumption and mix
Please refer to supporting notes for energy consumption and mix on page 79 for further information regarding calculations.

Assumptions for calculating energy consumption and mix
Estimations are used where the Group does not hold the energy supply contract, for example at service charge locations. Additionally, financial year data for FY2024 includes nine months of actual data from January to September, while KPIs are then used to estimate the final three months of data from October to December. FY 2023 data, however, represents full-year actual data.

Methodology for Calculating GHG Emissions

Scope 1, 2 & 3 GHG emissions

E1-6

As seen from the above sections, in particular Decarbonising Our Loan Book and Decarbonising Our Own Operations, we generate GHG emissions primarily through our loan book and own operations. As such, our GHG emissions can be broken down into a number of scopes and categories, as shown below.

Table 1: Breakdown of AIB Group Scope 1, 2 & 3 and total GHG emissions

	Baseline 2019 / 2021[1]	2023	2024	Change from 2023 to 2024	Milestones and target years[4]
Scope 1 GHG emissions					
Gross Scope 1 GHG emissions (tCO_2e)	4,784	2,886	2,875	0 %	Reduce absolute Scope 1 GHG emissions 34% by 2027 from a 2019 base year.
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	N/A	N/A	N/A	N/A	
Scope 2 GHG emissions					
Gross location-based Scope 2 GHG emissions (tCO_2e)	10,025	4,948	4,391	(11)%	Increase annual sourcing of renewable electricity from 1% (2019) to 100% in 2030.
Gross market-based Scope 2 GHG emissions (tCO_2e)	64	536	813	52 %	
Significant Scope 3 GHG emissions [2]					
Category 15 - Investments (Financed Emissions) [3]	2,570,000	813,528	1,067,519	31 %	Net Zero by 2050 in customer lending portfolio.
Total gross indirect (Scope 3) GHG emissions (tCO_2e)	**2,570,000**	**813,528**	**1,067,519**	**31 %**	
Total GHG emissions					
Total GHG emissions (location-based) (tCO_2e)	N/A	821,362	1,074,786	31 %	
Total GHG emissions (market-based) (tCO_2e)	N/A	816,950	1,071,207	31 %	

1. Base year for Scope 1 and 2 emissions is 2019, while Scope 3 financed emissions use a 2021 base year.
2. AIB has identified other Scope 3 categories relevant to our business activities but these account for less than 1% of our total Scope 3 emissions and as such are not deemed significant in accordance with ESRS E1 para 51. We will continue to monitor and report these emissions internally. Emissions tied to these categories (1, 2, 3, 5, 6, 7 and 13) will be reported as part of our CDP disclosure.
3. Scope 3 Category 15 GHG emissions include our three most material sectors (i.e., the loan portfolios with the highest transition risk) namely: Residential Mortgages, CRE, and Electricity Generation where AIB have SBTi validated financed emissions reduction targets based on a 2021 baseline and exclude all other sectors. Further sectors will be considered to determine if additional financed emissions targets may be required in line with AIB's business and best practice. The accounting and reporting of Category 15 emissions associated with lending is described in Partnership for Carbon Accounting Financials (PCAF) Part A Standards on financed emissions from lending and investment activities. The asset classes in scope for Financed Emissions, in line with the PCAF Standard, are Mortgages, CRE and Electricity Generation which are included in the scope of the Financed Emissions calculation where there is a dedicated PCAF methodology for financed emissions. These categories largely correspond to the scope covered by the Group's SBT.
4. For Scope 1 and Scope 2 progress against milestones and target years, please see progress against milestones and targets below.

Please also see the supporting notes for AIB's GHG emissions detailed on page 79 for more information.

Progress against milestones and targets

Our ambition is to be Net Zero in our own operations by 2030. The emissions targets that are set and SBTi validated for our own operations are to reduce absolute Scope 1 GHG emissions by 34% by 2027, from a 2019 base year.

	2019 Baseline	2021	2022	2023	2024
Absolute Scope 1 GHG Emission Target (tCO_2e)	4,800	3,991	3,110	2,819	2,821
Reduction (versus baseline)	N/A	(17)%	(35)%	(41)%	(41)%

The target figures include gross biogenic emissions as required under SBTi. For example the baseline figure of 4,800 tCO_2e includes biogenic emissions, which is not included in the Group figures in Table 1 above (see Table 6 below for biogenic emissions on their own).

Regarding AIB's Scope 2 target of increasing the annual sourcing of renewable electricity to 100% by 2030, as detailed above, 2024 saw the activation of AIB's VPPA via two solar farms in County Wexford.

	2019	2023	2024
Annual sourcing of renewable electricity to 100% by 2030	1 %	0 %	85 %

Electricity consumption from Goodbody is excluded from this target which has resulted in a figure of 85%, compared to the Group figure of 84%, for 2024. Please also see the supporting notes for progress against milestones and targets detailed on page 79 for more information.

Methodology for Calculating GHG Emissions *continued*

Table 2: Disaggregation of Scope 1, 2 & 3 GHG emissions data by country

Disaggregation by country (tCO_2e)	Ireland 2019	Ireland 2023	Ireland 2024	UK 2019	UK 2023	UK 2024	US 2019	US 2023	US 2024
Total Scope 1 emissions	4,481	2,663	2,678	282	211	183	21	13	14
Gross location-based Scope 2 GHG emissions	9,366	4,614	4,034	564	270	287	94	64	71
Gross market-based Scope 2 GHG emissions	0	315	535	0	156	207	64	64	71
Total Gross indirect Scope 3 GHG emissions		N/R			N/R			N/R	
Total GHG emissions (location-based)	**13,847**	**7,276**	**6,712**	**846**	**481**	**470**	**115**	**77**	**85**
Total GHG emissions (market-based)	**4,481**	**2,978**	**3,213**	**282**	**367**	**390**	**85**	**77**	**85**

Investments data not available at country level. Totals above only include Scope 1 and Scope 2 data.

Table 3: Further disaggregation of Scope 1, 2 & 3 GHG emissions data (within Ireland)

Further disaggregation (tCO_2e)	Offices, branches, other locations within Ireland and Payzone 2019	2023	2024	EBS 2019	EBS 2023	EBS 2024	Goodbody 2019	Goodbody 2023	Goodbody 2024
Total Scope 1 emissions	4,207	2,520	2,558	274	44	39	N/A	99	81
Gross location-based Scope 2 GHG emissions	8,578	4,246	3,784	788	210	167	N/A	158	83
Gross market-based Scope 2 GHG emissions	0	60	290	0	183	171	N/A	72	74
Total gross indirect Scope 3 GHG emissions		N/R			N/R			N/A	
Total GHG emissions (location-based)	**12,785**	**6,767**	**6,342**	**1,062**	**254**	**206**	**N/A**	**256**	**164**
Total GHG emissions (market-based)	**4,207**	**2,580**	**2,849**	**274**	**227**	**210**	**N/A**	**170**	**155**

Investments data not available at disaggregated level. Goodbody and Payzone were incorporated into the Group after 2019.

Table 4: Contractual instrument procurement type breakdown

Contractual instruments Procurement type	Bundled instrument % of total consumption	Unbundled Instrument % of total consumption	Total % of total electrical consumption
Self-generation / On-site generation	N/A	N/A	0 %
Direct procurement (contract with generator – VPPA)	0 %	84 %	84 %
Contract with electricity supplier (supplier-specific emission rate)	9 %	0 %	9 %
Energy Attribute Certificates (EACs)	N/A	N/A	0 %
Passive procurement (residual mix)	0 %	7 %	7 %
Passive procurement (other grid-average EF)	0 %	1 %	1 %
Total	**9 %**	**91 %**	**100 %**

Please see the supporting notes for contractual instruments detailed on page 79 for further information

Table 5: GHG intensity based on net revenue

GHG emissions intensity is calculated below using the ‘Total Operating Income’ line item from the AIB’s Financial Statements.

GHG emissions per net revenue	2023	2024	Change from 2023 to 2024
Total GHG emissions (location-based) per net revenue (tCO_2e/Monetary unit)	174	218	20 %
Total GHG emissions (market-based) per net revenue (tCO_2e/Monetary unit)	173	217	20 %

Table 6: Biogenic emissions

Biogenic emissions of CO_2 from combustion/bio-degradation of biomass	2019	2023	2024
Not included in Scope 1 emissions (tCO_2e)	16	35	27
Not included in Scope 2 emissions (tCO_2e)	0	0	0
That occur in the value chain and not included in Scope 3 GHG emissions (tCO_2e)	0	0	0
Total out-of-scope biogenic emissions	**16**	**35**	**27**

Calculations, judgements and estimates

Calculating scope 1, 2 & 3 GHG emissions

Please refer to Supporting notes for AIB’s GHG emissions detailed below for further information regarding calculations.

Assumptions for calculating GHG emissions

The following assumptions were used in the calculation of the GHG emissions data shown in tables above:

- For Scope 1 & Scope 2 data: Where the Group does not hold the energy supply contract, an estimation is used (e.g. service charge locations). Current FY data: 9 months of actual data (Jan – Sept). KPIs used to estimate 3 months of data (Oct – Dec).
- For Scope 3 Financial Investments data: See the Financed Emissions Metrics listed above for additional details regarding the assumptions used. We are applying a phase-in provision for Scope 3 category 15 absolute value emissions, while we focus on adopting transitional measures for value chain information.

Calculations, judgements and estimates *continued*

Supporting notes for energy consumption and mix

E1-5

- Energy reported is only the energy consumed from processes owned or controlled by AIB (applying the same perimeter used for reporting GHG Scope 1 & 2 emissions).
- This excludes feedstocks and fuels that are not combusted for energy purposes.
- All quantitative energy-related information is shown in megawatt-hours (MWh). Under NCV totals, “Natural Gas” usage is converted from GCV to NCV using published country specific conversion factors.
- All quantitative energy-related information is shown as final energy consumption, and refers to the amount of energy that AIB actually consumes.
- Self-generation of energy is N/A.
- Energy consumption is not offset.
- There is no Energy that is sourced from within the organisational boundary under ‘purchased or acquired’.
- AIB does not receive any steam, heat or cooling as ‘waste energy’ from a third party’s industrial processes .
- AIB does not have Hydrogen derived from renewable sources.
- AIB adopts 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.
- AIB has entered into a VPPA, which, from 2024, has enabled us to report fully traceable renewable electricity.
- Figures are rounded and sourced from company information.

Supporting notes for AIB’s GHG emissions

E1-6

- A GHG source is any physical unit or process that releases GHG into the atmosphere:
  - Direct (Scope 1) GHG emissions are from sources that are owned or controlled by AIB. AIB's Direct (Scope 1) emissions include combustion of stationary and mobile sources and fugitive emissions.
- Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling. AIB Scope 2 emissions include the consumption of purchased electricity and heat.
- Scope 3 category 15 emissions are reported for FY2024. No other Scope 3 categories are deemed to be significant under CSRD.
- Biogenic Emissions are emissions of CO_2 from the combustion or biodegradation of biomass.
- Our carbon reporting is aligned with our financial reporting. Scope 1 & 2 figures include nine months of actual data and three months of estimations to account for the 12 months of the reporting period. In relation to Scope 3 emissions (except for Category 15 investments) other relevant Scope 3 emissions will be disclosed in our CDP 2025 submission.
- The GWPs used in the calculation of CO_2e are based on the Intergovernmental Panel on Climate Change (IPCC) Assessment Reports over a 100-year period.
- The AIB GHG inventory was calculated in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol), applying the most appropriate accounting methodologies and emission factors to ensure accuracy and reliability.
- In line with the GHG Protocol, our emissions are presented in tonnes of carbon dioxide equivalent units (tCO_2e) and cover seven greenhouse gases when available: CO_2, CH_4, N_2O, hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3).
- These Group figures reflect gross location-based absolute emissions, unless flagged otherwise.
- A third party independent verification, based on ISO 14064-3, was completed for reported Scope 1 & 2 emissions. Our verification statements are publicly available on our website. A copy of our historical GHG verification statements is available in our annual CDP.
- 2023 figures have been updated as per last restatement, issued in 2024. This exercise was completed in accordance with the GHG Protocol guidance and allowed the incorporation of 12 months of actual data
- Terms/abbreviations used: NR = not reported.
- For carbon accounting purposes, GHG emissions from our subsidiary AIB Mortgage Bank are incorporated into the operational boundary of Allied Irish Banks. At this stage there is no emissions data available for Associates and Joint Ventures of AIB.
- Figures are rounded.
- AIB has refined its market-based methodology to reflect updated information as per use of different contractual instruments.
- Our Scope 3 financed emissions (both absolute and physical emissions intensity metrics) were previously reported one year in arrears. We are now aligned with year-end reporting.
- Investments data are not available at country level or a subsidiary level.

Supporting notes for contractual instruments

E1-6

- The disaggregation of information is in accordance with the Greenhouse Gas Protocol and RE100 guidance.
- Calculations based on FY2024 electricity data (partially estimated) and as per Guarantee of Origin certificates cancelled to date.
- There are two types of contractual instruments: ‘Bundled’, which refers to renewable energy and any associated certificates that are purchased together under the same contract, and ‘Unbundled’ which refers to the separate purchase of energy and renewable certificates.
- Total electrical consumption used to calculate the VPPA percentage is the sum of rows 5a, 5b, 9 (19,563 MWh in 2024) in the energy consumption and mix table

Supporting notes for progress against milestones and targets

E1-6

- Since Goodbody was only consolidated for the final 4 months of 2021, its data was excluded in the GHG inventory for submission to SBTi.
- Annual Sourcing progress based on FY2024 electricity data (partially estimated) and the Guarantee of Origin certificates cancelled to date.
- To coordinate with Net Zero commitments, AIB set 2019 as its operational emissions base year. 2021 was chosen as the baseline for our financed emissions (Cat 15 investments).

EU Taxonomy

As part of our commitment to transparency and responsible banking, we are disclosing our Green Asset Ratio (GAR) to demonstrate our alignment with the EU Taxonomy criteria.

Please refer from page 356 in General Information for the full disclosure templates required under EU Taxonomy.

The preparation of the EU Taxonomy reporting is based on prudential consolidation of AIB Group plc. The prudential consolidation is in accordance with the supervisory reporting of financial institutions as defined in Regulation (EU) No 575/2013 and the Commission Implementing Regulation (EU) 2021/451 (FINREP).

The EU Taxonomy is a sustainability classification system that translates the EU's climate and environmental objectives into criteria for categorising specific economic activities for investment purposes. It aims to redirect capital flows to support the transition and help generate sustainable and inclusive growth.

The EU Taxonomy Regulation (Regulation (EU) 2020/852) specifies that financial undertakings must disclose how and to what extent their activities are associated with economic activities that qualify as environmentally sustainable. To qualify as EU Taxonomy-aligned, an economic activity must substantially contribute to one or more of the six EU environmental objectives under the technical screening criteria, while doing no significant harm (DNSH) to the other five objectives and complying with minimum social safeguards.

Our SLF, detailed on page 70, provides transparency on the types of activities we consider to be green, transition or social activities. EU Taxonomy-aligned lending is a subset of the green lending category determined by the SLF. As at 31 December 2024, the green asset ratio is 4.3% which equates to total taxonomy aligned exposure of €4.1bn over total covered assets of €97.2bn as outlined in the Balance sheet summary below. For 31 December 2023, the GAR was 4.4%*, which equated to a total taxonomy-aligned exposure of €4.0bn over the total covered assets of €92.4bn.

*December 2023 GAR has been restated.

The EU Taxonomy criteria are strict and exclude many lending activities that contribute to the transition to a greener economy. For AIB, EU Taxonomy-aligned exposure mostly comprises residential mortgages, where the underlying assets meet the technical screening criteria for Climate Change Mitigation, including an assessment of DNSH to Climate Change Adaptation. Lending to counterparties subject to the Non-Financial Reporting Directive is also EU Taxonomy-aligned but is a small portion of the total lending activity, at c.1%. As a result, due to the restrictive nature of the NFRD/CSRD requirement, much of our renewable lending for our Climate Capital segment is not included in the calculation.

In determining alignment for residential mortgages, we have utilised the property's BER or EPC to identify those assets contained in the top 15% of national stock (constructed pre-2020) or aligned to the Nearly Zero Energy Building Standard – 10% (constructed post-2020).

As in previous years, a screening exercise was performed to identify counterparties subject to the Non-Financial Reporting Directive and reporting for this cohort has been undertaken using most recent published counterparty data, some of which relates to 2023 year end information. The EU Taxonomy regulation is subject to ongoing updates and refinements in taxonomy criteria that may influence the calculation of the GAR over time.

We acknowledge the importance of ESG data to inform reporting, support decision-making and enhance product development, and we are committed to evolving our data capture and storage infrastructure to improve accessibility, meet regulatory obligations and integrate ESG data into our business processes.

Green Asset Ratio

4.3%

Balance Sheet Overview as at 31 December 2024	**Total Gross Carrying Amount (€m)**	**Taxonomy Eligible Exposure[1] (€m)**	**Taxonomy Aligned Exposure[2] (€m)**	**Green Asset Ratio**
Loans and advances, debt securities and equity instruments eligible for GAR calculation	**63,206**	**39,328**	**4,150**	**4.27 %**
Financial undertakings	19,953	—	—	
Non-financial undertakings (subject to NFRD)	882	248	18	
Households	42,342	39,080	4,132	
Local governments financing	30	—	—	
Collateral obtained by taking possession	2	—	—	
Assets excluded from the numerator for GAR calculation (covered in denominator)	**33,990**			
Non-financial undertakings (not subject to NFRD)	26,445			
Derivatives	1,719			
On demand interbank loans	401			
Cash and cash-related assets	664			
Other categories of assets (e.g., Goodwill, commodities, etc.)	4,762			
Total GAR assets (for denominator)	**97,199**			
Assets not covered for GAR calculation	**45,410**			
Total Assets	**142,608**			

Notes:

1. Taxonomy eligible exposure is lending to an eligible economic activity that has been classified under an environmental objective within the EU Taxonomy Regulation.
2. Taxonomy aligned exposure is lending to an eligible economic activity that qualifies as environmentally sustainable in line with the technical criteria specified within the EU Taxonomy Regulation.

Our 2024 disclosure

Our total environmentally sustainable assets amount to €4.150 bn, resulting in a GAR of 4.3%.
The table below summarises our GAR stock and flow. Please refer to our supporting tables from page 356 in General Information for the full disclosure templates required under EU Taxonomy specifications.

		Total environmentally sustainable assets €m	**KPI[1]**	**KPI[2]**	**% coverage (over total assets)[3]**	**% of assets excluded from the numerator of the GAR**	**% of assets excluded from the denominator of the GAR**
Main KPI	GAR (stock)	4,150	4.27	4.27	68.16	23.83	31.84

		Total environmentally sustainable assets €m	**KPI**	**KPI**	**% coverage (over total assets)**	**% of assets excluded from the numerator of the GAR**	**% of assets excluded from the denominator of the GAR**
Additional KPIs	GAR (flow)	379	2.07	2.07	99.97	61.09	0.03
	Financial guarantees	—	— %	— %			
	Assets under management	—	— %	— %			

Notes:

1. Based on the Turnover KPI that the underlying counterparty has disclosed for each environmental objective in accordance with this Regulation.
2. Based on the CapEx KPI that the underlying counterparty has disclosed for each environmental objective in accordance with this Regulation
3. % of assets covered by the KPI over banks´ total asset

Additional Calculation Information:

- Total environmentally sustainable assets refers to the amount of exposure deemed aligned to EU Taxonomy criteria.
- GAR stock KPIs are the total environmentally sustainable assets (split by turnover and CapEx) as a proportion of the total covered assets.
- GAR flow KPIs are based on the gross carrying amount of exposures originated in 2024 (split by turnover and CapEx) as a proportion of total covered assets originated in 2024.

Societal & Workforce Progress

We have a customer-first focus: our colleagues are critical to our success and are at the centre of everything we do. We want to build a brighter and fairer future, continue to play a positive role in society and make a positive economic contribution.

In this section

Societal & Workforce Progress

We aim to put people at the centre of everything we do. We make sure that our colleagues feel supported and empowered in work every day, that we continue to fulfil our focus, and that we make a positive economic contribution to our communities.

SBM-3

Three material topics from our DMA are the primary focus of this section: **Financial Wellbeing, Housing,** and **Own Workforce (Equal treatment & opportunities for all).** This section details our approach to managing the corresponding material IROs in terms of policies, actions and performance measures.

Alongside our Human Rights Commitment, we also provide information on other ESRS social pillar requirements, such as the type of stakeholders impacted, how we engage with them on material impacts, and our processes to raise concerns and remediate complaints. Through our DMA and our direct and indirect stakeholder engagement channels, we have considered aspects such as gender, diversity and vulnerability to develop our understanding of the types of stakeholders most affected. Three stakeholder groups in particular are the focus of this section: our customers, our colleagues, and the wider society and community.

The first of our material topics covered in this section is **financial wellbeing**. We discuss this topic through three themes: tailored financial products, our customers in vulnerable circumstances and financial literacy.

Customer First remains at the centre of our strategy.

In July 2024, AIB appointed a Chief Customer Officer who will support the Group's ambition to be at the heart of customers' financial lives by comprehensively and sustainably meeting their personal and business life-stage needs, further driving a customer-centric culture across the enterprise.

We want to enable our customers to effectively manage their own money, so they can achieve the life they are after. We also take extra care of the most vulnerable people in society. Along our value chain we support consumers, SMEs and large corporates, through our products and services, and through our direct and indirect business relationships. While the banking landscape in Ireland is ever-changing, we continue to rise to the challenge and we strive to do better for them. Ensuring the financial wellbeing of our customers is key to achieving this. This includes activities such as providing access to financial services, as well as providing financial education to our customers, including vulnerable groups, so they can make informed decisions.

It also includes enhancing the customer experience, through simplicity, agility, safety and self-service, and the effective management of customer relations. **Housing**, our next material topic, focuses on our role as a leading mortgage provider in Ireland. Access to housing is a critical issue for our communities, wider society and future generations. We help to improve the availability and affordability of housing through several key initiatives and actions. These include supporting social and affordable housing programmes, and funding new developments. By financing social and affordable housing, we indirectly impact affected communities in our downstream value chain. We also support our retail customers access to more environmentally friendly and economically efficient housing through different green products, such as our green mortgage offerings, which are detailed in the Environmental section above. We examine housing through the lens of both our customers and the affected communities.

Our Social pillar also discusses the importance of our people, who support our customers' financial needs and ambitions, and who also have their own needs that must be met. An area of particular importance is **Own Workforce (Equal treatment & opportunities for all).**

We understand the importance of creating a workplace where all of our colleagues, irrespective of their origins, backgrounds, personality, life experiences and beliefs, feel empowered at work.

Striving for equal treatment and opportunities for all of our colleagues means that we have a positive influence on:

- gender equality and equal pay for work of equal value;
- training and skills development;
- employment and inclusion of people with disabilities;
- measures against violence and harassment in the workplace; and,
- diversity among our colleagues.

We achieve this by creating a culture that promotes a sustainable work-life balance and universal inclusion, introducing variable pay for employees, and helping colleagues to develop and progress their careers, which has a positive impact on them.

If we fail to recruit and retain talent with specialised skills, or do not provide the necessary training and skills development for front-line staff, there is a risk we may not meet our sustainability commitments, such as the transition of our loan book. This may also affect our ability to serve our customers. Conversely, a rigorous approach to sustainability, such as our decarbonisation ambition and journey to date as detailed in Climate & Environmental Action, can help us to attract and retain a talented workforce that shares our values. We are pursuing this opportunity, which is integrated into our strategy via our Operational efficiency & resilience are of strategic focus. See pages 46 to 47 for details.

Our material Impacts, Risks and Opportunities on pages 58 to 61 outline the material IROs, as well as their interaction with our strategy and business model. These IROs include those relating to our own operations, and our value chain.

Material Topic: Financial Wellbeing

In line with our strategy, we put customers first and their financial wellbeing is at the heart of what we do. We aim to continually adapt our service and product offering to meet the needs of our customers, throughout their life stages, while always being fair, transparent, and accessible, and consistently delivering the best value we can offer.

This is one of our seven material topics. For each topic, we report in accordance with the ESRS. We disclose our approach to managing our material IROs through our policies, actions and performance measures.

Value chain: Downstream

Our policies

S4-1

The policies described below apply to all employees, contractors, consultants, agents and third parties throughout the Group, in all jurisdictions who have direct or indirect access to our information or systems. They are applicable to all legal entities and subsidiaries in AIB Group, including Goodbody and, where relevant, our suppliers within our value chain. Payzone is not covered by these policies as it maintains its own suite of policies.

Tailored financial products

We support our customers through different financial and life stages, from the beginning of their education to planning for and entering into retirement. This section details some initiatives related to tailored financial products for these life stages, which include our student lending products, and AIB Advantage accounts for our older customers.

In supporting our customers through their life stages, we aim to continually improve their banking experience with us. We track the effectiveness of this within our Customer Experience surveys.

Product and Propositions Risk Policy

This policy sets out our approach for managing and mitigating risks in relation to the development of products, propositions, services and customer solutions, and that we do this in line with our Group Risk strategy and Risk Appetite Statement (note that Goodbody have a separate Product Governance Model in place).

The policy covers consumer and wholesale products, customer solutions and product fees or charges. The policy is owned by the Head of Operational Risk and is sponsored by the Chief Risk Officer (CRO). The policy supports us in designing our products with a target customer market in mind and also ensures that customers' needs are considered throughout the product development and management stages. The policy is available to all of our colleagues internally.

Customers in vulnerable circumstances

We recognise that every customer is different, and some require additional care, support or protection to meet their day-to-day banking needs. Vulnerability can affect any of us, at any time, when periods of stress or difficulty compromise our ability to cope, manage our finances and make decisions. We consider someone to be a vulnerable customer, when, due to their personal circumstances, they require additional care or support to prevent poor or unfair customer outcomes. This can include customers with an accessibility need, a language barrier, customers facing a time of stress and difficulty, or our younger customers.

Customer Vulnerability Guidelines

Our Customer Vulnerability Guidelines support us in managing conduct risk relating to customers in vulnerable circumstances. The guidelines are a key supporting document to the Group Conduct Risk Policy, for both personal and business customers. The guidelines recognise that when our customers are experiencing vulnerable circumstances, they may be significantly less able to represent their own interests and more likely to suffer harm; therefore they require additional support.

The guidelines are owned by the Head of Customer Vulnerability, and sponsored by the Consumer Strategy, Proposition and Enablement Director.

Under our Conduct Risk Policy, each ExCo member is responsible for the effective implementation of Customer Vulnerability processes in their business and for monitoring their effectiveness.

Financial literacy

We are committed to ensuring that all our customers are enabled to make better-informed financial decisions. AIB has a positive impact by promoting financial literacy through education initiatives and ensuring that our communication is clear and straightforward. We believe that all forms of customer communications, including our advertising, should be clear, fair, accurate, and not misleading.

Our actions to use clear, fair and accurate communication in promoting financial literacy, are aligned with and supported by our Group Conduct Risk Policy. The policy sets out our approach to identifying and managing conduct risks and specifies that we consider our customers' needs throughout the management of these risks. Our approach to Conduct Risk encompasses both Retail and Wholesale Market Conduct Risk and aligns to the Group's Risk Strategy and Risk Appetite.

The policy covers all customers, including those in vulnerable circumstances, and has a vision to place the customer at the heart of everything we do. Going forward, we will consider developing a specific policy to manage our impact in relation to financial literacy.

The Conduct Risk Policy is owned by the Group Chief Compliance Officer and sponsored by the CRO. The policy is available to all of our colleagues internally on our Intranet.

Financial Wellbeing *continued*

Our actions

S4-4

Tailored financial products

Every day, the Group supports our customers in making financial decisions and we aim to improve our customer experience and the financial products and services that we offer.

Design improvements

Our Customer Credit Transformation Programme (CCTP) introduced a new suite of platforms to support some of our offerings to Retail and Corporate customers. This enables a seamless connection between our banking teams and our customers via a secure digital environment that increases transparency and efficiency.

We have also automated our drawdown process and launched Docusign, with many customers opting to sign their credit agreements via the platform in 2024, which shows our dedication to improving the loan journey for our customers.

Throughout 2024, we developed our AIB Business (iBB) app for business customers. The app has increased flexibility for customers, as they can now securely login to the iBB website without a separate security device. Customers can also process foreign currency payments, manage standing orders and view their balance history in the app. We will continue to enhance the iBB app, including enabling customers to sign in with biometrics.

We are also redesigning our AIB Mobile customer offering, given our customers' shift to digital means. This included launching our biometrics feature, enabling customers to make payments of up to €10,000 in the app without needing a card reader.

Our design improvements in 2024 were influenced by external market research, 'Voice of the Customer' surveys (see below), app store ratings and the analysis of calls. Further design improvements allow existing digital customers access My Mortgage functionality from the AIB Mobile App.

Savings, investment and pension products

AIB life offers a full suite of protection, investment and pension products to support the financial wellbeing of our customers. Sustainability is deeply embedded into the Investment Fund Range which is available to customers through AIB's Financial Planning Service, including Article 8 and Article 9 funds of the Sustainable Finance Disclosure Regulation. Such funds explicitly invest in climate impacting, environmental, health and societal endeavours and exclude companies harmful to environmental objectives.

We aim to inform our customers on how to build financially secure futures for themselves, their families and their businesses via our dedicated Financial Advisors, who provide advice and guidance on how to make our customers' futures more secure. A financial consultation provides a comprehensive review of each customer's financial circumstances and goals which identifies appropriate protection, investment and retirement planning solutions to deliver a sustainable financial future for that customer.

We also strengthen this offering through our dedicated AIB life digital hub on the AIB mobile app. The AIB life Hub was launched in 2023 and provides customers with access to their policy documents and fund performance, and relevant information to help plan for their financial future. Customers who visited the AIB life Hub engaged with investment and retirement calculators, product information and articles covering topics like 'Who's going to pay the bills if you can't?' and 'Why Invest?"

This is in addition to our AIB savings and deposit offering, providing customers with a suite of products to support their savings and investments needs.

Through ongoing research in 2024 AIB have sought to identify the barriers to customers savings and make changes to support customers in developing savings plans and achieving a return on their savings.

Supporting women

We continue to support women in business, through 'THE GLOSS x Goodbody Investment Club', which has empowered women with financial education since 2021. In 2024, we ran in-person events in Dublin, Cork and Galway, expanding our female-focused community. We continued our Investing Masterclass Series, offering complimentary financial health checks from our all-female Goodbody advisory team, which has fostered candid, supportive conversations about building brighter financial futures.

In addition, we held numerous events and webinars as part of our partnership with AwakenHub, a female entrepreneurship body that has a community of female-led businesses. AwakenHub has an all-island focus on levelling opportunity, access and connectivity for female founders by removing barriers to investment, scale and success. AIB also continued its partnership with Network Ireland focusing on the professional and personal development of women in business, and hosted an annual Businesswoman of the Year event, recognising excellence both locally and nationwide.

In 2024 AIB commissioned two reports with the Future Laboratory, to firstly highlight the issue of the female pension gap, and then to outline a date by which the gap might be expected to close, with the drivers of this closure presented, alongside drivers of change. Following a national media launch, the findings were promoted on AIB social channels, driving the conversation nationally.

AIB will consider the potential for creating financial products that are specifically tailored to support women and foster female entrepreneurship.

Supporting education

We promote access to education through our student loan offering, which allows full-time third-level students to access loans at a discounted student rate when they open a Student Plus account. For students who need assistance with covering their Student Contribution Charges and other fees, we also offer specific tailored loans.

Support for older customers

Our older customers (aged 66 and over) are eligible for our AIB Advantage account which provides banking for free with no maintenance or transaction fees.

Customers in vulnerable circumstances

We aim to continue to have a positive impact on those of our customers in vulnerable circumstances. The support we offer includes:

- A dedicated additional support helpline which supported customers and carers via 10,331 calls in 2024.
- An **additional support flag** system, which assists us in providing continuous assistance to customers in need.
- A dedicated internal **vulnerable customer support team.**
- **ATM accessibility,** which we implemented across our ATM network, with voice-guided functionality enabled on all our ATMs, and cash and cheque lodgement machines, supporting cash withdrawals, balance enquiries, mini-statements and PIN services.
- A full **annual training and awareness programme** for colleagues, covering supporting customers in vulnerable circumstances, with 42,334 hours of training being completed.
- Customers with a hearing impairment can avail of sign language interpretation services: IRIS in Ireland and SignLive in UK. In the UK, customers who are deaf, hard of hearing or with a speech impairment can contact us using the Relay UK Service.
- We provide bank statements in braille and large print in Ireland and UK. In the UK we are progressing the expansion of the service with a partnership with the Royal National Institute of the Blind (RNIB) to include audio. In Ireland we are progressing the expansion of the braille service via the partnership with The Big Word.
- A **language translation and interpretation service**, which we implemented in 2024, providing on-demand branch access to an interpreter in over 120 languages.
- **Inclusive banking**, with AIB proud to be JAM-Card Friendly in Ireland and the UK, and with Dementia Inclusive in Ireland. In addition, in 2024, we obtained Autism-Friendly Accreditation for several of our AIB branches.
- **Gambling blocks**, which we implemented in 2024, allowing customers in Ireland and the UK to request a block on debit cards and credit cards in Ireland for gambling transactions through the Additional Support Helpline.
- AIB UK provide supports to customers and staff experiencing domestic abuse. One of the initiatives includes the Domestic Abuse Exception Process which launched in 2023. This provides support for existing customers and staff who may have a poor credit scoring due to financial abuse.

Providing these support services creates a banking environment where all of our customers, including those in vulnerable circumstances, are empowered to take control of their financial wellbeing.

Support for customers in financial difficulty

We have a proven track record of supporting customers experiencing financial difficulty. Our resolution process is based on the customer's ability to repay, taking into account their assets and sustainable income levels. As a regulated entity, we have a robust governance and policy framework in place to deal consistently and equitably with customers whose accounts become challenged.

We have developed early warning indicators to identify those customers most at risk of going into arrears. We then contact those customers and encourage them to get in touch if they are experiencing financial difficulty. We do this every month across AIB mortgages, both personal and SME, as well as EBS mortgages. In 2024, we reviewed and improved the 'Worried about Payments' section across our ROI websites. This service now offers simpler navigation, a new webchat function for mortgages and enhanced sections on repayment options and support.

We regularly review all of our forbearance solutions, so that they remain appropriate to customers' circumstances, are applied fairly and consistently, and continue to comply with our fiduciary and regulatory obligations. In 2024, we upgraded and simplified our household expenditure guidelines, to more accurately reflect increases in the cost of living, so that our solutions remain sustainable for our customers.

Financial literacy

We promote financial literacy through a range of initiatives.

AIB Future Sparks Programme

The programme is a skills-based interdisciplinary programme for secondary schools. It joins the dots for young people as they navigate life transitions, by providing educational resources across multiple subject areas, such as guidance-related learning, wellbeing, business, economics, accounting, financial education and home economics. We also engage with them on financial literacy topics aimed at young people through social media.

In 2024, we launched the AIB Future Sparks School Impact Awards to highlight and reward schools' contributions to the social, financial and environmental success of their community. The awards provide a platform to showcase the work of schools and students to inspire positive change.

Clear and simple communication

We recognise that simple communication is best when empowering our customers to make financial decisions. We avoid using 'bank speak' whenever possible to talk to them about their money, instead focusing on communicating in a supportive and engaging way. In our advertising and marketing, we disclose all relevant information on our products and services, including charges and warnings of any potential negative consequences. We have a function in the Bank to provide clear communications and our emails, letters, webpages and apps are almost always in plain language, unless legal language is necessary.

AIB Colleagues at a Network Ireland Event.

Our 'Banking How To' Guide is an example of this approach. It is an easy-to-read guide to managing day-to-day banking for customers, covering an introduction to bank accounts, paying for things from current accounts, keeping money safe, and banking online safely. The guide is available on our website, and is a helpful resource for anyone who may be nervous about managing a bank account.

In order to reach as large an audience as possible, we use social media to create awareness of financial wellbeing and fraud issues. In 2024, AIB conducted a Fraud Awareness campaign, 'Wait a Sec, Double Check', encouraging personal and business customers to pause at critical moments when they suspect fraud attempts. A separate SME Fraud Awareness campaign educating businesses on cyber crime was launched on LinkedIn to educate businesses on how to identify and avoid fraud in their operations. Specifically for a young audience, we also ran a campaign about the dangers of fraud around Black Friday and Cyber Monday, when scams are common.

Our performance measures

S4-5

Tailored financial products

AIB life is our unique proposition which offers the general market a full suite of protection, investment and pension products. Last year, there were 31,808 Financial Planning consultations carried out by our qualified advisors. All financial planning consultations are recorded on a dashboard. A four eye review for all figures is performed and recorded. No judgements or estimations are applied.

With the appointment of our Chief Customer Officer in 2024, we will continue to track our progress in customer service along with the volume of finance provided through our tailored financial products. We will also consider further developing how we measure our impact with other aspects of financial wellbeing for our customers, including those who are most vulnerable and require additional support.

Our focus is now on identifying additional initiatives and actions to better equip our customers to make informed decisions, manage their finances and use banking products and services responsibly.

Financial planning consultations undertaken by AIB Financial Advisors in 2024

31,808

Material Topic: Housing

As an Irish mortgage provider, we are attuned to the unique complexities facing the Irish housing sector and the needs of our customers.

This is one of our seven material topics. For each topic, we report in accordance with the ESRS. We disclose our approach to managing our material IROs through our policies, actions and performance measures.

Value chain: Downstream

We contribute to meeting the national need for housing by financing housing developments and offering finance to purchase homes in the societies in which we operate.

Through our Customer first and Sustainable communities strategic pillars in particular, our housing strategy contributes to a robust and sustainable economy and society.

Our policies

S3-1, S4-1

This section outlines our main policies governing our provision of finance for residential mortgages and residential developments, including Build-to-Rent (BTR), Private Rented Sector (PRS) and social housing developments. The policies cover all our customers in Ireland and the UK. We review each policy periodically, so that we can continue to meet our customers' housing needs and support Government-led initiatives. These reviews also incorporate key stakeholders' interests and feedback from across the organisation.

The CRO is accountable for implementing these internal policies, which are available for our colleagues on our Intranet.

ROI and UK Residential Mortgage and Group Development Policies
Our ROI and UK Residential Mortgage policies set out rules for all residential mortgage-related lending we perform in both our key markets, including lending to first-time home buyers.

The Group Residential Development Policy governs lending for residential development, which includes funding the development phase of BTR, PRS and social housing developments.

Commercial Investment Policy
Our Commercial Investment Policy covers all lending for commercial property investment in ROI and the UK.

Social Housing Policy
Our Social Housing Policy sets out the relevant lending rules that are applicable in both ROI and the UK. It supports lending to our customers for social housing and helps manage and mitigate the associated risks. This includes lending for the purpose of acquiring and refurbishing units for social housing, or debt funding for social housing providers. It can include Mortgage to Rent (MTR), affordable housing, sheltered housing and housing for the elderly.

Social Bond Framework
Some of the funding that we provide to Approved Housing Bodies (AHBs), authorised scheme providers under the MTR scheme, and to borrowers under the First Home Scheme (FHS) and Local Authority Affordable Purchase Scheme (LAAPS) are included in our social bond pool. This financing is subject to the voluntary transparency requirements detailed in our Social Bond Framework, including annual allocation and impact reporting. Our lending due diligence takes into account Group-wide excluded activities as per our policies. The Framework is based on the ICMA Social Bond Principles 2021 and is available on our website.

The GSC approves material Social Bond Framework updates, as well as social bond allocation and impact reports.

Our actions

S3-4, S4-4

Supporting our customers
Whether a customer is seeking finance for their first home, moving homes, switching or topping up their mortgage, or building a home, our wide range of mortgage products has them covered. Our service includes our dedicated team of mortgage advisors, who are available in branches, over the phone, online and at customer and community events.

In response to customer feedback, in 2024, we extended the period for which an Approval in Principle is valid from six months to 12 months.

National Housing Agenda
We continue to participate in the Irish Government's FHS and LAAPS. The FHS supports buyers in middle- to lower-income ranges, to close the gap between the home price, their deposit and their mortgage and the number of applicants supported to acquire a new home is tracked by the FHS. The LAAPS supports customers to buy a home at a discount to it's market price. By supporting this Government-led initiative, we help customers purchase a home that otherwise they could not afford.

Inflation and rising energy costs have increased financial pressures for our customers. Throughout the year, we took a considered approach to changes in monetary policy and interest rates, when monitoring the European Central Bank and Bank of England interest rate trends. We reduced mortgage interest rates a number of times last year, in AIB, EBS and Haven.

Increasing housing stock in societies which we operate
In Ireland, our Real Estate Finance team within our Capital Markets segment is a specialist lending unit that provides funding for corporate housebuilders, small regional developers, homes for rent and for sale and social and affordable housing. The team consists of specialised lenders and is supplemented by a Chartered Engineer and Chartered Valuation Surveyors.

Assisting customers in vulnerable circumstances
AIB continues to support customers impacted by the MICA/Defective Concrete Blocks (DCB) issue. We have a dedicated team, which liaises directly with customers and external advocacy groups, including BPFI and the Redress Focus Group – Banking & Insurance Committee. This dedicated DCB Team provides customers with individually tailored support and representation at industry and government department levels.

Where increased financial pressures and other difficulties affect the ability of some customers to repay loans, we offer support through our Arrears Support Unit, and our suite of solutions based on their ability to repay. By contacting our Arrears Support Unit, customers can find a resolution, and available options include interest-only periods, fixed repayments, split mortgages, and more.

Within our 'Worried about Payments' section across ROI Group websites as detailed previously in this section, we also provide information on the supports available to customers, including cost of living support and links to external support such as the Money Advice & Budgeting Service (MABS) and Insolvency Service of Ireland (ISI).

AIB is an active supporter of the MTR scheme. This is a Government initiative to help customers who are unable to meet their mortgage repayments and who qualify for the scheme to continue to live in their home. MTR enables us to give customers the option of selling their home to an MTR Provider, who then rents the property back to the customer at a rent they can afford. Customers can access this solution through the AIB, EBS and Haven websites, and can receive free financial advice from the Irish Mortgage Holders Organisation. In addition, in 2024 we funded the acquisition of Mortgage to Rent properties by Home for Life and iCare.

Our performance measures

S3-5, S4-5

We track the performance measures set out below. We will also consider developing other metrics over time, to measure our performance within the housing value chain in Ireland.

First-time buyers
We have made a commitment to deliver more than €6bn of cumulative new lending to first-time buyers in ROI by 2026. Our Housing performance target is guided by our internal target-setting process. Our management teams consider results from scenario analysis models, which are approved by senior leadership, ensuring alignment with our broader Group and sustainability Strategy.

In 2024, we made substantial progress by providing €2.79bn in new lending to first-time buyers in ROI.

New lending extended to first-time buyers in ROI

€2.79bn

Target: €6bn of cumulative new lending to first-time buyers in ROI by 2026

Social and Affordable Housing
AIB supports the national housing agenda directly through various government-led initiatives and support for social housing through Approved Housing Bodies in Ireland and registered providers of social housing in the UK. While we do not have specific targets related to lending to fund social and affordable housing in the ROI, or lending to fund social housing in the UK, we use the performance measures as noted here to track the effectiveness of our actions.

New lending to fund social and affordable housing 2024 in ROI

€135m

New lending to fund social housing 2024 in the UK

£112m

Increased housing stock
AIB continued to support residential property development throughout the year, providing total facilities of €366m to support the development of new homes in Ireland and the UK. In terms of large-scale housing developments, we offer discounted loans to residential developers who adhere to an Irish Green Building Council (IGBC) benchmark that sets higher green building standards than those required under current building regulations.

New lending to fund residential developments in 2024

€366m

Material Topic:
Own Workforce (Equal Treatment & Opportunities for All)

This is one of our seven material topics. For each topic, we report in accordance with the ESRS. We disclose our approach to managing our material IROs through our policies, actions and performance measures.

Value chain: Own operations

Operational Efficiency is one of our three strategic priorities, and we define it as enabling our colleagues to deliver for our customers by investing in their capabilities and capacity.

Own workforce (Equal treatment & opportunities for all), within the ESRS categorisation of **ESRS S1 Own Workforce**, is a material topic for the Group. Our business model and ability to operate depends on our skilled workforce, how we treat them, and the opportunities we provided to them. While 'Own Workforce' spans a variety of sub-topics as per ESRS S1, we identified two through the DMA process as detailed on page 54.

These are creating a culture of inclusion and diversity (I&D), and creating a culture of learning and development. Failure to achieve these, and failure to recruit and retain talented people as a result, presents risks to us in relation to our sustainability commitments, our loan book and our ability to serve our customers. We use the terms 'own workforce' and 'our colleagues' interchangeably.

The following policies relate to own workforce and apply to everyone who are directly employed by AIB, unless otherwise stated. In most cases, Payzone and Goodbody are governed by their own subsidiary policies. Our policies primarily relate to ROI and UK staff. AIB US staff refer to Group Policies where applicable, however in many cases by their own local policies aligned to US laws and regulations. Due to data limitations, Goodbody employees have been omitted from various performance measures; these will be considered for inclusion, where appropriate, in future reporting.

Our colleagues – Inclusion and diversity

Our policies

S1-1

Inclusion and Diversity Code
Our I&D Code recognises that we should respect, develop and harness the uniqueness of our colleagues, as well as embracing and celebrating our differences, in order to promote equal treatment and opportunities for all. The Code sets out the principles that we live by and underpins our related policies, handbooks, and a year-round employee engagement calendar of awareness and educational events. Our I&D council oversees the governance of I&D activity aligned with our strategy.

The Code outlines the scope of I&D and details what we expect from those who work at AIB and our suppliers. It highlights how to raise concerns and points to policies such as our Whistleblowing Policy and Grievance Policy, which support our Code of Conduct.

The Code specifically covers the following grounds of discrimination: race (including colour, nationality and ethnic and national origin), religion or belief, age, disability, gender and gender reassignment, sexual orientation, marriage or civil partnership, pregnancy or maternity, family status and membership of the Travelling Community. We do not have specific monitoring in place, but our Speak Up and Grievance procedures allow colleagues to report behaviours contrary to the Code, which we then manage through the processes outlined on page 105.

The Chief People Officer (CPO) is ultimately responsible for implementing the I&D Code. We review it periodically via our HR Policy team's central review schedule for all HR policies, which includes engaging with key stakeholders across the organisation, in the interest of creating an inclusive and diverse culture for all of our colleagues. The I&D Code is available from our website.

Family Leave Handbook and Carer's Policy
As part of creating an inclusive and diverse culture, we support our colleagues as they navigate critical life stages, including having a family and caring for a family member. Family is a big part of our culture and these policies recognise this importance by offering the best support we can, in a fair and truly inclusive way.

Our Family Leave Handbook outlines what leave is available, whether it is paid or unpaid, and what colleagues can use this leave for. It applies to all parents directly employed by the Group. The handbook contains all of our family leave policies, including our maternity, adoptive, surrogacy and paternity leave policies, our paid and unpaid parent's leave policies, our UK shared parental leave policy and our fertility leave policy. These are important for supporting all of our working parents in achieving a sustainable work-life balance during critical life stages.

Our Carer's Policy outlines our leave entitlements and conditions with respect to:
- Critical Caring Leave (AIB ROI and UK employees);
- Leave for Significant Care / Medical Support (AIB ROI and UK employees);
- Carer's Leave (AIB ROI employees only).

The CPO is ultimately responsible for implementing these policies. Direct employees of subsidiaries are subject to their subsidiaries' respective policies and are not within the scope of the policies above. The policy is published internally on our Intranet.

Anti-bullying and Harassment Policy
Everyone working in AIB has the right to be treated with dignity and respect. Our colleagues should be protected from bullying or harassment from other colleagues, and they should never feel intimidated, victimised or humiliated, or suffer hostility within the workplace.

This policy reflects our commitment to providing a workplace that supports our people to be at their best and make a positive contribution to what we do.

It relates to any unwelcome behaviour, whether it happens in the workplace or at a work-related event or social events organised by the Group whether on-site or off-site.

The policy applies to everyone directly employed by AIB in ROI and the UK. The grounds of discrimination and characteristics are as those defined in both the Irish and UK Equality Acts. The CPO is ultimately responsible for the implementation of the policy.

Further details on AIB's grievance mechanisms are on page 105. The policy is available on our website.

Our actions

S1-4

Universal inclusion
We continued to cultivate a culture of universal inclusion in 2024, through the implementation of our I&D strategy.

- We delivered mandatory **online I&D training**, to help our employees to understand the behaviours we expect and how they can raise an issue.
- We also provided **specialist training** on I&D for our ExCo and their senior management teams, supported by coaching sessions, to facilitate consistent awareness of I&D considerations and empower senior leaders to support our I&D goals.
- We held our third annual **Universal Inclusion Campaign**, to promote an inclusive workplace in AIB, one where diversity is embraced and everyone can reach their full potential. This included a keynote interview with the CEO of Special Olympics International, Mary Davis. Teams across AIB also held discussions on I&D and made a commitment to progress I&D actions in the year ahead.
- AIB has an **Inclusion & Diversity Council**, made up of leaders from across the organisation and chaired by an ExCo member, that helps coordinate and implement Inclusion & Diversity efforts and deliver on our commitment to a culture where all employees can perform at their best and reach their potential.
- Our leadership programme had a 53% female participation in 2024. It has an **inclusive leadership module** that fosters an environment conducive to progress regarding gender and all groups at risk of marginalisation.

- To better understand the barriers to female progression and what the culture is like for women in AIB, we conducted a **Women in Leadership** diagnostic. The research included interviews with key stakeholders and larger focus groups from various levels and areas of the Bank. As a result, we compiled a roadmap of short-, medium-, and long-term actions, which we will continue to develop and embed in our people strategy for 2025 – 2026.

Employee networks
Our range of inclusion networks, as follows, celebrate the diversity of our colleagues and play an important role in fostering an inclusive workplace by promoting awareness, support, and collaboration among employees.

- With the support of our **Women's+** Network, we have targeted programmes to empower women at all levels in AIB. The programmes focus on developing leadership, technical skills and career progression strategies. For example, our Mentor Her programme helps mentees to better command their own career path through their mentor's support and contacts across the broader mentee group. Our 2024 programme featured 194 mentors and mentees.
- We updated our **Origins+** Network Ally pack in May 2024. This Ally pack and the I&D Guides support our colleagues in having open conversations. The Network raises awareness of the experiences of people from ethnic minority groups and celebrates all our employees' heritage.
- Our **Pride+** Network organised a variety of events for our colleagues, such as a panel discussion with members of the Pride+ network on their lived experiences, and a workshop delivered by Belong To LGBTQ+ Youth Ireland, which helped us understand the things we can do in the workplace, at home or with friends to be better allies.
- Our **Abilities+** Network raised awareness around several global initiatives, such as using Autism Awareness Month in April to roll out volunteering opportunities and education for AIB employees, to improve accessibility for both our customers and our people. During ADHD Awareness Month in October, a colleague shared his experience of living with ADHD and the support that is available. Many other events were highlighted, such as World Down Syndrome Day, International Day of Sign Languages, World Sight Day and the UN International Day of Persons with Disabilities.
- Our **Life & Family+** Network partnered with Family Carers Ireland to provide a support package to our working carers, including one-to-one access to expert guidance and support. In 2024 the Network supported them in hosting a panel discussion on caring for older persons and family members with an intellectual disability and on how to recognise carer burnout.

Family Leave
We have also continued to enhance our progressive policies that support inclusion and gender balance. In August 2024, the Irish Government increased the statutory parent's leave entitlement from seven to nine weeks for each parent. AIB topped this up to full pay for employees in both ROI and the UK. To launch this, we organised interviews with both a male and female colleague on their experiences of this leave, how they used it and what it meant for them and their family.

In addition, a positive change in Irish legislation in 2024 means that employees who are on maternity leave and require treatment for a serious medical reason can now postpone all or part of their leave for a period of up to 52 weeks. AIB also extended this to include surrogacy leave, so that employees will not have to use their leave during treatment and can use it at a later date.

Our performance measures

S1-5, S1-9

Gender diversity
One area of our I&D Code relates to gender. Having been an early signatory of Ireland's first Women in Finance Charter, we aim to have a gender-balanced ExCo, management and Board each year. Specifically, we target between 40% and 60% of female representation in ExCo and management, which is underpinned by the Equileap annual Gender Equality Global Report and Ranking's definition of 'gender balance'. In addition, AIB has an ongoing target for Board of a minimum of 40% female representation. These targets have been reviewed by the Board. We have maintained a gender balanced Board, ExCo and management in 2024. HR monitors our performance against our gender diversity target across all management (including ExCo) and reports to senior management on a monthly basis.

The Company Secretary monitors our Board's performance against the target on an ongoing basis. If applicable, any proposed actions are then discussed and presented through appropriate governance for approval.

Gender diversity

Women as % of ExCo and Management

43%

Target: 40%

Women as % of Board

40%

Target: 40%

AIB's Exco Gender Diversity	2024
Number of females	6
Number of males	8
% females	43%
% males	57%
AIB's Age Diversity: Number of employees	**2024**
<30 years old	18%
30 – 50 years old	61%
50+ years old	21%

Women as a percentage of management includes ExCo. AIB's ExCo is its 'Top Management' level (for the purposes of addressing S1-9 requirements).

The gender and age diversity figures above are taken at the year-end and do not include Goodbody and Payzone. The gender diversity figures also do not include employees noted as Other/Not reported (per page 94). The Board figure refers to the AIB Group Board.

Own Workforce (Equal Treatment & Opportunities for All) *continued*

Gender Pay Gap Report

S1-16

The Gender Pay Gap (GPG) is the difference in the hourly pay of men and women across the organisation.

Our annual GPG report for AIB ROI, based on our snapshot date of 30 June 2024, shows a mean GPG of 17.8%. Since our previous GPG report in December 2023, there has been a 1.1 percentage point improvement.

We also published a report for AIB UK, based on legislative snapshot date of 5 April 2024, with a mean GPG of 27%. Since our previous report in 2023, there has been a 1.3 percentage point improvement.

Gender Pay Gap

ROI gender pay gap (2024)

17.8%

UK gender pay gap (2024)

27%

Similar to last year, the primary reason for our GPG remains our organisational shape, with a significantly larger number of females in lower level roles, and higher numbers of males in more senior roles.

These reports include all employees of AIB ROI and UK on the respective snapshot dates, who have self-identified as male or female on that date. The calculations exclude Payzone, Goodbody and any employees who do not meet the eligibility criteria as defined in the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022 for Ireland or The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 for the UK.

Our Gender Pay Gap reporting has been completed in line with the requirements and methodologies in the jurisdictions in which we operate. We are satisfied that the outcomes are broadly representative of our profile as at 31 December 2024.

The highest paid individual in our organisation is our CEO. The median annual total compensation for all employees (excluding the CEO) for 2024 was €60,406 and, the ratio of the annual total compensation of our CEO to the median annual total compensation of all employees (excluding the CEO) was 10.66. This excludes Payzone, Goodbody, and non-active employees. Estimates are used for variable remuneration that relate to FY24 but are not paid until Q2 FY2025. We will consider the feasibility of using actual data in future reporting.

As part of the DMA we have identified a positive impact on our colleagues in relation to the variable remuneration scheme. To understand how we manage this impact and reward employees for their performance and achievements, please see Our Sustainability Governance on page 53, the Report of the Remuneration Committee from page 157, and the Corporate Governance Remuneration Statement from page 159.

The applicable targets are the performance targets noted on page 53.

Family leave

S1-15

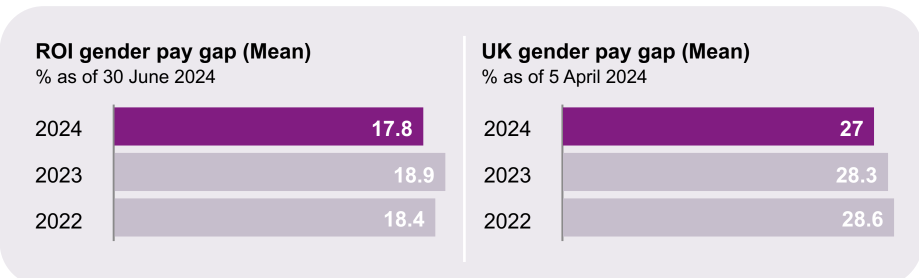
In 2024, 100% of AIB employees are entitled to take family-related leave, with 19% doing so (23% of females and 13% of males).

Family leave

100%

of employees are entitled to take family-related leave

Employees who took multiple types of family-related leave during 2024 were only counted once. This avoids double-counting but means that the figures are a conservative view of how much family-related leave our employees took during 2024. These figures exclude Payzone and Goodbody.



Our colleagues – Training and skills development

Creating a culture of learning and development is part of our commitment to our colleagues, helping to attract and retain a talented workforce who share the same values. Providing our staff with training and skills development empowers them along their career journey, which ultimately helps us meet our decarbonisation ambitions and put our customers first.

Our policies

S1-1

Education Policy
Our Education Policy recognises our role in promoting continuous learning and development, so colleagues feel supported throughout their career in AIB and we can fill any identified skills gaps. The policy provides a framework for employees' development and gives People Leaders financial and non-financial options to support it.

The CPO is the policy's ExCo sponsor. Our HR Policy team reviews our policy regularly in consultation with stakeholders, addressing regulatory, legislative, business, management and best practice requirements, and any changes to the policy are approved through the agreed governance pathways. The policy is available for colleagues on our intranet.

People Risk Policy
People Risk is a key aspect of Operational Risk. It refers to the failure to plan for, acquire, develop and retain the appropriate number of people with the necessary skills and capability required to achieve the Group's strategy, as well as the failure to manage, develop, train and engage them to optimise their contribution and progression within the Group. Our People Risk Policy recognises the importance of our people in delivering our strategic objectives and sets out our approach for managing People Risk in line with the RAS.

The policy is available on our intranet and applies to all individuals who work for or provide services to a member of the Group, and who are either:
- direct employees, irrespective of their tenure or working patterns; or
- independent contractors, whether we engage them directly or through their own service company.

Our CPO is the 1LOD ExCo sponsor and the CRO is the 2LOD ExCo sponsor for this policy. The Group Head of Operational Risk reviews this policy annually, in consultation with stakeholders. This policy applies to Goodbody, but not to Payzone, which has its own policy in place. Please refer to the Risk Management section from page 241 for more details.

Our actions

S1-4

AIB has several initiatives in relation to training and skills development.

- We support the **further education of our employees** by covering eligible fees and study leave where necessary. This includes support for various courses, including post-graduate programmes and role-specific qualifications, such as the Professional Certificate/Diploma in Financial Advice (APA/QFA), Chartered Banker Institute courses in the UK, and ACCA or CIMA courses for accountants.
- We offer **Continuing Professional Development (CPD) Certificates** accredited by the Institute of Bankers (IOB). In particular, 'Understanding ESG for Business Customers' empowers our client-facing colleagues to take action and build their ESG knowledge.
- Our colleagues have access to the **AIB Sustainability Academy**, which is a hub for all ESG learning, signposting sustainability resources and education opportunities. It aligns with our purpose to empower colleagues to build a sustainable future and equips them to more effectively engage with and support customers and suppliers as they navigate their sustainability journey.
- In 2024, we enhanced our **Invest in You** celebration of career development, increasing its frequency from a once a year to three times a year. This year's theme was 'Pave Your Pathway', aiming to help all employees to drive their careers and development plans. The virtual and in-person events included sessions on Building Your Confidence, Emotional Intelligence and Career Sessions.

Our performance measures

S1-5, S1-13

To support our colleagues in improving their sustainability knowledge, a completion rate of 90% is required each year for the mandatory 'Sustainability and AIB' training. The figure of 90% is derived from and aligned with the limit included in the RAS, which is reviewed annually by the Risk Compliance team and the Board Risk Committee and approved by the Board.

The 'Sustainability and AIB' training course had a 94% completion rate in 2024. This includes all AIB employees and contractors, but not Payzone, Goodbody and AIB staff on long-term leave.

Completion rate of 'Sustainability and AIB' training

94%

Percentage of employees who participated in regular performance and career development reviews	2024
Female	95%
Male	94%
All	95%

Average training hours per employee	2024
Female	32
Male	29
All	31

Our calculations and assumptions

Mandatory Training
Group-wide mandatory online training must be completed by all employees and contractors across AIB Group, including EBS and Haven and AIB UK. Training completion rates are monitored and managed by the respective course owners across the Bank, who are also responsible for the creation and annual review of training content for each of these courses. A deterioration in completion rate would lead to discussions on what improvements are required. Completion rates are generated from Cornerstone, an external learning management system provider.

Performance Reviews
We track the percentage of employees who have regular performance reviews. The metric reported here uses 2024 interim data because the final year-end reviews are completed post year-end, and validated completion rates are not available until after the publication of the annual report. We will consider the feasibility of using year-end career review data in future reporting. The data excludes Payzone, Goodbody, and a senior cohort of AIB ROI and UK employees who currently have different measurement criteria from other employees. We will consider the feasibility of including this cohort in future reporting. See page 106 in Governance & Responsible Business for more details on our Aspire performance management framework.

Average Training Hours
The figure for average training hours includes virtual instructor-led training (virtual classroom), instructor-led training (classroom), web-based training, Session Management Training (AIB internal training), video, and material provided via iLearn LMS. The figure excludes Payzone, Goodbody, and AIB staff on long-term leave.

Own Workforce (Equal Treatment & Opportunities for All) *continued*

Supplementary performance measures

S1-6, S1-17

We provide information in this section on other ESRS S1 Own Workforce measurement requirements, including the characteristics of AIB's employees, remuneration, and incidents, complaints and severe human rights impacts. AIB is applying a phase-in provision for metrics related to non-employees (S1-7) and the people with disabilities (S1-12) metric for 2024. ESRS S1-7 is subject to further investigation during 2025 as we continue to analyse this cohort to more accurately determine its scope.

Characteristics of AIB's Employees

The following section includes three tables that are relevant to S1.6. We report the number of employees using FTE as at year end, and is defined as staff in payment only, excluding tied agents, and AIB staff on career break or other unpaid long-term leave. The total year-end FTE figure is same as that noted in the Financial Statements on page 345. There are no significant variances in employee numbers during 2024, and FTE figures reflect some rounding. The total number of employees at year end using headcount is 10,721 which is split 5,886 Female, 4,832 Male and 3 Not Reported. Broken down by country this is 9,918 Republic of Ireland, 768 United Kingdom and 35 USA. In relation to our material risks and opportunities for our own workforce, we do not have specific targets in place for employee retention, our related performance measure 'employee turnover rate' shows progress towards retention of our workforce.

Table 1: Employees by contract type, broken down by gender

Contract Type	Female	Male	Other[1]	Not reported[1]	Total
Number of employees	5,647	4,818	0	3	10,469
Number of permanent employees	5,467	4,608	0	3	10,078
Number of temporary employees	180	210	0	0	390
Number of non-guaranteed-hours employees	0	1	0	0	1
Number of full-time employees	5,127	4,785	0	3	9,915
Number of part-time employees	520	34	0	0	554

Table 2: Employees by contract type, broken down by country

Contract Type	Republic of Ireland	United Kingdom	USA	Total
Number of employees	9,685	749	35	10,469
Number of permanent employees	9,327	717	34	10,078
Number of temporary employees	357	32	1	390
Number of non-guaranteed-hours employees	1	0	0	1
Number of full-time employees	9,178	703	34	9,915
Number of part-time employees	507	46	1	554

Table 3: Employee turnover data

Employee Turnover	2024
Number of employees who have left	1,265
Rate of employee turnover[2]	12.6%

Our calculations and assumptions

Number of employees and employee turnover data

1. As of FY2024, AIB is reporting employee gender for each group of 'male', 'female' and 'not reported', but not for 'other'. Work is ongoing to HR systems to include voluntary anonymised reporting options on gender diversity (i.e., other).
2. Employee turnover rate is calculated based on the total number of leavers, divided by the number of FTE staff at the start of the year. Leavers include voluntary attrition, contract expirations, retirements and voluntary severance, and excludes Goodbody and Payzone employees.

Incidents, complaints and severe human rights impacts metrics

The Bank has several channels for its own workforce to raise concerns. All concerns are taken seriously, treated confidentially and investigated with the utmost of professionalism. There have been no incidents of discrimination, including harassment, as defined in paragraph 2 of ESRS S1 reported in 2024. Also, no complaints of discrimination, including harassment, as defined in paragraph 2 of ESRS S1 have been filed through the channels available to our own workforce to raise concerns in 2024.

AIB confirms that no severe human rights issues and incidents were reported with respect to our colleagues in 2024. See page 95 for more details on human rights impacts metrics.

Human Rights Commitment

SBM-3, S1-1, S1-17, S3-1, S3-4, S4-1, S4-4

This section outlines our human rights policy commitments in relation to our colleagues, our customers and the wider society and community.

Our approach to protecting and preserving human rights is underpinned by our Human Rights Commitment, which is available on our website.This commitment has been shaped by the United Nations Guiding Principles on Business and Human Rights and it is fundamental in guiding our strategic vision, operations and relationships with stakeholders.

Our Human Rights Commitment operates alongside AIB's Code of Conduct and AIB's Responsible Supplier Code, and our commitments are aligned with those laid out in the laws applicable to the jurisdictions in which we operate, the European Convention on Human Rights and, for our business in Ireland, the EU Charter of Fundamental Rights. It was introduced in 2021, when it was approved by ExCo, and reviewed by SBAC and Board.

In line with our Code of Conduct, we actively avoid causing, financing or contributing to any business activity that is known to breach human rights or fair practices, including taking steps to address any situations that we become aware of where this has occurred. We will also, where practicable, align ourselves to the provisions of international treaties and other internationally accepted declarations and principles intended to protect human rights. We have due diligence processes in place to help us identify any material negative impacts or risks in relation to human rights, and these are an input to the DMA process.

When engaging with our stakeholders, we pay attention to respecting their human rights. This is outlined in Our Stakeholder Engagement on page 49.

Due to the nature of our industry and the markets in which we operate, AIB has not identified any significant risk of incidents of forced, compulsory labour or child labour. We are committed to an inclusive, safe and ethical workplace, as demonstrated within our Code of Conduct and this Human Rights Commitment.

The health, safety and wellbeing of employees is of paramount importance to AIB. Safe working is an integral part of our culture, our purpose and our sustainability and is central to our business plans. We are committed to ensuring the safety of our employees, customers, contractors and visitors and our workplaces (including home workplaces).

We are embedding our commitment to human rights in our culture and values and reflecting this in our policies and actions towards our customers, employees and suppliers, and in the communities where we do business.

The Chief Strategy and Sustainability Officer is ultimately responsible for implementing our Human Rights Commitment, with the Sustainability Transformation Programme providing support for designing and improving it.

As part of the DMA process, we did not identify any severe human rights impacts. We confirm that no severe human rights issues or incidents were reported with respect to our colleagues, customers and communities in 2024. We confirm this based on input from our internal legal function, our Speak up (Whistleblowing) team and our Workforce Performance team regarding our grievance processes. Certain entities are excluded from some of these inputs. Goodbody has a Modern Slavery Statement and Code of Conduct, and Payzone has a Speak Up policy, and its code of conduct notes their human rights and its grievance processes. These policies align with the principles and values of the Group.

Modern Slavery Statement
We report annually on our approach to tackling modern slavery in our Modern Slavery Statement, which is available online. The statement explicitly references trafficking in human beings, forced labour and child labour. See Channels for Stakeholders to Raise Concerns from page 96 for details of how we engage with our colleagues, customers and communities and how we remedy negative impacts on these stakeholder groups. Please refer to Corporate Governance, Ethics & Accountability in the Governance section for details of how we manage our relationships with suppliers, including engaging with them, and how we address negative impacts concerning our suppliers.

Channels for Stakeholders to Raise Concerns

We communicate with our stakeholders on material topics, and there are remediation processes and channels for them to raise their concerns.

In line with the specific requirements of ESRS S1, S3 and S4, this section outlines the processes we have in place to engage with our colleagues, our customers and the wider society and community regarding material impacts. It provides a description of the channels we have established for our stakeholders to raise concerns, along with processes to prevent, manage and remediate any negative impacts.

Processes for dialogue on material impacts

Our customers

S4-2

Our customers engage with us every time they interact with our services, in person, by phone and online. Across our branches, we engage with 44,000 of our customers daily (branch footfall per day) and this year, we held 24 easy banking workshops.

We also engage our customers directly on the key issues that affect them through our 'Voice of the Customer' survey. We capture their experiences in near-real time by surveying customers every day, using digital surveys when they interact with us through our digital channels, and via email and phone for other journeys. The Customer Experience team, headed by the Chief Customer Officer, is responsible for implementing the 'Voice of the Customer' survey.

We also carry out a quantitative review after launching our campaigns, to assess our customers' response. This builds on our annual research into consumers' understanding of a selection of our communications, such as brochures, branch screens and emails. Through our partnership with AsIAm, Ireland's autism charity, we engage regarding how AIB branches can become more autism-friendly.

Our colleagues

S1-2

We have a number of initiatives to support us in listening to our people. We check in with both our employees and contractors twice a year, through our AIB Engage surveys. These are short, focused online surveys, which provide us with constructive feedback. We invite employees and contractors at all levels to participate, with the CPO overseeing implementation.

In 2024, the key issues on which we asked for our colleagues' perspective were innovation and creating the time and space to connect with each other and with our purpose and strategy. The surveys received a total of 16,023 employee responses, and a total of 30,598 comments and suggestions from our own workforce on how we can improve on these issues. The resulting insights form the basis of action plans, which we will implement in the following months.

We also have several Employee Resource Groups (ERGs), known as Inclusion Networks, which represent colleagues who may be at risk of marginalisation or bias. The ERGs meet at least quarterly and offer support that is devised and deployed by employees, with senior management sponsorship. More details on the ERGs can be found in Inclusion & Diversity on page 91.

To protect our colleagues, we have workplace accident prevention policies in place; these are our Safety Statement for the EU and our Safety Policy for the UK.

Society & community

S3-2

We engage with certain affected communities through our community partners, on a monthly and quarterly basis, to discuss the impact and progress of the activities we support. The results are reflected in our Community Framework, under the areas of Sustainability, Education & Opportunities and Digital, Innovation & Financial Inclusion. Our long-term partners include FoodCloud, GOAL, Junior Achievement Ireland, AsIAm, and key educational partnerships. The Director of Corporate Affairs is ultimately responsible for this engagement, which is overseen by our Communities and Partnerships Team.

Our customers, employees and the public can submit nominations for their chosen charity via our AIB Community €1 Million Fund. Customers complete nominations through the Community pages of our website, while our employees can nominate through an internal online survey. In 2024, 70 charitable organisations received funding from the AIB Community €1 Million Fund across Ireland, Northern Ireland, and Great Britain.

Processes and channels for expressing concerns

Channels for our external stakeholders

S3-3, S4-3

While we strive to always provide the most positive experience for our customers, we will not always get it right. When this happens, we believe in accountability. Customers and the wider community can engage with us through our complaint management process, where their grievances are treated with confidentiality and respect.

If negative impacts do arise for our customers, AIB has a process in place and channels are available online, by post or by phone, to remediate negative impacts via the complaint management system. Where possible, we resolve complaints quickly at a local level. Otherwise, they are forwarded to our Centralised Complaints Management team. We use root cause analysis to examine, track and monitor complaints.

These processes and channels are governed by our Complaints Management Policy. The policy outlines the roles and responsibilities, governance requirements and minimum standards required for effective complaints management to provide the best outcomes for our customers, in line with our regulatory obligations. It applies to all staff, including contractors and third parties providing a service or function in Ireland and the UK. It is owned by the Head of Customer Care & Outcomes, and is available internally for AIB staff.

We learn a lot from complaints and errors, which gives us the opportunity to reflect and make changes. Some examples of the actions we took in 2024 to prevent and manage any potential negative impacts on our customers and the wider community are set out below:

- We rolled out a new complaints and errors management system to enable us to capture, manage, resolve and report on complaints and errors. This will help to improve our customer service and operational efficiency.
- We continued to apply root cause analysis to examine complaints and errors, so we can enhance customer experiences and ultimately prevent complaints happening in the first instance. In line with our regulatory obligations, we regularly analyse the patterns of consumer complaints and errors, including investigating whether complaints indicate an isolated or more widespread issue.
- Our staff completed a voluntary course focused on improving their phone skills when interacting with customers, as well as the 'Customer Island' training course, which we assign to staff in Operations and Business Services, Retail, our Financial Solutions Group, and Customer Care & Outcomes. These courses cover skills such as talking to customers with empathy and dealing with difficult situations over the phone. They teach staff how they are empowered to help the customer and how they can provide a great solution when things go wrong, to achieve the best outcome for the customer.

Channels for our internal stakeholders

S1-3

Speak Up

Under our Whistleblowing Policy, our colleagues are encouraged to speak up when they have a genuine belief that an actual or suspected wrongdoing may have occurred, is occurring or will occur at work, either in or for AIB. Employees can raise concerns with their People Leader in the first instance or through confidential Speak Up channels, such as the AIB Integrity Line, a secure web-based system hosted by an independent third-party. The Whistleblowing Policy applies to all those working in or for AIB Group in any jurisdiction. All issues raised are treated promptly and with the highest confidentiality. The effectiveness of the policy and the processes are monitored and reviewed by BAC. For more details, please refer to the Governance & Responsible Business section of this statement from page 105.

Grievance mechanisms

Those who are directly employed by AIB can also raise concerns in relation to personal grievances, employment-related concerns, bullying and harassment complaints, or complaints as a customer through the appropriate channels, namely, the Grievance Policy, and the Anti-Bullying & Harassment Policy, with the Customer Care team, or directly with their People Leader. The Chief People Officer is ultimately responsible for the implementation of the Grievance Policy, which is available on AIB's website

Our Workforce Performance Team is responsible for monitoring and tracking formal grievance complaints. The HR Policy team and the Workforce Performance Team review the Grievance Policy regularly, in consultation with stakeholders, to address regulatory, legislative, business, management and best practice requirements. The Grievance Policy complies with the codes of practice in Ireland, Great Britain and Northern Ireland.

To facilitate the effectiveness of the Grievance process, we take the following steps:

1. Formal grievances are recorded on a personal case register.
2. A dedicated Grievance & Disciplinary decision-maker panel facilitates the independence and effectiveness of the channel. All appeals are heard by either the CEO or their appointed nominee for review.
3. The investigator is assigned a dedicated case manager, who oversees that the process is followed correctly and that fair procedures are adhered to.

AIB employees and contractors in Ireland and the UK are required to complete annual training on the Code of Conduct, which includes key responsibilities related to the Grievance Policy (see page 105 for details). The Group Accountability & Performance team issues reminders and People Leaders regularly communicate with their teams on the importance of understanding and complying with the Code of Conduct.

Data protection

S1-2, S1-3, S4-2, S4-3

In the Governance & Responsible Business section, we speak about the impacts we have on our customers and our colleagues in relation to cyber security and data protection, and the processes in place to manage the same.

In terms of engagement with stakeholders on impacts, the Group has appointed local Data Protection Officers (DPOs) in Ireland and the UK who inform and advise everyone in the Group of their obligations under data protection and ePrivacy regulations. This includes the awareness-raising and training of staff, and guidance on risk identification and recording, reporting and managing personal data breaches. Our DPOs set our Data Protection Policy and oversee its implementation across the organisation. They are the point of contact for both staff and customers who have queries or complaints about how we process their data or a personal data breach.

We also have channels in place for our stakeholders to raise concerns and processes to prevent, mitigate and remediate potential negative impacts. As a regulatory obligation under the General Data Protection Regulation (GDPR), our Data Protection Notices (DPNs) include contact details for data subjects to contact AIB or the Data Protection Office (DPO), to understand how their personal data is processed.

AIB's DPN is publicly available; it outlines how we use, share and keep the information we collect about our customer, in addition to the processes and channels about the processing of their personal data. Our Employee Data Protection Notice provides employees with the same information and this shared with them during the onboarding process.

The DPN directs customers to the Complaints section of our website, if they wish to raise a complaint about how we collect, use, keep or share their information. Details of our complaints management process, including Speak Up and grievance processes available to our employees, are detailed from page 96.

Our personal data breach assessment matrix specifies when we need to notify the Data Protection Commission (DPC) and affected individuals regarding a personal data breach, in line with our GDPR obligations. We keep the matrix under review, using personal data breach data to refine the criteria and enhance its effectiveness. We record all breaches of the Data Protection and ePrivacy Policies, as well as personal data breaches, in our internal risk management system, Shield. This system enhances the effectiveness of the DPO's personal data breach processes, and also provides the real-time monitoring and centralisation of information on breaches. The dashboard facilitates awareness and the tracking of breaches, supporting the efficient management of breaches towards resolution.


AIB Community
1 Million Fund

Governance & Responsible Business

We pride ourselves on acting responsibly, and with integrity and transparency, while embedding ESG capabilities and measures at the heart of our business.

In this section

Governance & Responsible Business

Governance of our sustainability strategy is guided by the principle of transparency, which is fundamental to promoting trust and confidence among our stakeholders. We pride ourselves on acting responsibly, and with integrity and transparency, while embedding ESG capabilities and measures at the heart of our business.

Three material topics from our DMA are the primary focus of this section: **corporate governance, ethics & accountability, culture & reputation,** and **cyber security & data protection.** This section details our approach to managing the corresponding material IROs in terms of policies, actions and performance measures, alongside the material DR of ESRS G1.

The overall governance structures and frameworks are described in this section from page 51 in Our Sustainability Governance, and in our Governance Report in the Annual Report from page 123.

Best practice corporate governance and ESG governance is vital to our operations. **Corporate governance, ethics & accountability** is embedded throughout every level of the Group.

Our sustainability practices across our own operations are supported also by the Sustainability Transformation Programme and other measures disclosed in our Climate & Environmental Action section on page 70. In addition to own operations, we manage impacts related to our suppliers aiming to contribute to sustainable supply chain. We continue to fulfil our duties to our stakeholders.

We do so by complying with regulations, preventing financial crime, maintaining tax transparency and managing our approach to lobbying responsibly.

Our **culture & reputation** help us to align our business activities with our stakeholders' values and expectations, while mitigating risks and maintaining long-standing market reputation as a responsible financial institution.

Our obligations are constantly expanding in an increasingly digital world. A robust system of **cyber security & data protection** is critical to our functioning, and to the welfare of our employees and customers. As we continue to expand our online operations, our key priorities are to ensure the security of our systems and information, safeguard against theft, attacks and unauthorised alterations that could undermine our credibility and operations, and protect customers' confidential information and privacy.

Our Material Impacts, Risks and Opportunities (page 58) outline the material IROs, as well as their interaction with our strategy and business model. These IROs include those relating to our own operations, and our value chain.

Material Topic:
Corporate Governance, Ethics & Accountability

Corporate governance is a material topic for AIB, as expected for a financial institution.

This is one of our seven material topics. For each topic, we report in accordance with the ESRS. We disclose our approach to managing our material IROs through our policies, actions and performance measures.

Value chain: Upstream, own operations, downstream

It is critical that we manage the Group in the interest of all stakeholders and follow a framework of rules and practices to facilitate accountability, fairness and transparency. Our approach to corporate governance and corporate behaviour is relevant for all stakeholders, including those who influence our business and those impacted by our actions. Our colleagues are key to delivering our strategy and our strong governance structures and frameworks aim to ensure that everyone who works for us adheres to high ethical standards.

This section should be read in conjunction with our ESRS 2 disclosures starting from page 51, Our Sustainability Governance, which also presents details of our corporate governance framework.

Our policies

G1-1

The following policies related to corporate governance, ethics and accountability apply to everyone who are directly employed by AIB, as well as agency staff, contractors, and Board members. This includes AIB Mortgage Bank, EBS d.a.c. (incl. Haven), AIB UK and Goodbody. Payzone is not covered by these policies as it maintains its own suite of policies which are aligned to the Group.

Conflicts of Interest Policy
Our Conflicts of Interest (CoI) Policy sets out how to evaluate, report and manage any actual, potential, or perceived conflicts of interest to ensure that employees and Directors always act in the best interests of the Group and of our stakeholders.

Every year, employees must complete mandatory online conflicts of interest training.

The policy was set after considering the interests of key stakeholders and was approved by our Group Risk Committee.

Employees must declare any perceived or potential conflicts of interest on an ongoing basis. This includes receiving prior approval from their People Leader to give or receive gifts, benefits or hospitality valued at more than €200/£200/$260, either individually or cumulatively, when given to or received from one party. All instances above these limits must be recorded on the CoI register.

Each business area has a Conflicts of Interest Business Coordinator. They review the CoI register to identify potential or perceived conflicts or corruption risks, ensure that the register complies with our policies, report any breaches to the policy owner, complete quarterly returns to our HR Direct team and report policy breaches to the policy owner. HR provides training and support to the appointed coordinators.

Where needed, our business owners must establish local procedures to mitigate bribery or corruption risks and must regularly inform employees of the risks and required mitigations.

Financial crime poses economic and social problems for businesses and consumers throughout the world, including the jurisdictions in which we operate. AIB is committed to safeguarding our customers, acting with honesty and integrity, and supporting the investigation and prevention of financial crime. Our policies and codes enable us to uphold this commitment.

While effective corporate governance is crucial to mitigate financial crime, strong cyber security measures also protect against digital threats and safeguard sensitive financial data. More details on how we manage financial crime and fraud through our material topic of cyber security and data protection can be found from page 107.

Financial Crime Policy (incorporating ABC)
Financial Crime can involve money laundering and terrorist financing, corruption in the supply of goods and services, internal and external fraud and dishonesty, data protection breaches and theft, or breaches of any law or regulation relating to sanctions, financial crime or tax evasion. We manage financial crime matters through our 3LOD model. Assurance teams operate throughout each line, and regularly report to senior management and the Board on the efficacy of our controls.

Our Financial Crime Policy and related standards encompass anti-money laundering, countering the financing of terrorism, fraud, anti-bribery and corruption (ABC) and sanctions. We have embedded the policy and standards in our operating procedures and we verify their content at least annually to ensure they are kept up to date. Any material updates require Board approval.

We make all employees and Directors aware of our policies and standards, and provide mandatory and bespoke training, as described in the Our Actions section below.

Our Financial Crime (incorporating ABC) Policy and CoI Policy apply to all employees, contractors and suppliers operating within AIB, including all business functions, relevant subsidiaries and branches throughout the Group and across all the jurisdictions in which we operate. They are reviewed annually by internal stakeholders, and our Group Risk Committee must approve material changes.

We publish documents on roles and responsibilities and instruction guides on our intranet to help everyone understand these policies thoroughly.

In setting our Financial Crime Policy, we consider the interests of key stakeholders.

Tax Principles
We published our Tax Principles document in 2022, which is aligned with our purpose. Our Tax Principles set out our approach to tax and the standards to which we commit to in complying with tax law and regulation, managing our tax affairs and the tax-related aspects of our business with customers, and the associated responsibilities of all our employees.

Our approach to tax has the following objectives:
- maintaining high standards of integrity and complying with the letter and the spirit of applicable tax laws, regulations, and any codes of conduct to which we subscribe in all jurisdictions in which we operate; and
- acting with professionalism, integrity, honesty, and fairness in dealings with customers, suppliers, employees, regulatory and tax authorities and law enforcement agencies.

The Tax Principles are approved by the BAC.

AIB adheres to the Irish Co-operative Compliance Framework and the UK Code of Practice on Taxation for Banks.

Our Tax Principles can be found on our website.

Corporate Governance, Ethics & Accountability *continued*

Our actions

G1-3

Financial Crime
In our ongoing efforts to safeguard the integrity of our financial systems, we have a series of measures to prevent and mitigate financial crime, and to ensure that we effectively implement our Financial Crime and CoI Policies.

The Special Investigations Unit (SIU) independently investigates allegations of serious wrongdoing by our employees, including bribery and corruption, including those raised through our whistleblowing channels.

The unit is part of Group Internal Audit, and derives its authority from the Board, through BAC. The SIU is independent of the Group's business management and is, therefore, separated from any chain of management involved in a matter that is being investigated.This means that all SIU investigations are conducted in the same professional, impartial and objective manner.

In accordance with our operating guidelines, material bribery and corruption matters will be escalated to the Board on a case-by-case basis through Executive Management reporting.

Financial crime and CoI training
All employees, contractors and suppliers are required to complete Financial Crime (Anti-Money Laundering (AML) & Sanctions) and CoI training annually.

We provide bespoke training, which is tailored to the financial crime risks relevant to specific roles, and is also provided to key employees. Our Money Laundering Reporting Officer (MLRO) also provides comprehensive annual training to the Board.

Responsible tax engagement
We are committed to acting responsibly in relation to tax issues and to dealing fairly and honestly with the tax authorities in each territory where we operate. Therefore, we engage regularly with the tax authorities to discuss material business developments, significant transactions, and uncertainties in relation to the interpretation of the law.

Political engagement (including lobbying activities)

G1-5

The ESRS for business conduct also includes DR in relation to lobbying activities, to create transparency about the ways in which companies look to influence public policy and their regulatory environments.

Our CoI Policy covers our approach to lobbying, and prohibits us from making political donations. We also have a Lobbying Policy, which is approved by our Group Risk Committee.

Lobbying activity in Ireland is recorded on a lobbying register, where AIB is registered as a Lobbyist.

Lobbyists must submit returns to the register detailing their activities. These returns focused on executive pay, promoting gender balance in financial services, and highlighting the challenges facing the Irish Stock Exchange.

With these activities, we want to:
- ensure that the Minister is fully informed of the Board's and investors' concerns about the impact on AIB Group of the ongoing Government limits on executive pay;
- bring to the Minister's attention potential green financing solutions;
- discuss promoting greater gender balance in financial services;
- highlight the significant challenges facing the Irish Stock Exchange.

Please read our material topic section on Own Workforce (Equal Treatment & Opportunities for All) from page 90 for more information on executive pay and our approach to promoting gender balance in financial services.

AIB did not financially support any political parties in 2024. We are a member of multiple trade associations; however, do not currently have a process in place to determine which of these are engaged in political activity. We plan to put a process in place.

No members of our Board or ExCo held a comparable position in public administration in the two years preceding their appointment at AIB.

AIB is registered on the European Union Transparency Register and its registration number is 885308748162-21.

AIB Group plc Head Office Molesworth Street.

Our performance measures

G1-3

Financial crime and CoI Training
Training our colleagues is an important way in which we manage performance. This reflects our commitment to enhancing employee skills and competencies and overall organisational performance.

During 2024, AIB provided one hour of computer-based training to our employees, including managers and ExCo, and our contractors, regarding Financial Crime (AML, Sanctions and ABC). The training included the definition of corruption, details of our Financial Crime Policy, the procedures regarding suspicion/detection, and the key laws and regulations that place obligations on AIB.

This training was completed by 98% of managers, and employees. AIB does not assess workers as being at risk of bribery or otherwise for the purposes of assigning this training; it is mandatory for all employees.

In 2024, the MLRO also delivered in-person Financial Crime training (incorporating ABC) to our Board.

All employees and business partners (including advisory partners and contractors) are also required to complete CoI training annually, with a 94% completion rate in 2024.

Incidents of corruption and bribery

G1-4

We assess our operations across the Group annually for risks related to corruption, to identify vulnerable areas, and take preventative actions. We did not identify any significant risks related to corruption in the risk assessment during 2024.

There were 0 confirmed incidents in which we dismissed or disciplined our own workers for corruption or bribery incidents and 0 confirmed incidents where we terminated or did not renew contracts with business partners that were terminated or not renewed due to corruption or bribery violations.

There were no incidents in our value chain where AIB or our employees were directly involved. Accordingly, no actions have been necessary to address breaches in our Anti-Bribery and Corruption procedures and standards.

The incidents of corruption and bribery data are sourced from our risk management system SHIELD. The report is a point in time snapshot and is constantly updated. There are no validation, judgements or estimations applied, as SHIELD is fully automated.

Incidents of corruption and bribery

0

Number of incidents in 2024

Responsible tax engagement
AIB is committed to acting responsibly in relation to tax issues in each territory in which we operate, and to dealing fairly and honestly with the tax authorities of those territories. In 2024, the total amount of tax paid and collected was €763m.

'Tax paid' (€376m) refers to taxes borne by the Group, including corporate tax, bank levy, employer social insurance and irrecoverable VAT. 'Tax collected' (€387m) comprises taxes collected from employees, customers and shareholders.

Details of tax payments are collected from multiple teams across the Group and collated in a central file. No judgements or estimations are applied.

Tax paid and collected

€763m

Total amount of tax paid and collected in 2024

Material Topic: Culture & Reputation

Our Values & Behaviours

Be one team	Own the outcome	Drive progress	Show respect	Eliminate complexity	Put Customers First
Create connections, Universally include	Seek excellence, take accountability	Deliver sustainability, embrace innovation	Empower others, speak up	Actively simplify, be decisive	Deliver solutions, share insights

This is one of our seven material topics. For each topic, we report in accordance with the ESRS. We disclose our approach to managing our material IROs through our policies, actions and performance measures.

Value chain: Own operations

We often talk about the 'Why', 'What' and 'How' of our business. Our 'Why' is our purpose. Our 'What' is our Group strategy, of which Sustainable communities is a pillar (for more information, see page 46). Our 'How' comprises our values and behaviours – which can make all the difference to outcomes for our stakeholders.

In relation to our material risks, we ensure that our staff share the Group's purpose and values, and having a culture focused on conduct, underpinned by strong internal support structures so we deliver customer outcomes, maintain market integrity and meet regulatory expectations.

We ensure sufficient senior management focus on our conduct through our Regulatory and Conduct Risk Committee, which provides oversight of these risks, including within our subsidiaries.

Our policies

G1-1

The following policies related to corporate culture apply to everyone who are directly employed by AIB, as well as agency staff, contractors, and Board members. This includes AIB Mortgage Bank, EBS d.a.c. (incl. Haven) and AIB UK. In some cases, Payzone and Goodbody are governed by their own policies which are aligned to the principles and values of the Group.

Culture and Conduct Risk Framework
The Group Culture Risk and Conduct Risk Framework sets out how the Group manages and governs these risks in line with the Group's Risk Appetite Statement. The Framework also applies to the operations of Goodbody.

The Framework sits within the overall Group Risk Architecture and is one of the Material Risk Frameworks supporting the Group's Risk Management Framework (RMF).

The Framework is underpinned by a number of Group policies and codes of practice. See the Risk Summary section on pages 16 to 21 of our Annual Report which provides more detail on how the Group manages risk. The requirements of the Third Party Risk Management Policy and Third Party Service Assessment are respected by implementing the Framework.

Each ExCo member is responsible for effectively managing the day-to-day operations of their business segment or function, and for developing and implementing the Group strategy. ExCo as a whole is responsible for considering Culture Risk and Conduct Risk in our strategic planning, and for how the Group formally assesses the conduct risks inherent in the strategy, including having effective procedures for protecting diverse and vulnerable customers.

During annual reviews of the Framework, we engage stakeholders across our first and second lines of defence, consider their feedback, and incorporate it as necessary. The Board Risk Committee approves the Framework, which is communicated to all employees via infomail and internal articles. The Framework is also published on our intranet site.

Code of Conduct
It is vital that everyone who works in or for the Group understands how they are expected to behave. Our Code of Conduct (the Code), therefore, sets out clear expectations of how we behave and how we do business, and underpins our values and culture. Payzone and Goodbody have their own Codes of Conduct, which are aligned to the standards required in the Group Code.

One of the five standards in the Code is that we act in the best interests of our customers, at all times, and treat them fairly and professionally. We deliver this in a number of ways, including promoting fair customer outcomes by always putting their needs first in our advice and decision-making, designing products and services that are suitable for our customers, and providing customers with information that is both accessible and transparent to help them make informed decisions.

All employees must complete a declaration that they have complied with the Code, as part of the annual Aspire performance management process. We take failure to comply seriously any employees who breach the Code are managed through a disciplinary process, which can result in sanctions including dismissal. All firms providing outsourced services to the Group, must also agree to comply with this Code, or must have an equally suitable proprietary code of their own.

The Board reviews the Code as needed, and the Group Conduct Committee and BAC review it annually. In setting our Code, we considered the interests of key stakeholders.

The Code is aligned to the Central Bank of Ireland's Individual Accountability Framework and the UK FCA's Senior Managers and Certification Regime. Further information can be found on the CBI's website and the FCA website.

Our Code of Conduct can be found publicly on our website.

The Board Audit Committee receives an annual report on awareness levels of the Code, aspects for review, and any breaches identified, including the action taken.

Whistleblowing Policy
Our Whistleblowing Policy is the internal whistleblowing policy and the process for raising concerns of wrongdoing, as defined by the Protected Disclosures Act 2014 and the Public Interest Disclosures Act. It sets out how employees, agency staff, tied agents, suppliers, contractors, consultants, and outsourced service providers, can raise any issue or seek advice at any stage.This includes staff working in or for our subsidiaries, including Goodbody, and contractor companies. In addition to our Whistleblowing Policy, to deal with any staff concerns which do not meet the definition of a Protected Disclosure but which nevertheless need to be brought to our attention, in 2025 we are launching a new Raising Concerns Policy which operates in parallel whilst maintaining a clear distinction between the two types of concern.

Our Whistleblowing Policy, in conjunction with our Code of Conduct, ensures that we quickly detect and address wrongdoing and protect our customers, colleagues and business. Whistleblowing is also a relevant theme for our corporate governance, ethics and accountability material topic.

The Whistleblowing Policy and its corresponding process provide a confidential route for reporting actual or suspected wrongdoing through a number of channels, without fear of or actual retaliation.

The channels include:
- reporting issues to local management;
- reporting to a nominated member of senior management;
- a confidential internal telephone line and a dedicated Speak Up '@aib' email address;
- an external, confidential, telephone and email facility operated by an international specialist charity, Protect; and
- an external portal to allow employees to report concerns through a digital channel that is available 24/7.

Whistleblowing reports are taken seriously, treated confidentially, and triaged to ensure that they are promptly, objectively and independently investigated. Investigations are led by HR, business representatives or a specialised team in Group Internal Audit (GIA). We may engage an external investigator if necessary. In cases of suspected fraud, GIA conducts the initial investigation, and we notify regulatory authorities and the police if necessary.

The Board receives an annual report on issues raised through our Whistleblowing process.

The Chief People Officer sponsors our Whistleblowing Policy. The BAC approves the policy and its chair is one of the Group's two Whistleblowing Champions. Both champions are Non-Executive Directors and oversee the integrity, independence and effectiveness of the Whistleblowing Policy and process.

In setting our Whistleblowing Policy, we consider the interests of key stakeholders. Our Whistleblowing Policy can be found on our website.

Grievance Policy and customer complaints
The Grievance Policy provides another mechanism for our employees to raise concerns, if they feel they have been mistreated or subject to behaviours contrary to our Code of Conduct. We also have a comprehensive customer complaints process, so our customers can be heard, and have their concerns investigated and made good where needed. These are both discussed in more detail in Channels for Stakeholders to Raise Concerns on page 96.

Reputational Risk Framework
We introduced this Framework in June 2024. Its purpose is to ensure that we have a holistic approach to managing Reputational Risk that is well defined and understood, and that everyone in the Group understands their role. The Framework applies to all employees, contractors and third parties providing a service or function across AIB Group and its regulated subsidiaries, including Goodbody, and is published on our intranet.

We use the Framework to identify potential Reputational Risk exposures, taking account of the external environment, and standardising the approach to identifying, assessing, measuring, managing, and testing activity that elevates the Group's propensity to reputational risk, associated with material risks.

The BCBS Enhancements to the Basel II Framework July 2009 (Reputational Risk and implicit support) is respected by implementing this framework.

The Board approved the Framework and will review and approve any subsequent changes, as deemed required by the Executive Committee. In setting the Framework, we consider the interests of key stakeholders.

Culture & Reputation *continued*

Our actions

GOV-1

Culture and conduct
The Irish Banking Culture Board (IBCB) éist Staff Culture survey is conducted every two years. The survey focuses on exploring employee views on a range of issues that lie at the heart of banking culture. In 2024, we started implementing a new phase in AIB's Culture journey to address the **2023 IBCB éist staff survey** findings. Our refreshed Culture programme focuses on mindset shifts and repositions culture as enterprise-wide. It is being monitored via metrics in the AIB Engage staff survey, which have generally shown progress during 2024. This work, together with the Group's focus on reputation management, supports AIB's responsible and sustainable business principles.

Two **AIB Engage surveys** were conducted, with 76% and 73% response rates in 2024. Themes were explored in detail through each AIB Engage survey, with colleagues able to submit comments and suggestions on how AIB can improve. Themes are further explored through listening sessions with focus groups.

In 2024, AIB hosted our 4th **Annual Employee Values Awards (EVAs),** with 4,446 employees nominated across the group. These awards are an opportunity to recognise the many outstanding examples of times when our colleagues have stepped up for each other, our customers and our communities. All employees have the opportunity to be involved in the process of identifying these individuals, beginning with an open nominations process that progresses to a voting system. Finalists are then invited to an in-person celebration in November and awards are presented to the winners in each category. The 2024 Awards featured a new 'Spirit of Innovation' category designed to recognise and encourage innovative changes implemented by colleagues during the year.

Our Aspire performance management framework also promotes and encourages regular quality one-on-one conversation focused on employee development and feedback, and it applies to every employee in AIB. Based on each employee's annual goals, Aspire enables the equal recognition of not just what each individual has achieved in the year but how it was achieved and thereby encourages the ongoing development of behaviours in line with our values.

With the strong support and focus of our Board and ExCo, we placed a sustained emphasis on our **Speak Up** agenda throughout 2024. This was achieved through a series of communications, training, and engagement. During 2024, we completed a diagnostic exercise to understand the current levels of confidence and willingness to Speak Up, along with a benchmark exercise to assess our whistleblowing arrangement against best practice. Outputs from both exercises have allowed us to further strengthen our Whistleblowing Policy and process and our wider approach to fostering true psychological safety.

Through the Speak Up process, concerns were raised on the following matters in 2024:
- protected disclosures regarding potential regulatory or legal matters, health or safety matters;
- workplace/operational issues; and
- personal grievance concerns.

In 2024, all guidance requests and concerns raised were addressed by dedicated case managers. Concerns raised via this policy (including those related to potential instances of bribery and corruption) are taken seriously, treated confidentially, and triaged to be investigated promptly, objectively and independently, as deemed appropriate.

Reputational Risk
As part of the Framework, a new reputational risk advisory process has been stood up to ensure that Reputational Risk is considered and documented for material change initiatives and programmes, and other strategic activity.

Along with the Framework, we introduced or updated related artefacts and processes to reflect reputational risk management.

These include:

- A Risk Impact Assessment (RIA) questionnaire to facilitate the standardised assessment of potential material risks (in line with the Group RMF), and the associated reputational risk exposure.
- A Reputation Dashboard.
- A Corporate Affairs Handbook.
- A number of related policies and supporting artefacts that have been updated, including the Code of Conduct.

Our performance measures

Alongside these actions that AIB Group undertakes to enable us to operate our business in a responsible way, all our employees are required to complete our annual mandatory online learning curriculum.

The Code of Conduct is a feature of our annual mandatory online training curriculum, educating employees on the expectations of the Code. In 2024, the completion rate of this training was 95%. Additionally, all our employees must adhere to our Code of Conduct and complete a declaration of their compliance with it.

Everyone working in and for AIB Group is also required to complete mandatory training on the Whistleblowing Policy annually, which provides information about the Whistleblowing Policy and process as well as the contact details and channels for raising a concern. In 2024, the completion rate of this training was 95%. For methodology and significant assumptions behind this metric, see page 93.

Code of conduct training completion rate achieved in 2024

95%

Conduct Risk and Culture Risk continues to be a primary focus for the Group, as described in our Principal Risks section from page 17. We measure our effectiveness through three Key Risk Indicators:

- the identification of critical customer impacting conduct issues;
- the number of product portfolio reviews outstanding >3 months;
- completion of mandatory iLearn courses.

The identification of critical customer impacting conduct issues and product portfolio reviews are internally reported KRIs.

Ensuring all our employees are aware of and understand the expectations of the Code of Conduct through annual mandatory training works to reducing the number of customer impacting conduct issues.

We will continue to focus on measures of performance in this area.

Material Topic:
Cybersecurity & Data Protection

Our system of cyber security and data protection supports the consistent and reliable functioning of our Group, as well as safeguarding the welfare of our employees and customers. We have laid robust foundations in cybersecurity to keep our systems, data and customers protected against an ever-present risk, while maintaining our track record of leading digital enablement within Irish banking.

This is one of our seven material topics. For each topic, we report in accordance with the ESRS. We disclose our approach to managing our material IROs through our policies, actions and our performance measures.

Value chain: Upstream, own operations, downstream

Cyber security and data protection is an entity-specific topic. Given that the impact is in relation to own workforce and consumers and end-users, the disclosures of ESRS S1 and ESRS S4 have been applied to disclose material information. Cyber incidents can have long-term negative impacts on our operations, customers, and the wider society. In a cyber landscape that is constantly changing and intensifying, our responsibility is to keep our customers and ecosystems safe. We do this by ensuring that we have digital resilience, and that we respect and enforce the rights to privacy and data protection for all customers and employees who are potentially subject to negative impacts.

To meet our responsibilities, we design and operate our systems so they remain secure, while providing products and services that are fit for purpose. As part of this process, we aim to minimise complexity and enable greater agility and functionality for our customers.

Our Enterprise Information Security team is responsible for monitoring, protecting, and securing our platforms, and for maintaining their modernity to protect services for us and our customers. The rigour of our approach is reflected in our accreditation to ISO 20000 2018 standard certification for service management systems (underpinning all of our technology services).

Our DPO is responsible for engaging with customers and the DPC when a query is raised regarding our use of personal data. It is also responsible for advising everyone in the Group of their obligations under Data Protection and ePrivacy regulations.

Risks related to cyber security and data privacy are inherent to our business activities, given the amount of information we handle and the reliance of our business model on technology services and infrastructure. If proper safeguards are not in place, individual data incidents, such as personal data breaches and cyber security breaches, can have a serious negative impact by compromising both our employees and customers' right to data privacy.

Cyber risk interacts with our material risks to varying degrees, and up to the end of 2024, we defined it as a sub-risk within our Operational Risk framework.

From 1st January 2025, we have deemed Information Security (including Cyber) Risk to be as a Principal Risk to the Group and no longer include it as a sub-risk of Operational Risk (please find more details in our Risk Management section on page 242). This followed our review of the materiality of sub-risks within Operational Risk, as part of the MRA process. We considered a number of factors, including the impact on our capital, historical loss events in AIB, external loss events sourced from the Operational Risk data eXchange Association (ORX) network, Risk & Control Assessment (RCA), our assessment of emerging risks and consideration of the regulatory horizon.

Our policies

GOV-1, S1-1, S4-1

The policies described below apply to all employees, contractors, consultants, agents and third parties throughout the Group, in all jurisdictions, who have direct or indirect access to our information or systems. They are applicable to all legal entities and subsidiaries in AIB Group, including Goodbody and, where relevant, our suppliers within our value chain. Payzone is not covered by these policies as it maintains its own suite of policies which are aligned to the Group.

Information Security Policy
Our Information Security Policy sets out the requirements for the effective and consistent identification, evaluation, management, and oversight of Information Security Risk, which includes cyber risk, across AIB.

The Chief Risk Officer is the policy's ExCo sponsor. To ensure that the policy is kept up to date, we carry out an annual regulatory gap analysis and list the relevant regulations in the latest version of the policy, which we publish on our intranet.

Our Policy Governance Framework (PGF) makes the policy owner responsible for ensuring appropriate engagement with all stakeholders to capture feedback on any proposed changes to both the Information Security Policy and the Technology Risk Policy (see below).

We have a low appetite for the risk of loss or breach of our confidential business and customer data. We set this appetite at a level that allows us to achieve our business goals and objectives in a manner that complies with the laws and regulations across the jurisdictions in which we operate.

We cannot fully control or mitigate the occurrence of Information Security (including Cyber) Risk. However, we seek to minimise our risk exposure as much as possible through controls that extend through all internal capabilities and third-party services, and our focus is on identifying and protecting our critical systems and information assets, as well as our ability to detect, respond to and recover from incidents. We also have quantitative Risk Appetite Statement (RAS) measures in place to mitigate this risk.

The Board is ultimately responsible for the effective management of Information Security (including Cyber) Risk, and for the Group's system of internal controls. The Board monitors our exposure through its regular risk reporting and by updates on specific cyber-related topics.

Additionally, our Chief Risk Officer regularly reports on the Group's risk profile and emerging risk themes to both the Group and Board Risk Committees.

Technology Risk Policy
The Technology Risk Policy defines our rules for effectively managing technology, to ensure that we identify and manage technology risks in line with our risk appetite. It is published internally on our Intranet.

The policy is supported by guidelines and is aligned with the Digital Operational Resilience Act (DORA). DORA is a key part of the European Commission's Digital Finance package. It consolidates the obligations that firms will face and is the EU's most significant regulatory initiative on operational resilience and cyber security in the financial services sector, impacting both financial entities and their technology providers. It came into force on 16 January 2023 and applies from 17 January 2025, following a two-year implementation period. We have a cross-function DORA programme to assess our ongoing capability and close any gaps.

DORA alignment requires financial entities to have a sound, comprehensive and well-documented Information and Communication Technology (ICT) risk management framework.

Cybersecurity & Data Protection *continued*

2LOD Operational Risk reviews both the Information Security and Technology Risk Policies and the guidelines annually to ensure that they comply with any new laws or regulations and reflect changes in our organisational structure or new business requirements.

After consultation with internal stakeholders, policy updates are then approved by the GRC.

As the Chief Risk Officer is the policy's ExCo sponsor, all documented rules governing our approach to managing technology and information security-related risks are approved at Board level.

Data Protection & ePrivacy Policies
As a digitally enabled bank, we process large volumes of customer data on a daily basis. Our customers must be able to trust us to do this responsibly and ethically, using appropriate data protection and ePrivacy mechanisms. We therefore prioritise the protection and ethical use of our customer data, and our Code of Conduct requires all staff to comply with the spirit and letter of the relevant laws and regulations, including those related to data protection and ePrivacy. As customers are a crucial part of our value chain, safeguarding their right to privacy is a key part of our Human Rights Commitment. For more details on our Human Rights Commitment, please refer to page 95.

Our Data Protection Policy provides clear rules and principles for protecting personal data within the Group, including addressing the identification, assessment, management and/or remediation of data protection impacts on customers.

The policy is in line with the General Data Protection Regulation (GDPR), (EU) 2016/679, which outlines the rules for protecting the fundamental rights and freedoms of natural and legal persons, reinforces the data protection rights of individuals, and facilitates the free flow of personal data within the EU and other countries where an adequate level of data protection has been determined. This policy is also aligned with the requirements of the Irish Data Protection Act 2018 and the UK Data Protection Act 2018.

The ePrivacy Policy sets out the rules and principles, roles and responsibilities for identifying, assessing, managing, reporting, controlling and overseeing electronic communications. The DPO reviewed the ePrivacy Policy in 2024 to ensure its continued effectiveness. The DPO also delivered training on ePrivacy to a range of our customer-facing business units.

The ePrivacy Policy is in line with the ePrivacy Regulation (2017/0003(COD)), which outlines the rules for protecting the fundamental rights and freedoms of natural and legal persons in the provision and use of electronic communication services and, in particular, the rights to respect for private life and communications and protections with regard to the processing of personal data.

The policy is also aligned to the requirements of the UK Privacy and Electronic Communications Regulations (Privacy and Electronic Communications (EC Directive) Regulations 2003).

Our DPOs set our Data Protection Policy and ePrivacy Policies and oversee their effective communication and implementation across the organisation. We review the policies annually, and ensure that the views and interests of key stakeholders are taken into consideration. The GRC reviews any material changes to the policies, and also reviews and approves them every three years. We complete a regulatory gap analysis when drafting the policies, and during each triennial review, to ensure that the policies meet regulatory obligations and expectations. Both policies are aligned with the RAS, and all appropriate qualitative statements and metrics outlined in the RAS are reflected either directly within the policies, or in their supporting guidelines and procedures.

Our actions

GOV-1, S1-4, S4-4

Ensuring information security

The cyber threat profile remains elevated, with the threat landscape becoming more diverse and attacks increasing in sophistication and volume. We operate our cyber defences in line with international standards, combining controls that help predict, prevent, detect, and respond to attacks.

We monitor and regularly test our controls to prevent unauthorised parties from accessing, manipulating, or acquiring our data. Our internal control testing aligns with the National Institute of Standards and Technology Cybersecurity Framework. We have business continuity plans and incident response capabilities in place and test them at least annually, running cyber simulations based on extreme but plausible scenarios. We also introduce new and enhanced controls. As the threat landscape has evolved in 2024, we have strengthened our defences with advanced, adaptive protections that leverage real-time threat intelligence, automated mitigation, and scalable resilience measures. Our approach remains dynamic, continuously evolving to stay ahead of emerging threats and ensure the uninterrupted security of our critical services.

Preventing and mitigating technology risk

Technology risk, as outlined above, is associated with the use, ownership, operation, involvement, influence, and adoption of technology within the Bank. This includes risks associated with all technology infrastructure, applications, networking, data storage, information assets and technical resources (people), and all supporting components, processes, and procedures in use across the Group.

The Technology Operational Risk team is responsible for the maintenance, communication and adherence of the Technology Risk Policy, oversight and challenge of the Technology & Data (T&D) control environment, and monitoring that all the risks identified are managed in line with the Group's risk appetite.

The Head of Operational Risk owns the Technology Risk Policy, reports on the performance of the RAS metrics to the Operational Risk Committee (ORC) and escalates accordingly.

Operational Risk reviews and monitors compliance with this policy, in line with the Technology Risk Oversight Methodology, so that it remains within our risk appetite and regulatory expectations. Business Units, including T&D, record the output from technical controls testing and other relevant metrics in relation to the policy for onward reporting to the ORC, as appropriate. T&D reports any identified non-compliance with the policy to the Head of Operational Risk.

Initiatives to safeguard customers

Our customers are a crucial part of our value chain. We aim to safeguard them from fraud, including by actively engaging with them to raise awareness about potential scams, ongoing security alerts and emerging threats. We engage with customers on a quarterly basis via email, and through My Messages and In-App messages on the AIB Mobile Banking and Business Banking (iBB) apps. We also support and collaborate with the BPFI, which runs the FraudSMART awareness campaign.

Ensuring data protection

The Data Protection Policy includes rules to ensure the timely internal reporting of personal data breaches to the DPO, allowing sufficient time for incidents to be reviewed, assessed and reported to the DPC, where necessary, and in line with our obligations under GDPR.

In addition, the policy sets timelines to ensure that we complete a data protection assessment before starting any new processing activity. We also have KRIs in place to monitor our review, assessment and reporting of personal data breaches and the completion of subject access requests.

Following a deep-dive analysis of personal data breaches that occurred during 2024, the DPO engaged directly with individual business areas to develop action plans to strengthen the control environment around data protection. The DPO also engaged with the DPC in response to its queries relating to personal data breaches that were reported to the Regulator.

In addition, the DPO delivered a comprehensive training programme in 2024 to 4,239 colleagues across a range of business areas to raise awareness of personal data breaches.

We want all of our customers to benefit from the initiatives outlined above. We develop our privacy-related notices, including the Data Protection Notice (DPN), to try to make sure that they are accessible for all customers, including vulnerable individuals.

Phishing simulations

We use phishing simulations in the form of internal emails to replicate the threat from bad actors, and measure our resilience to such attacks. We aim to do this for all employees, at least one per quarter to educate them about the tell-tale signs and modus operandi of a real-life phishing scam.

We share the results of the All-Employee exercises with our senior leadership via a Phishing Dashboard, giving them visibility regarding how employees reacted.

Simulation exercises	2024
All-Employee phishing exercises	4
Phishing simulation emails sent	58,309

Cybersecurity & Data Protection *continued*

Our performance measures

S1-5, S4-5

Our Cyber Security & Data Protection performance measures relate to AIB Group and its subsidiaries only, whilst our total number of personal data breaches applies to AIB Group and its subsidiaries, as well as to Goodbody. Payzone manage and report their own personal data breaches independently

Cyber security spending target
To meet the challenge of ensuring that our digital infrastructure and systems are robust and that our customer and employee data is safe, we are investing significant resources to help us deliver simplified, modern, resilient and customer-focused IT.

2024 Cyber security spending

10.33%

Target: At least 7% of our overall annual IT spend

IT service availability

99.98%

Average availability of all level 1 business services in 2024

We also calculate an IT Service Availability metric, which is a holistic measure of the overall health of the IT services domain within AIB. The IT Service Availability metric is a key risk metric for AIB and the limit and breach thresholds have not been breached in 2024. Performance above the limit triggers an escalation process. It is the average performance of all Level 1 business services over the course of the calendar year.

To ensure our actions under the Information Security Policy and Technology Risk Policy are effective, we monitor the Cyber Security Spending metric within the RAS process, as detailed in the 'Our Policies' section.

We review the appropriateness of RAS limits annually and monitor performance monthly. The RAS process is dynamic in nature and may be reviewed, changed or adjusted due to both internal and external developments. At a minimum, we review it annually. Consequently, the concept of a baseline year or value is not relevant. The RAS process itself operates monthly and the limits and targets are similar in nature to interim targets.

Data for the Cyber Security Operational Spend metric is extracted directly from our management information systems, while data for the IT Service Availability metric is extracted directly from our Incident Management System, Remedy. No judgements are applied to the data in IT Service Availability metric.

Aligned to industry benchmarks, the Cyber Security spend metric of 7% total spend of IT, is calculated by dividing attributable operational cyber expenditure by the total of Technology operational expenditure. This minimum target reflects annual mandatory investment in AIB's cyber capability to keep pace with evolving threats. Any judgements and assumptions around the attributable operational cyber expenditure in the Cyber Security Spend metric will be reviewed in line with the development and implementation of the new Cyber Strategy in 2025.

Identification of key IT Service Monitoring criteria forms part of the methodology for calculating the IT Service Availability metric. All issues related to critical IT systems, identified and reported as part of this process, are checked against criteria to verify if they are within set limits.

As noted in the Our policies section, our engagement with key stakeholders includes metrics and targets and ensures that we consider their views and interests during an annual review.

Mandatory training
As part of our mandatory training curriculum, we deliver dedicated Information Security and Data Protection modules.

The Information Security training covers our policy, and how to report and escalate issues. High-risk users must complete additional training. In Q4 2024, we rolled out a new training tool to our IT staff that provides insights into our users' security understanding. We expect to roll this out to all AIB employees in 2025.

Information security training

95%

training completion rate achieved in 2024

The Data Protection training module covers our Data Protection and ePrivacy policies, and how to report a Personal Data Breach and breach of the policies. 95% of our employees and contractors completed the training in 2024.

Data protection training

95%

training completion rate achieved in 2024

For details on our mandatory training calculations and assumptions, including a note regarding employees on long-term leave, see page 93.

Data Protection & ePrivacy
We do not have specific targets related to the number of personal data breaches. Instead, we work to reduce personal data breaches and support customers and business areas if they occur. We use the following metric to track the effectiveness of our data protection actions:

Total number of personal data breaches

1,747

This metric is extracted directly from the Group's governance, risk and compliance system, Shield, and no judgements are applied to the metric. We assessed our performance in more detail using the sub-data points from the table below.

Data Protection – Personal Data Breaches & Complaints	2024
Number of substantiated data protection complaints received from outside parties and substantiated by the organisation	164
Number of substantiated data protection complaints from regulatory bodies	6
Number of personal data breaches reported to the data protection authorities	488
Total number of customers and employees affected by the company's personal data breaches	18,816

Management of Our Supplier Relationships

We want our business to make a positive impact by creating sustainable long-term shared value for all our stakeholders. This includes advancing responsible business practices, such as supporting the transition to a low-carbon environment by choosing suppliers who are aligned with our sustainability strategy.

G1-2

Managing our supplier relationships is a key aspect of our material topic Corporate governance, ethics & accountability. By implementing responsible and sustainable business practices across our own operations and supply chain, we seek to contribute to the wider environmental protection and social-wellbeing. This section outlines our approach to managing a sustainable supply chain in terms or our policies, actions and performance measures. In relation to our own operations, please refer to the Climate & Environmental Action section of this report from page 63.

Our suppliers refer to any third-party organisation that provides goods or services to or on behalf of AIB Group. This definition does not include individual contractors, agents, or intermediaries. We employ a broad range of suppliers across multiple categories, with 4,003 active suppliers on our database, and we transacted with 2,528 of them in 2024. Active suppliers are all suppliers that have been paid within the last 12 months. The largest cohort of our suppliers are based in Ireland (66%). A further 26% are based in the UK, and the remaining 8% are in other locations, mostly other European countries, the USA and India.

We segment our supplier base into five tiers, based on the risk and criticality of the service they provide. We then manage them accordingly, with the closest management accorded to Tier 1 suppliers who provide critical services to us, while Tier 5 suppliers typically provide low-value transactional goods and services.

We use market intelligence, specific selection criteria and best-in-class selection tools to help us choose the most appropriate suppliers. Our due diligence reflects the nature, value, complexity, and criticality of the service we are procuring. For high-value/risk services, we perform specific due diligence checks on the supplier and their proposed service model. We subject lower-value and/or lower-risk suppliers to routine company financial and sanction scanning checks.

Our policies

Responsible Supplier Code
Our Responsible Supplier Code sets out our expectations of our suppliers and the minimum standards they must meet regarding human rights, health and safety, supply chains, inclusion and diversity, and responsible and sustainable business. The Code uses the term 'Supplier' to refer to the suppliers, vendors, contractors, consultants, agents and other providers of goods and services who do business with us, or who seek to do business with us as part of our upstream value chain.

We will only do business with suppliers that adhere to our Code. We require evidence that they have an ESG plan or are working on putting one in place, and require all successful suppliers to join a Supplier Financial Qualification System, which provides a standardised process for collecting and managing their compliance and assurance information. We also encourage our suppliers to report their carbon emissions through the CDP. In 2024, the number of suppliers who participated in reporting to the CDP was 65, which represented 50% of the AIB suppliers invited.

Our suppliers must adhere to all legal obligations in each jurisdiction in which they operate or provide services, as well as meeting any specific requirements in our own policies. Our key suppliers must attest annually that they have complied with our policies (or clauses in them that are relevant to our supply chain). These policies include our Code of Conduct, CoI Policy, ABC Policy, Data Protection Policy, Whistleblowing Policy and our Human Rights Commitment. The GSC reviews and approves the Code as needed.

We inform suppliers of the Code at on-boarding and at each transaction via Purchase Order communications. The Code is also an agenda item during Annual Strategic Reviews and is documented through meeting minutes. This reinforces the Code's message and ensures that the supplier is aligned.

In addition to meeting the requirements of our Code, we expect our suppliers to maintain similar levels of compliance throughout their own value chain, including any suppliers or approved subcontractors that they work with to supply goods and services to us. These principles form part of our supplier selection process and we continuously monitor them.

We require our Accountable Owners and Business Owners to be familiar with the Code. Business Owners represent us when dealing with the supplier, while Accountable Owners line-manage the Business Owner and control or authorise the budget.

We expect suppliers to take appropriate measures to secure and protect all confidential information related to their relationship with us, and to use it only for the purpose authorised under our contractual agreement with them.

Our actions

Supplier Relationship Management (SRM) Standard
Our SRM standard encapsulates best practice SRM, which promotes mutually beneficial relationships, coupled with effective risk management, to deliver the following objectives:

1. Identifying where to focus SRM resources to maximise the benefit for us.
2. Introducing a consistent and systematic approach to SRM across AIB.
3. Encouraging cross-functional communication and knowledge sharing to drive productive supplier relationships.
4. Applying best-practice SRM techniques through practical approaches and relevant training for Accountable and Business Owners, such as recent training on their obligations under changing regulations.

Management of Our Supplier Relationships *continued*

In November 2024, we welcomed our top 100 suppliers to a Supplier Summit in Molesworth Street. The purpose of the Summit was to strengthen collaboration, align our suppliers with our purpose, and reinforce their critical role in helping us achieve our strategic goals across Customer First, Greening the Business and Operational Efficiency.

ESG Questionnaire
ESG factors are increasingly important for our own performance, and for our relationships with suppliers. The ESG Questionnaire covers a broad range of ESG areas, and requires responses and evidence from suppliers on their:

- journey to establishing or achieving their Net Zero targets;
- annual sustainability reports;
- Scope 1,2 and 3 GHG emissions;
- consideration of physical risks from climate change;
- policies on discrimination, inclusion & diversity, health & safety, modern slavery, vulnerable persons, greenwashing, and speaking up;
- Code of Conduct and their Responsible Supplier Code for their own supply chain; and
- commitment to ongoing ESG-related training in their organisation.

By engaging with our suppliers through the ESG questionnaire during the selection process, we benefit in the following ways:

1. Aligning Our Values and Expectations
Asking suppliers to complete an ESG Questionnaire communicates our ESG standards and expectations to them, and ensures that we work with partners that share our values. This can help to build trust and reputation, and avoid potential conflicts or controversies.

2. Identifying Risks and Opportunities
The Questionnaire helps us to assess the ESG performance and risks of our suppliers and their supply chains, such as their environmental impact, social responsibility, human rights, labour practices, ethics, and governance. This helps us to identify and mitigate ESG risks, such as regulatory fines, reputational damage, operational disruptions, or legal liabilities. It also helps us to identify and leverage ESG opportunities, such as innovation, cost savings, customer loyalty, or market differentiation.

3. Providing a Baseline and a Roadmap
The questionnaire provides a baseline for measuring and monitoring suppliers' ESG performance and progress, as well as a roadmap for improvement. By using a standardised ESG Questionnaire, we can benchmark and compare our suppliers, and track their ESG performance over time. It also allows us to provide feedback and guidance to our suppliers and encourages them to adopt best practices and achieve continuous improvement.

Suppliers Portal
Our Suppliers Portal creates transparency by providing information on how to become a supplier. It includes our policies, procedures, and our standard terms of purchase, which explains our payment terms for suppliers.

Our performance measures

G1-6

Another ESRS requirement connected to business conduct and supplier management concerns payment practices, particularly in relation to SMEs. Our standard payment terms apply equally for SMEs and non-SMEs, and are the same across our geographies.

These terms include payment on receipt of invoices and have been flagged as approved to pay, which account for approx 78% of our annual value. The remaining 22% of annual invoices are paid once any outstanding elements of the invoice have been settled and flagged as approved to pay.

This calculation is facilitated through the central collection of invoice data containing all relevant information. This is reviewed and signed off by management. No judgements or estimations are applied.

There are no legal proceedings currently outstanding for late payments. All group employees have an obligation to notify the Litigation and Enforcement Legal Team of any legal proceedings that are received in their area, and a reminder email is issued annually. Each year, all legal proceedings are recorded, including detail on the date on which the legal proceedings were received, the entity against which they were issued, and the nature of the claim. No judgements or estimations are applied.

We attempt to prevent late payments by aiming to pay immediately on receipt of invoices, the ongoing training and education of users, and monitoring outstanding invoices to business. The average time that AIB takes to pay an invoice, from the date when the contractual or statutory term of payment starts to be calculated, is 28 days. We calculate this by taking the average number of days between the invoice date and the clearing date of the payment made. This calculation is based on all Invoices received and paid up to the 16th of January 2025.

We are considering developing a target to measure the results our supplier management policies and actions to integrate sustainability and ESG criteria into our procedures, to support responsible business practices, including a more sustainable supply chain.

Payment practices

78%

Payments aligned with standard payment terms

Appendix 1

List of Disclosure Requirements

IRO-2

Following the completion of the DMA process, we conducted a materiality of information assessment for each ESRS to determine material DR and data points. In doing so, we considered the relevance of the reported information and significance for the user of the sustainability statement to inform their decision making. The following table lists all of the DR in ESRS 2 and the topical standards, both mandatory and material to AIB.

We have omitted all the DRs in the topical standards E2 (Pollution), E3 (Water and marine resources), E4 (Biodiversity and ecosystems), E5 (Resource use and circular economy), and S2 (Workers in the value chain), as these topics were below our materiality thresholds, except for the DRs related to IRO-1 in ESRS 2. The index tables help the reader to navigate information in the sustainability statement and we have indicated where information has been incorporated by reference to another section of the management's report (such as the Governance Report, Annual Review, Remuneration Report).

We have also indicated where we have deemed a DR to be not material, or we have chosen to avail of the phase-in provisions

For 6 of our material topics, with the exception of 'Own workforce (Equal treatment and opportunities for all)', entity-specific disclosures in relation to metrics have been included to support disclosure of material information. These have been introduced as additional DR or as additional data points within the ESRS DR.

DR	Sustainability Reporting	Cross-referencing	Page
ESRS 2 – General disclosures			
BP-1	Basis of Preparation		45
BP-2	Our Approach to Sustainability, Basis of Preparation		44, 45
GOV-1	Our Sustainability Governance	Governance Report (GOV-1, 21 a - e, 22 c) Risk Management (GOV-1, 22c)	51-53, 106-107, 109, 128-135, 154-155, 169, 180-183
GOV-2	Our Sustainability Governance	Risk Management (GOV-2, 26 a)	52, 180-183
GOV-3	Our Sustainability Governance		53
GOV-4	Our Sustainability Governance, Appendix 1		52, 114
GOV-5	Our Sustainability Governance	Governance Report (GOV-5, 36 d - e); Risk Management (GOV-5, 36 b - c)	53, 147, 180-183, 245
SBM-1	Our Sustainability Strategy, Our Value Chain, Creating Value through Our Business Model *(Phase-in applied for SBM-1 40 b, 40 c)*	Annual Review (SBM-1, 40 a)	46-47, 48, 50, 4-5
SBM-2	Our Stakeholder Engagement	Governance Report (SBM-2, 45 a, c)	49, 140-142
SBM-3	Our Material Impacts, Risks, and Opportunities *(Phase-in applied for SBM-3 48 e)*		58-61
IRO-1 (E1, E2, E3, E4, E5, G1)	Our Approach to the Double Materiality Assessment		54-57
IRO-2	Appendix 1 and Appendix 2		113 - 115
ESRS E1 – Climate Change			
ESRS 2 GOV-3	Our Sustainability Governance		53
E1-1	Our approach to transition planning		66-67
ESRS 2 SBM-3	Our Material Impacts, Risks, and Opportunities, Climate & Environmental Risk		58-61, 68-69
ESRS 2 IRO-1	Our Approach to the Double Materiality Assessment, Climate & Environmental Risk		54-57, 68-69
E1-2	Our policies		70, 75
E1-3	Our actions		70-72, 75
E1-4	Our performance measures		72-75
E1-5	Our performance measures, Energy consumptions and mix		76, 79
E1-6	Our performance measures, Methodology for Calculating GHG Emissions		77- 79
E1-7	*Not material*		*N/A*
E1-8	*Not material*		*N/A*
E1-9	*Phase-in*		*N/A*
ESRS S1 – Own Workforce			
ESRS 2 SBM-2	Our Stakeholder Engagement		49
ESRS 2 SBM-3	Our Material Impacts, Risks, and Opportunities, Societal & Workforce Progress, Human Rights Commitments		58-61, 84, 95
S1-1	Our policies, Human Rights Commitment	Governance Report (S1-1, 19)	90, 93, 95, 107-108, 157-159
S1-2	Channels for Stakeholders to Raise Concerns		96, 97
S1-3	Channels for Stakeholders to Raise Concerns		97
S1-4	Our actions		90-91, 93, 109
S1-5	Our performance measures		91, 93, 110
S1-6	Supplementary performance measures		94
S1-7	*Phase-in*		*N/A*
S1-8	*Not material*		*N/A*
S1-9	Our performance measures, Gender diversity		91
S1-10	*Not material*		*N/A*
S1-11	*Not material*		*N/A*
S1-12	*Phase-in*		*N/A*
S1-13	Our performance measures		93
S1-14	*Not material*		*N/A*
S1-15	Our performance measures, Family leave		92
S1-16	Our performance measures, Gender pay gap report		92
S1-17	Supplementary performance measures, Human Rights Commitment		94, 95

Appendix 1 *continued*

DR	Sustainability Reporting	Cross-referencing	Page
ESRS S3 – Affected communities			
ESRS 2 SBM-2	Our Stakeholder Engagement		49
ESRS 2 SBM-3	Our Material Impacts, Risks, and Opportunities, Societal & Workforce Progress, Human Rights Commitment		58-61, 84, 95
S3-1	Our policies, Human Rights Commitment		88, 95
S3-2	Channels for Stakeholders to Raise Concerns		96
S3-3	Channels for Stakeholders to Raise Concerns		96
S3-4	Our actions, Human Rights Commitment		89, 95
S3-5	Our performance measures		89
ESRS S4 – Consumers and end-users			
ESRS 2 SBM-2	Our Stakeholder Engagement		49
ESRS 2 SBM-3	Our Material Impacts, Risks, and Opportunities, Societal & Workforce Progress, Human Rights Commitment		58-61, 84, 95
S4-1	Our policies, Human Rights Commitment		85, 88, 95, 105-106, 107-108
S4-2	Channels for Stakeholders to Raise Concerns		96, 97
S4-3	Channels for Stakeholders to Raise Concerns		96, 97
S4-4	Our actions, Human Rights Commitment		86-87, 88-89, 95, 109
S4-5	Our performance measures		87, 89, 110
ESRS G1 – Business conduct			
ESRS 2 GOV-1	Our Sustainability Governance	Governance Report (data point: 5 a)	51-53, 134
ESRS 2 IRO-1	Our Approach to the Double Materiality Assessment		54-57
G1-1	Our policies		101, 104-105
G1-2	Management of Our Supplier Relationships		111-112
G1-3	Our actions, Our performance measures		102, 103
G1-4	Our performance measures		103
G1-5	Our actions		102
G1-6	Our performance measures		112

Due diligence

GOV-4

The below table provides a mapping to where in our sustainability statements we provide information about our due diligence process, including how we apply the main aspects and steps of our due diligence process.

Due diligence elements		Section	Page
(a)	Embedding due diligence in governance, strategy and business model	Our Sustainability Governance, Our Material Impacts, Risks, and Opportunities	52, 53, 58
(b)	Engaging with affected stakeholders in all key steps of the due diligence	Our Stakeholder Engagement, Our Sustainability Governance, Our Approach to the Double Materiality Assessment, Channels for Stakeholders to Raise Concerns, Our policies *(Note: for page references to topical sections, see the DR table above)*	49, 52, 54-57, 96-97
(c)	Identifying and assessing adverse impacts	Our Approach to the Double Materiality Assessment, Our Material Impacts, Risks, and Opportunities, Channels for Stakeholders to Raise Concerns	54-57, 58-61, 96-97
(d)	Taking actions to address those adverse impacts	Our approach to transition planning, Our actions *(Note: for page references to topical sections, see the DR table above)*	66-67
(e)	Taking the effectiveness of these efforts and communicating	Our performance measures *(Note: for page references to topical sections, see the DR table above)*	*See note*

Appendix 2

List of data points deriving from other EU legislation

IRO-2

The table below includes a list of all the data points that derive from other EU legislation as per Appendix B of ESRS 2, and where they can be located within this report. Certain data points are considered not applicable for example based on EFRAG's technical explanation (N/A). Some data points relate to metrics that the corresponding DR is deemed as not material for AIB (N/M) and for others, phase-in provisions are availed of as per Appendix C in ESRS 1.

Reference to DR and related data points		Section	Page	EU law reference
ESRS 2 – General disclosures				
GOV-1, 21 (d)	Board's gender diversity	GR	129	SFDR, BR
GOV-1, 21 (e)	Percentage of board members who are independent	GR	129	BR
GOV-4, 30	Statement on due diligence	SR	114	SFDR
SBM-1, 40 (d) i	Involvement in activities related to fossil fuel activities paragraph	*N/A*	*N/A*	SFRD, Pillar 3, BR
SBM-1, 40 (d) ii	Involvement in activities related to chemical production paragraph	*N/A*	*N/A*	SFRD, BR
SBM-1, 40 (d) iii	Involvement in activities related to controversial weapons	*N/A*	*N/A*	SFRD, BR
SBM-1, 40 (d) iv	Involvement in activities related to cultivation and production of tobacco paragraph	*N/A*	*N/A*	BR
ESRS E1 – Climate Change				
E1-1, 14	Transition plan to reach climate neutrality by 2050	SR	66-67	EUCL
E1-1, 16(g)	Undertakings excluded from Paris-aligned Benchmarks	SR	66	Pillar 3, BR
E1-4, 34	GHG emission reduction targets	SR	73, 75	SFDR, Pillar 3, BR
E1-5, 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	*N/A*	*N/A*	SFDR
E1-5, 37	Energy consumption and mix	SR	76	SFDR
E1-5, 40-43	Energy intensity associated with activities in high climate impact sectors	*N/A*	*N/A*	SFDR
E1-6, 44	Gross Scope 1, 2, 3 and Total GHG emissions	SR	77- 79	SFDR, Pillar 3, BR
E1-6, 53-55	Gross GHG emissions intensity	SR	77- 79	SFDR, Pillar 3, BR
E1-7, 56	GHG removals and carbon credits	*N/A*	*N/A*	EUCL
E1-9, 66	Exposure of the benchmark portfolio to climate-related physical risks	*Phase-in*	*N/A*	BR
E1-9, 66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk	*Phase-in*	*N/A*	Pillar 3
E1-9, 66 (c)	Location of significant assets at material physical risk	*Phase-in*	*N/A*	Pillar 3
E1-9, 67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	*Phase-in*	*N/A*	Pillar 3
E1-9, 69	Degree of exposure of the portfolio to climate- related opportunities	*Phase-in*	*N/A*	BR
ESRS S1 – Own Workforce				
SBM-3, 14 (f)	Risk of incidents of forced labour	SR	95	SFDR
SBM-3, 14 (g)	Risk of incidents of child labour	SR	95	SFDR
S1-1, 20	Human rights policy commitments	SR	95	SFDR
S1-1, 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	SR	95	BR
S1-1, 22	Processes and measures for preventing trafficking in human beings	SR	95	SFDR
S1-1, 23	Workplace accident prevention policy or management system paragraph	SR	95	SFDR
S1-3, 32 (c)	Grievance/complaints handling mechanisms paragraph	SR	96-97	SFDR
S1-14, 88 (b), (c)	Number of fatalities and number and rate of work-related accidents	*N/A*	*N/A*	SFDR, BR
S1-14, 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	*N/A*	*N/A*	SFDR
S1-16, 97 (a)	Unadjusted gender pay gap	SR	92	SFDR, BR
S1-16, 97 (b)	Excessive CEO pay ratio	SR	92	SFDR
S1-17, 103 (a)	Incidents of discrimination	SR	94	SFDR
S1-17, 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	SR	95	SFDR, BR
ESRS S3 – Affected Communities				
S3-1, 16	Human rights policy commitments	SR	95	SFDR
S3-4, 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	SR	95	SFDR, BR
S3-4, 36	Human rights issues and incidents	SR	95	SFDR
ESRS S4 – Consumers and End-users				
S4-1, 16	Policies related to consumers and end-users	SR	95	SFDR
S4-1, 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SR	95	SFDR, BR
S4-4, 35	Human rights issues and incidents	SR	95	SFDR
ESRS G1 – Business Conduct				
G1-1, 10 (b)	United Nations Convention against Corruption	SR	101	SFDR
G1-1, 10 (d)	Protection of whistle-blowers	SR	105	SFDR
G1-4, 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SR	103	SFDR, BR
G1-4, 24 (b)	Standards of anti-corruption and anti-bribery	SR	101, 103	SFDR

Section reference:
- GR – Governance Report
- SR – Sustainability Reporting
- N/A – Not applicable
- NM – Not material

EU law reference:
- SFDR – Sustainable Finance Disclosure Regulation
- BR – Benchmark Regulation
- Pillar 3 Disclosure Regulation
- EUCL – EU Climate Law

Statement of Directors' Responsibilities for the Sustainability Statement

The Directors are responsible for the preparation of the Sustainability Statement in accordance with Part 28 of the Companies Act 2014 and including the Sustainability Statement in a clearly identifiable dedicated section of the Directors' Report.

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 and that it is free from material misstatement, whether due to fraud or error.

In preparing the Sustainability Statement, the directors are required to:
- prepare the statement in accordance with the European Sustainability Reporting Standards (ESRS) including the selection and application of appropriate sustainability reporting methods;
- disclose the double materiality assessment process performed to identify the information required to be reported in the Sustainability Statement;
- prepare the disclosures within the environmental section of the Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the 'Taxonomy Regulations');
- ensure that the Group maintains adequate records for the preparation of the Sustainability Statement;
- make judgements and estimates that are reasonable in the circumstances including the identification and description of any inherent limitations in the measurement or evaluation of information in the Sustainability Statement;
- prepare forward-looking information, where applicable, on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group.

For and on behalf of the Board

Jim Pettigrew
Chair

Colin Hunt
Chief Executive Officer

Donal Galvin
Chief Financial Officer

4 March 2025

Independent practitioners' limited assurance report on AIB Group plc's consolidated Sustainability Statement

To the Directors of AIB Group plc

Limited assurance report on the consolidated Sustainability Statement

Limited assurance conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of AIB Group plc (the 'Company'), included in pages 44 to 115 (the 'consolidated Sustainability Statement'), as at 31 December 2024 and for the period from 1 January 2024 to 31 December 2024, prepared in accordance with Part 28 of the Companies Act 2014.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the Sustainability Statement. These are cross referenced from the Sustainability Statement and are identified as subject to limited assurance.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Part 28 of the Companies Act 2014, including:
- compliance of the sustainability reporting with the European Sustainability Reporting Standards ("ESRS"),
- the process carried out by the Company to identify the information reported pursuant to the sustainability reporting standards, is in accordance with the description set out in the section 'Our approach to the Double Materiality Assessment', and
- compliance of the disclosures in subsection 'EU Taxonomy' within the environmental section of the consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (Ireland) 3000, Assurance engagements other than audits or reviews of historical financial information - assurance of sustainability reporting in Ireland ("ISAE (Ireland) 3000 "), issued by the Irish Auditing & Accounting Supervisory Authority (IAASA).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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Practitioners' responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and 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 consolidated Sustainability Statement in Ireland.

The firm applies International Standard on Quality Management (Ireland) 1, which 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.

Responsibilities for the consolidated Sustainability Statement

As explained more fully in the Statement of Directors' Responsibilities for the consolidated Sustainability Statement, the Directors' of the Company are responsible for designing and implementing a process to identify the information reported in the consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in note 'Our approach to the Double Materiality Assessment' of the consolidated Sustainability Statement. This responsibility includes:
- understanding the context in which the Company'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 Company'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; and
- making assumptions that are reasonable in the circumstances.

Independent practitioners' limited assurance report on AIB Group plc's consolidated Sustainability Statement *continued*

The Directors of the Company are further responsible for the preparation of the consolidated Sustainability Statement, in accordance with Part 28 of the Companies Act 2014, including:
- compliance with the ESRS.
- preparing the disclosures in 'EU Taxonomy' subsection of the consolidated Sustainability Statement, in compliance with the Taxonomy Regulation.
- designing, implementing and maintaining such internal control that the Directors determine is necessary to enable the preparation of the consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the consolidated Sustainability Statement

In reporting forward-looking information in accordance with ESRS, the Directors of the Company are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Practitioners' responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the consolidated Sustainability Statement 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 taken on the basis of the consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE (Ireland) 3000 we exercise professional judgement and maintain professional scepticism throughout the engagement. Our responsibilities in respect of the consolidated Sustainability Statement, in relation to the Process, include:
- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process.
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in subsection 'Our approach to the Double Materiality Assessment'.

Our other responsibilities in respect of the consolidated Sustainability Statement include:
- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the consolidated 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated 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. 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.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:
- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents) and reviewing the Company's internal documentation of its Process.
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in subsection 'Our approach to the Double Materiality Assessment'.

In conducting our limited assurance engagement, with respect to the consolidated Sustainability Statement, we:
- Obtained an understanding of the Company's reporting processes relevant to the preparation of its consolidated Sustainability Statement by obtaining an understanding of the Company's control environment, processes and information systems relevant to the preparation of the consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Company's internal control.
- Evaluated whether the information identified by the Process is included in the consolidated Sustainability Statement.
- Evaluated whether the structure and the presentation of the consolidated Sustainability Statement is in accordance with the ESRS.
- Performed substantive assurance procedures on selected information in the consolidated Sustainability Statement.
- Where applicable, compared disclosures in the consolidated Sustainability Statement with the corresponding disclosures in the Financial Statements and Directors' Report.
- Evaluated the methods assumptions and data for developing estimates and forward-looking information.
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated Sustainability Statement.

Other Matter – Compliance with the requirement to mark-up the consolidated Sustainability Statement

Section 1613(3)(c) of the Companies Act 2014 requires us to report on the compliance by the Entity with the requirement to mark-up the consolidated 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 consolidated 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 Entity is not required to mark-up the consolidated Sustainability Statement. Our conclusion is not modified in respect of this matter.

Other Matter – References to external sources or websites

The references to external sources or websites in the Sustainability statement are not part of the Sustainability statement and therefore are not within the scope of our limited assurance engagement.

Other Matter – Comparative Information

The comparative information included in the consolidated Sustainability Statement of the Company for any period prior to 1 January 2024 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Use of this report

Our report is made solely in accordance with Section 1613 of the Companies Act 2014 to the Directors of the Company.

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 Company and its Directors, as a body, for our limited assurance work, for this report, or for the conclusions we have formed.

Ronan Doyle
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

4 March 2025

Task Force on Climate-Related Financial Disclosures (TCFD)

In 2019, AIB was the first Irish bank to become an official supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) to identify and assess our climate risks and opportunities. During 2024 we continued to make good progress in aligning with TCFD recommendations across the four key areas of Governance; Strategy; Risk Management; and Metrics and Targets.

The table below references the sections of this report that detail our progress against the TCFD recommendations.

Pillar	Recommendation	Section	Disclosure Location	Page
Governance	(a) Board's oversight of climate-related risks and opportunities.	• Sustainability Statement • Governance Report	• Our Sustainability Governance • Report of the Sustainable Business Advisory Committee	51 - 52 168
	(b) Management's role in assessing and managing climate-related risks and opportunities.	• Sustainability Statement • Governance Report	• Our Sustainability Governance • Report of the Sustainable Business Advisory Committee • Internal Controls	51 - 52 168 169
Strategy	(a) Climate-related risks and opportunities (short, medium, and long term).	• Sustainability Statement	• Basis of preparation • Our Approach to Double Materiality Assessment	45 54 - 56
	(b) Impact of climate-related risks and opportunities on businesses, strategy, and financial planning.	• Sustainability Statement • Risk Management Report	• Our Approach to Double Materiality Assessment • Climate & Environmental Risk	54 - 56 242
	(c) Resilience of strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	• Sustainability Statement	• Our Material Impacts, Risks and Opportunities • Climate & Environmental Action, C&E Risk	58 - 61 68
Risk Management	(a) Processes for identifying and assessing climate related risks.	• Sustainability Statement • Risk Management Report	• Our Approach to Double Materiality Assessment • Climate & Environmental Action, C&E Risk • Climate & Environmental Risk	54 - 56 68 242
	(b) Processes for managing climate-related risks.	• Sustainability Statement • Risk Management Report	• Climate & Environmental Action, C&E Risk • Climate & Environmental Risk	68 242
	(c) Integration of processes for identifying, assessing and managing climate-related risks into overall risk management.	• Risk Management Report	• Climate & Environmental Risk	242
Metrics and Targets	(a) Metrics used to assess climate-related risks and opportunities in line with strategy and risk management.	• Sustainability Statement	• Climate & Environmental Action, C&E Risk • Decarbonising Our Loan Book • Own Workforce (Equal treatment and opportunities for all)	68 70 - 76 92
	(b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	• Sustainability Statement	• Methodology for Calculating GHG Emissions	77
	(c) Targets used to manage climate-related risks and opportunities and performance against targets	• Sustainability Statement	• Decarbonising Our Loan Book	70 - 76

TCFD Metrics and Targets

In this section we provide details on Transition and Physical Risk which is one of our four key groups of TCFD metrics. For more information on the remaining groups of metrics, see Climate & Environmental Action on pages 70 to 76 and Own Workforce (Equal treatment and opportunities for all) on page 92.

Transition and Physical Risk

Physical Risk: We continue to focus on flood risk as the most significant acute and chronic physical risk and have developed initial metrics to better understand this risk for our property-related exposure. These metrics support the tracking of physical risk for our key property portfolios. Our approach is subject to further evolution based on industry developments and supervisory and regulatory expectations.

Transition Risk: On the transition risk side, an ESG Questionnaire is required for all new lending over €/£/$1m in high and moderate transition risk sectors, and for all annual reviews of Borrowers with an exposure over €/£/$10m in high and moderate transition risk sectors. An ESG Questionnaire is also required for material waiver requests for Borrowers with limits over €/£/$1m in high transition risk sectors.

	Note	2024	2023
Exposures sensitive to Flood risk secured on commercial immovable property*		2.6% (€0.19bn)	3.2% (€0.28bn)
Exposures sensitive to Flood risk secured on residential immovable property*		1.0% (€0.38bn)	NR
% of new lending to sectors with higher transition risk - flow		6 %	8 %
% of lending to sectors with higher transition risk - stock		5 %	5 %
Exclusions/Assets Excluded from EU Paris-aligned Benchmarks (% lending to non-financial corporates)		<1%	<1%

Notes:
- *Physical flood risk shown above is aligned with our CRR449a Pillar 3 disclosure showing “sensitivity” to physical risk for Commercial and Residential exposures secured by immovable property under an adverse climate scenario. Adverse climate scenario is defined as: Representative Concentration Pathway (‘RCP’) 8.5 to 2035, and a 1:100 risk of a flood event. The threshold of risk for “sensitive” is set at a 1% flooding risk (1:100) and the adverse climate change scenario to 2035. This approach aligns to the EBA 2021 ESG Risk Management guidance in so far as there is prescriptive guidance.
- Lending to sectors with high transition risk includes term & revolver lending; 2023 figure is shown on a consistent basis to 2024 i.e. all term and revolver lending to high transition risk sectors.
- Non-Paris Agreement aligned assets relate primarily to non-financial corporate lending to counterparties with revenue from fossil fuel activities.

Governance Report

An effective governance framework is a key enabler in delivering our strategic priorities and ensures that decision making is aligned to our purpose, culture and values and the long term sustainable success of the Group.

In this section

Governance in AIB
Chair's introduction

The Board is committed to ensuring that the highest standards of corporate governance are adhered to across the Group

Jim Pettigrew
Chair

Dear Shareholder,

On behalf of the Board, I am pleased to introduce the Governance Report for 2024. This report, which is aligned to the requirements of the UK Corporate Governance Code 2018 (the 'UK Code'), documents the Group's approach to compliance with the UK Code. Our application of the UK Code and links to where the key content can be found is set out on page 125 of this report. Further information on governance practices in place in the Group are available on the Group's website at www.aib.ie/investorrelations.

The Board is committed to ensuring that the highest standards of corporate governance are adhered to across the Group and see it as fundamental to our culture and achieving our 2024-2026 strategy.

The report provides an overview of the key responsibilities of the Board and its Committees and gives further insight into the work of the Directors, the Board and its Committees.

We recognise that a robust governance structure with an effective risk management framework is integral to delivering long-term sustainable growth and shareholder returns and is a key enabler in delivering the 2024-2026 strategy.

Jim Pettigrew
Chair

Corporate governance headlines at a glance

State ownership*

12.39%

***as at 4 March 2025**

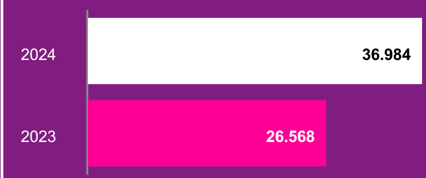
€18.5bn

As at 4 March 2025, AIB Group has repaid € 18.5 bn to the Irish State.

Dividend

36.984

cent per share



dividend per ordinary share in 2023/2024: an increase on the prior year.

Board Diversity Policy Target Achieved

40%

Female

the percentage of females on the Board stood at 40%. Board Diversity Policy target at least 40% female.

Shareholder Approval for 2024 AGM Resolution on Remuneration

99%

in Favour

99% Shareholder Approval for 2024 AGM resolution on the Group Remuneration Policy and Directors' Remuneration Report.

Corporate Governance Framework

The following outlines the Group's Corporate Governance Framework, which is anchored in the requirements of the UK Code, Central Bank of Ireland Corporate Governance Requirements 2015 and the Irish Corporate Governance Annex.

Statements of Compliance for 2024

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 and the work of the Board and its Committees, and explains how the Group applied the principles of the Central Bank of Ireland's Corporate Governance Requirements for Credit Institutions 2015 (the '2015 Requirements'), European Union (Capital Requirements) Regulations 2014 (S.I. 158/2014) ('CRD') and UK Corporate Governance Code 2018 (the 'UK Code') during 2024, under the headings prescribed by the UK Code.

UK Corporate Governance Code 2018

AIB Group plc, by virtue of its primary listing on the Main Securities Market of the Euronext Dublin Stock Exchange and its listing on the Main Market of the London Stock Exchange, is subject to the provisions of the UK Code (which is publicly available on www.frc.org.uk) and the Irish Corporate Governance Annex. Throughout the year, the Group applied the principles and complied with all provisions of the UK Code other than in instances related to Section 5: Remuneration, in particular Principles R and Provisions 36, 37 and 38, and the rationale is set out in the table opposite. From 1 January 2025, AIB Group plc is subject to the provisions of the revised UK Corporate Governance Code (the 'UK Code 2024') for financial years commencing on or after 1 January 2025. Continued focus on stakeholder engagement, including enhanced visibility for the Board on addressing specific Stakeholder Group's priorities. The Board has been briefed on the UK Code 2024 and the Group's readiness for same.

How we apply the principles of the UK Code

Provisions required to 'Explain' under the UK Code Comply or Explain process

Principle R: Exercise of independent judgement and discretion when authorising remuneration outcomes.
Provision 36: Remuneration schemes should promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests.
Provision 37: Remuneration schemes and policies should enable the use of discretion to override formulaic outcomes.
Provision 38: The pension contribution rates for Executive Directors, or payments in lieu, should be aligned with those available to the workforce.

Rationale

In 2022 the Irish Government lifted the restriction on variable pay, allowing for awards to be made to individuals up to a value of € 20,000. However, the cap continues to restrict the Group's ability to structure variable remuneration. As such, both decisions relating to Principle R and certain associated provisions (particularly Provisions 36 and 37) and the timing of when the remuneration restrictions may change are outside of the Board's sphere of influence or control. Further details on the background to these restrictions can be found in the Corporate Governance Remuneration Statement on pages 159 to 166.

In relation to Provision 38, the current pension arrangements are considered to be fair, due to the remuneration restrictions in place at this time. The rates of contribution for Executive Directors and all employees are fully transparent and are set out in the Corporate Governance Remuneration Statement on pages 159 to 166. In the event of the removal of or any changes to the remuneration restrictions, the Remuneration Committee would consider the impact of this on pension arrangements.

Irish Corporate Governance Annex

Additional obligations apply to the Group under the Irish Corporate Governance Annex for 2024 (publicly available on www.euronext.com), due to its primary listing on the Main Securities Market of the Euronext Dublin Stock Exchange. The Group is fully compliant with the Irish Corporate Governance Annex. The Group applies the requirements of the updated Euronext Dublin listing rules which set out specific rules and continuing obligations for issuers effective 1 January 2025 replacing previous version of the Listing Rules, dated 21 July 2019.

Irish Corporate Governance Code

The Irish Corporate Governance Code ('Irish Code') will apply to Irish-incorporated companies with an equity listing on Euronext Dublin for financial years beginning on or after 1 January 2025. However, as the Group is listed in the UK it is obliged to adhere to and report under the UK Code. The Group will continue to comply with the UK Code for the foreseeable future.

Central Bank of Ireland's Corporate Governance Requirements for Credit Institutions 2015 and European Union (Capital Requirements) Regulations 2014

AIB Group plc is authorised as a financial holding company and is not directly required to comply with the 2015 Requirements (which are publicly available on www.centralbank.ie). However, Allied Irish Banks, p.l.c., the principal subsidiary of AIB Group plc, is a credit institution and is subject to the 2015 Requirements, including compliance with requirements specifically relating to 'high-impact institutions' and additional corporate governance obligations on credit institutions deemed significant for the purposes of the CRD (which is publicly available on www.irishstatutebook.ie).

As the governance structures of AIB Group plc and Allied Irish Banks, p.l.c. are mirrored, and acknowledging the importance of adherence to the 2015 Requirements, the compliance status of Allied Irish Banks, p.l.c. is noted herein.

During 2024, Allied Irish Banks, p.l.c. was materially compliant with all of the 2015 Requirements and with the relevant corporate governance aspects of CRD.

Governance in action

A robust governance structure is integral to delivering long-term sustainable growth and shareholder returns.

The Board is acutely aware of the importance of its role in driving sustainable value for shareholders in the long term, with due consideration for all stakeholder groups, and is committed to ensuring that the highest standards of corporate governance are adhered to across the Group.

Set out below are a number of key examples of Board governance in action in 2024.

Continued oversight of 2024-2026 Group Strategy

During 2024, the Board continued its dedicated oversight of the implementation and embedding of the 2024-2026 Group Strategy across the three strategic priorities of Customer First, Operational Efficiency and Greening the Business.

The Board received regular updates from executive management and conducted a number of deep dives on strategy-related items in 2024, including Customer First spotlights and supports to the delivery of the Group strategy.

In 2025, the Board will continue to focus on the delivery of the targets and ambitions set out in the 2024-2026 Group Strategy. Further detail on the Group Strategy can be found in the Our Strategic Progress on page 14.

Capital distributions

Against the backdrop of a reduction in the Irish State shareholding in the Group and following engagement with the regulatory authorities, the Board recommended capital distributions of € 501m in 2024. This comprised of a directed buyback of € 500m and, in response to feedback received from smaller shareholders, the Board recommended the buyback of smaller shareholdings held by investors as part of the Odd-lot Offer, which was approved by shareholders at the AGM in May 2024. This enabled small shareholders to realise value for their shareholdings without dealing costs, which would otherwise render it uneconomic for shareholders. Further, details on capital distributions are available in the Business Review on page 41.

Reputational Risk Framework

In 2024, the Board approved a Reputational Risk Framework for the Group, which formalised and standardised the approach to monitoring, assessing and managing reputational risk exposures for material decisions, across the Three Lines of Defence. The Board considered the interest of key stakeholders as part of the approval process. Further information is available in Sustainability Reporting on page 43 of this report.

Culture and speaking up

The Board continued to place significant importance on the evolution of culture to ensure that a values-led, people-based culture is in place in the Group, to drive the right behaviours and empower colleagues to innovate, to speak up and to deliver positive outcomes for the Group's customers, communities and colleagues. Additionally, the Board continued to oversee the evolution of a culture of accountability across the Group, aligned to the ongoing Culture Programme, and to the requirements of the Individual Accountability Framework.

The journey to strengthen the culture of speaking up within the Group continued in 2024. Ensuring that colleagues at AIB are able to speak up and report concerns of wrongdoing has been an organisational priority within the Group for over a decade.

The findings of the Irish Banking Culture Board ('IBCB') employee culture survey in 2023, informed the Board's oversight of the design and implementation of a new Culture Programme for the Group.

In 2024, the Board monitored the implementation of these findings through the evolved Culture Programme. Further details on how the Board has monitored culture in 2024 are available on page 134.

Whistleblowing

Throughout the year, the Board Audit Committee ('BAC') received regular updates on whistleblowing developments, which included details of all whistleblowing reports as well as trends and thematic analysis. During 2024, the Whistleblowing Champion had oversight over two externally validated diagnostic exercises to ensure the effectiveness of the Group Speak Up (Whistleblowing) Policy and process.

The BAC Chair, Sandy Kinney Pritchard, is the Whistleblowing Champion for the Group and continues to drive this agenda through ongoing engagement with the Head of Group Accountability and Performance and the Head of Speak Up, in relation to material cases and enhancements to the Speak Up process.

A new Whistleblowing Policy, with the sole purpose of facilitating the reporting and effective management of Protected Disclosures was approved by Group BAC in November 2024. The new Whistleblowing Policy is effective from January 2025, is available on the AIB Group website www.aib.ie/investorrelations and replaces the Speak Up Policy, which has been retired. In 2024, 95% of the workforce completed whistleblowing training. Further information on Speak Up is available in Sustainability Reporting on page 97 and on page 148 of this report.

AIB Group Board Governance Structure

The AIB Group Board governance structure, Board of Directors and Executive Committees biographies are set out in the following pages. Please refer to Stakeholder Engagement on pages 139 to 143, which sets out how the Board considers its stakeholders in its decision-making.

AIB Group Board

Board Audit Committee

Oversees the quality and integrity of the Group's accounting policies, financial and narrative reporting, non-financial disclosures and disclosure practices, internal control framework and audit, as well as the mechanisms through which employees and contractors may raise concerns.

Read more: page 144

Board Risk Committee

Oversees and fosters sound risk governance across the Group's operations, overseeing the risk management framework and compliance function to include the risk appetite profile and the overall risk awareness across the Group.

Read more: page 149

Nomination and Corporate Governance Committee

Oversees the Board and Executive Committee succession planning and keeps the Board's governance arrangements and corporate governance compliance under review.

Read more: page 152

Remuneration Committee

Oversees the Group's Remuneration Policy and the operation of remuneration policies and practices, ensuring that the Remuneration Policy is designed to support the long-term business strategy, values and culture of the Group, as well as to promote effective risk management.

Read more: page 157

Technology and Data Advisory Committee

Supports the Board by reviewing and challenging the strategy, governance and execution of matters relating to technology, data including cyber security and data and analytics, as well as business enablement activities.

Read more: page 167

Sustainable Business Advisory Committee

Supports the Board in overseeing the Group's performance as a sustainable business and the delivery of AIB's sustainability strategy in accordance with the approved Group Strategy and Financial Plan, and maintaining and safeguarding the Group's social licence to operate.

Read more: page 168

Board of Directors

Jim Pettigrew
Chair
Non-Executive Director

Date of appointment
28 October 2021

Nationality
British

Committee membership and tenure
R 3y N 3y

Skills, expertise and experience
Key skills:
Extensive financial services experience across retail banking, customer and conduct, governance, strategy and culture development.

Background and experience:
Jim has over 36 years' experience in UK and international financial services leadership in both public listed and private company environments, including at board level, as CEO and as Chair. He was Chair of Scottish Financial Services, the Scottish financial services trade body. He also served as Co-Chair of Scotland's Financial Services Advisory Board and is a former President of the Institute of Chartered Accountants of Scotland. He retired as Chair of Virgin Money and CYBG plc in 2020. He has built considerable non-executive experience over the past 14 years across retail, wholesale and investment banking, asset and wealth management and the insurance sectors. Jim is a Chartered Accountant and Fellow of the Association of Corporate Treasurers. He has an LLB from Aberdeen University and a DipACC from Glasgow University.

Key external appointments
- Chair of RBC Global Asset Management (UK) Limited
- Chair of Scottish Ballet

Anik Chaumartin
Independent
Non-Executive Director

Date of appointment
1 July 2021

Nationality
French

Committee membership and tenure
A 3y S 2y

Skills, expertise and experience
Key skills:
Deep technical accountancy and audit expertise in financial services, talent and culture development, and stakeholder management.

Background and experience:
Anik has over 39 years' international and professional services experience. She was a partner in PwC in Paris for 27 years, and held various leadership positions in the firm for 15 of those years. During her time in PwC, she has acted in the roles of Global Client Relationship Partner and Lead Audit Partner for a number of major banking and financial services organisations.

Key external appointments
- Non-Executive Director of Ayvens Group
- Non-Executive Director of La Banque Postale
- Non-Executive Director of Saol Assurance DAC and Saol Assurance Holdings Ltd

Basil Geoghegan
Independent
Non-Executive Director

Date of appointment
4 September 2019

Nationality
Irish

Committee membership and tenure
Ri 5y

Skills, expertise and experience
Key skills:
In-depth knowledge of international finance, corporate banking, strategy and risk management.

Background and experience:
Basil has served as a Managing Director at Goldman Sachs, Deutsche Bank and Citigroup in London and New York. He has broad M&A, corporate finance and strategic advisory experience in the US, UK, Ireland and internationally. He qualified as a solicitor with Slaughter and May. He holds an LLB from Trinity College, Dublin and an LLM from the European University Institute.

Key external appointments
- Chair of daa plc
- Partner at PJT Partners
- Patron of the Ireland Fund of Great Britain

Tanya Horgan
Independent
Non-Executive Director

Date of appointment
14 September 2021

Nationality
Irish

Committee membership and tenure
Ri 3y T 3y

Skills, expertise and experience
Key skills:
Extensive risk management, compliance, finance, accounting and audit, customer and conduct, and technology skills.

Background and experience:
Tanya has extensive industry-based experience in the areas of compliance, internal audit and risk management and has over twenty years' experience in publicly listed companies. Tanya qualified as a chartered accountant with PwC. She has since held roles in a number of organisations including Tesco, Paddy Power Betfair plc, and, Flutter Entertainment plc, where she served as Group Chief Risk Officer. Tanya currently serves as the Chief Risk Officer of Primark. Tanya has a B.Comm in Accounting from University College Cork.

Key external appointments
- Chief Risk Officer of Primark
- Non-Executive Director and Chair of Audit Committee of Mercury Engineering Limited

Board Committees:

R Remuneration
N Nomination & Corporate Governance
A Board Audit
Ri Board Risk
S Sustainable Business Advisory
T Technology & Data Advisory
● Committee chair

Sandy Kinney Pritchard
Independent Non-Executive Director

Date of appointment
22 March 2019

Nationality
Irish

Committee membership and tenure
A 6y Ri 6y

Skills, expertise and experience

Key skills:
Expertise in finance, accounting and audit, governance, regulation, customer and conduct, risk management, wealth management, retail and investment banking.

Background and experience:
Sandy has significant experience across the financial services industry. She has previously held a number of Non-Executive Directorship roles, including at Irish Life and Permanent TSB plc, TSB Bank plc, MBNA Ltd and Credit Suisse (UK) Ltd, as well as serving as a senior partner at PricewaterhouseCoopers LLP. Sandy is a qualified accountant and a graduate of University College Dublin.

Key external appointments
- Chair of Charles Stanley & Co Ltd, Raymond James Wealth Management Limited and Raymond James Investment Services Ltd
- Non-Executive Director and Chair of Audit Committee of Luminor Bank AS

Elaine MacLean
Independent Non-Executive Director

Date of appointment
4 September 2019

Nationality
British

Committee membership and tenure
R 5y N 4y

Skills, expertise and experience

Key skills:
Significant experience in remuneration and governance, organisational structures, and people and culture development.

Background and experience:
Elaine is a highly experienced human resources director specialising in financial services and retail. Following her early retail career with roles at Harrods and Windsmoor, and later as Retail Operations Director and Human Resources Director with Arcadia, Elaine moved to financial services, culminating in her appointment as Group Human Resources Director for Legal and General plc in 2006. She is the Designated Non-Executive Director for workforce engagement. Elaine holds an MA in English Literature and Psychology from the University of Glasgow.

Key external appointments
None

Andy Maguire
Independent Non-Executive Director

Date of appointment
15 March 2021

Nationality
Irish

Committee membership and tenure
Ri 4y T 4y

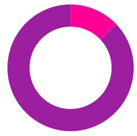
Skills, expertise and experience

Key skills:
Extensive retail banking, technology and digital, transformation, and risk management skills.

Background and experience:
Andy has extensive financial services experience spanning 36 years, including 16 years with the Boston Consulting Group, where he rose to become Managing Partner of the London office covering the UK and Ireland, prior to which he held several global roles, including the Global Head of Retail Banking. From 2014 to 2020, Andy was the Group Chief Operating Officer for HSBC Holdings plc, with responsibility for operations, technology, real estate, change and transformation and operational resilience. Andy previously held Chair positions with Napier Technologies Limited and CX Holdings ('Cennox Group'). He holds a BA and a BAI from Trinity College, Dublin.

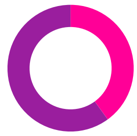
Key external appointments
- Chair of Thought Machine Group Limited
- Non-Executive Director of Westpac Banking Corporation

AIB Directors
Board *(Limited assurance)*



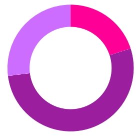
Exec:
2-13%
NED:
13-87%

Gender *(Limited assurance)*



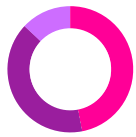
Female:
6-40%
Male
9-60%

Age



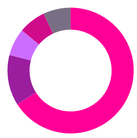
46-55:
3-20%
56-64
8-53%
65-70
4-27%

Tenure



0-3 yrs:
7-47%
4-6 yrs
6-40%
7-9 yrs
2-13%

Nationalities



Irish:
10-66%
British
2-13%
French
1-7%
Dutch
1-7%
USA
1-7%

Board Committees:

R Remuneration | N Nomination & Corporate Governance | A Board Audit | Ri Board Risk | S Sustainable Business Advisory | T Technology & Data Advisory | ● Committee chair

Board of Directors *continued*

Brendan McDonagh
Independent Non-Executive Director and Deputy Chair

Date of appointment
27 October 2016

Nationality
Irish

Committee membership and tenure
R 6y N 5y A 7y Ri 8y

Skills, expertise and experience
Key skills:
Significant global financial services experience in retail and commercial banking, strategy, governance, regulation, and risk management.

Background and experience:
Brendan started his banking career with HSBC in 1979, working across Asia, Europe, North America, and the Middle East, where he held various roles such as Group Managing Director for HSBC Holdings plc, membership of the HSBC Group Management Board, and CEO of HSBC North America Holdings Inc. Brendan is a former Director of Ireland's National Treasury Management Agency ('NTMA'), Bradford & Bingley Limited and NRAM Limited. He was previously the Executive Chair of The Bank of N.T. Butterfield & Son Limited. Brendan was appointed Deputy Chair with effect from 24 October 2019.

Key external appointments
- Chair of PEAL Capital Group Limited
- Serves on the Board of The Ireland Funds, Ireland Chapter
- Council Member of Global Advisory Council, Impact Ireland Fund
- Chair of the Trinity College Dublin Audit Committee

Helen Normoyle
Senior Independent Non-Executive Director

Date of appointment
17 December 2015

Nationality
Irish

Committee membership and tenure
S 8y N 4y T 4y

Skills, expertise and experience
Key skills:
Deep knowledge and experience of sustainability, customer and conduct, digital, stakeholder management, and culture development.

Background and experience:
Helen is a highly experienced marketeer with 31 years' experience in consumer marketing and market research across a range of sectors and geographies. She started her career with Infratest+GfK. From there, she moved to Motorola, where she held a range of roles including Director of Global Consumer Insights and Product Marketing and Director of Marketing. After working in broadcast and telecoms regulation at Ofcom as the Director of Market Research, she held Marketing Director and Chief Marketing Officer roles at the BBC, DFS, Countrywide and Boots, where she was also the Chair and Director of the Boots Charitable Trust. Helen also serves on the Board of AIB Group (UK) p.l.c. Helen was appointed Senior Independent Director with effect from 1 July 2022. Helen is a graduate of the University of Limerick.

Key external appointments
- Non-Executive Director of Thame and London Limited
- Non-Executive Director of T&L Holdco Limited
- Co-founder of My Menopause Centre
- Non-Executive Director of Sainsbury Bank

Ann O'Brien
Independent Non-Executive Director

Date of appointment
25 April 2019

Nationality
Irish

Committee membership and tenure
A 4y R 5y T 4y

Skills, expertise and experience
Key skills:
Significant technology and digital expertise, and highly-skilled in the areas of sustainability, strategy and leadership.

Background and experience:
Ann has over 30 years' experience in the financial services industry. Ann has led complex management consulting engagements at many of the world's largest global banking and securities organisations. Her most recent role was as a Principal with Deloitte in New York, where she was based for 10 years. Ann was appointed to the Board, on the nomination of the Irish Minister for Finance, under the Relationship Framework between the Minister for Finance and AIB Group. Ann serves on the Board of EBS d.a.c. Ann is a graduate of UCD and later of Trinity College Dublin.

Key external appointments
- None

Fergal O'Dwyer
Independent Non-Executive Director

Date of appointment
22 January 2021

Nationality
Irish

Committee membership and tenure
A 4y

Skills, expertise and experience
Key skills:
Extensive experience in finance and accounting, treasury and liquidity management, strategy, and capital markets.

Background and experience:
Fergal has significant experience in financial management, treasury, strategy, capital deployment and development. Fergal retired in 2020 from DCC plc, the Irish, headquartered international sales, marketing and business support services group, which is a FTSE100 constituent company, where he began as an Associate Director, later progressing to Chief Financial Officer in 1992, and Executive Director in 2000. Prior to joining DCC, Fergal worked in PwC and KPMG. Fergal serves on the board of Goodbody Stockbrokers UC and he was previously a director of Focus Ireland. Fergal is a Chartered Accountant.

Key external appointments
- Non-Executive Director of ABP Food Group Unlimited
- Director of Blackrock Healthcare Group Unlimited
- Board member of Focus Housing Association

Board Committees:

R Remuneration | N Nomination & Corporate Governance | A Board Audit | Ri Board Risk | S Sustainable Business Advisory | T Technology & Data Advisory | ● Committee chair

Jan Sijbrand
Independent Non-Executive Director

Date of appointment
14 September 2021

Nationality
Dutch

Committee membership and tenure
Ri 3y S 2y

Skills, expertise and experience
Key skills:
Highly skilled in the areas of risk management, retail and commercial banking, governance, financial regulation and oversight.

Background and experience:
Jan has had an extensive executive career, including roles in Royal Dutch Shell plc, Rabobank Nederland, ABN AMRO Holding N.V. and NIBC Bank N.V., and was a member of the Executive Board and Chair for Supervision at De Nederlandsche Bank N.V. (the central bank of the Netherlands). He also served on the Global Board of PwC up until June 2022. Jan has an MSc in Applied Mathematics and a PhD in Mathematics, both from the University of Utrecht.

Key external appointments
- Non-Executive Director of PwC Netherlands

Raj Singh
Independent Non-Executive Director

Date of appointment
25 April 2019

Nationality
United States

Committee membership and tenure
Ri 5y S 5y

Skills, expertise and experience
Key skills:
Significant international experience in risk management, governance, retail and corporate banking, insurance, wealth and asset management and sustainability.

Background and experience:
Raj has over 40 years' business, risk and governance experience, gained in large and complex global listed financial services organisations including Citibank, Allianz, Swiss Re, Standard Life Aberdeen and EFG International, with the last 21 years at the executive committee level as Group Chief Risk Officer. He has served as a Non-Executive Director of a national credit bureau and three listed financial institutions, as well as many of the banking, insurance, reinsurance and asset management subsidiaries of the firms where he held executive roles. Raj was appointed by the Board, on the nomination of the Irish Minister for Finance, under the Relationship Framework between the Minister for Finance and AIB Group.

Key external appointments
- Non-Executive Director of Vanguard Ireland Limited, Vanguard Funds PLC, Vanguard Investment Series PLC
- Non-Executive Director of AXA Insurance UK plc, AXA UK plc and AXA PPP Healthcare Limited UK

Colin Hunt
Chief Executive Officer & Executive Director

Date of appointment
8 March 2019

Nationality
Irish

Committee membership and tenure
S 6y

Skills, expertise and experience
Key skills:
Strategic leadership, extensive executive experience covering risk, treasury, research, capital markets, customer focus and sustainability.

Background and experience:
In March 2019, Colin was appointed Chief Executive Officer of AIB Group. He joined AIB in August 2016 as Managing Director of Wholesale, Institutional & Corporate Banking. Prior to joining AIB, he was Managing Director at Macquarie Capital in Ireland. Previously, he was a Policy Adviser at the Departments of Transport and Finance, Research Director at Goodbody Stockbrokers, Head of Trading Research at Bank of Ireland Group Treasury and a country risk analyst at NatWest. He has a PhD in Economics from Trinity College, Dublin and BComm and MEconSc degrees from University College Cork, and is a Chartered Bank Director and Fellow of the Institute of Bankers.

Key external appointments
- Serves on the Board of The Ireland Funds, Ireland Chapter
- Ibec clg Board Member

Donal Galvin
Chief Financial Officer & Executive Director

Date of appointment
28 May 2021

Nationality
Irish

Committee membership and tenure
None

Skills, expertise and experience
Key skills:
Significant international retail and wholesale banking, capital, liquidity, treasury, investor relations, and risk management skills.

Background and experience:
Donal joined AIB as Group Treasurer in September 2013 and was appointed to the role of Chief Financial Officer in March 2019 and to the Board in May 2021. Donal has gained significant experience working in domestic and international financial markets over the last 26 years. Prior to joining AIB, Donal held a number of senior executive roles, including Global Head of Asian Fixed Income & Equities at Mizuho Securities in Hong Kong and a number of senior Global Financial Market roles across Europe and Asia Pacific for Rabobank. He serves as a Non-Executive Director of Goodbody Stockbrokers UC.

Key external appointments
None

Board Committees:

R Remuneration | N Nomination & Corporate Governance | A Board Audit | Ri Board Risk | S Sustainable Business Advisory | T Technology & Data Advisory | ● Committee chair

Our Executive Committee

Cathy Bryce
Managing Director of Capital Markets

Skills, expertise and experience

Cathy started her career in investment banking with Morgan Stanley and subsequently with ABN AMRO. She joined AIB in 1996, holding a range of leadership positions across both international and Irish portfolios. In 2018 she joined the National Treasury Management Agency as Director of the NDFA and NewERA. In 2019, she returned to AIB, joining the Executive Management team of the Bank as Managing Director of Capital Markets. She is a business graduate of Trinity College Dublin, holds an MBA from INSEAD Business School and completed the General Management Program at Harvard Business School. Cathy also serves as a Non-Executive Director on the Board of Goodbody Stockbrokers UC.

Barry Field
Corporate Affairs Director

Skills, expertise and experience

Barry was appointed Corporate Affairs Director in February 2024 to lead the bank's engagement with internal and external stakeholders, a key role, given the bank's changing ownership structure and growing customer base. Barry, who joined AIB's graduate programme in 2008, has over 15 years' experience at the Group, spanning financial, regulatory, management accounting and treasury roles. As Head of AIB's Customer Treasury Services in New York, he delivered AIB's customer treasury offering across the US. He returned to Ireland in 2021 as Chief of Staff in the Office of the CEO, working directly with the CEO and Executive Committee to ensure the smooth delivery of the Group's overall strategy and the execution of the day-to-day banking agenda. Barry holds a BA in Business Studies from Griffith College.

Geraldine Casey
Managing Director of Retail Banking

Skills, expertise and experience

Geraldine was appointed Managing Director of Retail Banking in October 2023, having previously held the role of Chief People Officer since she joined AIB in January 2020. She has significant experience in leading large teams through culture, process and organisational change, and has driven the Bank's inclusion, future of work and culture agendas. Prior to joining AIB, she held a number of senior roles at Tesco Ireland, as a member of the Executive working across operations, IT, communications and people management positions. Geraldine holds a Bachelor's Degree in Commerce from University College Cork and is a Certified Bank Director, Institute of Bankers. Geraldine also serves as a Non-Executive Director on the Board of AIB Group (UK) p.l.c.

Michael Frawley
Chief Risk Officer

Skills, expertise and experience

Michael joined AIB as Chief Risk Officer in July 2022. A senior risk professional with a 26-year banking career spanning retail, commercial, wholesale, asset management, trade finance, strategy implementation and risk management experience, he also has extensive international experience from his previous roles at HSBC in the UK, Asia and the Americas. His most recent role prior to AIB was as Chief Risk Officer of Permanent TSB. Michael holds an MBA from Columbia Business School, New York and a B.Comm from University College, Cork and is a CFA holder.

Graham Fagan
Chief Technology Officer

Skills, expertise and experience

Graham has held a number of senior management roles in AIB over the last eight years, most recently as Director of Technology Transformation. He is an experienced technology leader, having worked across a range of senior roles in banking and multinational organisations over the last 25 years. He has extensive experience leading large-scale, skilled teams across all aspects of technology management, including application development, technology infrastructure, cyber security and digital transformation. During his time in AIB, he has been instrumental in leading the Group's technology response to COVID-19, modernising our data centres and transforming technology operations.

Hilary Gormley
Managing Director of AIB Group (UK) p.l.c.

Skills, expertise and experience

Hilary has been Managing Director of AIB Group UK p.l.c. since June 2022. She has worked at the Bank for over 30 years in a range of senior leadership positions, which include Group Head of Business Banking and Head of FSG Strategy Implementation. Hilary has a deep understanding of the Bank and of the market more broadly. She brings a wealth of experience, having worked across various sectors including retail, commercial and institutional banking, to lead the expansion of the UK business. Hilary holds a Bachelor's degree in Financial Services from University College Dublin, has completed the Harvard General Management Programme, and is a member of the Institute of Bankers.

David McCormack
Chief People Officer

Skills, expertise and experience
David was appointed Chief People Officer in October 2023. As a senior HR professional with over 25 years' experience, David has held roles across all facets of the HR function, including most recently, Group Deputy Chief People Officer and Head of HR in AIB UK. David has been responsible for overseeing the design and implementation of significant strategic programmes aligning employees to the strategic and cultural ambition of the Group, while maintaining a visionary affinity and connection with people through his authentic leadership style. David holds a Bachelor's Degree in Business Studies, specialising in HR, and has completed the IESE Advanced Management Programme.

Paul Travers
Managing Director Climate Capital

Skills, expertise and experience
Paul joined AIB as the Head of Energy, Climate Action and Infrastructure seven years ago and was appointed to AIB's Executive Committee as Head of Climate Capital in February 2024. His primary role is renewables lending activities, with a focus on renewable energy companies and projects, and critical infrastructure with a strong ESG element across Ireland, the UK, Europe and North America. Prior to AIB, Paul was previously the Head of Macquarie Capital Ireland, which is an infrastructure and renewables specialist investor and one of the world's largest infrastructure asset managers. Paul was also a Director for numerous investments. He is a qualified accountant.

Andrew McFarlane
Chief Operating Officer

Skills, expertise and experience
Andrew joined AIB in July 2022 and has over 25 years' experience, working primarily in the financial services sector, in banks and management consulting firms. His international career has spanned Canada, Australia, England and Ireland and he has held posts such as Managing Director, Accenture Financial Services, Canada and, more recently, Executive Director of Modernisation & Corporate Strategy, and Chief External Relations Officer at Payments Canada. Andrew holds a Bachelor of Business (Banking & Finance) from Monash University, Melbourne, and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia.

Mary Whitelaw
Chief Strategy & Sustainability Officer

Skills, expertise and experience
Mary joined AIB in 2007 and her experience has spanned the retail, corporate and treasury businesses. She has held a number of senior leadership roles across the Group, including Group Chief of Staff, Head of Strategy & Business Performance for Corporate and Institutional Banking and Head of Corporate Treasury Sales. Prior to joining AIB, Mary trained as a Chartered Accountant and Chartered Tax Advisor with PwC. She is a graduate of University College Dublin. Mary is also a Non-Executive Director of Goodbody Stockbrokers UC.

Orlaith Ryan*
Chief Customer Officer

*Appointed 7th October 2024

Skills, expertise and experience
Orlaith joined AIB in October 2024 as Chief Customer Officer, a role created to drive improved customer experience by better understanding customers' behaviour and attitudes. Orlaith joined from Sky Ireland, where she spent eight years in senior executive positions, most recently as Chief Commercial Officer and prior, to that, held the positions of Customer Director and Head of Customer Value Management. Before Sky, Orlaith ran the customer practice at FTI Consulting for over six years, working across media, telecoms, insurance, and retail financial services, including Bank of Ireland, Rabobank and Liberty Insurance. Orlaith also held a number of customer-focused roles with brands with industry-leading reputations, including Vodafone and Aviva.

Board Leadership, Company Purpose, Culture and Values and the Division of Responsibilities

Board Leadership

Role of the Board
The Group is headed by an effective Board, which is collectively responsible for the long-term, sustainable success of the Group, generating value for shareholders and contributing to the wider society. The Board has delegated the day-to-day running of the business to the Chief Executive Officer ('CEO'), who is supported by the Executive Committee ('ExCo'), this being the most senior management committee of the Group. The ExCo operates under defined Terms of Reference and has full authority to delegate any of its powers, authority or activities to identified executives or to one or more of its sub-committees. The CEO and ExCo have primary responsibility for the day-to-day operations of, and the development of strategy for the Group.

The Board supports, and strives to operate in accordance with, the Group's purpose and values at all times, and challenges management as to whether the purpose, values and strategic direction of the Group align with its desired culture, or if they do not, whether there are options to mitigate any potential negative stakeholder impacts.

The Board ensures there is a clear division of responsibilities between the Chair, who is responsible for the overall leadership of the Board and for ensuring its effectiveness, and the CEO, who manages and leads the business. The governance framework and organisational structure are sufficient to ensure that no one individual has unfettered powers of decision or exercises excessive influence. Key roles and responsibilities are clearly defined, documented and communicated to key stakeholders via the Group's website www.aib.ie/investorrelations. The Board is supported in discharging its duties by a number of Board and Advisory Committees.

Whilst 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 Board. These matters are kept under review to ensure that they remain relevant and are available on the Group's website www.aib.ie/investorrelations.

Conflicts of Interest
The Board-approved Code of Conduct and Conflicts of Interest Policy for Directors sets out how actual, potential or perceived conflicts of interest are to be identified, evaluated, reported and managed to ensure that Directors act at all times in the best interests of the Group and its stakeholders. Executive Directors, as employees of the Group, are also subject to the Group's Code of Conduct and Conflicts of Interests Policy for employees.

Stakeholder Engagement
The six principal stakeholder groups in AIB are Customers, Employees, Investors, Society, Suppliers and the Group's Regulators. In order for the Group to meet its responsibilities to its stakeholders and to ensure that stakeholder views are taken into consideration in its discussions and decision-making, the Board ensures that effective engagement is maintained with these groups on a regular basis.

The Group engages with stakeholders through various means such as face-to-face meetings, including regular and structured engagement, and also out of course meetings on specific topics, research, focus groups and surveys, media engagement, direct partnerships and collaboration, sponsorship and community initiatives, participation in expert forums and events, and through the Group's in-house experts liaising directly with associated business, public or charitable groups.

The Annual General Meeting ('AGM') is an opportunity for shareholders to hear directly from the Board on the Group's performance and strategic direction and, importantly, to ask questions of Committee Chairs on significant matters related to their areas of responsibility. Shareholders are encouraged to attend and participate in the AGM. The Chair provides the Board with updates on engagements with major shareholders to ensure that there is a clear understanding of the views of shareholders on governance and performance against strategy. Details in relation to the 2025 AGM, along with other shareholder related information can be found on page 387 and on the Group's website at www.aib.ie/investorrelations.

There is a Designated Non-Executive Director for workforce engagement, whose role is described under Key Roles & Responsibilities, below.

Further details on how the Board engages with each of these groups can be found on page 139 in the Section 172 Statement.

Purpose, Culture and Values

Purpose
The Board has established a purpose for the Group, which continues to align to the overall culture, values and strategy. Following approval in 2023, the Board received updates in 2024 from management on the implementation and embedding of the evolved purpose. 'Empowering People to build a Sustainable Future', to ensure that purpose, culture, values and strategy continue to align. Further information on the Group's purpose can be found in Our Sustainability Strategy on page 46.

Culture and Values in AIB
The Board has overarching responsibility for fostering a positive culture and ensuring that a people-led, values-led culture is in place across the Group. Culture and Conduct Risk is one of the Group's principal risks, as set out in Principal Risks on page 20. In 2024, the Board remained committed to continually embedding a culture that champions customers' interests, underpinned by values and behaviours that support the delivery of high-quality service and fair customer outcomes.

Culture is a key enabler of the Group strategy and is based on four themes: embedding customer-centricity, empowering our people, promoting innovative approaches to challenges and opportunities and connecting colleagues with each other and with AIB. Each of these underpins the AIB Group strategy. The Group's Purpose, Ambition and Culture programmes amplify the commitment to our customers.

The transition to a new strategy in 2024 provided an opportunity to further evolve the Culture programme and embed a culture that enables AIB's new strategy and serves the Group's customers, communities and colleagues. Further details on culture are available on in the Sustainability Statement on page 104.

How the Board monitors Culture
Throughout 2024, the Board continued to embed the Group's values and drive the cultural mindset shift required to support the strategy for 2024-2026. Further details can be found in Culture and Reputation page 104 to 106. In 2024, the Board assessed and monitored culture through the AIB Culture Tracker and received regular updates on the implementation of the updated Culture Programme and the AIB Employee Engagement Approach, which comprises of both internal and external surveys and listening sessions. The Board monitored the implementation of the refreshed Culture Programme through updates from management on the AIB Engage staff survey metrics. Furthermore, the Board continued to build on the output of the listening sessions conducted in 2023, which provided the Board with insights that underpin the priority areas for culture and represent the mindset shifts required to evolve the culture in AIB. Regular updates on Culture were also provided to Board Committees.

The monitoring of Culture and Conduct Risk is fundamental to establishing the right culture. There is a Board-approved Code of Conduct (the 'Code') in place that supports the Group's values and helps deliver on the Group's purpose. The Code sets out clear expectations for behaviour and how employees and contractors conduct business. The Code guides behaviours and emphasises the Group's commitment to acting ethically, honestly and with integrity, while demonstrating trustworthiness. There is a separate Board-approved Code of Conduct in place for Independent Non-Executive Directors.

An updated Group Culture Risk and Conduct Risk Framework, approved by the Board Risk Committee, was put in place in November 2024. It sets out how the Group manages and governs Culture Risk and Conduct Risk in line with the AIB Group Risk Appetite Statement.

The Framework has been strengthened to include more focus on our purpose, ambition, values and behaviours, recognising that they are a significant focus to our Culture. The Three Lines of Defence model is used to monitor and govern compliance with the policies that underpin the Group Culture Risk and Conduct Risk Framework.

The Code is periodically reviewed by the AIB Group Board and reviewed annually by the Group Conduct Committee and by the Board Audit Committee. An annual report is provided to the AIB Group Board on the awareness levels of the Code amongst employees and contractors, aspects for review, and any breaches that have been identified and action taken.

Workforce Engagement and Culture
Elaine MacLean is the Designated Non-Executive Director with responsibility for Workforce Engagement and acts as the link between the Board and employees. A number of listening sessions on a range of topics were conducted in 2024 with Elaine MacLean and a nominated group of AIB staff representatives, to facilitate a two-way communication flow between the Board and the workforce. Further details of the interactions and themes discussed between the Designated Non-Executive Director and employees are set out on page 141.

Division of Responsibilities

Key Roles & Responsibilities

Chair
The Chair leads the Board, setting its agenda, ensuring that Directors receive adequate and timely information, facilitating the effective contribution of Non-Executive Directors, ensuring the ongoing training and development of all Directors, and reviewing the performance of individual Directors. Jim Pettigrew was appointed as Chair on 28 October 2021. His biographical details are available on page 128.

Deputy Chair
The Deputy Chair, Brendan McDonagh, deputises for the Chair as may be required from time to time and is available to the Directors for consultation and advice. Further biographical details are available on page 130.

Senior Independent Director
Helen Normoyle is the Board's Senior Independent Director ('SID'). The SID acts as a conduit for the views of shareholders and is available as an alternate point of contact to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication. The SID also leads the annual review of the Chair's performance with the Non-Executive Directors and succession planning for the Chair role. Further biographical details are available in Our Board on page 130.

Designated Non-Executive Director for Workforce Engagement
Elaine MacLean was appointed as the Group's Designated Non-Executive Director ('DNED') for Workforce Engagement in 2021 in order to enhance the Group's existing workforce engagement mechanisms. The purpose of this role is to engage directly with employees, facilitate two-way communication between employees and the Board, and enhance the Board's understanding of workforce views. The DNED provides regular updates on workforce engagement at Board meetings and the Board keeps the mechanism selected to engage with employees under. Further biographical details are available in Our Board on page 129 and details of how the interactions between the Designated Non-Executive Director and employees are set out in Stakeholder Engagement on page 141.

Independent Non-Executive Directors
Independent Non-Executive Directors provide a key layer of oversight, scrutinising the performance of management in meeting agreed objectives and monitoring reporting against performance. They bring an independent viewpoint to the deliberations of the Board that is objective and independent of the activities of the management and of the Group. They constructively challenge and help develop proposals on strategy and other key matters. In addition, they contribute to maintaining oversight of the Group's strategy through one-to-one meetings with members of the senior management, such as the Group Chief Executive, Chief Financial Officer, Chief Risk Officer and other members of the Group Executive Committee. Independent Non-Executive Directors play a key role in appointing and removing Executive Directors.

At 31 December 2024, Helen Normoyle has served on the Board for nine years. In December 2024, the Board, having considered her independence, approved her reappointment for a further term of up to one year to facilitate an orderly transition to her successor, in accordance with the approved Board succession plan. Further details are included in the Nomination and Corporate Governance Chair Report on page 154. Biographical details for each Independent Non-Executive Director are available on pages 128 to 131.

Chief Executive Officer ('CEO')
The CEO, Colin Hunt, manages the Group on a day-to-day basis and makes decisions on matters affecting the Group. The ExCo assists and advises him in reaching decisions on the Group's strategy, governance, internal controls, performance and risk management. He was appointed with effect from 8 March 2019 and his biographical details are available on page 131.

Company Secretary and Head of Corporate Governance
The Directors have access to the advice and services of Conor Gouldson, the Company Secretary, and Aeilish McGovern, Head of Corporate Governance, who advise the Board and Board Committees on all governance matters, and corporate governance best practice, ensuring that Board procedures are followed and that the Group is in compliance with applicable rules and regulations. Both the appointment and removal of the Company Secretary are matters for the Board as a whole.

Board and Advisory Committees
The Board is assisted in the discharge of its duties and contribution to the delivery of its strategy by a number of Board Committees, whose purpose is to consider, in greater depth than would be practicable at Board meetings, those matters for which the Board retains responsibility. Each Committee operates under terms of reference approved by the Board and their terms of reference are available on the Group's website at www.aib.ie/investorrelations.

The Board governance structure is available on page 127, and reports from the Board Audit Committee, the Board Risk Committee, the Nomination and Corporate Governance Committee and the Remuneration Committee are presented later in the Annual Financial Report.

In addition to the four main Board Committees, the Board also has a Sustainable Business Advisory Committee and a Technology and Data Advisory Committee. The Advisory Committees are comprised of Non-Executive Directors and members of senior management from relevant business areas. Overviews of the role and areas of focus of both the Technology and Data Advisory Committee and the Sustainable Business Advisory Committee are available on pages 167 to 168.

Chairman's Committee
Additionally, a Chairman's Committee acts on behalf of the Board between its scheduled meetings to deal with matters of an administrative nature, and take decisions on urgent matters in accordance with the authority delegated to it by the Board, or as specifically set out in its Terms of Reference. These responsibilities include the consideration of individual cases in line with the requirements of the Central Bank of Ireland Code of Practice on Lending to Related Parties. The Executive Directors or any impacted Directors are excluded from the decision-making process for these individual cases.

Board Leadership, Company Purpose, Culture and Values and the Division of Responsibilities *continued*

Board and Committee Meetings and Attendance

	Board		Board Audit Committee		Board Risk Committee		Nomination and Corporate Governance Committee		Remuneration Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Anik Chaumartin	14	13	14	13	—	—	—	—	—	—
Donal Galvin	14	14	—	—	—	—	—	—	—	—
Basil Geoghegan	14	14	—	—	12	12	—	—	—	—
Tanya Horgan	14	14	—	—	12	12	—	—	—	—
Colin Hunt	14	14	—	—	—	—	—	—	—	—
Sandy Kinney Pritchard	14	14	14	14	12	12	—	—	—	—
Elaine MacLean	14	13	—	—	—	—	11	11	11	11
Andy Maguire	14	13	—	—	12	12	—	—	—	—
Brendan McDonagh	14	14	14	12	12	12	11	11	11	11
Helen Normoyle	14	14	—	—	—	—	11	11	—	—
Ann O'Brien	14	14	14	14	—	—	—	—	11	10
Fergal O'Dwyer	14	13	14	14	—	—	—	—	—	—
Jim Pettigrew	14	14	—	—	—	—	11	11	11	11
Jan Sijbrand	14	14	—	—	12	11	—	—	—	—
Raj Singh	14	14	—	—	12	11	—	—	—	—

The Board met on 14 occasions during 2024. The Chair and the Chairs of each Committee ensure that Board and Committee meetings are structured to facilitate open discussion, constructive challenge and debate. The Board receives a comprehensive executive management report on a regular basis. The remainder of its agenda is built from the indicative annual work programme, and includes strategic items for consideration, any activities out of the ordinary course of business, requested in-depth reviews and scheduled updates on key projects. There is a set escalation process in place through Executive and Board Committees, which ensures that the Board receives the necessary information at the appropriate time to enable the right decisions to be taken. The Chair leads the agenda-setting process, supported by the CEO and Group Company Secretary.

In its work, the Board is supported by the Board Committees, which make recommendations and decisions where appropriate on matters delegated to them under their respective terms of reference. Each Committee Chair provides an update to the Board on matters considered at the preceding Committee meeting. The agenda, papers and minutes of Committee meetings are generally available to all Directors.

Attendance at the Board and Board Committee meetings is outlined in the table above. Attendance at the Advisory Committees is captured within their respective Committee overviews. Where a Director is unable to attend a meeting, papers are provided in advance and the Director has the opportunity to provide comments to the Chair of the Board or to the relevant Committee Chair. The Non-Executive Directors also met throughout the year in the absence of the Executive Directors or other members of management.

Board Effectiveness

Each year, the Board evaluates its effectiveness, including that of its Committees, Directors and Chair. As required by the UK Code, the Board effectiveness evaluation is externally facilitated at least once every three years. In 2022, the evaluation was externally facilitated by Praesta Ireland Limited ('Praesta Ireland'). In 2023 and 2024, as agreed by the Board, on the recommendation of its Nomination and Corporate Governance Committee ('NomCo'), the review was internally facilitated by the Company Secretary.

The process for the 2024 Board Evaluation consisted of:

1. A confidential questionnaire completed by the Directors, including narrative responses.
2. Committee-specific confidential questionnaires completed by the members of each Committee, including narrative responses.
3. Feedback from the Chair from his meetings with each member of the Board.
4. Feedback from the Senior Independent Director who met with each member of the Board to review the performance of the Chair.
5. The findings were reviewed by the Board in February 2025 with agreement on the areas for focus for 2025.

The 2024 Board Evaluation confirmed that the Board was performing very effectively, was very clear on its role and responsibilities and had a clear understanding of the Board's role in such areas as strategy, finance, governance and compliance. The Chair was believed to demonstrate a deep understanding of the Group's business and to encourage and welcome challenge at and between meetings.

The Board strongly agreed that it had the appropriate Committee structure in place with clearly defined roles for each of the Board and Advisory Committees. Reporting from these Committees was very highly regarded by the Directors and appropriate time was given over to agenda items. There was sufficient awareness, diversity and experience on the Board to avoid groupthink and the Directors were satisfied that the Board engaged in genuine discussion and debate at meetings.

In the pursuit of continuous improvement, a number of focus areas were agreed by the Board for 2025 including:

Areas of Focus for 2025

Board papers and Reporting
Maintaining a momentum of recent years of continual improvement in Board and Committee papers and meeting materials.

Stakeholder Engagement
Continued focus on stakeholder engagement, including enhanced visibility for the Board on addressing specific Stakeholder Group's priorities.

Strategic Focus
Increasing focus on strategy over a longer time horizon than the three year strategic cycle.

The Senior Independent Director, Helen Normoyle, led the process for reviewing the performance of the Chair. She held individual meetings with all of the Directors, including the Executive Directors, following which she collated the feedback which she then provided directly to the Chair. The Chair's performance was very highly regarded by the Directors. He is considered to be very effective and his leadership of the Board is recognised and highly valued. He demonstrates objectivity, promotes a culture of openness and debate and encourages and facilitates effective contributions from all of the Directors. The Board supported his continuation in office, including his proposed re-election at the 2025 Annual General Meeting.

2025 Board Performance Evaluation

After two years of internal facilitation of the evaluation process, it is required that the 2025 evaluation will be performed by an external firm.

Composition, Succession and Evaluation

Further details on the composition on the Board and succession process are set out on page 154.

Audit, Risk and Internal Control

The Board has delegated responsibility for the consideration and approval of certain items pertaining to audit, risk and internal control to the Board Audit Committee and Board Risk Committee. Where required, topics are referred onward to the Board as a whole for further discussion or approval.

The Board monitors the Group's risk management and internal control framework and, at least annually, carries out a review of its effectiveness. Information on this can be found on page 179.

Information on the activities of the Board Audit Committee and Board Risk Committee in 2024 can be found in their respective reports on pages 144 to 151.

Remuneration

The Board has delegated responsibility for the consideration and approval of the remuneration arrangements of the Chair, Executive Directors, ExCo members, the Group Company Secretary and certain other senior executives to the Remuneration Committee. A group of senior management executives and the Company Secretary are responsible for recommending to the Board the fees to be paid to Non-Executive Directors, within the limits set by shareholders at the AGM and in accordance with the Articles of Association.

Information on the activities of the Remuneration Committee in 2024 can be found in the Report of the Remuneration Committee on pages 157 to 158.

Relationship with the Irish State

The Group received significant support from the Irish State (the 'State') in the context of the financial crisis, due to its systemic importance to the Irish financial system. Following a reduction in its shareholding during 2017, and further reductions to date, the State currently holds 12.39% of the issued ordinary shares of AIB Group plc[1].

The relationship between the Group and the State is governed by a Relationship Framework, which is available on the Group's website at www.aib.ie/investorrelations.

Within the Relationship Framework, with the exception of a number of items requiring advance consultation with or consent by the State, the Board retains responsibility and authority for all of the operations and business of the Group in accordance with its legal and fiduciary duties, and retains responsibility and authority for ensuring compliance with the Group's regulatory and legal obligations.

The matters requiring advance consultation with, or consent from, the Minister for Finance (the 'Minister'), are outlined in the Relationship Framework.

The Board is satisfied that the Group has complied with the relevant provisions set out in the Relationship Framework. The Board is also satisfied, as far as it is aware, that the Minister has complied with the relevant independence provisions set out within the Relationship Framework.

1. % State ownership at 4th March 2025.

Board Focus

Key focus areas

During 2024, the Board focused on the implementation of the Board-approved three year strategy for 2024-2026 and ensured that the appropriate structures were in place to support the delivery of the strategy. This saw the establishment of both the Climate Capital Segment and a new Chief Customer Office, the leaders of which joined the Executive Committee.

Stakeholder key:

- Customers
- Investors
- Employees
- Regulators
- Suppliers
- Society & Community

In addition, the Board focused on productivity improvements and ensured that appropriate mechanisms were in place to track, monitor and challenge progress. The table below contains a snapshot of some of the business that was addressed by the Board during 2024.

	Key Matters considered		Most impacted
Financial	• AIB Group plc 2023 Annual Financial Report and related Stock Exchange Announcements and analyst presentations; • Capital Distributions (included two Directed Buybacks of Shares); • Macroeconomic Environment; • Capital Adequacy Statement & Liquidity Adequacy Statement;	• Trading Updates; • 2024 Half-Yearly Financial Report; • 2025-2027 Financial and Investment Plan; • Consideration of Going Concern and Associated Matters; • Recovery Planning and Resolvability Plan; • Pillar 3; • Legacy matters.	
Culture and Values	• Culture Evolution Programme Updates; • People Strategy Updates; • Balanced Scorecard Updates; • ESG Transformation Programme Roadmap Update;	• Modern Slavery Act Statement; • Workforce Engagement; • Health & Safety Annual Update and Whistleblowing; • Code of Conduct.	
Strategy	• Annual Group Strategy Update; • Mortgage Market Strategy; • Outsourcing Strategy; • Transformation Plan Implementation; • Sustainability Strategy, Objectives and Annual Conference; • Cyber Strategy Update; • NPE Strategy;	• Stakeholder Perspectives; • Customer First Programme Updates; • Corporate Development Opportunities; • External Environment; • Review of 2024-2026 Group Strategy; • Chief Economist Updates; • Investor Perception Study.	
Regulatory	• Regulatory engagement updates; • JST Discussion on the Supervisory Review Evaluation Process; • Anti-Money Laundering and Counter-Terrorism Financing Updates; • Companies Act, Directors Compliance Statement;	• Annual Compliance Statement with CBI Requirements 2015; • Consideration of Regulatory Directive Programmes; • Related Party Lending (Chairman's Committee); • Individual Accountability Framework.	
Governance	• Board and Committee Effectiveness Evaluation, Outcomes and Actions; • Board Committee Terms of Reference; • Board Succession Planning; • Annual General Meeting; • Extraordinary General Meeting; • Odd-lot Offers to Shareholders; • Board Diversity Policy and Targets;	• Board and Committee Composition and Appointments; • Annual Review of Non-Executive Director Independence; • Review of Directors & Officers Insurance; • Renewal of Non-Executive Director Terms of Office; • Annual Reappointment of Chair; • Governance Frameworks; • Upstream Corporate Governance Developments.	
Risk Management	• Group Risk Appetite Statement; • Material Risk Assessments; • Risk Frameworks and Policies; • Control Effectiveness Review;	• Annual Review of Group Connected Customers & Large Exposure Credit Policy; • Second Line Opinion Papers on all Material Decisions e.g. Strategy or the Financial and Investment Plan.	
Regular Updates	• Executive Management Updates; • Business and Financial Performance; • Chair Activities;	• Board Committee Updates; • Investor Relations Updates for Equity and Debt Investors.	

Matters considered by the Board Committees, which in certain cases were also considered by the Board as a whole, are detailed in the individual Board Committee and Board Advisory Committee Reports that follow over pages 144 to 168.

Section 172 Statement and Stakeholder Engagement

Section 172 statement

In their discussions and decisions during 2024, the Directors have acted in the way that they consider, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole, having regard to stakeholders and the matters set out in sub-sections 172(1) (a) to (f) of the 2006 UK Companies Act (the 'Act').

Our Board's approach to stakeholder engagement is aligned with the UK Code, which applies to the Group by virtue of its listing on the London Stock Exchange. Whilst, Section 172 of the Act is not directly applicable to the Group, given that it is referenced in the UK Code, the Board continues to recognise the importance and benefits of considering the spirit intended by it as part of its decision-making process.

A balance of stakeholder interests is deemed to be critical to any decision taken by the Board. The relevance of each of the stakeholders defined in Section 172 to the decision-making process, and the method of engagement, may vary depending on the deliberations being undertaken by the Board. See further details on key stakeholder interaction during 2024 within Stakeholder Engagement on pages 141 to 143.

The Board considers the matters set out in Section 172 of the Act in its discussions and decision-making, including:

(a) the likely consequence of any decision in the long term: The Board is cognisant of their responsibility to run the company for the long-term sustainable benefit of the shareholders and to contribute to wider society and, in doing so, the Directors consider the impact of their decisions on our key stakeholders. All executive proposals tabled for decision require clear articulation of the potential impacts of those decisions under each of the strategic pillars, which drives consideration of the interests of stakeholder groups within decision-making processes.

(b) the interests of the company's employees: The Board is fully aware that our people are the key resource and enabler for the Group to deliver the overall ambition and strategy in a manner underpinned by the Group's values. Accordingly, the Board and its committees ensure that when it is making decisions, it has due regard for its employees.

(c) the need to foster the company's business relationships with its suppliers, customers, and others: The Board recognises that our customers are at the core of our strategy and ambition. The Board considers the impact of all relevant decisions on customers and suppliers, ensuring that the Group strives to meet the full range of their financial needs conveniently and responsibly.

(d) the impact of the company's operations on the community and the environment: The Board considers the impact of its decision-making on the community and the environment, pursuant to the Group strategy to deliver a more sustainable future for all. As a recognised leader of sustainability in Ireland and through the Group's Pledge to Do More, the Board is committed to building long-term resilience and sustainability for our business, economy, and society.

(e) the desirability of the company maintaining a reputation for high standards of business conduct: The Board Risk Committee approves the Culture Risk and Conduct Risk Framework, which is aligned with the Group's Purpose, Strategy and Values as set out on page 134. The Board Risk Committee monitors key updates on culture and conduct risk from management. The Board Audit Committee has oversight responsibility for the Code of Conduct, which sets out the core conduct standards that are applicable to all employees and contractors. Furthermore, the Board has an approved Reputational Risk Framework for the Group approach to monitoring, assessing and managing reputational risk exposures for material decisions across the Three Lines of Defence. The Board always maintains an open and constructive engagement with its regulators with respect to business conduct matters.

(f) the need to act fairly as between Members of the Company: The Group has a diverse range of institutional and individual investors and at all times endeavours to act fairly between all members of the company. During 2024, the Board, represented by the Chair, CEO and CFO, engaged in an ongoing investor relations engagement programme that allowed the Board to gain feedback and views from investors. The outcomes of such engagements are communicated to the other Directors to ensure that the views of all shareholders and the investment community are considered by the Board in their decision-making.

Section 172 Statement and Stakeholder Engagement *continued*

Decisions Made

Decisions made during the year
The following are some of the decisions made by the Board this year that demonstrate how the Section 172 matters outlined on pages 141 to 143 have been taken into account as part of Board discussions and decision-making. In arriving at its decisions during the year, the Board assessed and challenged the implications of decisions in accordance with the Group's strategic pillars that broadly aligned with our stakeholder groups.

Stakeholder key:

Customers
Investors
Employees
Regulators
Suppliers
Society & Community

Decision & Impacted Stakeholder	What happened and what did the Board consider?
Significant Risk Transfer transaction	In March 2024, the Board approved the establishment of a Significant Risk Transfer ('SRT') framework for the purposes of facilitating an SRT transaction, in line with the approved Financial Plan 2024-2026. The SRT is a balance sheet management transaction that involves the transfer of credit risk on a portfolio of assets from the issuer to third party investors. **What did the Board consider?** In its deliberations, the Board considered: • whether there were any implications from a customer perspective in approving the framework and concluded that there was no impact on customers as the loan facilities remained on the balance sheet with no change to contractual terms and no impact on customer personal data; • ensured that there was a robust SRT Operational Framework, processes, procedures and controls in place to mitigate operational risk on the execution of a transaction; • considered the transaction in terms of the impact on the Group's material risks. A comprehensive regulatory review process was performed in respect of regulatory and compliance risk; • oversight by the Board Risk Committee in advance of execution, with regular updates brought to the committee; • engaged with external investors and regulatory bodies. **Outcome:** Successfully executed AIB's first SRT, transferring a portfolio of € 1 bn of corporate loans in November 2024. The benefits of the transaction included increased capital efficiency from a regulatory perspective.
Save As You Earn Scheme ('SAYE')	In 2022, AIB Group confirmed its intention to introduce a Save As You Earn ('SAYE') scheme and commenced work on establishing a commercial product to operate as a savings carrier in Ireland. Having received approval from the Irish tax authority to operate as a savings carrier, the Board, following a recommendation from the Remuneration Committee, approved the launch of a SAYE tax-approved, all-employee share option scheme that allows participating employees to purchase shares in AIB Group at a fixed price at a date in the future. **What did the Board consider?** In its deliberations, the Board considered: • stakeholder implications across each of the strategic pillars, with particular reference to the impact on customers, regulators, employees and society; • no adverse impacts were identified in terms of all stakeholder impacts; • from a regulatory perspective, external advisers were appointed to ensure that the scheme was consistent with regulatory requirements and industry best practice. **Outcome:** As an approved savings carrier for SAYE, AIB can serve the wider community. Following approval by the Board in November 2024, the approval process with the tax authorities in the Republic of Ireland and the UK commenced. The scheme will require shareholder approval at the Annual General Meeting scheduled for May 2025.
Onboarding of remaining tracker mortgage portfolio from Ulster Bank	Throughout 2024, the Board maintained dedicated oversight over the implementation and execution of the transfer of the remaining portfolio of tracker mortgages from Ulster Bank. Given the nature and complexity of the transaction and the potential impact on customers, regular updates, accompanied by the relevant risk opinions, were presented to the Board Risk Committee and Board in 2024. In August 2024, the Board approved the transfer. **What did the Board consider?** In its deliberations on the final Go/No-Go decision, the Board considered: • outcome of assurance work performed by both internally and external independent assurance providers; • ensured that a customer-centric lens was applied at all times. In this regard, the Board received updates on the remediation of system errors, the level of automated controls in place and the stabilisation of the platform for arrears management. Updates to the detailed Customer and Conduct Impact Assessment approved by Executive Management considered the key conduct risk associated with the migration, agreed customer service levels to be achieved and consistent treatment of customers-post migration; • received updates on the lessons learned from the dress rehearsals performed and recommendations implemented; • reviewed updates on Key Performance Indicators ('KPI') on migration readiness; • engaged with the regulator in advance of migration; • considered post-migration risks and impact on customers. **Outcome:** Successfully migrated customers in a safe and controlled manner in conjunction with its third party supplier.

Stakeholder Engagement

The manner in which the Board and wider Group interact with our stakeholders continued to evolve in 2024, with a focus on active engagement to ensure that the interests of all stakeholder groups were taken into consideration in our decision-making, as set out in the Section 172 Statement on page 139.

The way the Board engages with its stakeholders varies and ranges from direct engagement to receiving management reports and updates on relevant matters, which assist the Board in understanding the impacts of the Group's operations on its key stakeholders. Further information on our key stakeholders is available on pages 48 and 49.

Stakeholder key:

- Customers
- Investors
- Employees
- Regulators
- Suppliers
- Society & Community

Stakeholder	How we engaged
Customers	Our purpose is to empower people to build a sustainable future, while remaining at the heart of our customers' financial lives. The Customer First approach is a core pillar of AIB's 2024-2026 strategy. Further details on the strategy and strategic progress from a Customer First perspective is available in Our Strategy on page 14 of the report. **How we engaged in 2024:** • the Board received regular updates on Key Performance Indicators (Net Promoter Scores, Customer Journeys and complaints metrics) and the Customer First strategic pillar; • established a new Executive Committee role for a Chief Customer Officer; • applied a Customer First approach to all decision making, for example on inorganic transactions, to ensure that customers were safely onboarded to the Group; • the Board committees received updates on how AIB informed and educated its customers on sustainability matters (sustainability knowledge sharing through the AIB Green Living hub and the Sustainability Sector Guides, SME Steps to Sustainability, which provides guidance, tools and practical support to customers; • featured customer segments at internal (AIB All-Employee update) and external events (AIB Sustainability Conference) attended by Board members setting out the positive sustainability actions taken by customers, which are supported by AIB; • the Board Committees received updates on our approach to vulnerable customers, including the supports available.
Employees	The Group employed 10,469 people across Ireland, the United Kingdom and the United States of America. We aim to ensure that all employees are engaged and empowered in their roles. Ensuring that the Group's workforce is engaged and motivated is critical to delivery for all our stakeholder groups. **How we engaged in 2024:** • the Board monitored performance against key metrics (Employee Engagement, Wellbeing, Inclusion and Diversity and Talent Development); • the Designated Non-Executive Director for workforce engagement engaged directly with employees on two occasions in 2024 to enhance the Board's understanding of workforce views. The sessions focused on core themes such as career and talent progression, career supports and deep dives on Women in Leadership and hybrid working. Both sessions were positively received; • the Board members participated in internal employee conversations for 'Risk in Conversation' week on the topic of 'Risk Ready: The Future is Now' with the objective of demystifying risk by bringing it to life and building a strong risk culture across the Group. The conversations focused on ESG and Climate, Governance, Culture and Reputational Risk; • members of the Board visited a branch, where they engaged with teams across the branch and in customer care; • an Executive Directors Leadership summit for 3,000 people leaders, which focused on AIB's new strategy and highlighted the pivotal role that colleagues play in the successful delivery of the strategic ambition, was attended by Executive Directors; • launched the AIB Employee Value Proposition ('PACT'), which included employee benefits; reward and recognition, AIB's role in supporting communities, people-led culture, along with wellbeing, inclusion and engagement initiatives. Introduced health-care benefits and a variable remuneration scheme approved by the Board in 2023, to further enhance our employee value proposition by offering a progressive and sustainable level of benefit; • regular Whistleblowing updates to the Board and Board Committees, Sandy Kinney Pritchard, Chair of the Board Audit Committee, is the Group's Whistleblowing Champion; • conducted internal engagement surveys with employees to explore engagement and culture drivers, which provided insights into elements that influence each other and customer outcomes, the results of which were presented to the Board. Further details are included on page 106; • recognised employee contributions to AIB through the annual Employee Value Awards and the Long Service Recognition Awards.

Section 172 Statement and Stakeholder Engagement *continued*

Stakeholder key:

Customers | Employees | Suppliers | Investors | Regulators | Society & Community

Stakeholder	How we engaged
Suppliers	The Group is committed to conducting all its business activities to the expected standard of professionalism and ethical conduct and to support and improve the communities where we operate from an environmental, social and economic perspective. We expect suppliers to do the same, through adherence to the Group Responsible Supplier Code. It reflects the Group's values, and it sets out the minimum standards to which we hold ourselves, and to which suppliers are expected to also adopt. There is a Group-wide Third Party Management programme in place that sets out the oversight of activities at various stages of the Third-Party Management lifecycle. **How we engaged in 2024:** • hosted a Supplier Summit with AIB's suppliers, attended by Board and ExCo members; • Board-approved updates to the Modern Slavery Statement in May 2024. Further details can be found on page 95; • the Board and Board Committee approved the Third-Party Risk Management Policy and assessments; • annual attestation to the Group's Responsible Supplier Code for larger suppliers; • announced the launch of a Supplier Programme in November 2024. The programme's ambition is to build a community of partners that drives sustainability progress across our supply chain; • held supplier spotlights at the AIB Sustainability Conference in November 2024; • the Board received updates with respect to the supply chain on a bi-annual basis;
Investors	Transparent and frequent communication with the Group's shareholders is a key priority for the Group. All relevant information is reported to the market on a timely basis and in line with Market Abuse Directive and Stock Exchange Rules. **How we engaged in 2024:** • a comprehensive investor relations programme and schedule of market engagement was managed by the Investor Relations Team, in which the CEO, CFO, and selected Business representatives participated. This included targeted roadshows, fireside chats and industry conferences, as well as investor meetings and calls. During 2024, over 300 interactions across 15 jurisdictions, covering topics such as the Group's strategy, its purpose and its financial performance, were held with institutional investors; • the Group reported Annual and Half-Yearly Financial Results live via webcast and a simultaneous conference call twice a year and issued quarterly updates on trading following the Q1 and Q3 periods; • members of the Board independently met with shareholders at the Annual General Meeting and are committed to understanding the needs and expectations of our shareholders. Committee Chairs were available to meet with shareholders as necessary; • the Chair participated in specific roadshows, primarily of a governance nature. Following these engagements, the Chair briefed the full Board on feedback at Board meetings or by e-mail to the Directors on time-sensitive matters this is a standing item on the agenda for meetings of the Board; • a perception study was conducted in 2024, the results of which including shareholder views, were presented to the Board; • the CEO, CFO and Head of Investor Relations provided regular updates on market views and shareholder sentiment to the Board to ensure that Board members are aware of the investment community's perception of the Group; • the Group published all results, including webcasts, stock exchange announcements and presentations to a dedicated Investor Relations website, www.aib.ie/investorrelations; • the Board recommended an Odd-lot Offer for approval at the 2024 AGM to shareholders holding 20 or fewer shares. Further details can be found in the Directors' Report on page 172.

Stakeholder key:

Customers | Employees | Suppliers | Investors | Regulators | Society & Community

Stakeholder	How we engaged
Regulators	The Board maintains an open relationship with the regulatory and supervisory authorities, which includes the Central Bank of Ireland, Bank of England, European Central Bank, European Commission, Single Resolution Board, Prudential Regulatory Authority, Financial Conduct Authority, and Federal Reserve Bank of New York. The Board strives to ensure that the Group supports financial stability, consumer protection and market integrity across the jurisdictions in which the Group operates. Continued strong engagement with our regulators ensures that the Group is set up to meet regulatory requirements and expectations. **How we engaged in 2024:** • constructive engagement with supervisory authorities on themes of common interest across consumer, business strategy, capital, liquidity and risk management; • supervisory engagement through regulatory on-site inspections and thematic reviews; • regular engagement between the Board and the Joint Supervisory Team ('JST') through one-to-one interactions with Committee Chairs and Executive Directors, as well as the annual meeting on the Supervisory Review and Evaluation Process; • regular updates to Board and Board Committees from the Group Regulatory Relations team.
Society and Community	Our communities, and society as a whole, are at the forefront of all of our stakeholder considerations and are also central to the sustainability strategy. The Board considered the wider impact of all decisions taken by the Group on society and community as part of the wider governance framework in operation in the Group. **How we engaged in 2024:** • approved the Detailed Sustainability Report in March 2024; • the Board and Board Committee oversight of CSRD; • approved the Modern Slavery statement, which sets out the AIB's human rights commitment and demonstrates how the Group mitigates against human rights breaches in business and across its supply chain. Further details are available on page 95; • the Board and Board Committees received updates during the year: – on societal progress on various matters concerning vulnerable customers, including AIB's Human Rights Commitment; – on Community and Partnerships. • hosted an in-person 'AIB in the Community' event, which highlighted the power and impact of AIB community activity nationwide and included updates from some of the recipient charities of the AIB € 1 m Community Fund and branch engagement; • the Board and Executive Committee members attended the 8th Annual AIB Sustainability Conference and participated in regional events in Ireland and the UK; • members of the Executive Committee engaged with business customers to hear directly from customers about how sustainability drives their business strategy and the role of AIB in supporting their journey.

Report of the Board Audit Committee

As external expectations of sustainability reporting continued to evolve, the Committee remained steadfast in its commitment to ensuring the integrity of the financial and non-financial disclosures and the supporting internal control environment

Sandy Kinney Pritchard
Committee Chair

Chair Overview

On behalf of the Board Audit Committee (the 'Committee'), I am pleased to report on the activities undertaken by the Committee, and how it has discharged its duties over the course of 2024.

In line with its Terms of Reference, which can be found on the Group's website at www.aib.ie/investorrelations, the Committee is responsible for supporting the Board in its independent oversight responsibilities as they relate to the monitoring of the quality and integrity of the Group's financial statements, with reference to financial and narrative reporting, Non-Financial Disclosures and disclosure practices. The Committee monitors and reviews the independence and effectiveness of the internal and external audit functions. The Committee is also tasked with reviewing and monitoring the effectiveness of risk management and internal control systems, in conjunction with the Board Risk Committee. Over the course of 2024, the Committee continued to provide oversight to ensure a robust and effective control environment, which is considered a key enabler for the Group in delivering on its strategic ambitions.

Committee Membership

The Committee currently comprises five Non-Executive Directors, all of whom are considered by the Board to be independent and whom the Board has determined have the relevant mix of skills, competence and capability, as required under the applicable regulatory requirements. This includes the need for recent and relevant financial experience and competence in accounting or auditing. There were no changes to the Committee composition over the last three years, with members continuing to enhance their deep understanding of the key judgements and issues facing the Group in what has been another stable year for the Committee.

To ensure co-ordination of the work of the Committee with the Board Risk Committee, two members of the Committee, Sandy Kinney Pritchard and Brendan McDonagh, are also members of the Board Risk Committee, with this common membership providing ongoing oversight of risk and finance issues and the collaborative governance of internal controls. Joint meetings of the Committee and the Board Risk Committee were also held during the year to allow discussion on matters of common interest. One member of the Committee, Anik Chaumartin, is also a member of the Sustainable Business Advisory Committee, and this has been important in ensuring alignment with the work of that Committee around Sustainability Disclosure requirements. To ensure co-ordination with the work of the Committee and that of the Technology and Data Advisory Committee, Ann O'Brien is a member of both Committees. The biographies of Committee members are set out on pages 128 to 131, with details of the Committee's membership and attendance at meetings outlined on page 136.

The Chief Financial Officer, Chief Risk Officer, Group Head of Internal Audit and the Lead External Audit Partner normally attend all scheduled Committee meetings. The Committee also held closed sessions with these key individuals over the course of the year, in order to ensure continued open dialogue.

PricewaterhouseCoopers ('PwC') was appointed as the Group's External Auditor on 04 May 2023, following an external tender process in 2021 and has since been reappointed following consideration by the Committee and approval by the shareholders at the Annual General Meeting on 02 May 2024. The Committee has built a constructive working relationship with the Lead Audit Partner, Mr Ronan Doyle who has held the role since the appointment of PwC. I look forward to continuing this and I look forward to continuing this in the coming years.

This year, after a robust selection process, Conor McGrath was appointed as the Group's Head of Internal Audit, following the resignation of Maria Rogers. A key role for the Committee during 2024 was providing support to Conor McGrath to ensure the continued effectiveness of the Internal Audit function. The Committee developed a positive working rapport with Conor McGrath during the transition period, which I look forward to continuing into 2025 and beyond.

Assessing the appropriateness of the key judgements, assumptions and estimates made by management in the financial reporting process was central to our focus once again this year. The related Committee deliberations and conclusions are set out on the following pages.

Another key area of focus for the Committee this year was on the Whistleblowing process and procedures. The Committee received regular updates on whistleblowing developments and approved a new Whistleblowing Policy, with the sole purpose of facilitating the reporting and effective management of Protected Disclosures in November 2024. The new Whistleblowing Policy replaces the Speak Up Policy and is effective from January 2025.

In 2024, the Committee also dedicated a considerable amount of time to developing their knowledge and understanding of sustainability reporting requirements, given the enhanced role of the Committee in this regard in overseeing the Group's first set of disclosures under the Corporate Sustainability Reporting Directive ('CSRD').

I would like to take the opportunity to thank my fellow Committee Members for their contribution and support over the course of 2024.

Sandy Kinney Pritchard
Committee Chair

Q&A What do you see as the key priorities for the Committee in the coming year?

A. In 2025, the Committee will continue to focus on delivery against its mandated responsibilities, with oversight of the continued effectiveness of the Three Lines of Defence model across the Group and scrutiny of the overall control environment as we traverse the external challenges posed by global economic and geopolitical uncertainty and also continuing our journey on CSRD reporting. These external uncertainties will require the Committee to ensure that the control environment remains resilient and sufficiently agile to adapt to rapid change, while safeguarding our reputation and long-term stability.

Key areas of focus

Financial reporting
A key activity for the Committee is the consideration of significant matters relating to the Group's Financial Statements for 2024. Significant matters, including critical accounting judgements and estimates and the related disclosures, are subject to detailed review with management and the External Auditor.

A summary of the Committee's considerations in relation to those judgements and estimates is set out below, and further detail on these matters is disclosed in note 2 on page 280.

Significant Financial Reporting Matters – Committee assessment

Key issues	Committee considerations	Committee conclusion
Deferred taxation	The Group has recognised deferred tax assets for unutilised losses of € 2,203 million (2023: € 2,474 million). Deferred tax assets are recognised for unused tax losses when it is probable that there will be sufficient future taxable profits against which the losses can be used. The recognition of deferred tax assets for unutilised losses by the Group requires significant judgements to be made about the long-term future profitability of the Group. In assessing the future profitability of the Group in Ireland, the Committee considered a range of positive and negative evidence, including management's assessment of the number of years that it will take for the deferred tax asset to be utilised, which is underpinned by the Group's long-term financial and strategic plans and related assumptions therein. Given the relative size of the Group's operations in the UK, the judgement that the recognition of deferred tax assets in its UK subsidiary be limited to the amount projected to be realised within 15 years was reappraised by the Committee and considered to be reasonable. The Committee agreed that the management judgements applied were appropriately supported by the Group's long-term financial and strategic plans.	In light of the evidence presented by management, the Committee provided their continued support of the recognition policy in place for deferred tax assets.
Impairment of financial assets	The Group has an ECL allowance of € 1,347 million (2023: € 1,525 million). The Group recognises loss allowances for expected credit losses at each balance sheet reporting date. The calculation of the ECL allowance is complex and requires the use of a number of accounting judgements and estimates, some of which, by their nature, are highly subjective. In conjunction with the Board Risk Committee, the Committee assessed and challenged the inputs and outcome of macroeconomic scenarios for use in the ECL models, as well as the weightings applied to those scenarios, in advance of the onward recommendation of the scenarios to the Board for approval. In assessing key judgements and estimates, the Committee reviewed and approved updates regarding the ECL outcome provided by management, including the appropriate application of post model adjustments where modelled outcomes were adjusted for management judgement. Through this assessment, the Committee also considered inputs from the Risk function on their independent challenge relating to ECL levels.	The Committee is satisfied that the classification and measurement of financial assets, including the impairment loss allowances and the net impairment loss for the year, have been appropriately determined in accordance with the requirements of IFRS.

Report of the Board Audit Committee *continued*

Key issues	Committee considerations	Committee conclusion
Provisions for liabilities and commitments	The Group has recognised provisions (excluding ECLs on loan commitments and financial guarantees) of € 146 million (2023: € 138 million). The Group recognises provisions where it has a present obligation as a result of past events, and it is more likely than not that these obligations will result in an outflow of resources to settle the obligations. Judgement is required in determining whether the Group has a present obligation and whether it is probable that an outflow of economic benefits will be required to settle this obligation. This judgement is applied to information available at the time of determining the provision, including, but not limited to, judgements around interpretations of legislation, regulations and case law, depending on the nature of the provision. The Committee reviewed the proposed provisions for 2024 and while noting that these matters are uncertain and therefore a range of outcomes are possible; the provision in place at 31 December 2024 reflects management's best estimate of provision amounts, based on the available information.	Based on the assessments undertaken, the Committee is satisfied that the provision for liabilities and commitments is reasonable, and reflective of the related uncertainties and the judgemental nature of key assumptions. The Committee also concluded that the related disclosures, in the financial statements, are appropriate.
Retirement benefit obligations	The Group has net defined benefit assets of € 22 million (2023: € 17 million) and gross defined benefit obligations of € 4,950 million (2023: € 5,023 million). There is a significant degree of judgement and estimation in the calculation of retirement benefit obligations. The Committee gave due consideration to the reasonableness of defined benefit obligations and of the underlying actuarial assumptions in use, including the discount rate, inflation rates and pensions in payment increases, and approved these assumptions as inputs in the calculation of the IAS 19 pensions position for the AIB Group Irish pension scheme.	Based on the work performed, the Committee is satisfied that the assumptions supporting the retirement benefit obligations are reasonable.
Investment in subsidiary in the separate financial statements	AIB Group plc's investment in subsidiary, in its separate financial statements, comprises the entire ordinary share capital and Additional Tier 1 Securities issued by Allied Irish Banks, p.l.c. The total investment in subsidiary was € 13,883 million (2023: € 13,758 million). The investment in subsidiary is reviewed for impairment when there are indications that impairment losses may have occurred. An impairment review is undertaken by comparing the carrying value of the investment in the subsidiary with its estimated recoverable amount, with any shortfall being reported as an impairment charge in the standalone financial statements. The estimated recoverable amount is based on a value-in-use calculation. The Committee considered a number of estimates and assumptions used in assessing the value in use, including an estimation of the expected future profitability of the subsidiary and the appropriate discount rate to apply.	Based on the work undertaken, no impairment was identified for this investment at 31 December 2024.
Going concern and long-term viability	In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. Separately, and in line with the requirements of the UK Corporate Governance Code, the directors are required to assess the longer-term viability of the Group. In assessing the Group as a going concern and in support of the viability statement, the Committee considered a range of factors, including the Group's detailed financial planning forecasts, the outcomes of which are reflected in the 2025-2027 Strategy and Financial Plan, as well as the robust capital and liquidity position of the Group, having considered the potential impact of stress events, including a challenging macroeconomic global environment. The Committee also assessed a number of activities undertaken over the course of the year relating to the risk profile, capital, liquidity and funding positions, and recovery and resolution planning.	In the absence of any material uncertainties or doubts as to the Group's ability to continue as a going concern, the Committee recommended to the Board that the financial statements be prepared on a going concern basis. Based on the assessment undertaken, the Committee was satisfied that three years was a suitable timeframe for the Viability Statement and recommended the Viability Statement to the Board for approval. The Committee also concluded that the related disclosures on going concern and viability are appropriately described in the annual financial report.

Other key areas of focus

External Reporting	The Committee considered each of the areas above and the significant matters pertaining to this Annual Financial Report and the Group's Half-Yearly Financial Report for the six months ended 30 June 2024. The Committee concluded that it could recommend the annual and half-yearly financial reports to the Board for approval, on the basis that they are considered to be a fair, balanced and understandable assessment of the Group's financial position, and provided the information necessary for shareholders to assess the Group's performance, business model and strategy. To enable this detailed assessment, financial reporting matters were considered at several Committee meetings, with a comprehensive governance pathway put in place for all significant matters for Committee review as part of the year-end and half-year reporting processes. Recognising the first year of reporting under the CSRD and its enhanced role with respect to sustainability reporting, the Committee reviewed in detail the disclosures contained within the Sustainability Statement in this Annual Financial Report, underpinned by robust governance and assurance processes, enabling it to discharge its responsibilities in this area. Further details on the governance of sustainability reporting can be found on page 99. When reviewing both this Annual Financial Report and the Half-Yearly Financial Report, the Committee considered the minutes of the Group Disclosure Committee, an Executive-level Committee that is tasked with providing oversight of material Group disclosures, in advance of making any recommendations to the Board. Pillar 3 reporting is also subject to robust governance and review processes, and the Committee reviewed and approved the annual and half-yearly Pillar 3 disclosures.
Internal Audit	The Committee is responsible for considering and approving the remit of the Internal Audit function, approving the Internal Audit charter, the annual and the three year internal audit plans and ensuring that Internal Audit has adequate resources, skills and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. It also receives the function's reports and evaluates the adequacy and timeliness of the Group's responses to them. The Committee ensures that the Internal Audit function has adequate standing and is free from oversight or other restrictions that may impair its independence. Following approval of the annual audit plan, the Committee receives updates on a regular basis regarding audit plan delivery, and any revisions to the annual plan, which are considered with due regard for the overall risk profile of the Group. Significant findings of the Internal Audit reports and management's responses were discussed at meetings of the Committee throughout the year. Any overdue actions were reviewed and challenged by the Committee. The Group Head of Internal Audit provides the Committee with regular assessments of the skills and resources required to deliver the audit plan and whether the Internal Audit budget is sufficient to recruit and retain staff, or to procure subject-matter expert resources with the relevant experience. During the year, the Chair of the Committee met regularly with the Group Head of Internal Audit between scheduled meetings of the Committee to discuss audit issues arising and insights into the control environment. The Group Head of Internal Audit has unrestricted access to the Chair of the Board Audit Committee. The Committee also considered the annual and half-year Internal Audit opinion in relation to the overall control environment, which provides the Committee with an independent assessment of the Group's management of its material risks from a control environment and a control culture perspective. Additionally, the Committee considered the Group Internal Audit annual skills and capability assessment and their approach for ensuring adherence to Article 191 of the Capital Requirements Regulation, including the output of the Annual General Risk Assessment relating to Internal Models and the related annual work plan.
External Audit	The Committee has primary responsibility for overseeing the relationship with, and performance of the External Auditor, including a review of the Auditor's internal policies and procedures for maintaining independence and objectivity and a consideration of their approach to audit quality and materiality. The Committee reviewed the terms of engagement and monitored the independence and effectiveness of the Auditor, facilitated by ongoing observation and the consideration of submissions from PwC over the reporting period. The remuneration of the Auditor for the year 2024 was also considered by the Committee and recommended to the Board for approval. The Committee carefully considered the half-year review report and audit plan as presented to it by PwC, as well as the final report on the 2024 audit and the year-end audit opinion, including key audit matters. The Committee assessed the qualifications and expertise of their resources, as well as considering the Auditor's findings, conclusions and recommendations arising from their work. In line with monitoring the objectivity, independence and effectiveness of the Auditor, and in accordance with the EU Audit Regulations 537/2014 and Directive 2014/56/EU, an update was received in relation to the Group's policy on the hiring of former employees of the Auditor. The Group's policy is that the Auditor and its affiliates may be used for non-audit services that are not in conflict with the Auditor's independence and where sound commercial reasons exist. This policy, which outlines the types of non-audit fees for which the use of the Auditor is pre-approved or requires specific approval, was reviewed and approved by the Committee at its last annual review cycle, and all non-audit services and fees were approved in accordance with Group policy. Details of the fees paid for audit and non-audit services are outlined in note 12 on page 289.

Report of the Board Audit Committee *continued*

Other key areas of focus *continued*

Whistleblowing and Code of Conduct	The Group is committed to providing a safe, respectful and inclusive environment for all employees. The Committee reviews the arrangements in place that allow employees and contractors to raise any concerns, confidently and confidentially, about possible wrongdoings in the workplace. Given this important role in relation to whistleblowing and protected disclosures, the Committee Chair, who is also the Whistleblowing Champion for the Group, met with the Head of Group Accountability & Performance and Head of Speak Up to discuss all the material cases and enhancements to the Whistleblowing process over the course of the year. The Committee received regular updates from management on the effectiveness of the Group's whistleblowing procedures and whistleblowing developments throughout the year. During 2024, the Whistleblowing Champion had oversight over two externally validated diagnostic exercises to ensure the effectiveness of the Group Speak Up (Whistleblowing) Policy and process. The first exercise was performed to obtain a diagnostic assessment of the Group's current levels of psychological safety and comfort with speaking up. The second related to a benchmark exercise for the Board-approved Speak Up (Whistleblowing) Policy and procedures against regulatory requirements and established best practice on effective whistleblowing arrangements. The outputs of both exercises and the proposed priority areas for attention to realise tangible improvements were shared with the Committee and there has been regular engagement on the matter with Executive Management. In 2025, the Group will continue to enhance and evolve its approach to the management of protected disclosures in line with the definitions sets out in relevant legislative regimes across the jurisdictions in which AIB has a presence, whilst ensuring that the appropriate channels remain in place for all other concerns that may be raised, which are outside the remit of the legislation specifically related to Protected Disclosures.
Internal Controls	The Group's internal control and risk management systems are embedded within the organisation structure and it is the Committee's responsibility to review the adequacy and effectiveness of the control environment on behalf of the Board. Throughout the year, the Committee: • Received updates from the Chief Financial Officer, aligned to the half-year and year-end reporting timelines, regarding the testing, operation and effectiveness of the system of controls over financial reporting and mandatory non-financial disclosures. • Reviewed and advised the Board on the appropriateness of the Directors' Statements in this Annual Financial Report relating to the Group's systems of internal controls. • Reviewed the outcomes of half-year and year-end overall assessments of the control environment undertaken by Group Internal Audit. • Reviewed the internal control report from the External Auditor and management's responses to the recommendations set out therein, including in relation to IT Privileged User Access Management. • Reviewed quarterly reports from the Group Chief Risk Officer regarding the credit control environment. • Received updates regarding the evolution of the approach to aligned assurance across the Three Lines of Defence, with progress updates on delivery of the aligned assurance plan, as well as the key themes arising from the work undertaken across the Three Lines of Defence. • Received updates from management regarding the oversight of internal fraud risk, as well as the internal and external fraud environment. The Committee, having assessed the above information over the year, is satisfied that the Internal Control and Risk Management Framework is operating effectively.
Subsidiary Oversight	Over the course of the year, the Committee Chair met with a number of the material subsidiary audit committee Chairs outside of the regular scheduled Committee meetings, in order to discuss audit committee priorities and to gain a full understanding of matters of relevance or concern for the individual subsidiaries. In his role as Chair of the Goodbody Audit Committee, Committee member Fergal O'Dwyer also provides a strong link from the Committee to that entity. The Committee Chair also attended a number of material subsidiary audit committee meetings throughout the year. The Committee received an annual report from the audit committees of each of AIB Group (UK) p.l.c., EBS d.a.c., AIB Mortgage Bank u.c., and Goodbody Stockbrokers UC and also regularly reviewed the minutes of those audit committees to ensure effective oversight and awareness of any issues and discussion themes.

Report of the Board Risk Committee

As we face a period of considerable geopolitical and macroeconomic uncertainty, the Committee will continue to support the Board in ensuring the Group's strategy is executed in accordance with the principles of sound risk governance

Brendan McDonagh
Committee Chair

Chair Overview

On behalf of the Board Risk Committee (the 'Committee'), I am pleased to report on the Committee's activities and how it has discharged its duties during 2024. The purpose of this report is to provide an insight into the workings of, and the key matters considered by, the Committee over the course of the year.

The primary purpose of the Committee is to assist and advise the Board in fulfilling its risk governance and oversight role. In addition to fulfilling its comprehensive responsibilities, as set out in the Committee's Terms of Reference, which can be found on the Group's website at www.aib.ie/investorrelations, detailed consideration was given to a broad range of existing risks. Key areas of focus included concluding a Customer First-led approach to the migration of the performing tracker mortgage loan book from Ulster Bank, executive management retention and the embedding of climate and environmental risk in the Group's risk management framework and conduct and culture risk. From an external perspective, the Committee considered the uncertainty posed by geopolitical and macroeconomic risk, ECB interest rate cuts, cooling inflation, the real estate market, and the potential impact of these factors on the delivery of the Group's Strategy in a safe and controlled manner. The Committee also provided risk oversight of the increasingly challenging and evolving cyber and technology control environment, as well as receiving regular updates on fraud events and the Group's mitigating actions.

Committee Membership

The Committee currently consists of seven Non-Executive Directors, all considered by the Board to be independent. There was no change to Committee membership during the year.

To ensure co-ordination between the work of the Committee and that of the Board Audit Committee, Sandy Kinney Pritchard, Chair of the Board Audit Committee, and I are members of both Committees. This approach assists with providing effective oversight of risk, audit, and finance matters. To ensure co-ordination between the work of the Committee with that of the Sustainable Business Advisory Committee, Raj Singh and Jan Sijbrand are members of both Committees. To ensure co-ordination with the work of the Committee and that of the Technology and Data Advisory Committee, Tanya Horgan and Andy Maguire are members of both Committees. To ensure that the Group's remuneration policies and practices are consistent with and promote sound and effective risk management, I also sit on the Remuneration Committee.

The Group Chief Risk Officer has unrestricted access to the Committee and attends all Committee meetings. The Chief Financial Officer, Group Head of Internal Audit, the lead External Audit partner and the Chair of AIB Group (UK) p.l.c. are also invited to attend all Committee meetings.

Looking ahead to 2025, the Committee's focus will continue to be on ensuring appropriate oversight of the Group's risk appetite, risk management structure, frameworks and policies to support safe delivery of the Group Strategy in an appropriately risk-controlled manner. The Committee will continue to closely monitor emerging risks such as geopolitical risks, macroeconomic developments, and continued threats posed by the external cyber landscape. The Committee is increasingly cognisant of the potential risks arising from the rapid growth of Artificial Intelligence technologies. The management and mitigation of these risks will be a key focus of the Committee in 2025.

Additionally, the Committee will provide ongoing oversight and challenge of the Group's planned enhancements in relation to Data Risk and the embedding of the ECB Guide on Effective Risk Data Aggregation and Risk Reporting, to support the Group's ambition to be a data-driven organisation. The oversight of the continued delivery of the Group's IRB Enterprise Programme will also continue to be a key focus area of the Committee during 2025.

In what has been another busy year for the Committee, I would like to thank my fellow Committee Members and Executive colleagues for their significant contributions over the past twelve months.

Brendan McDonagh
Committee Chair

Q&A How is the Committee ensuring the appropriate consideration of geopolitical risk?

A. In the past year, the Committee regularly considered ongoing shifts in the geopolitical landscape, the impact of such movements on the macroeconomic environment and the subsequent risks posed to the Group's risk profile, business model and strategy. Key topics included the Irish, European, UK and US elections, ongoing, escalating global conflict, changes to economic policy and global fragmentation and the potential impacts they may have on the Irish economy Such considerations are incorporated into the Group's ICAAP, which the Committee considers on a regular basis.

How is the Committee overseeing the risks associated with cyber and information security threats?

A. The Committee receives regular updates from both the first and second lines on the Group's management of Cyber Risk and provides oversight and challenge of the Group's management of significant cyber threats. Further, the Committee is advised by the Technology & Data Advisory Committee on Cyber Security matters and leverages their expertise on relevant matters. As of January 2025, Cyber Risk has been reclassified as a Principal Risk, reflecting the increasing frequency, changing nature and evolving sophistication of cyber threats and the significant potential impact on the Group. Further detail on the Group's management of cyber security is provided in the Sustainability Report on page 107.

Report of the Board Risk Committee *continued*

Key areas of focus

Principal Risk considerations	
Credit Risk	The Committee continued to regularly consider the overall asset quality and credit risk profile of the Group, with a particular focus in 2024 on credit performance given the evolving geopolitical and macroeconomic environment. The Credit Risk profile was reported to the Committee as remaining stable throughout 2024, and the Committee remained alert to any potential emerging signs of deterioration through regular monitoring of the credit risk profile and overall business performance, as well as considering changes to the Group's expanded risk appetite in relation to corporate renewable energy and related infrastructure. Furthermore, the Committee paid particular attention to the nature of the Group's Commercial Real Estate portfolio and specific CRE sector limits, with careful consideration given to the Group's exposure to Office Real Estate. There was also continued focus on the Group's credit control environment. In conjunction with the Board Audit Committee, the Committee reviewed, challenged, and approved the macroeconomic scenarios for use in the Group's Expected Credit Loss models. Furthermore, the Committee provided a detailed review of the Group's Significant Risk Transfer Framework before making a recommendation for approval to the Board, and provided ongoing oversight of the Group's first such transaction.
Market and Equity Risk	The Committee received regular updates with respect to Market and Equity risk throughout 2024, including the impact of financial market volatility on the Group's overall risk profile. The Committee also had an enhanced oversight of the integrated management of the Group's balance sheet from a risk perspective and considered financial risk deep-dives on Interest Rate Risk in the Banking Book and the impact of the cooling inflation data on the Group's approach to managing interest rate exposure, in particular Net Interest Income and the Structural Hedging Programme.
Capital Adequacy Risk	The Committee assessed reports from management to ensure that the Group had appropriate buffers in place above the Group's own minimum capital targets, as well as regulatory capital requirements. The Committee also reviewed capital plans/planning, including consideration of the Group's ICAAP report, with reference to contingent capital and the related Group-wide stress test scenarios, including climate stress testing. In conjunction with the Board Audit Committee, the Committee recommended macroeconomic scenarios for use within the ICAAP to the Board for approval. The Committee was satisfied that the capital adequacy of the Group has been well demonstrated in a range of scenarios. The Committee also considered deep dives and regular reporting in relation to risk-adjusted return on capital.
Liquidity and Funding Risk	The Committee received regular updates throughout 2024 with respect to the status of the Liquidity and Funding Risk profile. The Committee assessed reports from management to ensure that the Group had appropriate buffers in place in excess of the Group's liquidity requirements. The Committee also reviewed liquidity and funding plans/planning, including consideration of the Group ILAAP report, which included climate stress testing. The Committee was satisfied that the liquidity adequacy of the Group has been well demonstrated in a range of scenarios.
Business Model Risk	The Committee received regular reports regarding the status of Business Model risk in the context of delivery of the Group Strategy 2024-2026, performance against the Financial Plan and the Group's medium-term targets. The Committee provided management with detailed feedback on the Business Model Risk Framework and the associated reporting during the year, ensuring that meaningful information is provided to support decision-making. The Committee considered the increased risk arising from the current geopolitical and macroeconomic environment, being cognisant of the potential risks arising from any deterioration in that regard, and how this might impact Business Model Risk; therefore, this will remain an area of continued focus in 2025.
Operational Risk	The Committee reviewed the ongoing and evolving operational risk profile throughout 2024. Given the level of change in the Group, the Committee remained focused on Execution Risk and Change Risk and continued to monitor the challenges associated with delivering the business-as-usual agenda alongside the delivery of key change initiatives. The Committee provided oversight of the migration of the remaining tracker mortgages from Ulster Bank, ensuring that a Customer First-led approach was adopted. The Committee provided oversight and insight on People Risk management, with a particular focus on the impact of various change initiatives and in light of ongoing concerns with respect to staff retention and talent management. In 2024, the Committee conducted a number of deep dives on this topic. The Committee continued to provide detailed oversight of the Group's Operational Resilience Strategy, the Group Outsourcing Strategy and key outsourcing and critical arrangements across the Group. During the year, the Committee also regularly considered the Group's Data Risk governance and arrangements, receiving updates from the first line and second lines of defence and considering the implications of the ECB Guide on effective risk data aggregation and risk reporting for the Group. Furthermore, significant time was spent by the Committee overseeing Cyber Risk, including the Group's response to cyber threats experienced throughout the year.
Climate and Environment Risk	In its first full year as a principal risk, the Committee continued to provide specific oversight of Climate and Environment Risk, its embedding into the risk management framework and deepening of its integration into the management of other material risks. Areas of focus during 2024 included the identification of appropriate key risk indicators, incorporation into the Group Risk Appetite Statement, the continued development of the Climate and Environment Risk Framework and the incorporation of Climate and Environment Risk considerations across other relevant risk policies and frameworks. The Committee received regular updates throughout 2024 with respect to the status of the Capital Adequacy Risk profile.
Model Risk	The Committee continued to receive regular reports on the Model Risk profile and model capabilities across the Group, as well as progress against key regulatory deliverables. The Committee maintained risk oversight of the delivery against the IRB programme, receiving regular programme updates throughout the year. Regular Model Risk Reports for all model types were also considered, with an assessment of model risk improvements and progress against deadlines undertaken. The status of the quality and adequacy of models were assessed through independent validation, the outcome of which was also reported to the Committee.

Principal Risk considerations	
Conduct Risk and Culture Risk	The management of Conduct Risk and ensuring fair outcomes for customers continued to be a core focus for the Group. The Committee received regular reporting throughout the year regarding the status of the Conduct Risk profile, including updates on open restitutions, customer complaints metrics and the continued onboarding of Ulster Bank customers. The Committee also received updates on the status of the Culture Risk profile during the year. Following the combination of Culture Risk within Conduct Risk into one material risk category, in the previous year, the Committee supported the further integration through the development of the Conduct Risk and Culture Risk Framework and the identification of appropriate risk metrics and reporting.
Regulatory Compliance Risk	The Committee continued to maintain oversight of the Group's adherence to and delivery of regulatory compliance commitments. Throughout the year, the Committee received regular updates from the Chief Risk Officer and the Group Chief Compliance Officer regarding the status of the regulatory compliance risk profile, including updates on prudential regulation, conduct of business regulation, Financial Crime and Data Protection. The Committee also received updates regarding the delivery of specific regulatory change programmes, including the Operational Resilience programme, as well as deep dives on data protection, EBA Transparency Reviews and RDARR. Financial Crime risk was considered throughout the year, through ongoing reporting as well as standalone updates provided by the Money Laundering Reporting Officer. The Committee received reports regarding the outcome of the 2024 Group Financial Crime Business Risk Assessment, which reviewed the Anti-Money Laundering/Counter-Terrorist Financing and Financial Sanctions control environment across the Group.

Other risk considerations	
Risk Appetite, Risk Profile and Risk Strategy	The Committee reviewed and recommended the 2025 Group Risk Appetite Statement ('RAS') to the Board for approval during the year and also exercised oversight of performance against the 2024 Group RAS, making recommendations to the Board as appropriate. Performance against the 2024 Group RAS was overseen through the ongoing monitoring of the risk profile against agreed Group RAS metrics whilst ensuring alignment to the Group's strategic objectives. The Committee also reviewed regular reports from the Chief Risk Officer, which provided an overview of the status, profile and trajectory of the Group's key material risks and considered and recommended the assessment of the material risks facing the Group to the Board for approval.
Regulatory Engagement	Throughout the year, the Committee considered regular updates regarding the status of Risk Mitigation Programme action plans, as well as the upstream regulatory horizon. The Committee also considered and recommended, as appropriate, management action plans put in place to address those findings identified as part of regulatory inspections. During 2024, the Committee Chair engaged directly with the Group's regulators, providing further detail on the Group's approach to regulatory areas of focus.
Cyber Risk	During 2024, the Committee maintained oversight of Cyber Risk and IT Risk. Recognising the significance of Cyber Risk to the Group, the increasing pace with which the frequency and sophistication of cyber threats evolve and the overall impact on the Group's wider operating model, the Committee recommended to the Board that it be considered as a material risk from January 2025. Throughout the year, the Committee continued to receive regular updates on Cyber Security covering the main internal and external cyber threats facing the Group. The Committee also benefits from the advice and expertise provided by the Technology & Data Advisory Committee.
Subsidiary Oversight	During the year, the Committee Chair met with the a number of material subsidiaries' risk committees and board chairs to ensure that appropriate connection with the Group is maintained on risk matters. Furthermore, the Committee Chair attended at least one risk committee or board meeting for each material subsidiary and reports were received by the risk committee chairs of both AIB Group (UK) p.l.c. and Goodbody Stockbrokers UC.

Report of the Nomination and Corporate Governance Committee

The focus of the Committee in 2025 will be on onboarding new Directors as some of the longer-serving Directors step away after a period of nine years on the Board

Elaine MacLean
Committee Chair

Chair Overview

This report provides an overview of the Nomination and Corporate Governance Committee's (the 'Committee') key areas of focus for the year ended 31 December 2024 and its priorities for the year ahead. The focus of the Committee in 2025 will be on onboarding new Directors as some of the longer-serving Directors step away after a period of nine years on the Board. Work on this commenced in 2024 and the Committee will ensure that the Board and its Committees continue to have the skills and experience necessary to undertake its work and the diversity, in all of its forms, which has served the Group so well to date.

On the recommendation of the Committee, the Board reappointed Andy Maguire, Jan Sijbrand, Anik Chaumartin and Tanya Horgan for a second three-year term, and Brendan McDonagh and Helen Normoyle for an additional term of up to one year each.

In 2024, the Committee completed its annual assessment of the independence of the Non-Executive Directors.

In line with its Terms of Reference, which can be found on the Group's website at www.aib.ie/investorrelations, the Committee has also continued its focus on the development of the succession plans and processes for the members of the Group's Executive Committee and Heads of Control Functions, as they are critical to the delivery of the Group's strategy and the success of the Group in the years ahead. Central to such considerations are diversity, gender balance and the planned development of core competencies for the Executive Committee members, which reflect a changing business and regulatory environment.

In addition to its review of the Corporate Governance Frameworks, the Committee also reviewed the Code of Conduct and Conflicts of Interest Policy for Directors and the Board Diversity Policy, and there were no material changes.

Committee Membership

The Committee consists of four members: three Independent Non-Executive Directors, namely, myself, Brendan McDonagh and Helen Normoyle, Senior Independent Director, and the Chair of the Board, Jim Pettigrew.

Brendan McDonagh is the Chair of the Board Risk Committee with Helen Normoyle serving as Chair of the Sustainable Business Advisory Committee while I am serving as Chair of the Remuneration Committee. This cross-membership supports information flow and co-ordination between the work of the Committees. The biographies of the Committee members and a record of attendance at meetings are set out on pages 128 to 131 and page 136.

The Chief Executive Officer and Chief People Officer attended Committee meetings, except where the business of the meeting related to their successors. The Committee also met with no members of management present during 2024. A summary of the other key areas of focus for the Committee throughout 2024 is set out below.

I would like to thank my fellow Committee members for their continued commitment through another busy year.

Q&A How have you dealt with the ongoing remuneration restrictions in Ireland?

A. I highlighted previously that every well-governed business that places value on diversity, such as AIB, needs to continually inject new talent, fresh ideas and external perspectives into its leadership. This has not changed. We have worked extremely hard to remain attractive as a place for ambitious, talented people to grow and develop. We have done this in the expectation that the remuneration restrictions will be removed as the Irish State continues to sell down its stake in pursuit of the Government's stated strategy to reduce its holding in the Irish banks. The Group is strong and has a clear, compelling strategy. Our Executive Committee members have placed their trust in the future of this Group and their place within it, and our HR team have been successful in painting a clear picture in recent years as we have, despite the restrictions, attracted excellent Executives who have been able to see beyond the reward challenges today.

Elaine MacLean
Committee Chair

Key areas of focus

Board Succession Planning, Renewals and Board Committee Composition	The size, structure, composition and succession plan of the Board, Board Committees and Executive Committee was a standing item on the agenda of scheduled Committee meetings in 2024. The Committee used the services of Teneo in 2024, to support Non-Executive Director searches. The firm has no other connection to the Group other than, from time to time, assisting with executive searches, providing leadership development and assessment services and leadership advisory services. It has no other connection to individual Directors other than, from time to time, assisting external entities, of which the individual directors may be a Director, in candidate searches or considering individual Directors as potential candidates for external roles.
Chair Reappointment	In line with the CBI Corporate Governance Requirements for Credit Institutions 2015, the Board approved the reappointment of Jim Pettigrew as Chair of the Board on the recommendation of the Committee.
Executive Succession Planning & Appointments	Review of the Executive Committee's composition and succession planning was considered on an ongoing basis by the Committee during the year. In addition to broader succession-planning activities, the Committee considered specific proposals regarding Heads of Control Function and Executive Committee member appointments. The Committee approved the appointment of preferred candidates for the roles of the Chief Customer Officer and Head of Internal Audit. Development of the Executive Committee leaders remains a key priority for 2025, with robust personal development plans in place to meet specific individual needs, including Executive Committee Buddies, Board Mentors and External Coaches, to ensure accountability for personal development goals.
Diversity	The Board recognises the importance of gender, social and ethnic diversity, and the strengths diversity brings to Board effectiveness. Diversity is taken into account in its broadest sense when considering succession plans and appointments at both Board and Executive Committee levels, as well as more broadly across the Group. The Board Diversity Policy includes a target that a woman holds at least one of the senior Board positions of Chair, Chief Executive, Senior Independent Director or Chief Financial Officer. Our gender diversity statistics for the Board can be found on pages 129 and 155.
Board Evaluation	In accordance with the CBI Corporate Governance Requirements and the UK Corporate Governance Code, the Board is required to complete an annual evaluation of its performance, which should be externally facilitated at least every three years. Having successfully concluded a comprehensive external evaluation in 2022, facilitated by Praesta Ireland, the 2023 and 2024 reviews were facilitated internally by the Company Secretary and Corporate Governance Teams. The key findings of the evaluation review are described on page 136.
Corporate Governance	The Committee oversees and monitors corporate governance arrangements and makes recommendations to the Board to ensure that the standards and arrangements across the Group are consistent with existing corporate governance standards and emerging best practice. The Committee undertook its annual schedule of work in relation to the Group's governance arrangements, corporate governance compliance, and related policies, including: • a review of the Board's Code of Conduct and Conflicts of Interest Policy for Directors; • a review of the Board Diversity Policy and diversity targets; • oversight of compliance with applicable corporate governance requirements and guidelines; • oversight of upstream regulatory developments in corporate governance and best practice; • oversight of the internal Board Effectiveness Evaluation; and • consideration of workforce engagement processes via the Designated Non-Executive Director, who is also Chair of the Committee.
Subsidiary Board and Committee Composition	The Committee considered a number of executive and non-executive appointments to the Group's material subsidiary Boards and the respective Board Committee membership, including for AIB Mortgage Bank u.c., EBS d.a.c. and Goodbody Stockbrokers UC. Such appointments, where established, ensure appropriate information flow, oversight, consistency and alignment between the Group and its subsidiaries. The Committee also considered Non-Executive Director term anniversaries and made recommendations for reappointment to the subsidiary Boards where relevant, taking account of ongoing suitability considerations.

Board composition and succession

Board Composition
At 31 December 2024, the Board consisted of the Chair, who was deemed independent on appointment, twelve Independent Non-Executive Directors and two Executive Directors, being the Chief Executive Officer and the Chief Financial Officer.

There were no changes to the Board or Board Committee membership in 2024. Changes that occurred subsequent to 31 December 2024 are set out in the table below.

Board Advisory Committee Changes

2024 Changes	Committee Roles	Joined/ Stepped down	When
Orlaith Ryan	Member of the Sustainable Business Advisory Committee	Joined	1 January 2025
David McCormack	Member of the Sustainable Business Advisory Committee	Stepped down	1 January 2025

Professional development and continuous education programme
The Board's professional development and continuous education programme continued throughout 2024 and was designed in conjunction with the indicative work programme to ensure that training was delivered at a time when it would be of most benefit or relevance to the Board.

The sessions were delivered by a mix of internal and external subject-matter experts, and the topics included sustainability, climate-related disclosures, inclusion and diversity, cyber security, operational resilience (including vital business services), financial crime (including Anti-Money Laundering, Anti-Bribery and Corruption and Counter-Terrorist Financing), CBI fitness and probity requirements, the CBI Individual Accountability Framework and Senior Executive Accountability Regime, credit risk models and Market Abuse Regulation. Directors also have access to an online corporate governance library and a suite of AIB Group-specific online training courses. Additional training and individual sessions with subject-matter experts on areas of interest to the Directors are facilitated upon request.

A structured induction programme is delivered to any incoming Director and includes a series of meetings with senior management and relevant briefings, together with any specific training identified during the course of the appointment of the individual.

Access to Advice
There is a procedure in place to enable the Directors to take independent professional advice, at the Group's expense, on matters concerning their role as Directors. The Group holds insurance to protect Directors and Officers against liability arising from legal actions brought against them in the course of their duties.

Time commitment
Non-Executive Directors are required to devote such time as is necessary for the effective discharge of their duties. The expected time commitment of the Chair and Non-Executive Directors is agreed and set out in writing in a letter of appointment. This is issued following confirmation of an individual's capacity to take on the role and involves an assessment of existing external commitments and demands on time. Any changes, such as additional external appointments that could impair the ability to meet the above requirements, can only be accepted following approval of the Chair and Group Company Secretary and, in certain cases, the approval of the Board as a whole and/or the Central Bank of Ireland, must also be sought.

There is a procedure in place to assess and seek Board approval for any additional external roles proposed by Directors, to ensure that there will be no impact on their ongoing suitability or ability to continue to dedicate sufficient time to their Group roles.

The estimated minimum time commitment set out in the letters of appointment is 30 to 60 days per annum for Non-Executive Directors and 100 days per annum for the Chair, including attendance at Committee meetings.

Balance and Independence
Responsibility has been delegated by the Board to the Committee for ensuring an appropriate balance of experience, skills and independence on the Board. Non-Executive Directors are appointed so as to provide strong and effective leadership and appropriate challenge to management. The independence of each Non-Executive Director is considered by the Committee prior to appointment and reviewed annually thereafter. It was determined that the following Non-Executive Directors in office during 2024, namely, Anik Chaumartin, Basil Geoghegan, Tanya Horgan, Elaine MacLean, Andy Maguire, Brendan McDonagh, Helen Normoyle, Ann O'Brien, Fergal O'Dwyer, Sandy Kinney Pritchard, Jan Sijbrand, and Raj Singh, were independent in character and judgement and free from any business or other relationship with the Group that could affect their judgement. This conclusion was reached after consideration of all relevant circumstances that are likely to impair, or could appear to impair, independence.

In determining independence, the Board had particular regard to the fact that Ann O'Brien and Raj Singh were appointed in 2019, following their nomination by the Minister for Finance in Ireland. In determining that they should properly be considered to be independent, the Board gave due regard to the following matters: the nature and history of the shareholding and the alignment of the Irish State's interests with other shareholders, the nature of the individuals nominated and the process followed in identifying them for nomination, their performance and the nature of their contribution to the business of and matters discussed at the Board, and the Relationship Framework with the State. The Board is satisfied that in carrying out their duties as Directors, Ann O'Brien and Raj Singh are able to exercise independent and objective judgement without external influence.

The Board also considered the fact that in December 2024, Helen Normoyle had served on the Board for nine years and whether this could impair her independence. In confirming independence, the Board agreed that Helen Normoyle continues to demonstrate the ability to offer constructive challenge and perform her role on the Group Board and its Committees effectively and with independence of mind and that her independence is evident at each meeting, where she provides well considered views, together with articulate and constructive challenge.

The Chair, Jim Pettigrew, was determined as independent on appointment.

Inclusion and Diversity
Employee inclusion and diversity in the Group is addressed through policy, practices and values, which recognise that a productive workforce comprises diverse backgrounds, cultures, experiences, characteristics and work styles. The Group has implemented a Diversity and Inclusion Code and opposes all forms of discrimination. The efficacy of related policy and practices and the embedding of the Group's values is overseen by the Board, which has endorsed the Group's inclusion and diversity strategy, supported by short-term activities and targets, as one of the key focus areas of the Culture Programme. The Board also considers inclusion and diversity within the context of the Group's People strategy and Future of Work strategy.

The Board is supported in its oversight by its Committees, specifically by the Nomination and Corporate Governance Committee, which considers diversity as a key element within the context of succession planning for the Executive Committee and its succession pipeline within the Group. In addition, the Sustainable Business Advisory Committee considers inclusion and diversity in the Group as it relates to that Committee's role in overseeing the Group's efforts to promote economic and social inclusion as part of the sustainability agenda.

With regard to diversity among Directors, there is a Board Diversity Policy in place that sets out our commitment to, and also details our approach to achieving, our diversity ambitions. This policy is available on the Group's website at www.aib.ie/investorrelations.

The Committee is responsible for developing measurable objectives to effect the implementation of this Policy and for monitoring progress towards achievement of the objectives. The Policy and performance relative to the target is reviewed annually by the Committee, in conjunction with Board succession and skills planning, and any proposed changes to the Policy are presented to the Board for approval. The Board's target, as set out in its Diversity Policy, is that it shall maintain at least 40% female representation. In addition, at least one Board member shall be from a minority ethnic group and at least one senior Board position shall be held by a female.

The Board recognises that diversity in its widest sense is important, is inclusive of all individuals and is focused on ensuring a truly diverse Board. The Board embraces the benefits of diversity among its members and, through its succession planning, is committed to achieving the most appropriate blend and balance of diversity possible over time.

In terms of implementation of the Board Diversity Policy, the Committee reviews and assesses the Group Board composition and has responsibility for leading the process of identifying and nominating, for approval by the Board, candidates for appointment as Directors. In reviewing the Board composition, balance and appointments, the Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity, in order to maintain an appropriate range and balance of skills, experience and background on the Board and in consideration of the Group's future strategic plans. Where external search firms are engaged to assist in a candidate search, they are requested to aim for a fair representation of both genders to be included in the initial list of potential candidates, so the Committee has a balanced list from which to select candidates for interview.

At 31 December 2024, the percentage of females on the Board stood at 40% and one Director was from a minority ethnic group, thereby meeting the Board's Diversity Policy targets as well as the regulatory requirements on gender diversity and ethnicity. Additionally, in compliance with the UK Listing Rule Requirements, at least one senior Board position, that of the Senior Independent Director, was held by a female. The gender balance of those in the senior management and their direct reports is 43%[1].

1. Direct reports as referenced in the UK Code has been interpreted as those individuals who hold management positions.

Gender and Ethnic Diversity

The tables below outline the gender and ethnic diversity of the Board and Executive Management as at 31 December 2024, reflecting data gathered through self-identification based on the criteria set out in the tables below.

Gender *(Limited assurance)*

	Number of Board members	Percentage of the Board[1]	Number of senior positions on the Board[2]	Number in Executive management[3,4]	Percentage of Executive management[3,4]
Men	9	60 %	3	9	60 %
Women	6	40 %	1	6	40 %

1. The Board comprises the Non-Executive and Executive Directors.
2. Senior positions on the Board comprises the Group Chair, Chief Executive Officer, Chief Financial Officer and Senior Independent Non-Executive Director.
3. Executive management comprises the Chief Executive Officer, his direct reports, and the Group Company Secretary.
4. Helen Dooley ceased employment with AIB on 31 December 2024. The role of Group General Counsel is no longer considered an Executive Member from 1 January 2025.

Ethnic Diversity

	Number of Board members	Percentage of the Board[1]	Number of senior positions on the Board[2]	Number in Executive management[3,4]	Percentage of Executive management[3,4]
White Irish or other white (including minority-white groups)	14	93 %	4	15	100 %
Mixed/multiple ethnic groups	—	—	—	—	—
Asian/Asian Irish	1	7 %	—	—	—
Black/African/Caribbean/Black Irish	—	—	—	—	—
Other ethnic group, including Arab	—	—	—	—	—

1. The Board comprises the Non-Executive and Executive Directors.
2. Senior positions on the Board comprises the Group Chair, Chief Executive Officer, Chief Financial Officer and Senior Independent Non-Executive Director.
3. Executive management comprises the Chief Executive Officer, his direct reports, and the Group Company Secretary.
4. Helen Dooley ceased employment with AIB on 31 December 2024. The role of the Group General Counsel role is no longer considered an Executive Committee Member.

Report of the Nomination and Corporate Governance *continued*

Board Succession Planning and Appointments
The review of the appropriateness of the composition of the Board and Board Committees is a continuous process, and recommendations for appointment are made based on merit and objective criteria, having regard to the collective skills, experience, independence and knowledge of the Board, along with its diversity requirements. The Board recognises that the size of the Board may vary temporarily at times, particularly at times of heightened succession. A search process for Directors is underway as some of the longer serving Directors are expected to step away after a period of nine years on the Board. The optimal composition of the Board will remain a key focus for the Nomination and Corporate Governance Committee and the Board in 2025. The Board Succession Plan is reviewed by the Committee alongside the Board Skills Matrix at each scheduled meeting to allow for proactive and continuous succession planning and, in turn, the timely commencement of Director search processes.

The Board Succession Plan details planned Board composition, as well as Board Committee membership, the likely tenure of Non-Executive Directors and upcoming actions to be undertaken. The skills included in the Board Skills Matrix were identified, taking into account the Group's strategic priorities and relevant regulatory requirements. Each Director was selected for appointment on the basis of their knowledge, skills and experience, which enable them to effectively discharge their duties, ensure the effective governance of the Group, and contribute to its long -term, sustainable success. The biographies on pages 128 to 131 set out the key skills and experience that each Director brings to the Board.

In addressing appointments to the Board, a role profile for the proposed new Directors is prepared on the basis of the criteria laid down by the Committee, taking into account the existing skills and expertise of the Board and the anticipated time commitment required. The services of experienced third party professional search firms are retained for Non-Executive Director appointments where required and deemed necessary by the Committee. In all Director selection activity, the Group ensures that a formal and rigorous process is followed.

Prior to the recommendation for appointment of any given candidate, a comprehensive due diligence process is undertaken, which includes the candidate's self-certification of probity and financial soundness, as well as external checks and enhanced due diligence. The due diligence process enables the Committee to satisfy itself as to the candidate's independence, fitness and probity, and their capacity to devote sufficient time to the role. A final recommendation is made to the Board by the Committee.

The Relationship Framework specified by the Minister for Finance (the 'Minister'), which governs the relationship between AIB and the Minister, on behalf of the Irish State as shareholder, requires the Group to consult with the Minister before appointing, reappointing or removing the Chair or Chief Executive Officer and in respect of any other proposed Board appointments.

A Board-approved Policy is in place for the assessment of the suitability of members of the Board, which outlines the Board appointment process, and is in compliance with applicable joint guidelines issued by the European Securities and Markets Authority and the European Banking Authority.

Terms of appointment
Non-Executive Directors are generally appointed for a three-year term, with the possibility of renewal for a further three years on the recommendation of the Committee. Any additional term beyond six years is subject to annual review and approval by the Board. In accordance with practice in recent years and the provisions of the UK Corporate Governance Code, all Directors submit themselves for re-election at each Annual General Meeting. Details of the appointment dates and length of tenure of each Director are available from their appointment dates, included in their biographies on pages 128 to 131.

Board skills and experience

The summary below provides an overview of the skills and experience held by the Group's Non-Executive Directors on the Board. This is based on the current skills matrix, which is reviewed annually by the Nomination and Corporate Governance Committee to ensure that the Board has the skills and experience required to effectively discharge its duties and to support succession-planning discussions.

Diversity of Core Skills & Competencies

- Leadership
- Strategy
- Governance
- Risk Management
- Capital & Liquidity
- Customer & Conduct
- Stakeholder Management
- Finance, Accounting & Audit

Diversity of Professional Experience

- Non-Executive Director
- Retail Banking
- Corporate, Institutional & Business Banking
- Treasury Management
- People Management & Development
- Stakeholder Engagement
- Outsourcing & Change Management

Areas of Focus

Under 2024 Board Training Plan Aligned with Strategy & Material Risks:

- Climate & Environmental Risk (incl. Sustainability)
- Inclusion & Diversity
- Cyber & Operational Resilience
- Data & AI

Report of the Remuneration Committee

While managing remuneration within the restrictions applicable to AIB remains a challenge, the Committee is pleased with the changes made so far and the positive impact for our colleagues and the business. However, as a result of the remaining remuneration restrictions, the remuneration of our Executive Directors remains significantly below market

Elaine MacLean
Committee Chair

Chair Overview

I am pleased to present the 2024 Remuneration Report on behalf of the Committee, which provides an overview of our key areas of focus for the year ended 31 December 2024 and the Committee's priorities for 2025.

2024 was the first year of variable remuneration payments to colleagues, and healthcare benefits also became available during the year. While managing remuneration within the restrictions applicable to AIB remains a challenge, the Committee is pleased with the changes made so far and with the positive impact on our colleagues and the business.

However, as a result of the continued remuneration restrictions, the remuneration of our Executive Directors remains significantly below market. The Group's inability to remunerate senior talent on par with its competitors represents a material risk to its capacity and capability to attract, reward and retain the level of experienced talent necessary for the long-term, sustainable success of the Group.

The main areas of focus for the Committee in 2024 included Workforce Remuneration, the Save As You Earn ('SAYE') Scheme 2025, Business Performance & Remuneration Outcomes, variable remuneration scheme outcomes, Executive Director Remuneration and Workforce Engagement. Please refer to the key areas of focus on page 158 for further details.

Committee Membership

The Committee currently comprises four Non-Executive Directors, each of whom have been deemed by the Board to possess the relevant skills, competence and capability required by the Committee.

The purpose of the Committee is to ensure that the Group Remuneration Policy is designed to support the long-term business strategy, values and the culture of the Group, as well as to promote effective risk management, and reward fairly and responsibly, with a clear link to corporate and individual performance, in compliance with applicable legal and regulatory requirements.

The Committee oversees the operation of Group-wide remuneration policies and practices for all employees, with specific reference to the Company's Executive Directors, Group Executive Committee members, Group Heads of Control Functions, the Group Company Secretary, and Material Risk Takers.

The Committee's governance role is outlined in detail in its Terms of Reference, which are published on the AIB Group website at www.aib.ie/investorrelations.

Brendan McDonagh is the Chair of the Board Risk Committee, with myself serving as Chair of the Nomination and Corporate Governance Committee. This cross-membership supports information flow and co-ordination between the work of the Committees. The biographies of the Committee members and a record of attendance at meetings are outlined on pages 128 to 131 and page 136.

The Chief Executive Officer, Chief People Officer and other members of Management are invited to attend meetings at the Committee's request and where required for the business of relevant meetings.

The Chief Risk Officer is a permanent attendee at meetings to provide a risk view on any matters submitted for the Committee's consideration, except where the Committee is considering the Chief Risk Officer's own remuneration or that of peers.

The Committee operates under the principle that no individual shall be involved in decisions regarding their own remuneration and no member of management is permitted to attend when a matter for decision relates to their own remuneration.

The Group Company Secretary is the Secretary to the Committee.

In relation to the shareholders, on behalf of the Committee, thank you for your support at the 2024 AGM regarding the pay-related resolutions.

I welcome any feedback from shareholders regarding this report, or, more generally, our approach to remuneration. I can be contacted through our Company Secretary.

Finally, I would like to thank my fellow Committee members for their work throughout 2024.

Elaine MacLean
Committee Chair

Q&A What is your focus for 2025?

A. Having already introduced a variable remuneration scheme and made healthcare benefits available to all employees, the Committee will continue to focus on providing opportunities for our colleagues to share in the success of AIB by launching a Save As You Earn ('SAYE') scheme in Ireland and the UK during 2025. As the Group's inability to remunerate senior talent on par with its competitors represents a material risk, we welcome the continued reduction in the Government's shareholding and we continue to engage with the Department of Finance in relation to securing the removal of the pay cap.

Report of the Remuneration Committee *continued*

Key areas of focus

The table below provides a non-exhaustive list of the Committee's areas of focus during 2024:

Workforce Remuneration in 2024	In 2023, we introduced a variable remuneration scheme for all our employees (with the option to invest awards in AIB shares), and healthcare benefits were made available to all employees. This followed some limited easing of the remuneration restrictions that apply to AIB. We had positive engagement with our colleagues on our approach to reward through staff briefings, as part of the roll out of these changes, which were well-received by colleagues. The first payments under our newly established Variable Remuneration Scheme were made in 2024, in respect of 2023 performance. This marks a significant development in the bank's approach to remuneration, while recognising that the remuneration restrictions still in place mean that we are unable to structure our total remuneration offering in a manner more aligned with the market. The Approved Profit-Sharing Scheme ('APSS') and Share Incentive Plan ('SIP'), which were introduced in 2024 enable colleagues to invest part or all of their variable remuneration in AIB shares, better aligning their interests with shareholders. Around a quarter of eligible employees availed themselves of this opportunity, which is in line with our expectations. Additionally, as part of the annual pay review process, eligible employees below Executive Committee level were awarded a one-off voucher with a value of € 1,500 or local equivalent, which was paid in January 2025.
Business Performance & Variable Remuneration Scheme outcomes 2024	The Scheme has a Group Profit underpin as its first component, which ensures a minimum level of profit must be achieved in order to trigger an award under the Scheme. The underpin was achieved for the 2024 performance year. For 2024, we maintained the same approach to the Scheme as in 2023, with performance assessed against group measures. • The Scheme comprises three financial measures, accounting for 60% of the award, and three non-financial measures accounting for the remaining 40%. • The financial measures of underlying profit, RoTE and Costs, ensure a focus on key financial metrics for the business. • The non-financial measures focusing on gender balance, green finance and customer satisfaction align with our ESG and customer agenda and our commitment to making continued progress in these areas. The maximum award under the scheme is the same for all employees and Executive Directors at 5% of salary, up to a maximum of € 12,700. Details of the performance achieved during 2024 and the associated outcomes can be found on page 164. The Group achieved all its targets for maximum performance where relevant, under all of the non-financial and financial measures of the variable remuneration scheme. Combined performance has resulted in a 5% award. In conjunction with the Board Risk Committee and the Risk Management function, the application of potential risk adjustment was considered by the Committee. The Committee carefully considered the formulaic outcome against the overall financial and non-financial performance of the Group during 2024 and the experience of stakeholders, and concluded that outcomes were appropriate. Therefore, the formulaic outcomes were not adjusted.
Save As You Earn SAYE Scheme 2025	We continue to focus on providing opportunities for our colleagues to share in the success of AIB. We are working towards launching a Save As You Earn ('SAYE') scheme for our colleagues in Ireland and the UK during 2025. This will enable colleagues to save from their salary and, at the end of the savings period, to purchase shares in AIB. The Scheme rules that will enable us to offer this scheme require shareholder approval and the approval of the relevant taxation authorities, which will be sought at the 2025 AGM. The Committee looks forward to receiving shareholder support for this important all-employee scheme.
Executive Director Remuneration 2024	The salary cap, which forms part of our current remuneration restrictions, means that there were no changes to the salaries or pension contribution of our Chief Executive Officer. The Committee took the opportunity to align the Executive Directors within our remuneration restrictions with a non-pensionable allowance of € 30,000, equal to that received by other members of the Executive Committee, with resulting fixed pay remaining significantly below-market.
Workforce Engagement	We engage with our colleagues on remuneration matters through senior leader engagement with their teams; union representatives and our senior management facilitate feedback both to and from the Remuneration Committee and the wider Board on remuneration matters. All employees receive the following elements of remuneration (base salary, benefits, pension contributions and variable pay of no more than € 12,700). As a result, executive remuneration structures and their operation are aligned with our colleague remuneration structures and are simple and well understood by employees. For 2025, the Group has agreed to a one-year pay deal for employees at career levels 1-3. Employees at career levels 4-6 will receive pay increases that are linked to performance.
Gender Pay	The Committee received updates and analysis undertaken with regard to the Group's public reporting of Gender Pay in Ireland and the UK.
Group Remuneration Policy	The Committee conducted its programme of annual reviews, including a review of the Group Remuneration Policy, the process for identifying Material Risk Takers and the limited variable commission schemes in operation across the Group. Each review was accompanied by a view from Group Risk to support the Committee in its oversight of the same.
Pillar 3	The Committee also approved the quantitative and qualitative reports required under Pillar 3 for the Group and the Investment Firms Directive for Goodbody Stockbrokers UC.

Corporate Governance Remuneration Statement

Remuneration Policy and Governance

The Director Remuneration Policy (the 'Remuneration Policy' or the 'Policy') applies to the Group's Executive Directors. Under section 1110M of the Irish Companies Act 2014, AIB is required to obtain shareholder approval of the Remuneration Policy by the fourth anniversary of the previous approval, or sooner if changes are required. UK regulations, which AIB follows as a matter of best practice to the extent practicable, require a new policy to be brought to shareholders every three years or sooner if material changes are required.

The Remuneration Policy was approved by shareholders at the 2024 AGM.

The wider Group Remuneration Policy can be found on our website – www.aib.ie/investorrelations.

Purpose and Aims of the Remuneration Policy

The Policy sets the framework for all remuneration-related policies, procedures and practices for the Directors of the Group. The principal aim of the Remuneration Policy is to support AIB in becoming a bank to believe in, recognised for outstanding customer experience and superior financial performance. The Group's remuneration philosophy aims to ensure that remuneration is aligned with performance and that employees are rewarded fairly and competitively for their contribution to the Group's success and growth. The Group is committed to a simple, transparent and affordable reward structure, which is fair, performance-based, and both externally and internally risk-aligned.

The Remuneration Policy is aligned to the wider Group Remuneration Policy and is designed to:

(a) foster a truly customer-focused culture;

(b) create long term sustainable value for our customers and shareholders;

(c) attract, develop and retain the best people; and

(d) safeguard the bank's capital, liquidity and risk positions.

The Remuneration Policy is governed by the Committee on behalf of the Board. The Committee is responsible for determining the Remuneration Policy and for overseeing its implementation.

The Committee further ensures that the Remuneration Policy and practices are reviewed at least annually alongside the wider Group Remuneration Policy, taking into account the alignment of remuneration to the Group's culture, and market and regulatory requirements and developments. The annual review is informed by input from the Group Risk and Internal Audit, to ensure that remuneration policies and practices are operating as intended, are consistently applied across the Group and are compliant with regulatory requirements.

The Group continues to comply with the applicable requirements of the UK Corporate Governance Code (the 'Code') and the Irish Corporate Governance Code Annex (the 'Irish Annex'). The Code and Irish Annex are used to inform the Group's decision-making and disclosures. The Group also complies with the Irish Companies Act. Due to the constraints on variable remuneration, certain requirements of the Code and disclosure requirements are not currently applicable to the Group. The Group will continue to review these requirements alongside any future changes to the restrictions on remuneration by the Irish Government, to ensure ongoing compliance.

Regarding Provision 40 of the Code, the Policy sets the framework that underpins remuneration policies and practices for Executive Directors. In particular:

Clarity	Remuneration arrangements have defined parameters, which are clearly outlined in the Remuneration Policy.
Simplicity	The Group is committed to a simple reward structure, as outlined in the Remuneration Policy.
Risk	The Group's existing remuneration arrangements operate under strict Government remuneration constraints. The design of the new and any future variable remuneration schemes will have a robust link between pay and performance, with safeguards in place to ensure that outcomes, including risk adjustments, are appropriate.
Predictability	The Group discloses specific details, including maximum opportunity levels, performance targets and worked examples of Executive Director remuneration.
Proportionality	The Committee may adjust formulaic variable remuneration outcomes where they are not proportionate to the financial or non-financial performance of the Group.
Alignment to culture	The Remuneration Policy is aligned to the Group's culture and values. Performance measures used to determine the outcome of variable remuneration arrangements will reflect the culture and values of the Group, including its commitment to ESG.

Corporate Governance Remuneration Statement *continued*

Consideration of employment conditions elsewhere in the Group

The Policy and AIB's approach to wider employee population is based on the principle that it should be sufficient to attract and retain the best talent and be competitive within our industry to deliver AIB's strategy. The remuneration structure and quantum are driven by seniority and accountability (mindful of restrictions), as well as market practice, although the remuneration structures are broadly aligned throughout the Group.

The following provides examples of areas of alignment between the remuneration of Executive Directors and the wider workforce:

(a) The Remuneration Policy and the wider Group Remuneration Policy are based on the same principles.

(b) AIB's current remuneration structure for all employees predominantly consists of fixed-pay elements, encompassing base salary, allowances, benefits (including healthcare) and employer pension contributions. All employees, including Executive Directors, are eligible for inclusion in a variable remuneration scheme based on company performance, operating in line with remaining remuneration restrictions, which include a limit on variable remuneration of € 20,000 per employee per year. Employees in the Republic of Ireland ('ROI'), are able to participate in an Approved Profit-Sharing Scheme ('APSS') and employees in the UK are able to participate in a Share Incentive Plan ('SIP') and from 2025, subject to establishment and shareholder approval, ROI and UK employees will be able to participate in SAYE schemes.

(c) While there are certain benefits that increase based on seniority, e.g. non-pensionable allowances and employer pension contributions, there are other aspects of remuneration for more junior employees that don't apply to higher levels, e.g. overtime, progression and Temporary Higher Level Allowance ('THLA').

During 2024, engagement took place with employees in relation to a number of changes made to the Group Remuneration Policy, including healthcare benefits and variable remuneration.

Consideration of Shareholder Views

The Committee is committed to a transparent dialogue with shareholders on key remuneration matters. The Remuneration Policy and Report provide shareholders with a detailed understanding of the decisions that have been made during the year.

The Committee keeps up to date with the proxy adviser and shareholder-written guidelines that are considered when making decisions in respect of the remuneration of the Executive Directors.

Remaining Remuneration Constraints

AIB's inability to implement market-aligned remuneration practices on an equal footing with competitors, in particular, for senior leadership and key talent, represents a key material risk to the Group. The Committee monitors and endeavours to address this risk on an ongoing basis.

In December 2022, the Irish Government eased a number of remuneration restrictions impacting the Group, while retaining the cap on base salaries of € 500,000 and a limit on variable remuneration of € 20,000 in a twelve month period.

Should the remaining restrictions be eased, the Committee would consider the need to amend the Group and Director Remuneration Policies, including seeking the necessary shareholder approvals for any such changes.

As part of the acquisition of Goodbody in 2021, it was agreed with the Department of Finance that the remuneration restrictions that apply to AIB would not apply to Goodbody employees, and that they could continue to remain eligible for variable remuneration.

Compliance with Relevant Regulatory Requirements

Remuneration policies, procedures and practices reflect the provisions, where applicable, of national and EU legislation, continuing Irish Government remuneration restrictions, the Capital Requirements Directive ('CRD'), the Investment Firms Directive, corporate governance requirements issued by the Central Bank of Ireland, and relevant guidelines issued by the European Banking Authority ('EBA') and other regulatory authorities.
The provisions of the EBA Guidelines on sound remuneration will continue to be applied to AIB's new variable remuneration scheme. In particular, the Remuneration Policy incorporates the provisions of the EBA Guidelines in relation to the ongoing design, implementation and governance of remuneration.

Key Components of the Director Remuneration Policy

The following table sets out the key components of the Director Remuneration Policy, including their application to the recruitment and departure of Executive Directors, which was approved by shareholders at the 2024 AGM.

Pay Element	Objective	Description	Performance Assessment and Maximum Potential Value
Base Salary	To attract, motivate and retain the right calibre of individuals to support the Group's future success and growth.	To the extent possible within the salary cap, the base salaries of the Executive Directors are: • Set according to appropriate market ranges that reflect the size, skills and level of responsibilities attached to the role. • Typically reviewed annually as part of the annual pay review process.	To the extent possible within the salary cap, the base salaries of the Executive Directors are: • Reviewed by the Committee on behalf of the Board. Increases in base salary may be awarded following the outcome of the annual pay review or, alternatively, to reflect a significant increase in the scope of responsibility of an Executive Director. • Set out in the Directors' Remuneration Report. • In the event of the removal of or any changes to the salary cap, the Committee would consider the impact of this on base salaries and other elements of remuneration.
Allowances	To provide a contribution to market-aligned benefits and allowances generally available in the market.	Non-pensionable cash allowances may be provided to eligible Executive Directors.	The maximum non-pensionable allowance is € 30,000 per annum.

Pay Element	Objective	Description	Performance Assessment and Maximum Potential Value
Variable Remuneration Scheme	To incentivise Executive Directors to deliver strong financial and strategic performance aligned with the performance, risk profile and culture of the Group. Variable remuneration arrangements are designed in a way that promotes the interests of our stakeholders and to comply with applicable regulatory requirements.	Variable remuneration schemes are based on company performance.	Performance will typically be assessed based on a one-year performance period, considering a combination of financial and non-financial performance. A limit of € 20,000 per annum on any award or combination of awards per Executive Director will apply. In the event of the removal of or any changes to the Excess Bank Remuneration Charge, the Committee would consider the impact of the limit on variable remuneration within the Remuneration Policy. The award may be granted either in cash or shares, or a combination of both. The Committee will ensure that the form of such an award complies with applicable regulatory requirements and the remaining government remuneration restrictions. Under the Approved Profit-Sharing Scheme, Executive Directors will have the opportunity to acquire shares with their annual variable remuneration award. The Remuneration Committee has the discretion to adjust the formulaic outcome of any award, including the ability to apply risk adjustments. Awards are subject to the Group's policy on malus and clawback, including where participants leave the Group during the year.
Pension	To enable Executive Directors to plan for an appropriate standard of living in retirement.	Executive Directors are entitled to participate in one of the Group’s defined contribution schemes. Executive Directors whose accumulated pension benefits have exceeded or are likely to exceed the Standard Fund Threshold (‘SFT’) have the option of a 20% non-pensionable allowance in lieu of employer pension contribution.	Executive Directors are entitled to an employer pension contribution of up to 20% of base salary. In the event of the removal of or any changes to the remuneration restrictions, the Committee would consider the impact of this on pension arrangements.
Other Benefits	To provide affordable benefits in accordance with general market practice.	Benefits include healthcare, income protection, death-in-service cover and free banking services. A functional car policy is in place. The Group does not provide company cars outside of the policy. Executive Directors may occasionally avail themselves of a pool car and driver. The Committee retains the right to provide additional benefits subject to continuing remuneration restrictions. AIB intends, subject to shareholder approval, to introduce a SAYE (‘Save As You Earn’) scheme for employees, including Executive Directors.	Not applicable.

Corporate Governance Remuneration Statement *continued*

Recruitment and Exit Under the Remuneration Policy

Remuneration Statement	Recruitment Policy (subject to compliance with remuneration restrictions)	Exit Policy
The following table provides additional detail in respect of the application of the Remuneration Policy to Executive Directors upon their appointment, to the extent permitted within the remuneration restrictions and at the end of employment. In relation to AIB employees appointed as Executive Directors, such elements will only apply from the date of appointment (and not retrospectively), and any existing awards will be honoured and form part of ongoing remuneration arrangements.		
Salary, fees, benefits and pension	• Base salary would be set at an appropriate level, considering the factors mentioned in the Policy table above. • Benefits and pension will also be set, in line with the Policy.	• If notice is served by either party, the Executive Director can continue to receive base salary, benefits and pension for the duration of their notice period. • The Executive Director may be asked to perform their normal duties during their notice period, or they may be put on garden leave. • The company may, at its sole discretion, terminate the contract immediately, at any time after notice is served, by making a payment in lieu of notice equivalent to salary, benefits and pension, with any such payments being paid in monthly instalments over the remaining notice period. • Benefits may also be provided in connection with termination of employment and may include, but are not limited to, statutory payments, outplacement, legal fees and payments in respect of accrued holiday.
Relocation	• If an Executive Director needs to re-locate in order to take up the role, the company may pay to cover the costs of relocation, including (but not limited to), actual relocation costs, temporary accommodation and travel expenses.	Not applicable
Buyout awards	• For external candidates, the Committee may (if it is considered appropriate) provide a buyout award equivalent to the value of any outstanding incentive awards that will be forfeited on cessation of previous employment. • To the extent possible, the buyout award will be made on a broadly like-for-like basis. The award will take into account the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting, the likelihood of vesting and the nature of the awards (cash or equity).	Not applicable
Variable Remuneration Scheme	• Joiners may receive a pro-rated award based on their employment as a proportion of the financial year, and targets may be different from those set for other Executive Directors.	• Good leavers will remain eligible to receive a vested award at the usual time, with performance measured at usual time. The award will normally be pro-rated for service during the financial year. • Bad leavers will not normally be eligible to receive an award.

Notes to the Remuneration Policy Table

Minor amendments

The Committee may amend the arrangements for the Executive Directors, as described in the Policy, for regulatory, exchange control, tax or administrative purposes, or to take account of a change in legislation or regulation.

Non-Executive Director Fees

Non-Executive Directors are paid a basic, non-pensionable fee of € 65,000 in respect of service as a Director, and additional non-pensionable remuneration in respect of other responsibilities, such as for serving as Chair or being a members of Board Committees, or performing the role of Deputy Chair or Senior Independent Director. Current or former Directors who serve on the board of any Group Irish subsidiary company are also paid a non-pensionable flat fee for their services as a Director, chair or for membership of Board Committees. AIB will reimburse any reasonable expenses incurred in carrying out Non-Executive Director duties (and the related tax if applicable).

Legacy arrangements

For the avoidance of doubt, the Committee may approve payments to satisfy commitments agreed prior to the approval of this Remuneration Policy, and any commitment made to a person before that person became an Executive Director.

Discretion
The Committee operates the variable remuneration scheme according to the rules of the scheme. The Committee retains discretion as to the operation and administration of the scheme, within the limits of its rules, including but not limited to:

- participants;
- timings of grant and/or payment;
- award size and/or payment;
- settlement of the award;
- choice and adjustment of performance measures and targets;
- adjustment to outcomes if they are considered to be inappropriate, taking into account any relevant factors;
- measurement of performance in certain circumstances, such as change of control or other corporate events; and
- determination of a good leaver.

Service Agreements and Letters of Appointment
All Executive Directors have a service contract, whereas all Non-Executive Directors have a letter of appointment.

In respect of Executive Directors, no service contract exists between the company and any Director that provides for a notice period from the company of greater than one year.

Non-Executive Directors are appointed for an initial term of three years. Terms of office for Non-Executive Directors will not be extended beyond nine years in total, unless the Board, on the recommendation of the Nomination and Corporate Governance Committee, concludes that such extension is necessary, appropriate and in compliance with applicable regulatory requirements and approvals.

All Directors, should they choose to stand, are subject to annual re-election by shareholders.

External appointments
Subject to the advance approval of the Board, Executive Directors may accept one external appointment as a Non-Executive Director and retain the fees. Neither Executive Director currently serves in any external paid roles.

Malus and clawback
The circumstances under which the Committee may consider it appropriate to apply clawback and/or malus to the variable remuneration scheme include, but are not limited to, those summarised below:

- behaviour by a participant which fails to reflect AIB's governance and business values;
- the extent to which any condition satisfied was based on an error, or on inaccurate or misleading information or assumptions which resulted either directly or indirectly in an award being granted or vesting to a greater extent than would have been the case had that error not been made;
- material adverse change in the financial performance of AIB or any division in which the participant works and/or worked;
- a material financial misstatement of AIB's audited financial accounts (other than as a result of a change in accounting practice);
- any action which results in or is reasonably likely to result in reputational damage to AIB;
- a material failure in risk management;
- corporate failure;
- negligence or gross misconduct of a participant; and/or
- fraud effected by or with the knowledge of a participant.

Other elements of remuneration are not subject to malus and clawback provisions.

Executive Directors' remuneration *(audited)*
The following table details the total remuneration of the Directors in office during 2024 and 2023:

	2024						2023					
	Salary	Pension contribution[1]	Annual taxable benefits[2]	Total fixed	Variable remuneration	Total	Salary	Pension contribution[1]	Annual taxable benefits[2]	Total fixed	Variable remuneration	Total
Remuneration	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Executive Directors												
Colin Hunt	**500**	**100**	**31**	**631**	**13**	**644**	500	100	—	600	13	613
Donal Galvin	**485**	**97**	**31**	**613**	**13**	**626**	485	97	15	597	13	610
	985	**197**	**62**	**1,244**	**26**	**1,270**	985	197	15	1,197	26	1,223

1. Pension Contribution represents agreed payments to a defined contribution scheme, to provide post-retirement pension benefits for Executive Directors from the normal retirement date, and (ii) an allowance in lieu where Executive Directors' accumulated pension benefits have exceeded or are likely to exceed the Standard Fund Threshold ('SFT').
2. Annual Taxable Benefit represents a non-pensionable cash allowance in lieu of a company car, medical insurance and other contractual benefits.

Fixed Remuneration *(audited)*
Base salaries of the Chief Executive Officer and the Chief Financial Officer were € 500,000 and € 485,000 respectively and remained unchanged from 2023. The Chief Executive Officer and Chief Financial Officer received a non-pensionable cash allowance of € 30,000.

The Chief Executive Officer received an employer pension contribution of 20% (€ 100,000) which was taken as an allowance in lieu of pension contribution. The Chief Financial Officer also received an employer pension contribution of 20% (€ 97,000).

Corporate Governance Remuneration Statement *continued*

Variable Remuneration Scheme

The table below provides a summary for the 2024 variable remuneration scheme outcome. Measures and performance targets were agreed by the Remuneration Committee and align with the Group's ongoing strategy.

The Scheme has a Group Profit underpin as its first component. This underpin is a minimum level of profit that must be achieved in order to trigger an award under the Scheme. The underpin was achieved for the 2024 performance year.

	Weighting				Achieved
		Financial measures (60%)			
		Threshold	Target	Maximum	
Underlying Profit	24%	90% Target	Target	110% Target	Stretch
RoTE	24%	90% Target	Target	110% Target	Stretch
Costs	12%	Target Achieved/Not Achieved			Achieved
		Non-financial measures (40%)			
Green Finance	13.3%	AIB performed strongly in 2024 against its ambitious targets for green lending. This has been a key tenet of the Group's Sustainability Strategy.			
I&D – Gender Balance	13.3%	AIB is committed to gender balance across the Group. AIB's ongoing target is to maintain gender balance (40%-60% female) which has been achieved.			
Customer Satisfaction	13.3%	Enhancing customer experience is of the utmost importance. We track customer satisfaction across a number of metrics and we are delivering strongly against them.			

Further information on Green Finance, I&D – Gender Balance and Customer Satisfaction can be found on pages 53 of this Report.

The Committee considered the formulaic variable remuneration scheme and deemed it appropriate within the wider financial and non-financial performance of the business, and the Executive Directors. As such no, adjustments were applied.

Based on performance during the year, the amounts that Executives will receive are set out below.

Executive	Annual incentive outcome	
	% of Salary	€ '000
Colin Hunt	2.5	12.7
Donal Galvin	2.6	12.7

The 2024 variable remuneration scheme outcome will be paid in cash. Executive Directors are able to participate in the Approved Profit-Sharing Scheme using cash awarded under the 2024 variable remuneration scheme to acquire shares in the company.

Directors' shareholdings and share interests

Under the Remuneration Policy, Executive Directors are not currently subject to shareholding requirements, due to the remuneration restrictions in place.

Please refer to page 173 for details of the Directors' shareholdings and interests.

Payments to former Directors and for loss of office

There were no payments made to former Directors or payments to Directors for loss of office during the 2024 financial year.

Non-Executive Directors' remuneration *(audited)*

The following table details the total remuneration of the Directors in office during 2024 and 2023:

	2024 Director's Fees € 000	2023 Director's Fees € 000
Non-Executive Directors[1]		
Anik Chaumartin	**80**	80
Basil Geoghegan	**75**	75
Tanya Horgan	**80**	80
Sandy Kinney Pritchard	**95**	95
Elaine MacLean	**85**	85
Andy Maguire[2]	**115**	110
Brendan McDonagh (Deputy Chair)	**135**	135
Helen Normoyle[3]	**188**	186
Ann O'Brien[4]	**130**	119
Fergal O'Dwyer[5]	**155**	155
Jim Pettigrew (Chair)	**365**	365
Jan Sijbrand	**80**	80
Raj Singh	**80**	80
Total	**1,663**	1,645
Former Non-Executive Directors		
Anne Maher[6]	**—**	19

1. All Non-Executive Directors were paid a basic, non-pensionable fee in respect of service as a Director of € 65,000 and additional non-pensionable remuneration in respect of other responsibilities, such as through the chairing or membership of Board Committees or performing the role of Deputy Chair or Senior Independent Director. Current or former Directors who serve on the board of any Group Irish subsidiary company are also paid a non-pensionable flat fee for their services as a Director, chairing or membership of Board Committees.
2. Andy Maguire was paid € 35k in 2024 (2023: € 30k, appointed 17 February 2023) in respect of his appointment as a Director of AIB Mortgage Bank U.C.
3. Current or former Non-Executive Directors of AIB Group plc and Allied Irish Banks, p.l.c., as applicable, who also serve as Directors of AIB Group (UK) p.l.c. ('AIB UK') are separately paid a non-pensionable flat fee, which is independently agreed and paid by AIB UK, in respect of their service as a Director of that company. In that regard, Helen Normoyle earned fees during 2024 of € 73k (2023: € 71k).
4. Ann O'Brien was paid € 40k in 2024 (2023: € 29k, appointed 11 April 2023) in respect of her appointment as a Director of EBS d.a.c.
5. Fergal O'Dwyer earned fees during 2024 of € 80k (2023: € 80k) in his role as Director and Chair of the Audit Committee of Goodbody.
6. Anne Maher is a former Non-Executive Director of Allied Irish Banks, p.l.c., who was a Director of the Corporate Trustee of the AIB Defined Contribution Scheme during 2023, in respect of which she earned the fees as quoted.

Change in remuneration of Directors compared to employees

The table below shows the percentage change in total remuneration, using the single-figure methodology for the year ended 31 December 2024 for the Directors of the Company and the average of all permanent employees of the Group (excluding Executive Directors) on a full-time equivalent basis. Over time this will build up to a five-year disclosure. The increases in total remuneration for Executive Directors resulted from increases in their respective non-pensionable allowances. The increases for Non-Executive Directors generally related to some Directors being in roles with subsidiary boards for the full year, having commenced these roles during 2023. The average increase for employees reflects a combination of annual pay review, promotions where applicable, the introduction of healthcare benefits for all employees, a higher variable remuneration scheme award and a one-off voucher award to eligible employees (which Executive Directors were not eligible for).

	Remuneration (% change)
Colin Hunt	**5%**
Donal Galvin	**3%**
Anik Chaumartin	**—**
Basil Geoghegan	**—**
Tanya Horgan	**—**
Sandy Kinney Pritchard	**—**
Elaine MacLean	**—**
Andy Maguire	**5%**
Brendan McDonagh (Deputy Chair)	**—**
Helen Normoyle	**1%**
Ann O'Brien	**9%**
Fergal O'Dwyer	**—**
Jim Pettigrew (Chair)	**—**
Jan Sijbrand	**—**
Raj Singh	**—**
Average for employees	**8%**

Corporate Governance Remuneration Statement *continued*

Pillar 3 and other Remuneration Disclosures

The Group publishes additional remuneration disclosures in its annual Group Pillar 3 Report. These disclosures provide further information about the Group's remuneration policies and practices and, more specifically, qualitative information about:

(a) The bodies that oversee remuneration.

(b) The design and structure of the remuneration system for those individuals who have been identified as Material Risk Takers ('MRTs').

(c) The ways in which current and future risks are considered in remuneration processes.

(d) The ratios between fixed and variable remuneration, which are set in accordance with the regulatory requirements.

(e) The ways in which the Group links performance and remuneration.

(f) The adjustment of remuneration to take account of long-term performance.

(g) The main parameters and rationale for the variable remuneration schemes for which MRTs are eligible.

(h) The use of derogations in Article 94(3) of the CRD.

These disclosures also include quantitative information, in aggregate form, about the amounts and structure of the remuneration of MRTs.

The Group's Pillar 3 Report is available on the Group website – www.aib.ie/investorrelations.

EBA remuneration benchmarking requirements require the Group to disclose remuneration data in respect of all staff, MRTs and high earners (those earning above € 1.0 million) to the Central Bank of Ireland. The Group continued to comply with these reporting requirements during 2024. There were no employees whose total remuneration exceeded € 1.0 million during 2024.

During 2024, the Group published its Gender Pay Gap Reports in relation to its UK- and ROI-based employees. These disclosures are available at www.aibgb.co.uk and www.aib.ie respectively.

Material Risk Takers ('MRTs') and Risk Oversight

The Group is required to maintain a list of employees whose professional activities have the potential to have a material impact on the Group's risk profile. The list of MRTs is prepared using a combination of qualitative and quantitative criteria in accordance with the relevant EU regulations and guidelines, together with additional criteria specific to the Group's structure, business activities and risk profile. The list is prepared at Group and subsidiary company levels.

Group Risk assesses the risks impacting the Group, including performance against the Group's Risk Appetite Statement, to ensure that the Remuneration Policy is aligned with the Group's risk profile. The Chief Risk Officer reviews the list of MRTs in conjunction with Group Reward and provides the Committee with an annual assessment of the risks facing the Group, to ensure that policies and practices are consistent with and promote sound and effective risk management.

Support for Committee

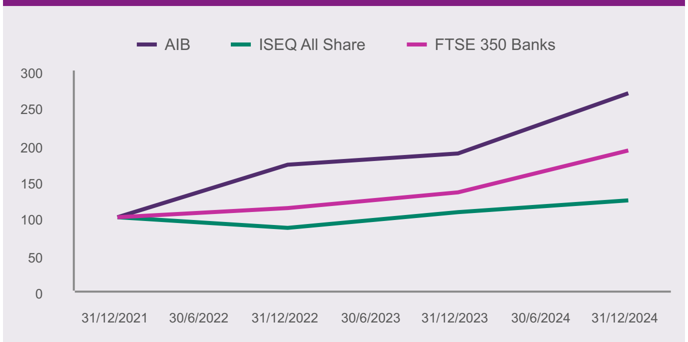
The Committee was supported in its work by the Group Reward team and by Korn Ferry as the external remuneration consultants appointed by the Committee in October 2022. Korn Ferry is a signatory to the Voluntary Code of Conduct in relation to remuneration consulting in the UK.

Aside from their work supporting the Committee, during 2024, Korn Ferry provided professional services in the ordinary course of business to AIB. The Committee is satisfied that the advice received is independent and objective.

Performance graph and table

The chart below illustrates the TSR performance of AIB since 2022 against the ISEQ All Share/FTSE 350 Banks, which has been selected as being an appropriate index for comparison purposes.

TSR Performance



Shareholder votes on remuneration

At the 2024 AGM the shareholders passed the annual advisory vote on the annual remuneration report and remuneration policy. The voting results were as follows:

Resolution	Votes/%	For	Against	Withheld
Directors' Remuneration Report (2024 AGM)	Shareholder Votes	2,200,932,220	11,996,883	1,861,493
	Votes as a Percentage	99.46%	0.54%	—
Remuneration Policy (2024 AGM)	Shareholder Votes	2,164,992,566	44,233,016	5,565,014
	Votes as a Percentage	98.00%	2.00%	—

Report of the Technology and Data Advisory Committee

The Committee has overseen the deployment of Artificial Intelligence ('AI') capability as part of AIB's ongoing commitment to enhance its customer service. The development of an AI centre of excellence will be a key step towards the successful implementation and execution of the Group's overall strategic approach to AI

Ann O'Brien
Committee Chair

Chair Overview

On behalf of the Technology & Data Advisory Committee (the 'Committee'), I am pleased to report on the Committee's activities during the financial year ended 31 December 2024 and provide an overview of the workings of, and key matters considered by, the Committee during the course of 2024.

In line with its Terms of Reference, which can be found on the Group's website at www.aib.ie/investorrelations, the Committee continues to fulfil its oversight and advisory responsibilities as they relate to the Group Technology Strategy in a number of its transformative and evolving areas, including Data and Analytics, Cloud and Modern Engineering, Customer Experience and Regulation and Resilience. In particular, the Committee assesses and challenges the strategy, governance and execution of matters relating to technology and data, which includes cyber security (strategy) and data and analytics, and the technology related deliverables for key change projects.

The Committee currently consists of four Non-Executive Directors and two members of senior management, the Chief Technology Officer, and the Chief Operating Officer, who are both members of the Executive Committee. The Head of Technology Strategy & Transformation, the Chief Data & Analytics Officer, the Data Protection Officer, a representative of the Risk Function and the Group Head of Internal Audit also attend meetings of the Committee, and the Chair of the AIB UK Technology, Data and Resilience Committee can also attend if required. In 2025, the Chief Information Security Officer will attend Committee meetings.

Key Focus Areas

During 2024, the Committee considered and challenged a number of key areas, including:

- The progress of the Group Technology Strategy in the area of Customer Experience, in particular with regard to customer digital functionality where a number of enhancements to the current mobile app were delivered and upgrades to the Group's digital offerings were considered.
- The development of the Group's strategic approach to AI, including how it would be leveraged in a safe and responsible way, and its inextricable link to the Group's data and technology architecture.
- The ongoing delivery of key transformation programmes across the Group, where the Committee was very focused on the positive Customer First outcomes and the forecasted benefits associated with these programmes.
- Closer oversight of how the Group was meeting resilience demands as regards its technology infrastructure and progressing regulatory obligations. Over the course of 2024, this included periodic updates on legacy systems, AIB's readiness for the January 2025 operationalisation of SEPA Instant ('Incoming') and the Digital Operational Resilience Act, and enterprise information security.

Looking ahead to 2025

In 2025, as the momentum behind delivering the Group Technology Strategy in a controlled manner is maintained, AIB will invest for its future by harnessing new technology to maximise efficiency and productivity, particularly in the areas of AI, Cloud and Modern Engineering, and it will launch the Group's Enterprise Cyber Security Strategy 2025-2026. There will also be a laser focus on the delivery of impactful digital customer capability enhancements.

Technology & Data Advisory Committee		Eligible to attend	Attended
Ann O'Brien	Non-Executive Director – Chair	5	5
Tanya Horgan	Non-Executive Director	5	5
Andy Maguire	Non-Executive Director	5	5
Helen Normoyle	Non-Executive Director	5	5
Graham Fagan	Chief Technology Officer	5	5
Andrew McFarlane	Chief Operating Officer	5	5

I would like to take this opportunity to thank my fellow Committee Members and the wider Technology and Data, and Operations and Business Services teams for their significant commitment throughout 2024.

Ann O'Brien
Committee Chair

Q&A What do you see as the emerging themes for the Committee in 2025 and do you foresee any particular challenges?

A. It is an exciting time to be a committee member with responsibility for oversight of technology and data, particularly with the momentum behind the Group's strategic ambitions in the area of digitalisation. In 2025, the Committee will continue to have oversight of the Group's plans to upgrade its digital offering for customers. The Committee will also monitor the implementation of the Group's Enterprise Cyber Security Strategy, which will ensure that the organisation is safeguarding its customer and digital ecosystem to allow it to deliver its strategic priorities.

Report of the Sustainable Business Advisory Committee

Sustainability is at the heart of our strategy and the Committee remains focused on its execution, with an unwavering commitment to integrating environmental, social and governance considerations into our strategic, financial and investment decision-making to promote sustainable development

Helen Normoyle
Committee Chair

Chair Overview

On behalf of the Sustainable Business Advisory Committee (the 'Committee'), I am pleased to report on the Committee's activities during the financial year ended 31 December 2024 and provide an insight into the workings of, and key matters considered by, the Committee in 2024 and our intended focus in 2025.

In line with its Terms of Reference, which can be found on the Group's website at www.aib.ie/investorrelations, the Committee oversees delivery of the group's sustainability strategy (the 'Strategy') and related performance. Throughout 2024, the Committee supported the execution of the Strategy. Specifically, the Committee considered and advised the Board on material sustainability matters across the Group's three sustainability strategic pillars, as set out below: Climate and Environmental Action, Societal and Workforce Progress and Governance and Responsible Business. Against a backdrop of an evolving regulatory landscape, the Committee oversaw the development of AIB's sustainability-related disclosures and reporting, including the move from voluntary reporting to the introduction of the Corporate Sustainability Reporting Directive ('CSRD').

Committee Membership

As at the end of December 2024, the Committee membership consisted of four Non-Executive Directors, one Executive Director – the Chief Executive Officer – and three members of the Executive Committee. The Chief Risk Officer is invited to attend all meetings of the Committee. Effective 1 January 2025, the Chief Customer Officer, Orlaith Ryan, will join the Committee, further strengthening the Committee's customer, centric focus. The Chief People Officer, David McCormack, will step down.

Recognising the importance of strong oversight and governance to our sustainability agenda, and to ensure co-ordination with the work of our colleagues on the Board Audit Committee ('BAC') and Board Risk Committee ('BRC'), cross-membership of these Committees is in place. Anik Chaumartin is also a BAC member and Jan Sijbrand and Raj Singh are also members of the BRC.

Key Focus Areas

The key matters considered and challenged by the Committee in 2024 are:
- ESG Transformation and Targets;
- Mobilisation of CSRD and readiness for implementation;
- Materiality Exercise Refresh;
- Development of the Social Agenda including Vulnerable Customers;
- ESG propositions;
- Culture and Reputation update;
- AIB's environmental footprint;
- Detailed Sustainability Report;
- Regulatory Engagement and expectations;
- Employee communications on ESG matters;
- Collaboration with Community partners.

In 2024, AIB hosted its 8th consecutive Sustainability Conference, which once again had record in-person and online attendance. The conference coincided with the announcement of AIB's € 20 m commitment to sustainability-related education, including the sponsorship of the AIB Trinity Climate Hub, Innovate for Ireland and AIB's new Steps to Sustainability Programme for small and medium-sized enterprises.

During the year, the Committee received training from subject-matter experts on Climate Science, Climate Policy, Environmental Impacts and Dependencies, as well as the related regulatory expectations. This training helped the Committee to gain external insights and perspectives to inform the work of the Committee.

In December 2024, Committee Members attended an AIB Community event that brought to life the direct impact of AIB's community activity.

Committee Membership

Sustainable Business Advisory Committee		Eligible to attend	Attended
Helen Normoyle	Non-Executive Director – Chair	6	6
Anik Chaumartin	Non-Executive Director	6	6
Jan Sijbrand	Non-Executive Director	6	6
Raj Singh	Non-Executive Director	6	3
Colin Hunt	Chief Executive Officer	6	5
Mary Whitelaw	Chief Strategy and Sustainability Officer	6	6
David McCormack	Chief People Officer	6	6
Paul Travers	Managing Director, Climate Capital	6	5

Looking ahead to 2025

In 2025, there will be an ongoing focus on the implementation of the Sustainability Strategy, in line with the Group strategic ambition of Greening Our Business.

As I prepare to complete my tenure on the Committee and Board of AIB, I would like to take this opportunity to thank my fellow Committee Members and the wider Sustainability Team for their unwavering commitment and laser focus on the integrity and delivery of AIB's Sustainability agenda.

I have been incredibly proud to Chair the AIB Sustainable Business Advisory Committee for the last eight years as we guided, challenged and supported the team to fully embed sustainable practices as core to the bank's business strategy. I would like to thank David for his significant contribution during his membership and welcome Orlaith to the Committee.

Helen Normoyle
Committee Chair

Q&A **How has the role of the Committee evolved during your tenure?**

A. It has been a privilege to have served as Chair of the Committee since its inception in 2016 through to 2025. Over that period, AIB's approach to sustainability has evolved considerably. Through the Committee, we have incubated and supported the Group's approach to sustainability from an environmental, social and governance perspective and we have actively supported the integration of these into AIB's broader governance structures. The Committee has overseen AIB's successful deployment of over € 16 billion in green and transition finance to support its customers, the delivery of key green and social infrastructure, such as renewable energy and housing, the progress made in significantly reducing AIB's Scope 1 & 2 emissions, the introduction of climate and environment-related risk management practices, the introduction of AIB's €1m Community Fund and the growth of Ireland's largest sustainability conference.

Internal Controls

Directors' Statement on risk management and internal controls

The Board of Directors is responsible for the Group's system of internal controls, which is designed to manage the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. Further details are available in the Governance in Action section on pages 126 to 127. The Group has implemented a framework and policy architecture covering business and financial planning, corporate governance and risk management. The system of internal controls is designed to ensure that there is thorough and regular evaluation of the Group's risks in order to mitigate accordingly, rather than to eliminate risk. This is done through a process of identification, assessment, management, measurement, monitoring and reporting. This process includes an assessment of the effectiveness of internal controls, which was in place for the full-year under review up to the date of approval of the financial statements, and which accords with the Central Bank of Ireland's Corporate Governance requirements for Credit Institutions 2015 and the UK Corporate Governance Code 2018.

Supporting this process, the Group's system of internal controls is based on the following:

Board governance and oversight

- The Board has ultimate responsibility for risk appetite and for reviewing the effectiveness of the system of internal control on a continuous basis and is supported by a number of sub-committees, including the Board Audit Committee ('BAC'), Board Risk Committee ('BRC'), Sustainable Business Advisory Committee ('SBAC'), Technology and Data Advisory Committee ('TDAC'), Remuneration Committee ('RemCo') and Nomination & Corporate Governance Committee ('NomCo'). Further information on these sub-committees can be found on pages 144 to 168.
- The BRC is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. It is responsible for fostering sound risk governance across all of the Group's finances and operations (including all operations, legal entities and branches in ROI, the UK and the USA), taking a forward looking perspective and anticipating changes in business conditions. The Committee discharges its responsibilities in ensuring that risks within the Group are appropriately identified, reported, assessed, managed and controlled to include the commission, receipt and consideration of reports on key strategic and operational risk issues. It ensures that the Group's overall actual and future risk appetite statement and strategy, taking into account all types of risks, are aligned with the business strategy, objectives, corporate culture and values of the institution, while promoting a risk awareness culture within the Group. The BRC oversees and challenges the risk management function, which is managed on a day-to-day basis by the Chief Risk Officer ('CRO'), and liaises regularly with the CRO to ensure the development and on-going maintenance of a risk management system within the Group that is effective and proportionate to the nature, scale and complexity of the risks inherent in the business. The BRC provides qualitative and quantitative input to the RemCo on the alignment of variable remuneration to risk performance for material risk-takers. The Committee further provides advice on the ongoing viability of the Group, taking into account the Group's overall position and Principal Risks. The committee is composed of Independent Non-Executive Directors and operates under Board-approved terms of reference. The Chief Financial Officer ('CFO'), the Chief Risk Officer ('CRO'), the Group Internal Auditor and the External Auditor attend the meetings of the BRC, where appropriate.
- The BAC is appointed by the Board to assist it in fulfilling its oversight responsibilities in relation to the quality and integrity of the Group's accounting policies, financial and narrative reports, non-financial disclosures, and disclosure practices. The Committee also ensures the effectiveness of the Group's internal control, risk management, and accounting and financial reporting systems and the adequacy of arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. It also ensures the independence and performance of the internal and external auditors. The BAC works to ensure that this purpose is fully aligned to the Group's strategy and values, considering the interests of stakeholders while operating within all applicable regulatory and statutory requirements. The BAC is composed of Independent Non-Executive Directors and operates under Board-approved terms of reference. Neither the Chair of the Board nor the CEO are permitted to be members of the BAC. The CFO, the CRO, the Group Internal Auditor and the External Auditor attend the meetings of the BAC, where appropriate.
- The RemCo is appointed by the Board to ensure the Group's overall Remuneration Policy for employees and directors, designed to support the long-term business strategy, values and culture of the Group, as well as to promote effective risk management, and reward fairly and responsibly, with a clear link to corporate and individual performance in compliance with applicable legal and regulatory requirements.
- The SBAC was established by the Board to act as an Advisory Committee, supporting the execution of the Group's sustainable business strategy in accordance with the approved Group Strategic and Financial Plan. The Strategy includes the development and safeguarding of the Group's social licence to operate through Environmental, Social and Governance activities, alignment with the United Nations Environmental Programme Finance Initiative ('UNEPFI') Principles for Responsible Banking, UN Global Compact and the Group's Pledge to Do More.
- The TDAC is appointed by the Board to assist in fulfilling its oversight responsibilities by reviewing and challenging the strategy, governance and execution of matters relating to technology, data and cyber security and to review and assess technology-related deliverables for key change projects.
- The NomCo is appointed by the Board to support and advise it in fulfilling its oversight responsibilities in relation to the composition of the Board. It does this by ensuring that the Board comprises individuals who are best able to discharge the duties and responsibilities of Directors, by leading the process for nominations and appointments to the Board and Board Committees, as appropriate, and making the recommendations in this regard to the Board for its approval. It also supports and advises the Board in fulfilling its oversight responsibilities in relation to the composition of the Group's Executive Committee and the composition of the Boards of its Irish material subsidiaries. It keeps Board governance arrangements, corporate governance compliance and related policies under review, and makes appropriate recommendations to the Board to ensure that corporate governance practices are consistent with best practice standards. The AIB Group (UK) p.l.c. Board has appointed a Board Nomination Committee under a separate Terms of Reference.

Executive Risk management and controls

- The Executive Committee ('ExCo') is the most senior executive committee of the Group. Subject to the financial and risk limits set by the Board, and excluding those matters that are reserved specifically for the Board, the ExCo has primary authority and responsibility for the day-to-day operations of, and the development of strategy for, the Group. The ExCo works with and advises the CEO, ensuring a collaborative approach to decision-making and collective ownership of strategy development and implementation, including promoting action to address performance issues as required. The ExCo has delegated certain functions to a number of executive sub-committees, which operate under Terms of Reference approved by the ExCo and subject to formal review every two years.
- The Group Risk Committee ('GRC') was established by, and is accountable to, the ExCo to set policy and monitor all risk types across the Group and to enable delivery of the Group's risk strategy. It is the primary second line of defence risk management committee of the Group. It provides oversight and monitors strategic business initiatives that have material implications for the Group, to ensure that they align and are consistent with the Group Risk Appetite and other risk policies as approved by the BRC.

Internal Controls *continued*

- The Group Asset and Liability Committee ('ALCo') is a sub-committee of the ExCo and acts as the Group's strategic and business decision, making forum for balance sheet management matters. It is tasked with decision-making in respect of the Group's balance sheet structure, including capital, funding, liquidity, Interest Rate Risk in the Banking Book ('IRRBB') from an economic value and Net Interest Margin ('NIM') perspective, and Foreign Exchange ('FX') hedging risks and other market risks to ensure that it enables the delivery of the Group's strategic plan. It provides oversight of Funding and Liquidity, Capital, Market and Equity/Investments Risk and Balance Sheet pricing, in line with the relevant Frameworks and policies (approved by GRC) across the Group, in accordance with Risk Appetite.
- There is a centralised risk control function headed by the CRO, who is responsible for independent challenge, ensuring that risks are understood, managed, measured, monitored and reported on, and for reporting on risk mitigation actions.
- The Risk function is responsible for establishing and embedding risk management frameworks, ensuring that material risk policies are reviewed, and reporting on adherence to risk limits, as set by the Board of Directors.
- The Group's risk profile is measured against its risk appetite and exceptions are reported to the GRC and BRC through the CRO report. Material breaches of risk appetite are escalated to the Board and reported to the Central Bank of Ireland/Joint Supervisory Team ('JST').
- The centralised credit function is headed by a Chief Credit Officer, who reports to the CRO.
- Compliance, which is part of the Risk function, provides the interpretation and assessment of compliance risk, specifically those laws, regulations, rules and codes of conduct applicable to its banking activities.
- There is an independent Group Internal Audit function that is responsible for independently assessing the effectiveness of the Group's corporate governance, risk management and internal controls, and reports directly to the Chair of the BAC.
- AIB employees who perform pre-approved controlled functions/ controlled functions meet the required standards as outlined in the Group's Fitness and Probity programme.

For further information on the risk management framework of the Group, see pages 180 to 183 of this report.

In the event that material failings or weaknesses in the systems of risk management or internal control are identified, Management is required to attend the relevant Board forum to provide an explanation of the issue and to present a proposed remediation plan. Agreed remediation plans are tracked to conclusion, with regular status updates provided to the relevant Board forum.

Given the work of the Board, BRC and BAC and representations made by the ExCo during the year, the Board is satisfied that the necessary actions to address any material failings or weaknesses identified through the operation of the Group's risk management and internal control framework have been taken, or are currently being undertaken.

Taking this and all other information into consideration, as outlined above, the Board is satisfied that there has been an effective system of control in place throughout the year.

Viability Statement

In accordance with provision 31 of the UK Corporate Governance Code published in July 2018, the Directors have assessed the viability of the Group, taking into account its current position, the prevailing economic and trading conditions and principal risks facing the Group over the next three years to the end of 2027.

Horizon

The Directors concluded that three years was an appropriate period to assess the viability of the Group, for the following reasons:

- It is the same period used within the Group for strategic and financial planning process.
- The Group prepares its annual Internal Capital Adequacy Assessment ('ICAAP') and Internal Liquidity Adequacy Assessment ('ILAAP') on an annual basis using a three-year time horizon.
- A three-year time horizon is used for both internal and regulatory stress testing. Where certain impacts can be assessed reliably beyond the three-year forecast horizon, a quantification is performed and considered.
- A three-year time horizon is consistent with the internal risk management practices within the Group, including but not limited to: setting of the Risk Appetite and the Material Risk Assessment, as well as Recovery and Resolution planning.

Considerations in assessing viability of the Group

Assessment of prospects

The assessment of the Group's prospects is built up based on the current financial position of the Group, including its liquidity and funding and capital position.

The Group's fully loaded CET1 at 31 December 2024 is 15.1% against a regulatory requirement of 11.4%, as set out on pages 40 to 42. The Group's LCR, of 201% and NSFR of 162% demonstrate a very strong liquidity position as described on pages 235 and 240.

The Group has completed a review of its Strategy, covering the period of assessment which is described on pages 14 to 15. As part of the delivery of the Group's Strategy, the Directors consider the risks facing the Group, including those that would threaten the competitive position of the business and its operational capacity, as well as the Group's governance and internal control systems.

Profitability and growth were reassessed in the annual planning exercise covering the period 2025 to 2027, undertaken by the Group in the second half of 2024. Given the changing banking landscape, evolving operating environment and the interest rate outlook, the Financial Plan (2025-2027) shows that the Group expects strong profitability. The Board remains cognisant of and monitors a number of headwinds to the credit environment, most notably geopolitical risks.

Assessment of risks

During the year, the Directors rely on the following processes to identify and assess risks that could impact on the continued viability of the Group:

- The Group's Material Risk Assessment process seeks to ensure that all significant risks to which the Group is exposed have been identified and are being appropriately managed. New and emerging risks are also identified and mitigating actions are put in place.
- As part of the setting of the Group's Risk Appetite, consideration is given to the amount of risk that the Group is willing to accept in pursuit of its strategic objectives.
- Internal stress testing of the Group's capital and liquidity position is conducted, using a variety of different macroeconomic scenarios.
- In recovery and resolution planning, consideration is given to market factors and the operational resiliency of the Group.
- The regular reporting of the Group's financial performance by the Chief Financial Officer and the reporting of the Group's risk profile by the Chief Risk Officer.
- The provision of independent and objective assurance of the adequacy of the design and operational effectiveness of the risk and control environment by the Group Internal Audit to the Board Audit Committee.
- The Board Risk Committee oversees the Group's risk management.

A full description of the principal risks facing the Group is provided in the Risk Management section, individual risk types pages 179 to 246.

As part of the internal capital adequacy assessment process, material risks to the Group's financial performance are considered in terms of their potential impact on the Group's position. These risks are set out on page 179. Stress testing not only includes changes in macroeconomic forecasts but also other factors such as; financial crime losses, disruption to IT systems or the cost of a cyber incident, as well as financial loss arising from compliance or conduct issues.

In addition, the Group continues to work to understand and manage risks that could arise in relation to climate risk, both in terms of the transition to Net Zero and the physical risks due to climate change.

Assessment of viability

The financial planning process is the main tool for assessing the continued financial prospects of the Group. The plan is a detailed three-year financial forecast for each segment, and includes forecasts of operating results, headcount, investment expenditure and new strategic initiatives. Progress against the plan is reported monthly to the Executive Committee and the Board. Updated forecasts are prepared as required, and mitigating management actions are taken where required.

The Board considers the independent review of the plan by the Risk function, covering the alignment of the plan with Group strategy and the Risk Appetite. This review also identifies the key risks to delivery of the Group's plan.

The Group's base case underpins the financial plan and reflects changes in the macro-economic and market environment, and also includes the consideration of downside scenarios.The first downside scenario centres around deepening geopolitical tensions that weighs on global trade, impacting supply chains which causes a spike in commodity prices. As a consequence, inflation proves to be sticky and, on an annual basis, only averages the 2% target in 2028. Central Banks are forced to maintain interest rates at current levels until Q4 2025. Conditions in financial markets remain tight, with rises in bond yields and credit spreads, while stock markets are weaker. All major economies experience a shallow recession in 2025-26, followed by a sluggish recovery in activity. The changing political landscape in Europe also creates uncertainty, affects sentiment, and widens sovereign and corporate credit spreads.

The second downside looks to the rapid tightening of monetary policy during 2022-23 which has a delayed impact on financial markets and wider economic activity. Geopolitical tensions depresses consumer and business confidence and there is a sharp contraction in economic activity as a result. The severe downturn exposes underlying vulnerabilities in the financial sector, especially in the global commercial real estate market and potential credit stresses lead to increased defaults and instability within the financial system. The slump in economic activity, in addition to financial instability concerns, prompts central banks to lower interest rates below levels assumed in the downside scenario above.

After assessing the Group's prospects, risks, and reviewing the financial plan as well as the results of stress testing scenarios, the Group continues to:

- demonstrate internal capital generation through continued profitability in each of the forecast years;
- demonstrate capacity to carry out the proposed distribution strategy to shareholders, including sustainability of dividends, as well as the buyback strategy to return the states' investment in the Group;
- remain in excess of its regulatory capital requirements; and
- have significant liquidity over its regulatory liquidity coverage ratio and net stable funding ratio.

Finally the Group did not identify any material climate related risks for the three year period under consideration. Climate risk in isolation is not expected to have a material impact on ECLs.

Statement of viability

On the basis of the above, the Directors have a reasonable expectation, taking into account the Group's current position, and subject to the identified risks and mitigating actions, that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of assessment.

Directors' Report

for the financial year ended 31 December 2024

The Directors of AIB Group plc (the 'Company') present their report and the audited financial statements for the financial year ended 31 December 2024. The Statement of Directors' Responsibilities is shown on page 248.

For the purposes of this report, AIB Group or the Group comprises the Company and its subsidiaries in the financial year ended 31 December 2024.

Results

The Group's profit attributable to the equity holders of the Company amounted to € 2,354 million and was arrived at as shown in the consolidated income statement on page 259.

Dividend

The Board proposes to pay an ordinary dividend of 36.984 cent per share (totalling € 861 million, based on the total number of ordinary shares currently outstanding), payable on 9 May 2025 to shareholders on the register on 28 March 2025. This is subject to shareholder approval at the Annual General Meeting on 1 May 2025.

On 10 May 2024, the Company paid a final dividend for the year ended 31 December 2023 of 26.568 cent per share, totalling € 696 million, to shareholders on the register at the close of business on 22 March 2024.

Buyback of ordinary shares

At an Extraordinary General Meeting ('EGM') on 2 May 2024, approval was received to enter into a share purchase deed ('Buyback Contract') between AIB and the Minister for Finance (the 'Minister') for an off-market directed buyback by AIB of its ordinary shares from the Minister, in a maximum consideration amount of € 999 million. The share buyback was to be made at a price calculated in accordance with a formula set out in the Buyback Contract. On 3 May 2024, the Group announced that it had repurchased 198,233,951 ordinary shares, representing approximately 7.6% of the issued share capital from the Minister, for a total consideration of € 998,999,996. These shares were repurchased at a price of € 5.0395 per ordinary share, and were cancelled upon settlement.

At the Annual General Meeting ('AGM'), the Board normally seeks, and has received, a renewal of its authority from shareholders to undertake on-market purchases of up to 10% of its ordinary shares. This was renewed at the 2024 AGM. At the 2021 AGM, approval had been sought and was received to enter into a Directed Buyback Contract (the 'DBB Contract') with the Minister, the terms of which were renewed at the 2024 AGM and permitted the Company to make off-market purchases of shares from the Minister of up to 4.99% of the Company's issued share capital in any 12 month period, with the agreement of the Minister at that time. Any such off-market purchases would be made at the relevant market price, the calculation of which was set out in the DBB Contract. The authority of the Company to make such off-market purchases of its ordinary shares from the Minister has been renewed at each AGM since 2021, most recently at the AGM on 2 May 2024. On 2 September 2024, the Group announced that it had repurchased 91,827,364 ordinary shares, representing approximately 3.8% of the issued share capital from the Minister, for a total consideration of € 500 million. These shares were repurchased at a price of € 5.445 per ordinary share, this being the closing price of the Group's ordinary shares on Euronext Dublin on 30 August 2024, and were cancelled upon settlement.

At the AGM on 2 May 2024, approval was received for the making by the Company of an Odd-lot Offer at any time within an 18 month period. The terms of the Odd-lot Offer, and details on eligibility to participate, were set out in the AGM Circular, dated 3 April 2024, and the Odd-lot Purchase Contract and the Opt-Out Form were sent to all eligible shareholders. On 9 September 2024, the Group announced the Odd-lot Offer pursuant to which, shareholders holding 20 or fewer ordinary shares, in certificated form, were offered the opportunity to have their shares purchased by the Company at a 5% premium to the volume-weighted average market price of the shares traded on Euronext Dublin over the five consecutive trading days up to and including 6 September 2024, as calculated on that date. Following closure of the Odd-lot Offer on 7 October 2024, the Company purchased 253,765 ordinary shares. These shares were purchased at a price of € 5.65 each, and were subsequently cancelled. Following the implementation of the Odd-lot Offer, the number of certificated shareholders has reduced by 60,055.

A summary of transactions in own shares has been set out below and further information is available in note 35 on page 320.

	Par Value € m	Number of Shares 000s
At 1 January 2024	1,637	2,618,753
Share buybacks*	(182)	(290,315)
At 31 December 2024	1,455	2,328,438

*all of the purchased shares were cancelled

In accordance with regulatory requirements, the Company is required to obtain prior approval from the ECB in order to undertake any share buybacks (including share buybacks undertaken on a directed basis with the Minister and share buybacks undertaken by way of the Odd-lot Offer), and such approvals were received for all share buybacks completed during the course of 2024. In this context, the Company has received regulatory approval from the ECB to undertake a buyback of ordinary shares in an aggregate consideration amount of up to € 1,200 million. Discussions with the Department of Finance in relation to a potential directed buyback of ordinary shares from the Minister for Finance are currently underway. Any buyback of ordinary shares would be subject to the approvals of the Board, the Minister for Finance and shareholders.

Going concern

The financial statements for the year to 31 December 2024 have been prepared on a going concern basis, as the Directors are satisfied, having considered the risks and uncertainties impacting the Group, that it has the ability to continue in business for the period of assessment.

In making this assessment, the Directors have considered a wide range of information relating to present and future conditions. This includes capital forecasts and internally generated stress scenarios that take account of geopolitical risks, the impacts of inflation, increased interest rates and related impacts on unemployment and property prices. The period of assessment used by the Directors is at least 12 months from the date of approval of these annual financial statements.

Directors' Compliance Statement

As required by section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in section 225(1) and section 1374). The Directors confirm that:

(a) a compliance policy statement (as defined in section 225(3) (a)) has been drawn up that sets out the Company's policies and, in the Directors' opinion, is appropriate to ensure compliance with the Company's relevant obligations;
(b) appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with the relevant obligations have been put in place; and
(c) a review of those arrangements or structures has been conducted in the financial year to which this report relates.

Capital

Information on the structure of the Company's share capital, including the rights and obligations attaching to shares, is set out in the Schedule on pages 320 to 321 and is part of note 35 to the consolidated financial statements.

Accounting policies

The principal accounting policies, together with the basis on which the financial statements have been prepared, are set out in note 1 to the consolidated financial statements.

Review of principal activities

The statement by the Chair on pages 6 and 7, the review by the Chief Executive Officer on page 8, and the Operating and Financial Review on pages 24 to 39 contain an overview of the development of the business of the Group during the year, of recent events, and of likely future developments.

Directors

At 31 December 2024, the Board of Directors of the Company was comprised of Jim Pettigrew, Anik Chaumartin, Donal Galvin, Basil Geoghegan, Tanya Horgan, Colin Hunt, Sandy Kinney Pritchard, Elaine MacLean, Andy Maguire, Brendan McDonagh, Helen Normoyle, Ann O'Brien, Fergal O'Dwyer, Jan Sijbrand and Raj Singh. Biographical details of all Directors are provided on pages 128 to 131.

Helen Normoyle is the Senior Independent Non-Executive Director and was appointed to this position on 1 July 2022. Helen Normoyle has served as an Independent Non-Executive Director since December 2015.

The appointment and replacement of Directors, and their powers, are governed by law and the Constitution of the Company, and information on these is set out in the Schedule on page 175.

Directors' and Secretary's Interests in Shares

The beneficial interests of the Directors and the Company Secretary in office at 31 December 2024, and of their spouse, civil partner and minor children, in the Company's ordinary shares as disclosed to the Company are as follows:

Ordinary shares	31 December 2024	1 January 2024
Directors:		
Anik Chaumartin	—	—
Donal Galvin	—	—
Basil Geoghegan	9,835	9,835
Tanya Horgan	10,000	—
Colin Hunt	62,487	60,000
Sandy Kinney Pritchard	10,000	10,000
Elaine MacLean	—	—
Andy Maguire	30,000	30,000
Brendan McDonagh	20,000	20,000
Helen Normoyle	2,000	2,000
Ann O'Brien	—	—
Fergal O'Dwyer	10,000	10,000
Jim Pettigrew	25,000	25,000
Jan Sijbrand	—	—
Raj Singh	—	—
Company Secretary:		
Conor Gouldson	52,226	50,210

There is no requirement for Directors, or the Company Secretary, to hold shares in the Company.

There were no changes in the interests of the Directors and the Company Secretary shown above between 31 December 2024 and 27 February 2025.

Directors' Remuneration

The Group's policy with respect to Directors' remuneration is included in the Corporate Governance Remuneration Statement on pages 157 to 166. Details of the total remuneration of the Directors in office during 2024 and 2023 are shown in the Corporate Governance Remuneration Statement on pages 163 and 165.

Non-Financial Statement

Our Sustainability Statement, in accordance with Part 28 of the Companies Act 2014, including the requirements of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended by Statutory Instrument No. 410 of 2018), is included in the Sustainability Report on pages 43 to 121 and forms part of this report.

Substantial interests

At 31 December 2024, the Company had been notified of the following substantial interests:

- The Minister for Finance in Ireland held 18.99% of the total voting rights attached to the issued share capital.
- BlackRock, Inc. held 10.59% of the total voting rights attached to the issued share capital.
- Massachusetts Financial Services Company held 8.18% of the total voting rights attached to the issued share capital.
- Bank of America Corporation held 4.42% of the total voting rights attached to the issued share capital.
- Wellington Management Group LLP held 3.01% of the total voting rights attached to the issued share capital.

The following interests were disclosed to the Company 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 27 February 2025:

- The Minister for Finance in Ireland held 12.39% of the total voting rights attached to the issued share capital.
- BlackRock, Inc. held 11.88% of the total voting rights attached to the issued share capital.
- Wellington Management Group LLP held 4.47% of the total voting rights attached to the issued share capital.
- Bank of America Corporation held 4.21% of the total voting rights attached to the issued share capital.

Directors' Report *continued*

Corporate governance

The Directors' Corporate Governance Report is set out on pages 124 to 137 and forms part of this report. Additional information, disclosed in accordance with the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006, is included in the Schedule to the Directors' Report on pages 175 to 176.

In accordance with sections 1097 and 1551 of the Companies Act 2014, the Directors confirm that a Board Audit Committee is established. Details on the Board Audit Committee's membership and activities are shown on pages 144 to 148.

Political donations

The Directors of the Company have satisfied themselves that there were no political contributions that require disclosure under the Electoral Act 1997.

Accounting records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records include the use of appropriate systems and procedures, incorporating those set out within the Internal Controls section in the Corporate Governance report on pages 169 and 170, and the employment of competent persons. The accounting records are kept at the Company's Registered Office at 10 Molesworth Street, Dublin 2, Ireland and at the principal addresses outlined on page 395.

Principal risks and uncertainties

Information concerning the principal risks and uncertainties facing the Group, as required under the terms of the European Accounts Modernisation Directive (2003/51/EEC) (implemented in Ireland by the European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005), is set out on pages 17 to 20.

Branches outside the State

The Company has not established any branches since incorporation. However, the Company's principal operating subsidiary, Allied Irish Banks, p.l.c., has established branches in the United Kingdom and the United States of America.

Auditor

The Auditors, PricewaterhouseCoopers ('PwC'), were appointed to the Group on 4 May 2023 following shareholder approval at the 2023 Annual General Meeting ('AGM') on that date. PwC's continued appointment as Auditor of the Company was approved at the last AGM held on 2 May 2024 and they shall continue to hold office until the conclusion of the next AGM of the Company on 1 May 2025, pursuant to section 383(2) of the Companies Act 2014, at which time their continued appointment will be proposed to the shareholders for approval, pursuant to an advisory resolution. PwC have indicated a willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

Statement of relevant audit information

Each of the persons who is a Director at the date of approval of this report confirms that:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(b) the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

Other information

Other information relevant to the Directors' Report may be found in the following pages of the report:

	Page
2024 Results – Financial Performance	2
Risk management	179
Non-adjusting events after the reporting period	346

Jim Pettigrew
Chair

Colin Hunt
Chief Executive Officer

4 March 2025

Schedule to the Directors' Report

for the financial year ended 31 December 2024

Additional information required to be contained in the Directors' Annual Report by the European Communities (Takeover Bids (Directive 2004/25/EC)) Regulations 2006.

As required by these Regulations, the information contained below represents the position of the Company as at 31 December 2024.

Capital structure

The authorised share capital of the Company is € 2,500,000,000, divided into 4,000,000,000 ordinary shares of € 0.625 each ('Ordinary Shares'). The issued share capital of the Company is 2,328,438,575 Ordinary Shares of € 0.625 each.

Rights and obligations of each class of share

The following rights attach to Ordinary Shares:

- the right to receive duly declared dividends, in cash or, where offered by the Directors, by the allotment of additional Ordinary Shares;
- the right to attend and speak, in person or by proxy, at general meetings of the Company;
- the right to vote, in person or by proxy, at general meetings of the Company having, in a vote taken by a show of hands, one vote, and, on a poll, a vote for each Ordinary Share held;
- the right to appoint a proxy, in the required form, to attend and/or vote at general meetings of the Company;
- the right to receive, (by post or electronically), at least 21 days before the Annual General Meeting, a copy of the Directors' and Auditor's reports, accompanied by copies of the balance sheet, profit and loss account and other documents required by the Companies Act to be annexed to the balance sheet or such summary financial statements as may be permitted by the Companies Act;
- the right to receive notice of general meetings of the Company; and
- in a winding-up of the Company, and subject to payments of amounts due to creditors and to holders of shares ranking in priority to the Ordinary Shares, repayment of the capital paid up on the Ordinary Shares and a proportionate part of any surplus from the realisation of the assets of the Company.

There is, attached to the Ordinary Shares, an obligation for the holder, when served with a notice from the Directors requiring the holder to do so, to inform the Company in writing, within not more than 14 days after service of such notice, of the capacity in which the shareholder holds any share of the Company and, if such shareholder holds any share other than as beneficial owner, to furnish in writing, so far as it is within the shareholder's knowledge, the name and address of the person on whose behalf the shareholder holds such a share or, if the name or address of such person is not forthcoming, such particulars as will enable or assist in the identification of such a person, and the nature of the interest of such a person in such share. Where the shareholder served with such a notice (or any person named or identified by a shareholder on foot of such notice) fails to furnish the Company with the information required within the time period specified, the shareholder shall not be entitled to attend meetings of the Company, nor to exercise the voting rights attached to such a share, and, if the shareholder holds 0.25% or more of the issued Ordinary Shares, the Directors will be entitled to withhold payment of any dividend payable on such shares, and the shareholder will not be entitled to transfer such shares except by sale through a Stock Exchange to a bona fide unconnected third party. Such sanctions will cease to apply after not more than seven days from the earlier of date receipt by the Company of notice that the member has sold the shares to an unconnected third party or due compliance, to the satisfaction of the Company, with the notice served as provided for above.

Restrictions on the transfer of shares

Save as is set out below, there are no limitations in Irish law or in the Company's Constitution on the holding of Ordinary Shares, and there is no requirement to obtain the approval of the Company, or of other holders of Ordinary Shares, for a transfer of Ordinary Shares.

The Ordinary Shares are, in general, freely transferable, but the Directors may decline to register a transfer of Ordinary Shares upon notice to the transferee, within two months after the lodgement of a transfer with the Company, in the following cases:

(i) a lien held by the Company on the shares;
(ii) a purported transfer to an infant or a person lawfully declared to be incapable for the time being of dealing with their affairs; or
(iii) a single transfer of shares that is in favour of more than four persons jointly.

Shares held are transferable in accordance with the rules or conditions imposed by the operator of the relevant system that enables title to the Ordinary Shares to be evidenced and transferred in accordance with the Companies Act 2014.

The rights attaching to Ordinary Shares remain with the transferor until the name of the transferee has been entered on the Register of Members of the Company.

In accordance with the EU Central Securities Depository Regulation EU 909/2014 ('CSDR'), the Dematerialisation of Irish Securities came into effect on 1 January 2025, requiring all shares issued by AIB Group plc to be held in uncertificated form. Therefore, effective from 1 January 2025, share certificates for AIB Group plc are no longer issued or valid as evidence of title and entries on the shareholder register were replaced and recorded electronically by book entry record.

Exercise of rights of shares in Employee share schemes

The SIP and APSS provide that where the relevant trustee holds shares for a participant, the trustee may ask that participant how they should vote in respect of those shares. The relevant trustee will vote in accordance with any directions the participant gives (save that under the SIP, they will only vote on a show of hands if all the participants who have given them a direction have given the same direction). The trustees will not vote in respect of any shares they hold that are not allocated to a participant.

Deadlines for exercising voting rights

Voting rights at general meetings of the Company are exercised when the Chair puts the resolution at issue to a vote of the meeting. A vote decided by a show of hands is taken forthwith. A vote taken on a poll for the election of the Chair or on a question of adjournment is also taken forthwith, and a poll on any other question is taken either immediately or at such time (not being more than 30 days from the date of the meeting at which the poll was demanded or directed) as the Chair of the meeting directs. Where a person is appointed to vote for a shareholder as proxy, the instrument of appointment must be received by the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the appointed proxy proposes to vote, or, in the case of a poll, not less than 48 hours before the time appointed for taking the poll.

Schedule to the Directors' Report *continued*

Rules concerning amendment of the Company's Constitution

As provided in the Companies Act 2014, the Company may, by special resolution, alter or add to its Constitution. A resolution is a special resolution when it has been passed by not less than three-fourths of the votes cast by shareholders entitled to vote and voting in person or by proxy, at a general meeting at which not less than 21 clear days' notice specifying the intention to propose the resolution as a special resolution, has been duly given. A resolution may also be proposed and passed as a special resolution at a meeting at which less than 21 clear days' notice has been given if it is so agreed by a majority in number of the members having the right to attend and vote at any such meeting, this being a majority together holding not less than 90% in nominal value of the shares giving that right.

Rules concerning the appointment and replacement of Directors of the Company

- Other than in the case of a casual vacancy, Directors are appointed on a resolution of the shareholders at a general meeting, usually the Annual General Meeting.
- No person, other than a Director retiring at a general meeting, is eligible for appointment as a Director without a recommendation by the Directors for that person's appointment unless, not less than 42 days before the date of the general meeting, written notice by a shareholder duly qualified to be present and vote at the meeting of the intention to propose the person for appointment, and notice in writing signed by the person to be proposed of willingness to act, if so appointed, have been given to the Company.
- A shareholder may not propose himself or herself for appointment as a Director.
- The Directors have the power to fill a casual vacancy or to appoint an additional Director (within the maximum number of Directors fixed by the Company in a general meeting), and any Director so appointed holds office only until the conclusion of the next Annual General Meeting following his/her appointment, when the Director concerned shall retire, but shall be eligible for reappointment at that meeting.
- One-third of the Directors for the time being (or, if their number is not three or a multiple of three, not less than one-third) are obliged to retire from office at each Annual General Meeting on the basis of the Directors who have been longest in office since their last appointment. While not obliged to do so, the Directors have, in recent years, adopted the practice of all (those wishing to continue in office) offering themselves for re-election at the Annual General Meeting.
- A person is disqualified from being a Director, and their office as a Director is ipso facto vacated, in any of the following circumstances:
  - if at any time the person has been adjudged bankrupt or has made any arrangement or composition with his/her creditors generally;
  - if found to no longer have adequate decision-making capacity in accordance with law;
  - if the person be prohibited or restricted by law from being a Director;
  - if, without prior leave of the Directors, he/she be absent from meetings of the Directors for six successive months (without an alternate attending) and the Directors resolve that his/her office be vacated on that account;
  - if, unless the Directors or a court otherwise determine, he/she be convicted of an indictable offence;
  - if he/she be requested, by resolution of the Directors, to resign his/her office as Director on foot of a unanimous resolution (excluding the vote of the Director concerned) passed at a specially convened meeting at which every Director is present (or represented by an alternate) and of which not less than seven days' written notice of the intention to move the resolution and specifying the grounds therefore has been given to the Director; or
  - if he/she has reached an age specified by the Directors as being that at which that person may not be appointed a Director or, being already a Director, is required to relinquish office and a Director who reaches the specified age continues in office until the last day of the year in which he/she reaches that age.
- In addition, the office of Director is vacated, subject to any right of appointment or reappointment under the Company's Constitution, if:
  - not being a Director holding for a fixed term an executive office in his/her capacity as a Director, he/she resigns their office by a written notice given to the Company, upon the expiry of such notice; or
  - being the holder of an executive office other than for a fixed term, the Director ceases to hold such executive office on retirement or otherwise; or
  - the Director tenders his/her resignation to the Directors and the Directors resolve to accept it; or
  - the Director ceases to be a Director pursuant to any provision of the Company's Constitution.
- Notwithstanding anything in the Company's Constitution or in any agreement between the Company and a Director, the Company may, by ordinary resolution of which extended notice has been given in accordance with the Companies Act 2014, remove any Director before the expiry of his/her period of office.
- The Minister for Finance has the power to nominate two Non-Executive Directors in accordance with the Relationship Framework between the Group and the State and certain provisions as outlined therein. The Relationship Framework is available on the Group's website at www.aib.ie/investorrelations.

The powers of the Directors

Under the Company's Constitution, the business of the Company is to be managed by the Directors, who may exercise all the powers of the Company subject to the provisions of the Companies Act, the Constitution of the Company, and to any directions given by special resolution of a general meeting. The Company's Constitution further provides that the Directors may make such arrangements as may be thought fit for the management, organisation and administration of the Company's affairs, including the appointment of such executive and administrative officers, managers and other agents as they consider appropriate, and may delegate to such persons (with such powers of sub-delegation as the Directors shall deem fit) such functions, powers and duties as the Directors may deem requisite or expedient.

Other Governance Information

Other governance information

Relations with shareholders

The Group has a number of procedures in place to allow its shareholders and other stakeholders to stay informed about matters affecting their interests. In addition to this Annual Financial Report, which is available on the Group's website at www.aib.ie/investorrelations and sent in hard copy to those shareholders who request it, the following communication tools are used by the Group:

Website

The Group's website contains, for the years since 2000, the Annual Financial Report, the Half-Yearly Financial Report, and the Annual Report on Form 20-F for the relevant years. In accordance with the Transparency (Directive 2004/109/EC) (Amendment) (No. 2) Regulations 2015, this and all future Annual and Half-Yearly Financial Reports will remain available to the public for at least ten years. For the period 2008 to 2013, the Annual Financial Report and the Annual Report on Form 20-F were combined. The Group's presentation to fund managers and analysts of annual and half-yearly financial results are also available on the Group's website. None of the information on the Group's website is incorporated in, or otherwise forms part of, this Annual Financial Report.

Annual General Meeting ('AGM')

The AGM is an opportunity for shareholders to hear directly from the Board on the Group's performance and developments of interest for the year to date and, importantly, to ask questions.

All shareholders of the company are invited to attend the AGM. Separate resolutions are proposed on each separate issue and voting is conducted by way of a poll. The votes for, against and withheld on each resolution are subsequently published on the Group's website. It is usual for all Directors to attend the AGM and to be available to meet shareholders before and after the meeting. The Chairs of the Board Committees are available to answer questions about the Committee's activities. A helpdesk facility is available to shareholders attending the AGM.

The company's 2025 AGM is scheduled to be held on 1 May 2025. It is intended that Notice of the Meeting will be made available on the Group's website and sent in hard copy to those shareholders who request it, at least 20 working days before the meeting, in accordance with the Financial Reporting Council's Board Effectiveness guidelines. The location of the meeting and attendance options will be communicated with the distribution of the aforementioned Notice.

Supervision and Regulation

Throughout 2024, the Group continued to work with its regulators, which include the European Central Bank ('ECB'), the Central Bank of Ireland ('CBI'), the Data Protection Commission ('DPC'), the Prudential Regulation Authority ('PRA'), the Financial Conduct Authority ('FCA') in the United Kingdom ('UK'), the New York State Department of Financial Services ('NYSDFS') and the Federal Reserve Bank of New York in the United States of America ('USA') to focus on ensuring compliance with existing regulatory requirements, together with the management of regulatory change.

AIB Group plc is the holding company of Allied Irish Banks, p.l.c. (the principal operating company of AIB Group) and, as such, AIB Group plc is subject to consolidated supervision with respect to Allied Irish Banks, p.l.c. and other credit institutions and investment firms in the Group. Allied Irish Banks London Branch was approved by the PRA/FCA as an incoming third country branch to operate in the UK post-Brexit.

Current climate of regulatory change

The level of regulatory change remained high in 2024 as the regulatory landscape for the banking sector continued to evolve. 2024 saw a continued focus by the Group's regulators on regulatory change implementation amidst this evolving regulatory landscape.

The regulatory focus on Conduct, Culture and Prudential, including ESG will continue in 2025 and beyond, with the full implementation of the Senior Executive Accountability Regime as part of the Individual Accountability Framework, the ongoing review of the Consumer Protection Code, and the finalisation of preparations to implement the Basel III final reforms.

The Group is committed to proactively identifying regulatory obligations arising in each of the Group's operating markets in Ireland, the UK and the USA, ensuring the timely implementation of regulatory change.

Throughout 2024, the Group continued cross-functional programmes to ensure that it meets new regulatory requirements. In particular, the Group focused on monitoring the development of the forthcoming EU AML Reform package, key legislative initiatives in the areas of payments (including plans to introduce instant payments, a digital Euro and revisions to the EU's payments service directive), proposed amendments to primary EU conduct of business legislation (including the consumer credit directive and distance marketing directive), proposals from the Central Bank of Ireland to revise the Consumer Protection Code, proposals to introduce new requirements concerning access to and acceptance of cash, new standards on corporate sustainability reporting, ongoing guidance from our Regulators and the staged implementation of the Individual Accountability Framework.

The level of regulatory change is expected to remain at high levels in 2025 and beyond.

United Kingdom

During 2024, AIB Group (UK) p.l.c. continued to prioritise compliance with its regulatory obligations in Great Britain and Northern Ireland and will remain focused on this throughout 2025.

Regulatory change horizon – UK

Since the UK left the EU, the regulatory regime within the UK has remained closely aligned with EU regulation. EU regulation has effectively been on-shored onto the UK statute book. There has been some regulatory divergence as a result of Brexit and the UK has implemented changes, particularly in relation to financial crime including sanctions. Implications for financial services regulations need to be carefully monitored but, given that most EU regulations have been transposed into UK law via the Financial Services and Markets Act, the actual impact continues to be insignificant. AIB UK is well positioned to identify and comply with any changes.

2024 saw Implementation Phase 2 of the FCA's new Consumer Duty rules, requiring firms to act to deliver good outcomes for retail customers. Regulatory focus is now on embedding Consumer Duty to ensure better outcomes for customers. Work commenced to deliver the final item on the CMA's Open Banking road map in 2024. 2024 also saw the introduction of Confirmation of Payee service to better protect customers from fraud.

Mandatory reimbursement was introduced by the Payment System Regulator in relation to authorised push payment fraud, to further enhance customer protection. There were a number of strategic initiatives implemented within AIB UK during 2024. Each of these were implemented in line with regulatory requirements and all customers' risks and the associated mitigating actions were fully considered through the AIB UK Conduct Committee.

UK Regulators continue to focus on enhancing operational resilience in the UK financial services sector and requiring banks to make plans to take account of climate change.

United States

Compliance with federal and state banking laws and regulations

AIB New York continues to prioritise compliance with its regulatory obligations in the USA and will remain focused on this throughout 2025. The level of regulatory change remained high in 2024.

Regulatory focus on Liquidity Risk Management, AML & Sanctions, Climate and Cybersecurity & Resiliency continues in 2025, with regulatory developments in Climate and Cybersecurity. The NYDFS finalised its second amendment to its 23 NYCRR Part 500 (Cybersecurity Rules) in 2023. The new compliance requirements were implemented throughout 2024, with further requirements to take effect in 2025 and beyond.

The passing of the Anti-Money Laundering Act 2020 (incorporating the Corporate Transparency Act) in 2021 contains requirements that will continue to be a focus in 2025 and beyond.

US regulators have implemented climate-related guidance in 2024 and AIB New York will continue to engage with AIB Group on meeting regulatory expectations.

Expanded use of digital payments, crypto and digital assets has increased the need for defined regulatory authority around key risk areas.

AIB New York will continue to maintain the annual attestation of compliance to the NYDFS for the AML and Sanctions (DFS 504) and Cybersecurity (DFS 500) Programmes and to the FRB for its Security and Resiliency requirements.

AIB New York is working with the California Department of Financial Protection and Innovation to meet all regulatory requirements to open a San Francisco Representative Office in 2025.

AIB New York will continue to work closely with AIB Group on regulatory changes.

Risk Management

In this section

The information below in sections, paragraphs or tables denoted as audited in sections 2.1 to 2.10 in the Risk Management Report forms an integral part of the audited financial statements as described in note 1(c) 'basis of preparation' to the financial statements. All other information, including tables, in the Risk Management Report are additional disclosures and do not form an integral part of the audited financial statements.

1. Risk Management Approach

1. Introduction

The risk summary on pages 16 to 21 provides an overview of the Group's core risk management principles and the key developments in 2024. This full risk management section provides a more in-depth picture of how risk is managed within the Group. A full analysis of the principal risks categories are set out on pages 185 to 246, including the framework by which risks are identified, managed, monitored and reported. Each Principal Risk category is described using standard headings.

The Group uses a comprehensive risk management approach across all risk types. This is outlined in the Group's risk management framework, including the key practices that are implemented in managing risks, both financial and non-financial. The framework is reviewed, updated and approved by the Board at least annually to reflect any changes to the Group's business or consideration of external regulations, corporate governance requirements and industry best practice.

The Group's independent Risk function designs and maintains the framework. The Risk function is led by the Chief Risk Officer who provides oversight and monitoring of all risk management activities.

1.1 Risk strategy

Risk strategy setting

The following section sets out at a high level the approach to Risk strategy setting applicable across the Group, its subsidiaries and joint ventures.

The Group has a set of strategic risk objectives which supports the delivery of the Group's strategy. A Risk Plan is developed by the Chief Risk Officer and is designed to align to the Group Strategy, with enhanced oversight of compliance with regulation and much closer involvement in the development, implementation, and safe execution of the Group's strategy. The Group's Risk Appetite Statement defines the amount and type of risk that the Group is willing to accept, in pursuit of its strategic goals.

The focus of the Group's new strategic cycle is centred around customers needs and anchored in a progressive sustainability agenda. See 'Our Strategy' on pages 14 to 15. Sustainability is a key strategic objective of the Group and Sustainable Communities is one of the Group's five Strategic Pillars.

1.2 Risk governance and oversight

The Group's Governance and Organisation Framework encompasses the leadership, direction and control of the Group, reflecting policies, guidelines and statutory obligations. This ensures that control arrangements provide appropriate governance of the Group's strategy, operations and mitigation of related material risks. This is achieved through a risk governance structure designed to facilitate the reporting, evaluation and escalation of risk concerns from business segments and control functions to the Board and its appointed committees and sub-committees.

Board of Directors

The Board of Directors is ultimately responsible and accountable for the effective management of risks and for the system of internal controls in the Group. The Board has delegated a number of risk governance responsibilities to various committees. The roles of the Board, the Board Audit Committee, the Board Risk Committee, the Remuneration Committee, Sustainable Business Advisory Committee, Technology and Data Advisory Committee and the Nominations and Corporate Governance Committee are all set out in the Governance and Oversight – Corporate Governance report on pages 123 to 178.

Executive Committee ('ExCo')

The ExCo has primary authority and responsibility for the day to day operations of, and the development of strategy for the Group. While the ExCo has delegated its powers and authorities to other committees, it retains ultimate accountability for the functions delegated.

Group Risk Committee ('GRC')

The GRC is the most senior management risk committee and is accountable to the ExCo to set policy and monitor all risk types across the Group to enable delivery of the Group's risk strategy.

The roles and responsibilities of the GRC are:
- Reviewing and approving (or recommending to the Board and/or its subcommittees where appropriate) risk frameworks, risk appetite statements, risk policies and thresholds in order to manage the risk profile of the Group;
- Monitoring and reviewing the Group's risk profile (enterprise wide);
- Periodically reviewing the effectiveness of the Group's risk management policies for identifying, evaluating, monitoring, managing and measuring significant risks;
- Providing oversight and challenge of regulatory, operational and conduct risk related matters;
- Providing oversight and challenge of credit risk management related matters and periodically reviewing the credit portfolio exposures and trends;
- Providing oversight and challenge of risk measurement matters;
- Overseeing the development of the Group's risk management culture;
- Monitoring and reviewing the Group's risk profile and the business segment limits for equity risk;
- Considering the annual Money Laundering Reporting Officer's report; and
- Considering and assessing management's response to Group Internal Audit findings.

The sub-committees of the GRC are the Group Credit Committee, the Group Internal Ratings Based Committee, the Regulatory and Conduct Risk Committee, the Model Risk Committee and the Operational Risk Committee:
- The Group Credit Committee is responsible for developing and monitoring credit policy within the Group and approval of all large credit transactions. The Areas Credit Committees exercise approval authority in line with the relevant Credit Approval and Review Authorities for the business areas;
- The Group Internal Ratings Based Committee ensures delivery of the commitments set out in the IRB Enterprise Plan;
- The Regulatory and Conduct Risk Committee is responsible for the governance and oversight of regulatory and conduct risks;
- The Model Risk Committee reviews the technical and methodological aspects of the Group's material models as well as maintenance of existing material models and approval of less material models;
- The Operational Risk Committee is responsible for the governance and oversight of operational risks.

1.2 Risk governance and oversight *continued*

Group Asset and Liability Management Committee ('ALCo')

ALCo has been established as a sub-committee of the Executive Committee. ALCo is the Group's strategic and business decision making forum for balance sheet management matters. ALCo is tasked with decision making in respect of the Group's balance sheet structure, including capital, funding, liquidity, interest rate risk in the banking book from an economic value and net interest margin ('NIM') perspective, foreign exchange ('FX') risks and other market risks to ensure it enables the delivery of the Group's Strategic Plan. ALCo provides oversight of funding and liquidity, capital, market and equity/investments risk as well as balance sheet pricing in line with the relevant risk frameworks and policies in accordance with risk appetite. ALCo also monitors, reviews and makes decisions regarding key legal, regulatory and accounting developments affecting the measurement and control of balance sheet risks and capital. ALCo is supported by its three subcommittees, Equity Investment Committee, the Stress Testing Committee and the Asset and Liability Management Technical Committee ('ALMTC').

Risk Data Governance

Data governance and quality is of prime importance to the risk management process. It supports all stages of risk lifecycle and lays the base for decision making. The Group's principles for Data Governance are set out in the Data Governance Framework, and the framework ensures that high quality data is captured, used, and managed securely and is in line with relevant laws and regulations across the Group. The framework enhances the monitoring of material risks, risk metrics and mitigates the risk of inadequate data and risk reporting leading to poor decision making by the Board and senior management.

1.3 Identification and assessment

Risk is identified and assessed in the Group through a combination of on-going risk management practices including the following:

- Material Risk Assessment ('MRA');
- Risk and Control Assessment('RCA');
- Integrated Financial Plan;
- Internal Capital Adequacy Assessment Process ('ICAAP');
- Internal Liquidity Adequacy Assessment Process ('ILAAP');
- Stress testing & Scenario Analysis;
- Recovery planning; and
- Resolution planning.

Material Risk Assessment ('MRA')

The MRA is a top down process performed on at least an annual basis for the Group which identifies the key principal risks and the identification of emerging and evolving risks. This assessment makes use of horizon scanning and takes into account the Group's strategic objectives and incorporates both internal and external risk information. The Board is responsible for the annual approval of the Group material risk assessment. Additionally, the transmission channel analysis is conducted annually to analyse how different C&E risk drivers transmit through micro and macroeconomic factors and impact on the Group's principal risks.

Risk and Control Assessment ('RCA')

The first line of defence is responsible for ensuring that detailed bottom up RCAs are undertaken for all businesses or business processes falling under their responsibility. These assessments are performed regularly and whenever there is a material change in organisation, business processes or business environment.

Integrated Financial Plan

The financial plan is integral to how the Group manages its business and monitors performance. It informs the delivery of the Group's strategy and is aligned to the Risk Appetite Statement. It enables realistic business objectives to be set for Management, identifies accountability in the Group's delivery of planning targets and identifies the risks to the delivery of the Group's strategic goals as well as the mitigants of those risks. The plan is produced under a base scenario and assessed under a range of alternative scenarios over a three year time horizon. This assessment forms the basis for consideration of business model risk and internal capital adequacy.

Internal Capital Adequacy Assessment Process ('ICAAP')

This is the Group process to ensure adequate capital resources are maintained at all times, having regard to the nature and scale of its business and the risks arising from its operations. The ICAAP is the process by which the Group performs a formal and rigorous assessment of its balance sheet, business plans, risk profile and risk management processes to determine whether it holds adequate capital resources to meet both internal objectives and external regulatory requirements. Multiple scenarios are considered for each ICAAP including both systemic and idiosyncratic stress tests ranging from moderate to extreme and are applied to the Group's material risks as identified through its material risk assessment. The stress time horizon of three years is aligned with the planning horizon.

Internal Liquidity Adequacy Assessment Process ('ILAAP')

The Internal Liquidity Adequacy Assessment Process ('ILAAP') is a process by which the Group performs a formal and rigorous assessment of its balance sheet, business plans, risk profile and risk management processes to determine whether it holds sufficient liquid resources of appropriate quality to meet both internal objectives and external regulatory requirements. Multiple scenarios are considered for each ILAAP including both firm specific, systemic risk events and a combination of both to ensure the continued stability of the Group's liquidity position within the Group's pre-defined liquidity risk tolerance levels. The stress time horizon of three years is aligned with the planning horizon.

Stress testing

Stress testing is recognised as a key risk management process within the Group. It seeks to ensure that risk assessment is dynamic and forward looking, and considers not only existing risks but also potential and emerging threats. Stress test methodologies are developed to assess the material risks identified in the material risk assessment process.

The Group's stress testing programme embraces a range of forward looking stress tests and takes all the Group's material risks into account. The type of stress test include:

- ICAAP stress testing undertaken on an annual basis in support of ICAAP and is integrated with the Group's annual financial planning process. This aims to highlight the key vulnerabilities of the Group and inform potential future capital needs including capital buffers, in excess of minimum regulatory capital requirements, and internal capital requirements under both base and stressed conditions over the planning horizon;
- Internal capital stress tests on all of the material risks of the Group. These consider the implications of a severe shock across the Group's material risks and additional supporting scenarios as deemed appropriate;
- Annual ILAAP stress testing applied to the funding and liquidity plan to formally assess the Group's liquidity risks;
- Internal liquidity stress tests which are performed weekly;
- The climate stress testing approach consider the impact of physical and transition risks across a number of scenarios on the Group's exposures. The initial scope of climate stress testing activities and climate modelling in the Group is primarily focused on the credit risk implications for the loan portfolio;
- Reverse stress testing undertaken at least annually to explore the vulnerabilities of the Group's strategies and plans in extreme adverse events that would cause the Group to fail. If necessary the Group will adopt an action plan to prevent and mitigate these risks;
- Annual recovery stress tests which use scenarios to assess the adequacy of recovery indicators of both capital and liquidity in identifying the onset of a period of stress and the recovery plan options used to exit that stress;
- Ad hoc stress testing on key core portfolios as required. This can include emerging risks identified from the MRA process and as well as in response to regulatory requests;

Risk Management *continued*

1.3 Identification and assessment *continued*

Stress testing *continued*

- Sensitivity analysis assesses the marginal impact of an incremental change in one risk parameter on the Group's capital and liquidity position; and
- Subsidiary stress tests conducted on in-scope subsidiaries subject to individual regulatory capital requirements.

Stress testing methodology

Across all of the Group's material risks, the methodology will be an appropriate blend of model based and expert judgement approaches. Assumptions and outputs are reviewed by impacted businesses and central functions, and via Risk review, to ensure they are plausible and intuitive. All models used in the stress testing process are subject to model validation as per the Group's Model Risk Management Framework. The stress tests comply with all regulatory requirements, achieved through the comprehensive review and challenge of macroeconomic scenarios and stress test outcomes, as well as the ongoing validation requirements of stress testing models.

Recovery planning

The Group's recovery plan sets out the arrangements and measures that the Group could adopt in the event of severe financial stress to restore the Group to long term viability. A suite of indicators and options are included in the Group's recovery plan, which together ensures the identification of stress events and the tangible mitigating actions available to the Group to restore viability.

Resolution planning

Resolution is the restructuring of a bank by a resolution authority that has failed or is likely to fail, through the use of resolution tools in order to:
- safeguard the public interest;
- ensure the continuity of the Group's critical functions;
- ensure financial stability in the economy in which it operates; and
- minimise costs to taxpayers.

The Group is under the remit of the Single Resolution Board ('SRB') due to its systemic importance. The SRB, in cooperation with the National Resolution Authorities, (Central Bank of Ireland for Ireland and Bank of England for the UK) draft the resolution plan for the Group. The resolution plan describes the Preferred Resolution Strategy ('PRS'), in addition to ensuring the continuity of the Group's critical functions and the identification and addressing of any impediments to the Group's resolvability.

The PRS for the Group is a single point of entry bail-in. The resolution authorities set the loss absorbing capacity requirements for Minimum Requirements for own funds and Eligible Liabilities (MREL), in addition to any work programmes required to mitigate any perceived impediments to resolvability. Senior management are responsible for implementing the measures that are needed to ensure the Group's resolvability. There are a number of governance fora such as subject matter working groups and a Resolution Steering Committee that provides governance and oversight around resolution planning. The Risk function liaises with the resolution planning team to provide oversight over the Resolvability Programme to ensure that deliverables are being met as set out within the Board approved project plan and as outlined by regulatory guideline.

1.4 Monitoring, escalating and reporting

Setting risk appetite

The Board sets the risk appetite for the Group informed by the material risk assessment. Risk appetite is the nature and extent of risk that the Group is willing to take, accept, or tolerate, in pursuit of its business objectives and strategy. It also informs the Group's strategy, and as part of the Risk Management Framework, is a boundary condition to strategy and guides the Group in its risk taking and related business activities. The financial plan is tested to ensure risk appetite adherence.

The Group RAS is an articulation of the Group's appetite for, and tolerance of risk, expressed through qualitative statements and quantitative limits and thresholds. The Group RAS seeks to encourage appropriate risk taking to ensure that risks are consistent with the Group strategy and risk appetite. The Group RAS cascades into key business segments with separate Risk Appetite Statements for each licenced subsidiary reflecting the risk appetite of the subsidiary as a standalone entity.

Risk measurement

Each of the material risks has a specific approach to how the risk is measured. The Group Risk Appetite Statement and the separate Risk Appetite Statements for the licensed subsidiaries contain metrics which are measured on a monthly basis against the thresholds set.

Risk management

The material risk types are actively managed and measured against their respective frameworks, policies and processes on an ongoing basis.

Model Risk has been identified as one of the Group's principal risks. Risk models are a key tool utilised in the Group's risk assessment and ongoing monitoring. Risk models are used to measure credit, market, liquidity and funding risk, and where appropriate, capital is allocated (taking account of risk concentrations) to mitigate material risks.

C&E Risk has been determined as a material risk for the Group as part of the MRA as set out on pages 242 to 243. C&E Risk is a subset of sustainability risk which encompasses a broader set of risks related to Environmental, Social and Governance (ESG) factors. C&E Risk is managed through the C&E Risk Framework, the purpose is to ensure that the C&E Risks are managed in line with the Group's overall purpose, empowering people to build a sustainable future, the Group's five key strategic pillars, as well as the Group's risk strategy and risk appetite.

The management and measurement of the Group's risk profile also informs the Group's strategic and operational planning processes.

Risk reporting

Risk reporting facilitates management decision making and is a critical component of risk governance and oversight. Risk reporting processes are in place for each of the material risks under the relevant risk frameworks and policies. This enables management, governance committees and other stakeholders to oversee the effectiveness of the risk management processes, adherence to risk policies, and (where relevant) adherence to regulatory requirements.

The CRO reports actual performance against Risk Appetite Statements to the Board Risk Committee. A material breach of a Risk Appetite Statement limit is reported to the Board and the Group's regulator when appropriate.

1.5 Risk culture

Risk culture is an integral part of the Group's overall culture and plays a crucial role for the Group to achieve its strategic objectives. The risk culture defines how risk is managed and owned throughout the Group. It is the values, behaviours, beliefs, knowledge, attitudes, awareness and understanding of, and towards risk shared by individuals. It sets the foundation for how the Group manages risk in a consistent and coherent manner. An effective Group Risk Appetite Statement is highly dependent on risk culture. Risk culture is one of the key elements of the Group's Risk Management Framework. It is through the risk framework and policy documents that an awareness of risk and control is set and cascaded throughout the Group including a Culture and Conduct Risk Framework which emphasises the criticality of ensuring fair customer outcomes. The Group's promotion of risk learning through recommended risk training and education supports the embedding of risk culture. These ongoing activities are supported by an annual Group wide risk awareness week to reinforce key risk themes.

1.6 Control environment

Three lines of defence model

The Group operates a three lines of defence model which defines clear responsibilities and accountabilities and ensures effective independent oversight and assurance activities take place covering key decisions. The first line of defence lies with the business line who are required to have effective governance and control frameworks in place for their business and to act within the risk appetite parameters set out. The second line of defence comprises the Risk function, and oversees the first line, providing independent constructive challenge, setting the frameworks, policies and limits, consistent with the risk appetite of the Group. The third line of defence comprises Group Internal Audit who provide an independent view on the key risks facing the Group, and the adequacy and effectiveness of governance, risk management and the internal control environment in managing these risks.

The Board and its sub committees, the Board Risk Committee ('BRC') and Board Audit Committee ('BAC') are ultimately responsible for ensuring the effective operation of the three lines of defence model. They are supported by the Executive Committee ('ExCo') and its sub-committees. The Terms of References for the BRC and BAC are available on the Group's website.

The Board is accountable for the system of internal controls, please refer to the Internal Controls section on pages 169 and 170 or further details.

Assurance testing

The Group has implemented testing and assurance activities with the objective to provide assurance to the Board, and its delegated sub-committees on the design and operating effectiveness of the control environment within the Group. The material risk types are continuously tested and assured in line with the Group assurance methodology, which distinguishes between risk management, risk control and risk assurance. Each line of defence is responsible for preparing business controls testing plans with consideration of the adequacy of the risk identified and the design and effectiveness of the controls in place. The combined assurance is the alignment of governance, risk and assurance activities, linked with the Group's strategy with the objective to provide better co-ordinated efforts, risk reporting, and to continuously improve performance and resilience.

Risk Management

2. Individual Risk Types

Risk Management *continued*

2.1 Credit risk

Key Developments in 2024:
- The credit quality of the portfolio has remained robust during the year and new lending is in line with targeted quality levels. The Group's risk appetite for corporate renewable energy and related infrastructure lending was expanded, reflecting the Group's strategy for sustainable lending.
- The Group remains focused on its evolving sustainability agenda, including the ongoing consideration of climate risk, which continues to be incorporated and embedded within the credit assessment process.
- Expected credit losses ('ECLs') continue to reflect the Group's vigilant stance on emerging risks while maintaining a comprehensive approach to assessing the credit environment, ensuring that the level of ECL stock remains appropriately conservative.
- The Group successfully concluded on the Ulster Bank portfolio acquisitions as the final tranche of the € 0.8 billion Ulster Bank tracker (and linked) mortgage portfolio was completed in September.

Definition of Credit risk

Credit risk is the risk that the Group will incur losses as a result of a customer or counterparty being unable or unwilling to meet their contractual obligations and associated bank credit exposure in respect of loans or other financial transactions.

Based on the annual risk identification and materiality assessment process, credit risk is grouped into the following three sub categories:
(i) Credit default risk: The risk of losses arising as a result of the borrower, issuer, or derivative counterparty not meeting their contractual obligations in full and on time and the resulting credit default risk/risk of loss leading to a risk to capital including residual risk (which is the risk that credit risk mitigation techniques used by the Group prove less effective than expected);
(ii) Concentration risk: The risk of excessive credit concentration including to an individual, counterparty, group of connected counterparties, industry sector, a geographic region, country, a type of collateral or a type of credit facility; and
(iii) Country risk: The risk of having exposure to a country, arising from possible changes in the business environment that may adversely affect operating profits or the value of assets related to the country.

Credit risk exposure derives from standard on-balance sheet products such as mortgages, loans, overdrafts and credit cards. However, credit risk also arises from other products and activities including, but not limited to: 'off-balance sheet' guarantees and commitments; securities financing; derivatives; investment securities; asset backed securities and partial failure of a trade in a settlement or payment system.

Group Risk Appetite Statement

The Group's Risk Appetite Statement ('RAS') defines the aggregate level and types of risks that the Group is willing to take, accept, or tolerate in pursuit of its business objectives and strategy as set by the Board. As part of the overall framework for risk governance, it forms a boundary condition to strategy and guides the Group in its risk-taking and related business activities. Credit risk appetite is set at Board level and is described, reported and monitored through a suite of qualitative and quantitative metrics. The credit risk metrics cover the three sub risks identified as part of the AIB Group material risk assessment process – credit default risk, concentration risk and country risk, and include concentration limits on quantum of new lending, balance sheet exposure and credit quality. Risk appetite is stress tested to ensure that limits are within the risk-taking capacity of the Group. The Group's risk appetite for credit risk is reviewed and approved at least annually.

Group Credit Risk Framework *(audited)*

The Group implements and operates policies to govern the identification, assessment, approval, monitoring and reporting of credit risk. The Group Credit Risk Framework is the overarching Board approved document which sets out the principles of how the Group identifies, assesses, approves, monitors and reports credit risk to ensure that robust credit risk management is in place. This document contains the minimum standards and principles that are applied across the Group to provide a common, robust and consistent approach to the management of credit risk. The Group Credit Risk Framework is supported by a suite of credit policies, standards and guidelines which define in greater detail the minimum standards and credit risk metrics to be applied for specific products, business lines and market segments.

Credit risk management

Credit Risk, as an independent risk management function, monitors key credit risk metrics and trends, including policy exceptions and breaches, reviews the overall quality of the loan book, challenges variances to planned outcomes and tracks portfolio performance against agreed credit risk indicators. This allows the Group, if required, to take early and proactive mitigating actions for any potential areas of concern.

The activities which govern the management of credit risk within the Group are as follows:
- Establish governance authority fora to provide independent oversight and assurance to the Board with regard to credit risk management activities and the quality of the credit portfolio;
- Formulate, implement and effectively communicate a comprehensive credit risk strategy that is viable through various economic cycles, supported by appropriate credit risk policies, which is aligned to the Group's approved Risk Appetite Statement and generates appropriate returns on capital within acceptable levels of credit quality;
- Operate within a sound and well defined credit granting process, within which risks for new and existing lending exposures, including connected exposures, are consistently identified, assessed, measured, managed, monitored and reported in line with risk appetite and the credit risk policies;
- Ensure all management and staff involved in core credit risk activities can conduct their duties to the highest standard in compliance with the Group's policies and procedures. Senior management ensure ongoing training and support to staff to ensure strong competencies to effect sound credit risk management;
- Establish and enforce an efficient internal review and reporting system to effectively manage the Group's credit risk including internal controls and assurance practices to ensure that exceptions to policies, deviations to credit standards and limits are monitored and reported in a timely manner for review and action;
- Ensure sound methodology and credit policies are in place to proactively assess credit risk, to identify deteriorating credit quality and to take remedial action to minimise losses, provide customers with affordable and sustainable solutions and maximise recovery for the Group. This includes consideration of, and the granting of, forbearance measures;
- Utilise quality management information and risk data to ensure an effective credit risk management and measurement process when reporting on the holistic credit risk profile of the Group, including changes in risk profile and emerging or horizon risks. The Group's monitoring techniques provide adequate information on the composition of the credit portfolio, including the identification of any concentrations of risk;
- Mitigate potential credit risk arising from new or amended products or activities by designing them in line with regulatory requirements, including the identification and analysis of existing and potential risks inherent in any credit product or activity; and
- Develop and continuously reinforce a strong, credit risk focused culture across the credit risk management functions through the cycle, which supports the Group's goals and enables business growth, provides constructive challenge and avoids credit risks that cannot be adequately measured.

2.1 Credit risk *continued*

Credit approval overview *(audited)*

The Group operates credit approval criteria which:
- Include a clear indication of the Group's target market(s), in line with Group and segment risk appetite statements;
- Require a thorough understanding and assessment of the borrower or counterparty, as well as the purpose and structure of credit, and the source of repayment; and
- Enforce compliance with minimum credit assessment and facility structuring standards.

Credit risk approval is undertaken by professionals operating within a defined delegated authority framework. However, for certain selected retail portfolios, scorecards and automated strategies (together referred to as 'score enabled decisions') are deployed to automate and to support credit decisions and credit management (e.g. score enabled auto-renewal of overdrafts).

The Board is the ultimate credit approval authority in the Group. The Board has delegated credit authority to various credit committees and to the Chief Credit Officer ('CCO'). The CCO is permitted to further delegate this credit authority to individuals within the Group on a risk appropriate basis. Credit limits are approved in accordance with the Group's risk policies and guidelines.

All exposures above certain levels require approval by the Group Credit Committee ('GCC') and/or Board. Other exposures are approved according to a structure of tiered individual authorities which reflect credit competence, proven judgement and experience. Depending on the borrower/connection, grade and the level of exposure, limits are sanctioned by the relevant credit authority. Material lending proposals are referred to credit units for independent assessment/approval or formulation of a recommendation and subsequent adjudication by the applicable approval authority.

The Group also has in place an Interbank Exposure Policy which establishes the maximum exposure for each counterparty bank, depending on credit grade rating. Each bank is assessed for the appropriate maximum exposure limit in line with the policy. Risk generating business units in each segment are required to have an approved bank and country limit prior to granting any credit facility, or approving any credit obligation or commitment which has the potential to create interbank or country exposure.

ECL governance *(audited)*

The Board has put in place a framework, incorporating the governance and delegation structures commensurate with a material risk, to ensure credit risk is appropriately managed throughout the Group.

The key governance points in the ECL allowance approval process during 2024 were:
- Model Risk Committee;
- Asset and Liability Committee;
- Business level ECL Forum;
- Group Credit Committee; and
- Board Audit Committee.

For ECL governance, the Group's senior management employ expert judgement in assessing the adequacy of the ECL allowance. This is supported by detailed information on the portfolios of credit risk exposures and by the outputs of the measurement and classification approaches, coupled with internal and external data provided on both the short term and long term economic outlook. Business segments and Group management are required to ensure that there are appropriate levels of cover for all of the credit portfolios and must take account of both accounting and regulatory compliance when assessing the expected levels of loss.

Assessment of the credit quality of each business segment and subsidiaries is initially informed by the output of the quantitative analytical models but may be subject to management adjustments. This ECL output is then scrutinised and approved at individual business unit level (ECL Forum), which also includes subsidiaries, prior to onward submission to the GCC.

GCC reviews and challenges ECL levels for onward recommendation to the Board Audit Committee as the final approval authority. The Board Audit Committee then recommends the Group's financial results to the Board for ultimate final approval.

Credit risk organisation and structure *(audited)*

The Group's credit risk management structure operates through a hierarchy of lending authorities. All customer loan requests are subject to a credit assessment process. The role of the Credit Risk function is to provide direction, independent oversight of and challenge to credit risk-taking.

Credit risk management consideration of Environmental, Social, and Governance ('ESG') risks

The Group continues to adapt its credit risk management processes and policies to monitor ESG risks. Sector specific rules and limitations are incorporated into credit policies within a defined climate-related and environmental risk appetite. The ESG Questionnaire continues to be used in credit applications for borrowers identified as carrying increased transitional, environmental, social and/or governance related risk where the new lending is over €/£ 1 million. Further details on climate and environmental risk are outlined in section 2.7 on page 242.

The impact of climate change on the management, escalation and reporting of credit risk was considered by the Group. There is currently no reasonable and supportable information that indicates a material impact of climate change on ECLs at a macro level, and the Group's approach to individual counterparty risk assessment adequately captures climate risk where appropriate. The impact of climate risk under various climate scenarios is assessed as part of the stress testing process within the Group. Developments will continue to be monitored in 2025 and on an onward basis to ensure ECLs appropriately reflect latent risk from potentially emerging climate risks.

Internal credit ratings *(audited)*

One of the objectives of credit risk management is to accurately quantify the level of credit risk to which the Group is exposed through the initial credit approval and ongoing review process. All relevant exposures are assigned to a rating model and within that to an internal risk grade (rating). A grade is assigned on the basis of rating criteria within each rating model from which estimates of probability of default ('PD') are derived.

Internal credit grades are fundamental in assessing the credit quality of loan exposures, and for assessing capital requirements for portfolios where prior regulatory approval has been received. Internal credit grades are key to management reporting, credit portfolio analysis, credit quality monitoring and in determining the level and nature of management attention applied to exposures. Changes in the objective information are reflected in the credit grade of the borrower/loan with the resultant grade influencing the management of individual loans. In line with the Group's credit management lifecycle, heightened credit management and special attention is paid to lower quality performing loans or 'criticised' loans and non-performing/defaulted loans, which are defined on page 188.

Using internal models, the Group utilises a credit grading masterscale that gives it the ability to categorise credit risk across different rating models and portfolios in a consistent manner. The masterscale consolidates complex credit information into a single attribute, aligning the output from the risk models with the Group's Forbearance and Definition of Default and Credit Impairment policies. The masterscale grades are driven by grading model appropriate through the cycle PDs combined with other asset quality indicators such as default, forbearance and arrears in order to provide the Group with a mechanism for ranking and comparing credit risk associated with a range of customers.

Risk Management *continued*

2.1 Credit risk *continued*

Internal credit ratings *continued* *(audited)*
Masterscale categorises loans into a broad range of grades which can be summarised into the following categories: strong/satisfactory grades; criticised grades; and non-performing/default loans. The profile of the Group's loan portfolio under each of the above grade categories is set out on page 207.

The IFRS 9 PD modelling approach uses a combination of rating grades and scores obtained from these credit risk models along with key factors such as the current/recent arrears status or the current/recent forbearance status and macroeconomic factors to obtain the relevant IFRS 9 12 month and Lifetime PDs (i.e. point in time). The Group has set out its methodologies and judgements exercised in determining its expected credit loss under IFRS 9 on pages 190 to 201.

Strong/satisfactory *(audited)*
Accounts are considered strong/satisfactory if they have no current or recent credit distress and the probability of default is typically less than 6.95%, they are not in arrears and there are no indications that they are unlikely to repay.
- Strong (typically with a PD less than 0.99%): Strong credit with no weakness evident.
- Satisfactory (typically with a PD greater than or equal to 0.99% and less than 6.95%): Satisfactory credit with no weakness evident.

Criticised *(audited)*
Accounts of lower credit quality and considered as less than satisfactory are referred to as criticised and include the following:
- Criticised watch: The credit is exhibiting weakness in terms of credit quality and may need additional management attention; the credit may or may not be in arrears.
- Criticised recovery: Includes forborne cases that are classified as performing including those which have transitioned from non-performing forborne, but still require additional management attention to monitor for re-default and continuing improvement in terms of credit quality.

Non-performing/default *(audited)*
The Group's definition of default is aligned with the EBA 'Guidelines on the application of the definition of default' under Article 178 of the Capital Requirements Regulation and ECB Banking Supervision Guidance to Banks on non-performing loans.

The Group has aligned the definitions of 'non-performing', 'classification of default' and IFRS 9 Stage 3 'credit impaired', with the exception of loans measured at fair value through profit or loss, and those loans which have been derecognised and newly originated in Stage 1 or POCI (purchased or originated credit impaired) which are no longer classified as credit impaired but continue to be classified as non-performing and in default. This alignment ensures consistency with the Group's internal credit risk management and assessment practices.

Loans are identified as non-performing or defaulted by a number of characteristics. The key criteria resulting in a classification of non-performing are:
- Where the Group considers a borrower to be unlikely to pay their loans in full without realisation of collateral, regardless of the existence of any past-due amount; or
- The borrower is 90 days or more past due on any material loan. Day count starts when any material amount of principal, interest or fee has not been paid by a borrower on the due date.

The criteria for the definition of financial distress and forbearance are included in the Group's Forbearance Policy. Criteria for the identification of non-performing exposures and unlikeliness to pay are included in the Group's Definition of Default and Credit Impairment Policy.

Credit risk monitoring *(audited)*
The Group has developed and implemented processes and information systems to monitor and report on individual credits and credit portfolios in order to manage credit risk effectively. It is the Group's practice to ensure that adequate up-to-date credit management information is available to support the credit management of individual account relationships and the overall loan portfolio.

Credit risk, at a portfolio level, is monitored using key risk indicators and early warning indicators which are reported regularly to senior management and to the Board Risk Committee. Credit managers proactively manage the Group's credit risk exposures at a transaction and relationship level. Monitoring includes credit exposure and excess management, regular review of accounts, being up-to-date with any developments in customer business, obtaining updated financial information and monitoring of covenant compliance. This is reported on a regular basis to senior management and includes information and detailed commentary on loan book growth, quality of the loan book and expected credit losses including individual large non-performing exposures.

Changes in sectoral and single name concentrations are tracked on a regular basis highlighting changes to risk concentration in the Group's loan book. The Group allocates significant resources to ensure ongoing monitoring and compliance with approved risk limits. Credit risk, including compliance with key credit risk limits, is monitored monthly and is periodically reported to senior management and to the Board Risk Committee. Once an account has been placed on a watch list, the exposure is carefully monitored and where appropriate, exposure reductions are effected.

As a matter of policy, non-retail facilities are subject to a review on, at least, an annual basis, even when they are performing satisfactorily. Annual review processes are supplemented by more frequent portfolio and case review processes in addition to arrears or excess management processes. Borrowers in Stage 2 may be subject to an 'unlikely to pay' test at the time of annual review, or earlier, if there is a material adverse change or event in their credit risk profile.

Through a range of forbearance solutions, as outlined on page 229, the Group employs a dedicated approach to loan workout, monitoring and proactive management of non-performing loans. A specialised recovery function focuses on managing the majority of criticised loans and deals with customers in default, collection or insolvency. Their mandate is to support customers in difficulty while maximising the return on non-performing loans. Whilst the basic principles for managing weaknesses in corporate, commercial and retail exposures are broadly similar, the solutions reflect the differing nature of the assets. Further details on forbearance are set out in section '2.1.6 - forbearance overview'.

Credit risk mitigants *(audited)*
The perceived strength of a borrower's repayment capacity is the primary factor in granting a loan. However, the Group uses various approaches to help mitigate risks relating to individual credits, including transaction structure, collateral and guarantees. The main types of collateral for loans and advances to customers are described under the section on collateral. Credit policy and credit management standards are controlled and set centrally by the Credit Risk function.

Occasionally, credit derivatives are purchased to hedge credit risk. Current levels are modest and their use is subject to the normal credit approval process.

The Group enters into netting agreements for derivatives with certain counterparties, to ensure that in the event of default, all amounts outstanding with those counterparties will be settled on a net basis.

Depending on the size of the potential exposure derivative transactions with wholesale counterparties are typically collateralised under a Credit Support Annex in conjunction with the International Swaps and Derivatives Association ('ISDA') Master Agreement.

2.1 Credit risk *continued*

Credit risk mitigants *continued* *(audited)*

Collateral *(audited)*
Credit risk mitigation may include a requirement to obtain collateral as set out in the Group's lending policies. Where collateral and/or guarantees are required, they are usually taken as a secondary source of repayment in the event of a borrower's default. The Group maintains policies which detail the acceptability of specific classes of collateral.

The principal collateral types for loans and advances are:
- Charges over business assets such as premises, inventory and accounts receivable;
- Charges over other assets such as plant and machinery, marine vessels etc.;
- Mortgage/legal charge over residential and commercial real estate; and
- Charges over financial instruments such as debt securities and equities.

The nature and level of collateral required depends on a number of factors such as the type of the credit facility, the term of the credit facility and the amount of exposure. Collateral held as security for financial assets, other than for loans and advances, is determined by the nature of the instrument. Debt securities and treasury products are generally unsecured, with the exception of asset backed securities, which are secured by a portfolio of financial assets.

Collateral is not usually held against loans and advances to banks, including central banks, except where securities are held as part of reverse repurchase or securities borrowing transactions or where a collateral agreement has been entered into under a master netting agreement or where the bank purchases covered bonds as part of its liquidity portfolio.

For non-mortgage/non-property lending, where collateral is taken, it will typically include a charge over the business assets such as inventory and accounts receivable. In some cases, a charge over property collateral or a personal guarantee supported by a lien over personal assets may also be taken. Where cash flows arising from the realisation of collateral held are included in the expected credit loss assessments, in many cases management rely on valuations or business appraisals from independent external professionals.

Methodologies for valuing collateral *(audited)*
Details on the valuation rule methodologies applied and processes used to assess the value of property assets taken as collateral are described in the Group Property Valuation Policy and Property Valuation Guidance. Both documents are subject to an annual review.

As property loans, including residential mortgages, represent a significant concentration within the Group's loans and advances to customers portfolio, some key principles have been applied in respect of the valuation of property collateral held by the Group.

The value of property collateral is assessed at loan origination and at certain stages throughout the credit lifecycle in accordance with the Group Property Valuation Policy e.g. at annual review, where required.

In accordance with the Group Property Valuation Policy and guidelines, the Group employs a number of methods to assist in reaching appropriate valuations for property collateral held:

(a) External valuation firms on the Group's Valuers Panel, are engaged by the Group to undertake valuations of immovable property collateral in accordance with the rules set out in the Group Property Valuation Policy.
(b) Independent professional internal valuations are completed in limited circumstances (e.g. agricultural land) using a desktop valuation approach by professionally qualified internal valuers who are independent of the credit process in the second line of defence. The assets being valued by this means must have an independent professional external valuation completed within the past 3 years.
(c) Internal valuations are completed by the first line of defence pursuant to the rules in the Property Valuation Policy and in line with the Property Valuation Guidance, which provides appropriate valuation methodology guidance. These include the following valuation methodologies:
(i) Index valuation approach – used for residential property;
(ii) Comparable valuation approach – a basic level of valuation methodology used to value agricultural land or as a sense check for the valuation of residential, commercial or development land;
(iii) Commercial investment valuation approach – used for the valuation of commercial property using the Group's commercial investment yield matrices;
(iv) Residual valuation approach – used for the valuation of development land or land with development potential; and
(v) Profits valuation approach – used for the valuation of trading assets e.g. hotels, licensed premises, convenience stores etc. using the Group's stabilised EBITDA matrices.

Collateral and ECLs *(audited)*
Applying one or a combination of the above methodologies, in line with the Group Property Valuation Policy, has resulted in an appropriate range of discounts to original collateral valuations, influenced by the nature, status and year of purchase of the asset. The frequency and availability of such up-to-date valuations remain a key factor in ECL determination. Additionally, relevant costs likely to be associated with the realisation of the collateral are taken into account in the cash flow forecasts. The spread of discounts is influenced by the type of collateral, e.g. land, developed land or investment property and also its location.
The valuation arrived at, is therefore, a function of the nature of the asset.

When assessing the level of ECL allowance required for property loans, apart from the value to be realised from the collateral, other cash flows, such as recourse to other assets or sponsor support, are also considered, where available. The other key driver is the time it takes to receive the funds from the realisation of collateral. While this depends on the type of collateral and the stage of its development, the period of time to realisation is typically one to five years but sometimes this time period is exceeded. These estimates are periodically reassessed on a case by case basis.

When undertaking an ECL review for individually assessed cases that have been deemed unlikely to pay, the present value of future cash flows, including the value of collateral held, and the likely time required to realise such collateral is estimated. An ECL allowance is raised for the difference between this present value and the carrying value of the loan. When multiple discounted cash flows are captured where the gross credit exposure is ≥ € 5 million (Republic of Ireland) or ≥ £ 5 million (UK) or cases in scope for the Group Leveraged Lending Policy, the value of collateral is adjusted to reflect the impacts of up and downside scenarios for these higher value exposures.

Summary of risk mitigants by selected portfolios
Set out below are details of risk mitigants used by the Group in relation to financial assets detailed in the 'maximum exposure to credit risk' table on page 202.

Residential Mortgages
For residential mortgages, the Group takes collateral in support of lending transactions for the purchase of residential property. Collateral valuations are required at the time of origination of each residential mortgage. Details regarding the estimated fair value of collateral held for the Group's residential mortgage portfolio are included under the residential mortgage section on page 221.

Risk Management *continued*

2.1 Credit risk *continued*

Credit risk mitigants *continued* *(audited)*

Securities financing *(audited)*
In addition to the credit risk mitigants, the Group, from time to time, enters securities financing transactions. Securities financing consists of securities borrowing transactions, reverse repurchase agreements and securities sold under agreements to repurchase. At 31 December 2024, the total fair value of the collateral received was € 6,643 million (2023: € 6,466 million) in relation to reverse repurchase agreements and securities borrowing transactions (note 19 to the consolidated financial statements).

Derivatives *(audited)*
Derivative financial instruments are recognised in the statement of financial position at their fair value. Those with a positive fair value are reported as assets which at 31 December 2024 amounted to € 2,144 million (2023: € 2,377 million) and those with a negative fair value are reported as liabilities which at 31 December 2024 amounted to €1,807 million (2023: € 1,902 million).

The enforcement of netting agreements would potentially reduce the statement of financial position carrying amount of derivative assets and liabilities by € 1,385 million at 31 December 2024 (2023: € 1,556 million). The Group also has Credit Support Annexes ('CSAs') in place which provide collateral for derivative contracts. At 31 December 2024, € 698 million (2023: € 713 million) of CSAs are included within financial assets as collateral for derivative liabilities and € 814 million (2023: € 839 million) of CSAs are included within financial liabilities as collateral for derivative assets (note 38 to the consolidated financial statements). Additionally, the Group has agreements in place which may allow it to net the termination values of cross currency swaps upon occurrence of an event of default.

Investment securities
At 31 December 2024, government guaranteed senior bank debt which amounted to € 164 million (2023: € 202 million) was held within the investment securities portfolio.

Risk transfer *(audited)*
The Group also uses other credit risk mitigation and protection techniques such as credit risk transfers to optimise exposure to credit risk and reduce potential credit losses associated with credit events, such as defaults or downgrades in credit quality. At a portfolio level, credit risk is accessed in relation to the degree of single name, sectoral asset class and geographic concentrations. In order to manage credit risk exposure in the event of emerging risk concentrations, the risk capital implications are assessed and, where appropriate, risk transfer options (e.g. loan disposals, securitisations etc.) are considered.

In November 2024, the Group entered into a Significant Risk Transfer ('SRT') on a portfolio of € 1 billion corporate loan assets. This transaction reduces the Group's credit risk exposure, and consequently the risk weighted assets on the reference portfolio of loan assets, through a risk sharing structure whereby the buyers of the notes assume the credit risk for € 97.5 million of potential credit losses on the reference portfolio of loan assets in return for an annual coupon.

No assets were derecognised from the Group's balance sheet. The reference portfolio of loan assets and related customer relationships continue to be maintained by the Group.

Measurement, methodologies and judgements

Introduction *(audited)*
The Group has set out the methodologies used and judgements exercised in determining its expected credit loss allowance for the year to 31 December 2024.

The Group, in estimating its ECL allowance does so in line with the expected credit loss impairment model as set out by the International Financial Reporting Standard 9 Financial Instruments ('the standard'). This model requires a timely recognition of ECL across the Group. The standard does not prescribe specific approaches to be used in estimating ECL allowance, but stresses that the approach must reflect the following:
- An unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- Underlying models should be point in time and forward looking – recognising economic conditions;
- The ECL must reflect the time value of money;
- A lifetime ECL is calculated for financial assets in Stages 2 and 3 and Purchased or Originated Credit Impaired ('POCI'); and
- The ECL calculation must incorporate 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 standard defines credit loss as the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate ('EIR') or an approximation thereof.

ECLs are defined in the standard as the weighted average of credit losses across multiple macroeconomic scenarios, with weights assigned based on the probability of each scenario occurring and are an estimate of credit losses over the life of a financial instrument.

The ECL model applies to financial instruments measured at amortised cost or at fair value through other comprehensive income. In addition, the ECL approach applies to lease receivables, loan commitments and financial guarantee contracts that are not measured at fair value through profit or loss.

A key principle of the ECL model is to reflect any relative deterioration or improvement in the credit quality of financial instruments occurring (e.g. change in the risk of a default). The ECL amount recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition together with the impact on credit risk parameters.

Bases of measurement *(audited)*
Under the standard, there are two measurement bases:
1. 12-month ECL (Stage 1), which applies to all financial instruments from initial recognition as long as there has been no significant increase in credit risk; and
2. Lifetime ECL (Stages 2 and 3 and POCI), which applies when a significant increase in credit risk has been identified on an account (Stage 2), an account has been identified as being credit-impaired (Stage 3) or when an account meets the POCI criteria.

Staging *(audited)*
Financial assets are allocated to stages dependent on credit quality relative to when assets were originated. A financial asset, including financial assets acquired by the Group, can only originate in either Stage 1 or POCI.

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Credit risk at origination *(audited)*
Credit risk at origination ('CRAO') is a key input into the staging allocation process. The origination date of an account is determined by the date on which the Group became irrevocably committed to the contractual obligation and the account was first graded on an appropriate model.

For undrawn credit facilities, the Group uses the date of origination as the date when it becomes party to the irrevocably contractual arrangements or irrevocable commitment. For overdrafts which have both drawn and undrawn components, the date of origination is the same for both. The Group uses best available information for facilities which originated prior to a credit risk rating model or scorecard being in place.

For accounts that originated prior to 1 January 2018, a neutral view of the macroeconomic outlook at the time is used, i.e. where macroeconomic variables are used in the Lifetime PD models, long-run averages are used instead of historical forecasts.

Stage 1 characteristics *(audited)*
Obligations are classified Stage 1 at origination or at acquisition by the Group, unless POCI, with a 12 month ECL being recognised. These obligations remain in Stage 1 unless there has been a significant increase in credit risk.

Accounts can also return to Stage 1 if they no longer meet either the Stage 2 or Stage 3 criteria, subject to satisfaction of the appropriate probation periods, in line with regulatory requirements.

Stage 2 characteristics *(audited)*
Obligations where there has been a 'significant increase in credit risk' ('SICR') since initial recognition but do not have objective evidence of credit impairment are classified as Stage 2. For these assets, lifetime ECLs are recognised.

The Group assesses at each reporting date whether a significant increase in credit risk has occurred on its financial obligations since their initial recognition. This assessment is performed on individual obligations rather than at a portfolio level. If the increase is considered significant, the obligation will be allocated to Stage 2 and a lifetime expected credit loss will apply to the obligation. If the change is not considered significant, a 12 month expected credit loss will continue to apply and the obligation will remain in Stage 1.

SICR assessment *(audited)*
The Group's SICR assessment is determined based on both quantitative and qualitative measures:

Quantitative measure: This measure reflects an arithmetic assessment of the change in credit risk arising from changes in the probability of default. The Group compares each obligation's annualised average probability weighted residual origination lifetime probability of default ('LTPD') (see 'Credit risk at origination' above) to its current estimated annualised average probability weighted residual LTPD at the reporting date. If the difference between these two LTPDs meets the quantitative definition of SICR, the Group transfers the financial obligation into Stage 2. Increases in LTPD may be due to credit deterioration of the individual obligation or due to macroeconomic factors or a combination of both. The Group has determined that an account had met the quantitative measure if the average residual LTPD at the reporting date was at least double the average residual LTPD at origination, and the difference between the LTPDs was at least 50bps or 85bps in the case of residential mortgages. The appropriateness of this threshold is kept under review by the Group.

Qualitative measure: This measure reflects the assessment of the change in credit risk based on the Group's credit management and the individual characteristics of the financial asset. This is not model driven and seeks to capture any change in credit quality that may not be already captured by the quantitative criteria.

The qualitative assessment reflects pro-active credit management including monitoring of account activity on an individual or portfolio level, knowledge of client behaviour, and cognisance of industry and economic trends.

The criteria for this qualitative trigger include, for example:
- A downgrade to watch grade of the borrower's/facility's credit grade reflecting the increased credit management focus on these accounts; and/or
- Forbearance has been provided and the account is within the probationary period.
- Lender assessed SICR triggers: For non-retail portfolios, a suite of lender assessed triggers are in place to ensure appropriate and timely identification of increased credit risk, which when occur, trigger a SICR event.

  The criteria for this lender assessed trigger include, for example:
- A post distressed restructure payment default occurs where the borrower is neither in default nor forborne;
- A material adverse event has occurred for the borrower which may impact the borrower's ability to repay such as: adverse publicity which raises concerns over the viability of a business; loss of key personnel (CEO/CFO/COO) which raises concerns over the strategy/viability of the business or significant negative macroeconomic events (including but not limited to economic or market volatility, changes in legislation and technological threats to an industry, changes in access to markets) where the financial impact to the borrower is deemed material.
- Backstop indicators: The Group has adopted the rebuttable presumption within IFRS 9 that loans greater than 30 days past due represent a significant increase in credit risk.

Where SICR criteria are no longer a trigger, the account can exit Stage 2 and return to Stage 1.

Stage 3 characteristics *(audited)*
Defaulted loans (with the exception of newly originated or acquired loans that are in Stage 1 or POCI) are classed as credit impaired and allocated to Stage 3. Where default criteria are no longer met, the borrower exits Stage 3 subject to a probation period, in line with regulatory requirements.

The key criteria resulting in a classification of default are:
- Where the Group considers a borrower to be unlikely to pay their loans in full without realisation of collateral, regardless of the existence of any past-due amount; or
- The borrower is 90 days or more past due on any material loan (day count starts when any material amount of principal, interest or fee has not been paid by a borrower at the date it was due).

Identification of non-performing exposures and unlikeliness to pay are included in the Group's Definition of Default and Credit Impairment Policy.

Purchased or originated credit impaired ('POCI') *(audited)*
POCIs are assets originated credit impaired and have a discount to the contractual value when measured at fair value. The Group uses an appropriate discount rate for measuring ECL in the case of POCIs which is the credit-adjusted effective interest rate. This rate is used to discount the expected cash flows of such assets to fair value on initial recognition.

POCI obligations remain outside of the normal stage allocation process for the lifetime of the obligation. The ECL for POCI obligations is always measured at an amount equal to lifetime expected credit losses. The amount recognised as a loss allowance for these assets is the cumulative change in lifetime expected credit losses since the initial recognition of the assets rather than the total amount of lifetime expected credit losses.

Risk Management *continued*

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Measurement of expected credit loss *(audited)*
The measurement of ECL is estimated through one of the following approaches:

(i) Standard approach: This approach is used for the majority of exposures where each ECL input parameter (Probability of Default – PD, Loss Given Default – LGD, Exposure at Default – EAD, and Prepayments – PP) is developed in line with standard modelling methodology. The Group's IFRS 9 models have been developed and approved in line with the Group's Model Risk Management Framework.

(ii) Simplified approach: For portfolios not on the standard approach, the Group has followed a simplified approach. This approach consists of applying portfolio level ECL averages, drawn from similar portfolios, where it is not possible to estimate individual parameters. These generally relate to portfolios where specific IFRS 9 models have not been developed due to immateriality, low volumes or where there are no underlying grading models. As granular PDs are not available for these portfolios, a non-standard approach to staging is required with reliance on the qualitative criteria (along with the 30 days past due back-stop).

(iii) Discounted cash-flows ('DCFs'): Assets are grouped together and modelled based on asset classification and sector with the exception of those Stage 3 assets where a DCF is used. DCFs are used as an input to the ECL calculation for Stage 3 credit impaired exposures where gross credit exposure is ≥ € 1 million (Republic of Ireland) or ≥ £ 500,000 (UK). Multiple DCFs are captured where gross credit exposure is ≥ € 5 million (Republic of Ireland) or ≥ £ 5 million (UK) or cases in scope for the Group Leveraged Lending Policy, to reflect the case specific impacts of up and downside scenarios for these higher value exposures.

Collateral valuations and the estimated time to realisation of collateral is a key component of the DCF model. The Group incorporates forward looking information in the assessment of individual borrowers through the credit assessment process. Where a single DCF is utilised this assessment produces a base case ECL. This is then adjusted to incorporate the impact of multiple scenarios on the base ECL, by using a proportional uplift obtained from ECL modelled sensitivities in the same/similar portfolio. Where a range of scenarios are captured through multiple DCFs these are probability weighted to produce the final ECL. An adjustment is made for cases with a very low final ECL to ensure a minimum level of ECL is maintained, this is derived through reference to ECL model outputs.

(iv) Management judgement: Where the estimate of ECL does not adequately capture all available forward looking information about the range of possible outcomes, or where there is a significant degree of uncertainty, management judgement may be considered appropriate for an adjustment to ECL. The management adjustment must consider all relevant and supportable information, including but not limited to, historical data analysis, predictive modelling and management experience. The methodology to incorporate the adjustment should consider the degree of any relevant over collateralisation (headroom) and should not result in a zero overall ECL unless there is sufficient headroom to support this. The key judgements in the 2024 year end ECL estimates are outlined on pages 200 and 201.

Effective interest rate *(audited)*
The ECL must incorporate the time value of money discounted to the reporting date using the effective interest rate ('EIR') determined at initial recognition or an approximation thereof.

- The Group uses an approximation approach based on the account level interest rate when calculating ECL which is applied to both drawn and undrawn commitments.
- This approach is subject to an annual assessment that all approximations remain appropriate and do not result in a material misstatement of the ECL.
- The Group has tested the appropriateness of using current interest rates as an approximation for the discount rates required for measuring ECLs. This testing determined that using the current interest rates as the discount rates is an appropriate approximation.

Policy elections and simplifications

Low credit risk exemption *(audited)*
The Group utilises practical expedients, as allowed by IFRS 9, for the stage allocation of particular financial instruments which are deemed 'low credit risk'. This practical expedient permits the Group to assume, without more detailed analysis, that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have 'low credit risk' at the reporting date. The Group allocates such assets to Stage 1.

Under IFRS 9, the credit risk on a financial instrument is considered low if:
- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic business conditions in the longer term may, (but will not necessarily) reduce the ability of the borrower to fulfil its contractual cash flow obligations.

This low credit risk exemption is applied to particular assets within the Treasury Debt Securities Portfolio, Capital Markets Collateralised Loan Obligation Bonds and for Loans and Receivables to Banks, specifically assets which have an internal grade equivalent to an external investment grade rating (BBB-) or higher.

The Group applies a quantitative backstop trigger of tripling of probability of default subject to a minimum threshold movement of 30bps to determine whether assets subject to the low credit risk exemption should be allocated to Stage 2. Additionally, if any of such assets are on a watch list based on agreed criteria, they are allocated to Stage 2.

Short term cash *(audited)*
The Group's IFRS 9 Impairment Policy does not require calculation of an ECL for short term cash at central banks and other banks which have a low risk of default with a very low risk profile. The calculation of the ECL at each reporting date would be immaterial given these exposures' short term nature and their daily management.

Lease receivables and trade receivables *(audited)*
For lease receivables, the Group has elected to use its standard approach for both stage allocation and the ECL calculation and has elected to use an expedient (simplified approach) for trade receivables.

IFRS 9 ECL Credit Risk models *(audited)*
The IFRS 9 ECL models provide the risk parameters which are the inputs into the model driven estimate of ECL which is used across all Stage 1 and Stage 2 assets plus all non-DCF Stage 3 exposures on the standard approach to ECL.

IFRS 9 Portfolio Delineation *(audited)*
The IFRS 9 models are delineated into retail and non-retail portfolios. The retail IFRS 9 portfolios provide exposure level risk parameter estimates which take into account borrower level characteristics and metrics where appropriate, whilst the non-retail portfolios provide metrics which are either borrower or connection level estimates.

Probability of default *(audited)*
Probability of default ('PD') is the likelihood that an account or borrower defaults over an observation period, given that they are not currently in default, for each year of the expected contractual lifetime of the exposure. The PD is a point in time estimate which is reflective of the current and expected economic conditions.

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Probability of default *continued* *(audited)*
In order to capture the appropriate risk dynamics across the lifetime of the exposure the development process considers:
- Macroeconomic effects captured through factors such as unemployment rate and GDP;
- Cross-sectional risk discriminators in particular the internal rating model outputs plus other factors such as forbearance and days past due; and
- Seasoning factors such as product type, delinquency and forbearance status.

Loss given default *(audited)*
Loss given default ('LGD') is a current assessment of the amount that will not be recovered in the event of default, taking account of future conditions. It can be thought of as the difference between the amount owed to the Group (i.e. the exposure) and the net present value of future cash flows less any relevant costs expected to be incurred in the recovery process. If an account returns to performing from default (excluding any loss making concession) or if the discounted post-default recoveries are equal to or greater than the exposure, the realised loss is zero.

The LGD modelling approach depends on whether the facility has underlying security and, if so, the nature of that security. The following sets out the general approaches for the retail and non-retail portfolios:

– Retail portfolios

For unsecured loans, a cash flow curve, which estimates the cumulative cash received following default until the loan is written-off or returns to performing, is used to estimate the future recovery amount. This is discounted at the effective interest rate and compared to the current outstanding balance. Any shortfall between the recovery amount and the outstanding balance is the LGD used to estimate ECL. Where appropriate, this may then be adjusted to reflect economic conditions.

For secured loans the following may be considered:
- The value of underlying collateral is estimated at the forecasted time of disposal (taking into account forecasted market price growth/falls and haircuts on market values that are expected at the date of sale plus associated costs) in order to calculate the future recovery amount;
- The potential for the exposure to be deleveraged through a portfolio sale taking into account the costs associated with same; and
- Paths for returning to the performing portfolios such as forbearance and self-cure.

– Non-retail portfolios

For unsecured loans, characteristics such as borrower sector and nature of collateral linked to affiliated accounts under the same customer group are used to determine future losses based on historical experience of discounted recoveries.

For secured loans, the value of the underlying property collateral is estimated at the reporting date. This is used to estimate the ECL based on historical experience of discounted recoveries.

Exposure at default *(audited)*
Exposure at default ('EAD') is defined as the exposure amount that will be owed by a customer at the time of default. This will comprise changes in the exposure amount between the reporting date and the date that the customer defaults. This may be due to repayments, interest and fees charged and additional drawdowns by the customer.

Prepayments *(audited)*
For term credit products, prepayment occurs where a customer fully prepays an account prior to the end of its contractual term.
For revolving credit products, 'prepayment' is defined as the cessation of use and withdrawal of the facility provided that the account was not in default prior to closure.

Prepayment is used in the lifetime ECL calculation for Stage 2 loans to account for the proportion of the facilities/customers that prepay each year.

Determining the period over which to measure ECL *(audited)*
Both the origination date and the expected maturity of a facility must be determined for ECL purposes. The origination date is used to measure credit risk at origination.

The expected maturity is used for assets in Stage 2, where the ECL must be estimated over the remaining life of the facility.

The expected maturity approach is:
- Term credit products: the contractual maturity date, with exposure and survival probability adjusted to reflect behaviour i.e. amortisation and prepayment;
- Revolving credit products: the period may extend beyond the contractual period over which the Group is exposed to credit risk, e.g. overdrafts and credit cards. The Group's approach is to use a modelled behavioural life estimate for these obligations for ECL calculation purposes.

Forward looking indicators in the models *(audited)*
For ECL calculations reliant on models in the standard and simplified approaches, forward looking indicators are incorporated into the models through the use of macroeconomic variables. These have been identified statistically as the key macroeconomic variables that drive the parameter being assessed (e.g. PD or LGD). The final model structure incorporates these as inputs with the 12 month and lifetime calculations utilising the macroeconomic forecasts for each scenario. See the 'macroeconomic scenarios and weightings' section for more detail on the process for generating scenarios and associated key macroeconomic factors relevant for the models. In circumstances where there is a risk that the modelled output fails to capture the appropriate response to changes in the macroeconomic environment such as inflation and interest rate changes, these risks are captured through the use of post model adjustments.

Write-offs *(audited)*
When the prospects of recovering a loan, either partially or fully, do not improve, a point may come when it will be concluded that as there is no realistic prospect of recovery, the loan and any related ECL will be written-off. The Group determines, based on specific criteria, the point at which there is no reasonable expectation of recovery. When the following criteria exist (or comparable circumstances arise), the loan can be subject to a partial or full write-off:
- A decision has been taken to enforce on a loan, due to no agreement with the customer for a restructure/settlement and all customer engagement with the Group regarding their loan agreement has ceased;
- Inception of informal insolvency proceedings has commenced or is about to commence;
- Receivership or other formal recovery action (e.g. where expectation of recovery of collateral is expected through enforcement activity but no additional recoveries above the collateral value are anticipated) has commenced or is about to commence; and
- A loan is substantially provided for or no material repayments have been received for a period of time (minimum 12 months) and all customer engagement with the Group regarding their loan agreement has ceased.

Debt forgiveness may subsequently arise where there is a formal contract with the customer for the write-off of the loan. In addition, certain forbearance solutions and restructuring agreements may include an element of debt write down (debt forgiveness). Further details on forbearance are set out in section '2.1.6 - forbearance overview'.

The contractual amount outstanding of loans written-off during the year that are still subject to enforcement activity are outlined on page 218 and relate to non-contracted write-offs, both full and partial. The Group recognises cash received from the customer in excess of the carrying value of the loan after a non-contracted write-off as 'recoveries of amounts previously written-off' in the income statement.

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Management judgements during the year:

- The international backdrop remains fragile, with the global economy forecast to grow at a relatively modest pace. Inflation rates are forecast to ease further in the major economies, enabling additional interest rate reductions which will help support the real economy and property markets.
- Despite the recent period of restrictive, anti-inflationary, monetary policies, unemployment rates have remained low in most economies. Although there are some signs of softening in labour markets (e.g., falling vacancy rates etc.) conditions are forecast to remain resilient.
- There are significant downside risks to the outlook, including current geopolitical tensions as well as uncertainties over economic and trade policies related to the new US administration.
- The Group is of the view that risks to the economic outlook remain tilted to the downside and, for the purposes of IFRS 9 ECL reporting, has applied the following weightings for 31 December 2024: Base 50% (no change compared to 31 December 2023), Moderate Upside 5% (change -5%), Moderate Downside 40% (change +10%) and Severe 5% (change -5%). Further details are outlined in the macroeconomic scenarios and weightings section below.
- The Group's sensitivity analysis to the macroeconomic scenario weightings are outlined on page 199. Under the 100% Downside 2 ('Credit crunch') scenario, a 45% increase in ECL compared to the Reported ECL allowance stock is estimated.
- ECL allowance stock relating to post model adjustments ('PMAs') has decreased by € 181 million in the year to € 353 million. ECL allowance stock relating to PMAs as a percentage of total ECL stock on loans and advances to customers is 26% (2023: 35%). The reduction in PMA stock is largely driven by utilisation as risks previously identified are now captured in the modelled outcomes or deemed no longer to be present, and through portfolio disposals. New PMAs in the year seek to capture the potential impacts of the recalibrated investment property model, due for deployment in 2025 and the latent risk of potential forbearance activity. Further details are outlined under the post model adjustments section on pages 200 and 201.

Macroeconomic scenarios and weightings

The macroeconomic scenarios used by the Group for ECL allowance calculation purposes have been developed in a consistent way with that set out in the 2023 Annual Financial Report and have been subject to the Group's established governance process covering the development and approval of macroeconomic scenarios used for planning and internal stress testing purposes. The macroeconomic scenarios are reviewed by the Asset and Liability Committee ('ALCo') regularly, and such reviews took place frequently during 2024 in response to economic developments. The macroeconomic scenarios are then reviewed by the Board Risk Committee ('BRC') and approved for use by the Board. The scenario probabilities are approved by the Board Audit Committee ('BAC').

The parameters used within the Group's ECL models include macroeconomic factors which have been established as drivers of the default risk and loss estimates. Therefore, a different credit loss estimate is produced for each scenario based on a combination of these identified macroeconomic factors. The credit loss estimates for each scenario are then weighted by the assessed likelihood of occurrence of the respective scenarios to yield the ECL outcome.

The IMF expects below average global growth of 3.3% in both 2025 and 2026 with headline inflation projected to converge back to target earlier in advanced economies amid a gradual cooling of labour markets. The UK saw a slight upturn in activity in 2024 following a weak 2023. There are significant downside risks to the outlook, including geopolitical tensions, geo-economic fragmentation, as well as elevated economic and trade policy uncertainty associated with the new US administration, which has the potential to reinforce signs of weakness in the European economy. Upside potential exists in the form of improved business and consumer sentiment that could boost economic activity if geopolitical tensions subside and monetary policy continues to ease, productivity gains from Artificial Intelligence, and the use of savings to support higher consumer spending in countries such as Ireland.

As part of the process of deriving an ECL calculation, a range of plausible scenarios was considered given the prevailing trends, emerging risks and uncertainties facing the domestic and global economies, as at the financial reporting date.

The Group has applied four scenarios in the calculation of ECL that, in its view, reflect ongoing uncertainty regarding the economic outlook, as at the reporting date. These four scenarios consist of a base case scenario and three alternative scenarios (consisting of one upside and two downside scenarios). These alternative scenarios consider inter alia higher inflation due to geopolitical tensions, compared to Base ('Downside 1'), a tightening of financial conditions linked to the material manifestation of geopolitical risks, leading to a credit crunch ('Downside 2') and the impact of a de-escalation of geopolitical tensions on global economic activity ('Upside'). Non-linear effects are captured in the development of the respective risk parameters.

The Group's Economic Research Unit ('ERU') provide the assumptions for each scenario over five years. These are then independently reviewed and challenged, on both a quantitative and qualitative basis, by the Group's Risk function. The base case is benchmarked against the outlook available from official sources (e.g., Central Bank of Ireland, IMF, ECB, Bank of England, etc.) to ensure it is appropriate.

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Macroeconomic scenarios and weightings *continued*

The long term projections reflect the relatively limited climate change mitigation policies, mainly comprising the continued gradual substitution of gas for coal, that have been announced so far. Without significantly enhanced mitigating actions, the world is on course to warm by about 2°C above pre-industrial levels by 2050. The long term baseline scenario seeks to follow the International Energy Agency ('IEA') "stated policies" scenario and implies emissions remaining roughly constant.

The scenarios used for the year-end ECL process are described below and reflect the views of the Group as at the reporting date.

Base case: The economic backdrop is characterised by modest, but fragile growth. Falling inflation and expected cuts to central bank rates should support economic activity in the near term. Geopolitical tensions act as a headwind to growth via higher commodity prices and further fragmentation in global trade patterns.

Ireland's economy is projected to grow moderately, by 2.7% in 2025. The outlook is for low and stable inflation (averaging 2% over the 2025-2029 period). Labour market performance remains strong with unemployment expected to average 4.5%. House prices are anticipated to rise modestly due to strong demand and limited supply, while a similar trend in commercial property prices is expected following weakness in recent years.

UK economic momentum has significantly decelerated recently, though GDP growth is expected to pick up and average 1.6% in 2025. Unemployment is projected to remain low. Property prices are likely to rise modestly driven by factors such as falling interest rates, gains in real incomes and supply shortages. Gains are also expected for commercial property prices.

Growth in the US economy is forecasted to decelerate with average growth of 1.8% over the 2025-2029 period expected. Interest rates are projected to decline during 2025 as inflation moderates.

A slight acceleration in GDP growth to 1.5% is anticipated for the Euro in 2025, with interest rates projected to be reduced further during 2025 as inflation falls back to target.

Downside 1 ('Geopolitical tensions'): In this scenario, deepening geopolitical tensions and global fragmentation weighs on global trade, impacting supply chains and leads to a spike in commodity prices. As a consequence, inflation proves to be sticky and, on an annual basis, only reaches the 2% target by 2028. Central Banks are forced to maintain restrictive monetary policy until towards the end of 2025. Conditions in financial markets remain tight, with rises in bond yields and credit spreads while stock markets are weaker.

As well as adding to inflation expectations, the potential escalation of protectionist trade policy by the new US government creates uncertainty on the outlook for the US and global economy. As a result, all major economies experience a shallow recession in 2025-2026, followed by a sluggish recovery in activity. The changing political landscape in Europe also creates uncertainty, affects sentiment, and widens sovereign and corporate credit spreads.

Downside 2 ('Credit crunch'): In this scenario, the rapid tightening of monetary policy during 2022-2023 has a delayed impact on financial markets and wider economic activity. These developments, combined with rising geopolitical tensions depresses consumer and business confidence. There is a sharp contraction in economic activity as a result. Moreover, a tightening of financial conditions requires fiscal tightening, as central banks maintain high interest rates to combat inflation, which amplifies the downturn and hinders economic recovery. The severe downturn exposes underlying vulnerabilities in the financial sector, especially in the global commercial real estate market and potential credit stresses lead to increased defaults and instability within the financial system. The slump in economic activity, in addition to financial instability concerns, prompts central banks to lower interest rates below levels assumed in the Downside 1 scenario.

Risk Management *continued*

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Macroeconomic scenarios and weightings *continued*

Upside ('Quick recovery')**:** In this more benign scenario, we see the combination of easing geopolitical tensions and a faster than anticipated rundown of personal and corporate savings. This boosts both business and consumer confidence and has a positive impact on financial markets. Combined with faster labour force growth, this raises global economic activity which benefits the Group's key markets.

The table below sets out the five year average forecast for each of the key macroeconomic variables that are required to generate the scenarios or are material drivers of the ECL under (i) Base, (ii) Downside 1, (iii) Downside 2 and (iv) Upside scenarios at 31 December 2024 (average over 2025-2029) and at 31 December 2023 (average over 2024-2028).

	December 2024 5 year (2025-2029) average forecast				December 2023 5 year (2024-2028) average forecast			
Macroeconomic factor (%)	**Base**	**Downside 1 ('Geopolitical tensions')**	**Downside 2 ('Credit crunch')**	**Upside ('Quick recovery')**	Base	Downside 1 ('Persistent inflation')	Downside 2 ('Credit crunch')	Upside ('Quick recovery')
Republic of Ireland								
GDP growth	**3.0**	**1.8**	**0.7**	**3.8**	3.5	3.0	1.1	4.2
Residential property price growth	**2.5**	**(0.1)**	**(4.7)**	**4.2**	2.1	(0.5)	(4.7)	3.6
Unemployment rate	**4.5**	**7.4**	**10.1**	**3.9**	5.5	7.1	10.4	3.6
Commercial property price growth	**3.4**	**(1.2)**	**(5.2)**	**5.8**	2.5	(1.4)	(5.2)	4.7
Employment growth	**1.5**	**1.0**	**(0.6)**	**1.9**	1.6	0.9	(0.6)	1.9
Average disposable Income growth	**4.4**	**4.0**	**3.0**	**6.5**	5.2	4.9	3.3	6.5
Inflation	**2.0**	**2.9**	**1.9**	**3.1**	2.3	3.3	2.1	3.4
United Kingdom								
GDP growth	**1.5**	**0.6**	**(0.1)**	**2.1**	1.2	0.4	(0.1)	1.8
Residential property price growth	**2.6**	**(1.1)**	**(5.4)**	**4.6**	1.2	(1.2)	(5.4)	3.0
Unemployment rate	**4.6**	**7.6**	**9.1**	**3.8**	5.0	7.2	9.1	3.8
Commercial property price growth	**2.8**	**(1.8)**	**(6.1)**	**5.1**	3.3	(2.0)	(6.1)	5.5
Inflation	**2.1**	**2.7**	**1.8**	**3.4**	2.4	3.9	2.3	4.0

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Macroeconomic scenarios and weightings *continued*

Additional information is provided in the table below which details the individual macroeconomic factor forecast for each year across the four scenarios, at 31 December 2024.

	Estimate					Base					Downside 1 ('Geopolitical tensions')
Macroeconomic factor	2024 %	2025 %	2026 %	2027 %	2028 %	2029 %	2025 %	2026 %	2027 %	2028 %	2029 %
Republic of Ireland											
GDP growth[1]	(0.2)	2.7	3.0	3.2	3.1	3.0	1.0	0.6	2.4	2.5	2.5
Residential property price growth	5.5	3.5	2.5	2.5	2.0	2.0	(6.5)	(3.0)	4.0	2.5	2.5
Unemployment rate	4.5	4.5	4.5	4.6	4.6	4.6	5.9	7.4	8.3	8.1	7.4
Commercial property price growth	(5.0)	3.0	5.0	3.0	3.0	3.0	(11.0)	(3.0)	3.0	3.0	2.0
Employment growth	2.3	1.6	1.5	1.5	1.5	1.5	—	(0.3)	0.7	2.0	2.6
Average disposable income growth	8.8	5.0	4.4	4.2	4.1	4.2	5.0	3.8	3.1	4.0	4.0
Inflation	1.9	2.0	2.0	2.0	2.0	2.0	4.4	3.5	2.5	2.0	2.0
United Kingdom											
GDP growth	1.1	1.6	1.5	1.5	1.5	1.5	—	(0.6)	0.6	1.3	1.5
Residential property price growth	4.5	4.0	3.0	2.0	2.0	2.0	(10.0)	(3.5)	2.0	3.0	3.0
Unemployment rate	4.5	4.6	4.6	4.6	4.6	4.6	6.2	7.8	8.5	7.9	7.5
Commercial property price growth	3.5	4.0	3.0	3.0	2.0	2.0	(11.5)	(3.0)	1.5	2.0	2.0
Inflation	2.6	2.3	2.0	2.0	2.0	2.0	4.5	2.8	2.1	2.0	2.0

1. The macroeconomic scenario assumptions presented in these tables were prepared in Quarter 4 2024 using information available at the time. In the case of Irish GDP growth, subsequent data released by the CSO now indicates that GDP may have contracted for 2024 as a whole.

					Downside 2 ('Credit crunch')					Upside ('Quick recovery')
Macroeconomic factor	2025 %	2026 %	2027 %	2028 %	2029 %	2025 %	2026 %	2027 %	2028 %	2029 %
Republic of Ireland										
GDP growth	(1.5)	(3.5)	0.2	3.8	4.4	6.0	3.4	3.2	3.5	3.1
Residential property price growth	(12.0)	(13.0)	(1.0)	1.0	1.5	6.5	5.0	4.0	3.0	2.5
Unemployment rate	6.4	9.1	11.3	12.0	11.6	4.2	4.0	3.8	3.8	3.9
Commercial property price growth	(15.0)	(16.0)	(1.0)	2.5	3.5	7.0	10.0	5.0	4.0	3.0
Employment growth	(1.2)	(2.4)	(1.7)	0.4	2.0	2.5	2.0	2.0	1.5	1.3
Average disposable income growth	3.3	2.1	2.5	3.2	4.0	8.2	7.5	6.5	5.2	5.0
Inflation	2.0	1.5	1.8	2.0	2.0	4.5	3.5	3.0	2.5	2.0
United Kingdom										
GDP growth	(2.1)	(1.9)	0.5	1.5	1.7	2.6	3.0	2.0	1.5	1.3
Residential property price growth	(12.0)	(15.0)	(2.5)	1.0	1.5	6.0	7.0	4.0	3.0	3.0
Unemployment rate	6.3	8.5	10.0	10.5	10.0	4.3	3.9	3.7	3.5	3.6
Commercial property price growth	(15.5)	(17.0)	(4.5)	2.5	4.0	7.0	6.0	4.5	4.0	4.0
Inflation	2.0	1.5	1.5	2.0	2.0	5.0	4.5	3.0	2.5	2.0

The key differences to the scenario forecasts versus 31 December 2023 relate to downward revisions to inflation in our main markets, with somewhat stronger economic growth in the US, UK and Euro area, though Irish GDP projections have been scaled back. Moreover, labour markets in all our key markets have outperformed and unemployment rates are lower. In addition, house price growth has been revised upwards on the basis of stronger than expected recent momentum in property markets. The four scenarios detailed above are designed to capture a reasonable range of plausible outcomes. The ECL allowance reflects a weighted average of the credit loss estimates under the four scenarios.

The four scenarios detailed above are used to reflect a representative sample of possible outcomes. The ECL allowance reflects a weighted average of the credit loss estimates under the four scenarios.

Similar to the scenario forecasts, the probability weight assigned to each scenario is proposed by the ERU, with a review and challenge from the Group Risk function. The probabilities described below reflect the views of the Group at the reporting date.

Risk Management *continued*

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Macroeconomic scenarios and weightings *continued*

The weights for the scenarios at the reporting date are ultimately based on expert judgement, with reference to external market information where possible, though the decision is also informed by analysis using more formal econometric methods (e.g., early warning indicators of economic activity) to assess the relative probabilities of moderate and more severe economic downturns. The increase in weightings for Downside 1 for this reporting period reflects an escalation of geopolitical risks affecting inflation via supply chain disruption through key global trade channels and higher commodity prices. The decrease in the weighing for Downside 2 for this reporting period reflects the strength of ongoing economic data and evidence of a lower likelihood of more extreme macroeconomic outcomes.

The weightings that have been applied as at 31 December 2024 are:

Scenario *(audited)*	**Weighting December 2024**		Weighting December 2023
Base	**50%**	Base	50%
Downside 1 (‘Geopolitical tensions’)	**40%**	Downside 1 (‘Persistent inflation’)	30%
Downside 2 (‘Credit crunch’)	**5%**	Downside 2 (‘Credit crunch’)	10%
Upside (‘Quick recovery’)	**5%**	Upside (‘Quick recovery’)	10%

In assessing the adequacy of the ECL allowance, the Group has considered all available forward looking information as of the balance sheet date in order to estimate the future expected credit losses. The Group, through its risk management processes (including the use of expert credit judgement and other techniques) assesses its ECL allowance for events that cannot be captured by the statistical models it uses and for other risks and uncertainties. The assessment of ECL at the balance sheet date does not reflect the worst case outcome, but rather a probability-weighted outcome of the four scenarios. Should the credit environment deteriorate beyond the Group’s expectation, the Group’s estimate of ECL would increase accordingly.

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Sensitivities *(audited)*

The Group's estimates of expected credit losses are responsive to varying economic conditions and forward looking information. These estimates are driven by the relationship between historic experienced loss and the combination of macroeconomic variables. Given the co-relationship of each of the macroeconomic variables to one another and the fact that loss estimates do not follow a linear path, a sensitivity to any single economic variable is not meaningful. As such, the following sensitivities provide an indication of ECL movements that include changes in model estimates and quantitative SICR staging assignments, with a single 100% weighting applied individually. Increased sensitivity for the Downside 2 'Credit crunch' scenario is evident in the 2024 sensitivities compared to the Reported ECL and 100% Base, driven predominantly by underlying model and staging sensitivities (including the redeveloped corporate models and an element of macro sensitive PMA allocation where relevant). Further details on post model adjustments are outlined on pages 200 and 201.

Relative to the Base scenario, in the 100% Downside 'Geopolitical tensions' and 'Credit crunch' scenarios, the ECL allowance increases by 30% and 64%, respectively. In the 100% Upside scenario, the ECL allowance declines by 6%. At 31 December 2024, a 100% Downside 'Geopolitical tensions' and 'Credit crunch' scenario sees a higher ECL allowance sensitivity of € 373 million and € 794 million respectively compared to Base (€ 214 million and € 635 million respectively compared to the Reported ECL). Lower relative impacts are observed for the AIB UK portfolio.

					ECL allowance at 31 December 2024
	Reported	100% Base	100% Downside Scenario 1 ('Geopolitical tensions')	100% Downside Scenario 2 ('Credit crunch')	100% Upside Scenario ('Quick recovery')
Loans and advances to customers *(audited)*	€ m	€ m	€ m	€ m	€ m
Residential mortgages	270	241	304	464	223
Other personal	137	128	145	167	124
Property and construction	464	410	569	689	384
Non-property business	473	415	535	636	393
Total	1,344	1,194	1,553	1,956	1,124
Off-balance sheet loan commitments	44	36	46	60	34
Financial guarantee contracts	13	12	16	20	12
	1,401	1,242	1,615	2,036	1,170
Of which:					
AIB UK segment	174	160	192	206	151

					ECL allowance at 31 December 2023
	Reported	100% Base	100% Downside Scenario 1 ('Persistent inflation')	100% Downside Scenario 2 ('Credit crunch')	100% Upside Scenario ('Quick recovery')
Loans and advances to customers *(audited)*	€ m	€ m	€ m	€ m	€ m
Residential mortgages	309	291	329	540	262
Other personal	97	94	98	119	90
Property and construction	541	501	567	796	433
Non-property business	573	543	618	749	490
Total	1,520	1,429	1,612	2,204	1,275
Off-balance sheet loan commitments	43	37	44	65	32
Financial guarantee contracts	16	16	17	26	15
	1,579	1,482	1,673	2,295	1,322
Of which:					
AIB UK segment	221	214	232	233	208

Risk Management *continued*

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Post model adjustments (‘PMAs’) *(audited)*

Post model adjustments (‘PMAs’) are applied where management believe that they are necessary to ensure an adequate level of ECL provision and to address known model limitations and/or novel risks not captured in the models. They may also be used where models are being redeveloped but are not yet deployed, where the impact of introducing the new models can be accurately quantified.

PMAs are approved through the ECL governance process within which the appropriateness of PMAs is considered against the backdrop of the risk profile of the loan book, recent loss history or changes in underlying resolution strategies not captured in the models and management’s view of novel risks. Release of PMAs will occur as new models are deployed or where the risk has been judged by management to be captured in the modelled outcomes, or to have passed.

The PMAs approved for 31 December 2024 (and 2023 comparison), are set out below and are categorised as follows:

- **NPE resolution** – ECL adjustments where the current model does not take into account downside risks that should be incorporated into the final loss estimate.
- **Sectoral/Emerging risks** – ECL adjustments which reflect novel risks within a sector or portfolio for which there has not been time to embed an adjustment within the related models or where the models are incapable of differentiating the nuanced sectoral impacts of each novel risk.
- **Future model developments/Other** – ECL adjustments required where the impact of upcoming model changes or recalibrations is known with sufficient accuracy and ECL adjustments where it was judged that an amendment to the modelled ECL was required for reasons other than the above.

							2024
Post model adjustments *(audited)*	**ECL allowance before PMAs**	**NPE resolution**	**Sectoral/ Emerging risks**	**Future model developments/ Other**[1]	**Total PMAs**	**Total ECL allowance**	**Proportion of PMAs to total ECL allowance**
	€ m	**€ m**	**€ m**	**€ m**	**€ m**	**€ m**	**%**
Residential mortgages	**222**	**48**	**—**	**—**	**48**	**270**	**18**
Other personal	**125**	**12**	**—**	**—**	**12**	**137**	**9**
Property and construction	**234**	**76**	**60**	**94**	**230**	**464**	**50**
Non-property business	**410**	**6**	**3**	**54**	**63**	**473**	**13**
Total loans and advances to customers	**991**	**142**	**63**	**148**	**353**	**1,344**	**26**
Loan commitments and financial guarantees issued	**57**	**—**	**—**	**—**	**—**	**57**	**—**
Total ECL allowance	**1,048**	**142**	**63**	**148**	**353**	**1,401**	**25**

							2023
Post model adjustments *(audited)*	ECL allowance before PMAs	NPE resolution	Sectoral/ Emerging risks	Future model developments/ Other[1]	Total PMAs	Total ECL allowance	Proportion of PMAs to total ECL allowance
	€ m	€ m	€ m	€ m	€ m	€ m	%
Residential mortgages	229	58	22	—	80	309	26
Other personal	97	—	—	—	—	97	—
Property and construction	259	113	149	20	282	541	52
Non-property business	401	29	15	128	172	573	30
Total loans and advances to customers	986	200	186	148	534	1,520	35
Loan commitments and financial guarantees issued	59	—	—	—	—	59	—
Total ECL allowance	1,045	200	186	148	534	1,579	34

1. The Capital Markets non-property business PMA of € 34 million at 31 December 2024 has been recategorised from 'Sectoral/Emerging risks' to 'Future model development/Other' and the 31 December 2023 comparative (€ 47 million) has also been re-presented to reflect this change.

NPE resolution *(audited)*

A PMA of € 58 million was implemented at 31 December 2023 on Stage 3 mortgages, primarily to address potential ECL underestimation from higher yields in the current interest rate environment impacting portfolio sale assumptions within the mortgage model and uncertainty of the timing to transact NPE mortgage portfolio sales. During 2024, €10 million of this PMA was released due to the deployment of model enhancements and a reduction in interest rates versus the original PMA, with € 48 million retained at 31 December 2024.

Within the Retail Banking personal lending Stage 3 portfolio, a new PMA of € 12 million was introduced at 31 December 2024 to reflect the experience of recent loan sale transactions for similar portfolios not currently captured in the modelled outcomes.

PMAs relating to non-performing property (€ 76 million) and non-property business (€ 6 million) loans reflect an adjustment to account for latent risks, idiosyncratic concentration risk, and alternative resolution strategies, such as NPE portfolio loan sales. This PMA is to address the potential range of ECL outcomes depending on the ultimate resolution type. At 31 December 2024, this PMA reflects the potential reduction in asset values, particularly within commercial real estate and potential impacts from NPE portfolio loan sales. There has been a partial unwind of this PMA in the year where the risk has now been captured through an update to valuations or where borrowings have been repaid. This PMA is expected to unwind over time as Stage 3 property cases are resolved and the property market uncertainty reduces.

2.1 Credit risk *continued*

Measurement, methodologies and judgements *continued*

Sectoral/Emerging risks *(audited)*
At 31 December 2024, previous PMAs in this category relating to inflationary pressures / cost of living have been largely unwound and are now reflected in the modelled outcomes. This also applies to risks relating to higher interest rates which have eased, with portfolio performance remaining strong at current levels. However, a new PMA of € 56 million was introduced to address model and novel risks and specifically relates to the latent risk of potential forbearance activity. This PMA predominately relates to the commercial real estate Stage 2 portfolio.

Within AIB UK, a PMA of € 7 million (€ 1 million non-property business and € 6 million property) is in place to reflect the full expected impact of the external environment, including interest rate and property market dynamics. This PMA has reduced in the year as the risks have been captured in the modelled outcomes or assessed to have moderated.

Future model developments/Other *(audited)*
Within the Capital Markets property portfolio, the recalibrated investment property model scheduled for deployment in the first half of 2025 is expected to result in additional exposures migrating to Stage 2. At 31 December 2024, a new PMA of € 90 million was introduced to reflect the potential increase in Stage 2 balances and associated ECL levels. This PMA also includes the impact of a staging adjustment to transfer € 0.2 billion of Stage 1 loans to Stage 2. This PMA will unwind over the 12 months post implementation, as cases are regraded and migrate to Stage 2 as appropriate.

The Capital Markets non-property business PMA (€ 34 million) continues to reflect the potential impact of inflation (including higher energy costs), high interest rates on non-property business, and an assessment that the modelled probabilities of default do not fully capture the expected credit losses. The PMA has been retained at a reduced level for 31 December 2024 reflecting resilient performance of the underlying portfolios and implementation of the recalibrated IFRS 9 models which better capture the underlying risk. This PMA adjustment has been reclassified in the year from 'Sectoral/Emerging risks' to 'Future model developments/Other' as this PMA is expected to unwind further in the second half of 2025 if satisfactory performance continues and as cases are regraded on the recalibrated models.

For the Syndicated and International Finance (‘SIF’) portfolio in Capital Markets, it was previously determined that historically observed relationships between default rates and macroeconomic factors in the modelled probabilities of default do not fully capture the expected credit losses and therefore needed to be increased for this portfolio. The PMA has been retained at a reduced level for 31 December 2024 at € 11 million reflecting the implementation of the recalibrated IFRS 9 models. This PMA is expected to unwind further in the second half of 2025 if satisfactory performance continues and all elements of the updated models are fully deployed.

Within AIB UK, a PMA of € 8 million has been retained at 31 December 2024 and relates to AIB Group’s decision to continue its exit strategy in respect of a cohort of legacy loans.

Other PMAs amounting to a further € 5 million in this category are not individually significant.

Risk Management *continued*

2.1.1 Credit risk – Credit exposure overview

Key Credit Profile Metrics in 2024:

- Overall credit quality has remained robust throughout the year, however latent and novel risks in the portfolio continue to be closely monitored. There was a net credit impairment charge of € 55 million in 2024 (2023: € 172 million) comprising a € 60 million charge on loans and advances to customers (2023: € 189 million) partially offset by a € 3 million writeback for off-balance sheet exposures (2023: € 17 million writeback) and a further € 2 million writeback for investment securities exposures (2023: Nil).
- The staging composition of the portfolio has remained stable during the year with Stage 1 loans at 86%, Stage 2 loans at 11% and Stage 3 loans at 3%. Stage 1 loans have increased by € 3.8 billion to € 61.1 billion (2023: € 57.3 billion) due to strong new lending and the migration of the final tranche of the Ulster Bank tracker (and linked) mortgage portfolio. Stage 2 loans have increased by € 0.3 billion to € 8.0 billion (2023: € 7.7 billion). The increase in Stage 2 loans was driven by the non-property business and other personal portfolios which increased by € 0.5 billion and € 0.4 billion respectively. The increase in these portfolios was impacted by the deployment in the year of the recalibrated grading models which reflects an improvement in how the Group measures the risk in these portfolios as opposed to any deterioration in customer asset quality. These increases were slightly offset by a € 0.5 billion reduction in the residential mortgages portfolio. Non-performing loans at € 2.0 billion, have remained unchanged in the year and now represent 2.8% of total gross loans (2023: 3.0%).
- Total gross loans and advances to customers have increased from € 67.0 billion to € 71.2 billion in the year driven by strong new lending of € 14.5 billion and a further € 0.8 billion relating to the final tranche of the Ulster Bank tracker (and linked) mortgage portfolio acquisition, offset by redemptions/repayments of € 11.4 billion and portfolio disposals of € 0.3 billion. ECL stock of € 1.3 billion represents 1.9% ECL cover (2023: € 1.5 billion, 2.3%). The reduction in cover primarily reflects the impact of the recalibrated models and deleveraging activity in higher cover portfolios.
- Total new lending in the year was € 14.5 billion which reflects an increase of € 2.2 billion or 17% versus last year (2023: € 12.3 billion). The increase reflects strong new lending in the non-property business sector which increased by 36% primarily driven by growth in the renewable energy and infrastructure sector. Mortgage lending also performed strongly, increasing by 16% and other personal increased by 7%. However, property related lending was 21% lower than last year reflecting reduced activity levels in the commercial real estate sector.

Maximum exposure to credit risk *(audited)*

Maximum exposure to credit risk from on-balance sheet and off-balance sheet financial instruments is presented before taking account of any collateral held or other credit enhancements (unless such enhancements meet accounting offsetting requirements). For financial assets recognised on the statement of financial position, the maximum exposure to credit risk is their carrying amount, and for financial guarantees and similar contracts granted, it is the maximum amount the Group would have to pay if the guarantees were called upon. For loan commitments and other credit related commitments that are irrevocable over the life of the respective facilities, it is generally the full amount of the committed facilities.

Credit risk exposure derives from standard on-balance sheet products such as mortgages, loans, overdrafts and credit cards. In addition, credit risk arises from other products and activities including, but not limited to: 'off-balance sheet' guarantees and commitments; securities financing; investment securities; asset backed securities; and the failure/partial failure of a trade in a settlement or payments system.

The following table sets out the financial instruments in the statement of financial position and the Group's maximum exposure to credit risk on those financial instruments at 31 December 2024 and 2023.

						2024
	Statement of financial position			Maximum exposure		
Maximum exposure to credit risk *(audited)*	Exposure	ECL allowance	Carrying amount	Amortised cost	Fair value	Total
	€ m	€ m	€ m	€ m	€ m	€ m
Cash and balances at central banks	37,315	—	37,315 [1]	36,651	—	36,651 [1]
Derivative financial instruments	2,144	—	2,144	—	2,144	2,144
Loans and advances to banks	1,321	—	1,321	1,321	—	1,321
Loans and advances to customers	71,233	(1,344)	69,889	69,825	64	69,889
Securities financing	6,644	(1)	6,643	6,643	—	6,643
Investment securities[2]	18,372	(1)	18,371	4,803	13,568	18,371
Trading portfolio financial assets	136	—	136	—	136	136
Included elsewhere:						
Trade receivables	176	(1)	175	176	—	176
Items in course of collection	35	—	35	35	—	35
Accrued interest	381	—	381	381	—	381
	137,757	(1,347)	136,410	119,835	15,912	135,747
Loan commitments and other credit related commitment	16,823	(44)	(44)	16,823	—	16,823
Financial guarantees	976	(13)	(13)	976	—	976
	17,799 [3]	(57)	(57)	17,799	—	17,799
Total	155,556	(1,404)	136,353	137,634	15,912	153,546

1. Comprises balances at central banks of € 36,651 million and other cash on hand of € 664 million.
2. Excluding equity shares of € 297 million.
3. Comprises off-balance sheet instruments.

2.1.1 Credit risk – Credit exposure overview *continued*

						2023
	Statement of financial position			Maximum Exposure		
Maximum exposure to credit risk *(audited)*	Exposure	ECL allowance	Carrying amount	Amortised cost	Fair value	Total
	€ m	€ m	€ m	€ m	€ m	€ m
Cash and balances at central banks	38,018	—	38,018 [1]	37,420	—	37,420 [1]
Derivative financial instruments	2,377	—	2,377	—	2,377	2,377
Loans and advances to banks	1,329	—	1,329	1,329	—	1,329
Loans and advances to customers	67,011	(1,520)	65,491	65,449	42	65,491
Securities financing	6,467	(1)	6,466	6,466	—	6,466
Investment securities[2]	17,001	(3)	16,998	4,510	12,488	16,998
Trading portfolio financial assets	93	—	93	—	93	93
Included elsewhere:						
Trade receivables	102	(1)	101	101	—	101
Items in course of collection	42	—	42	42	—	42
Accrued interest	396	—	396	396	—	396
	132,836	(1,525)	131,311	115,713	15,000	130,713
Loan commitments and other credit related commitments	16,136	(43)	(43)	16,136	—	16,136
Financial guarantees	857	(16)	(16)	857	—	857
	16,993 [3]	(59)	(59)	16,993	—	16,993
Total	149,829	(1,584)	131,252	132,706	15,000	147,706

1. Comprises balances at central banks of € 37,420 million and other cash on hand of € 598 million.
2. Excluding equity shares of € 355 million.
3. Comprises off-balance sheet instruments.

2.1.1 Credit risk – Credit exposure overview *continued*

Concentration by industry sector

The following tables set out the concentration of credit by industry sector and geography for loans and advances to customers and loan commitments and financial guarantee contracts issued together with the related ECL allowance analysed by the ECL stage profile at 31 December 2024 and 2023:

Gross exposures to customers

	2024								
	At amortised cost								At FVTPL
	Gross carrying amount			Analysed by stage profile					
	Loans and advances to customers	Loan commitments and financial guarantees issued	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Total
Concentration by industry sector	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Non-property business:									
Natural resources	4,995	2,221	7,216	6,904	294	18	—	7,216	29
Of which renewables	*4,479*	*1,506*	*5,985*	*5,734*	*248*	*3*	—	*5,985*	—
Leisure	2,942	490	3,432	2,706	605	118	3	3,432	—
Manufacturing	2,753	2,234	4,987	4,409	537	40	1	4,987	—
Health, education and social work	1,879	358	2,237	1,774	442	19	2	2,237	—
Services	2,250	1,311	3,561	3,156	361	41	3	3,561	—
Agriculture, forestry and fishing	1,691	685	2,376	1,875	405	89	7	2,376	—
Retail and wholesale trade	1,895	1,916	3,811	3,126	617	63	5	3,811	17
Transport and storage	1,848	699	2,547	2,226	244	77	—	2,547	—
Telecommunications, media and technology	1,450	201	1,651	1,436	165	50	—	1,651	18
Financial, insurance and other government activities	470	1,018	1,488	1,417	59	12	—	1,488	—
Total non-property business	22,173	11,133	33,306	29,029	3,729	527	21	33,306	64
Property and construction	8,761	2,103	10,864	7,274	3,013	574	3	10,864	—
Residential mortgages	36,970	1,577	38,547	35,731	1,870	776	170	38,547	—
Other personal	3,265	2,986	6,251	5,322	820	109	—	6,251	—
Total	71,169	17,799	88,968	77,356	9,432	1,986	194	88,968	64
Concentration by location[1]									
Republic of Ireland	56,215	13,103	69,318	59,738	7,759	1,627	194	69,318	64
United Kingdom	9,132	3,378	12,510	11,058	1,163	289	—	12,510	—
North America	2,850	705	3,555	3,514	41	—	—	3,555	—
Rest of the World	2,972	613	3,585	3,046	469	70	—	3,585	—
	71,169	17,799	88,968	77,356	9,432	1,986	194	88,968	64

ECL allowance

	2024							
	At amortised cost							
	ECL allowance			Analysed by stage profile				
	Loans and advances to customers	Loan commitments and financial guarantees issued	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Concentration by industry sector	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Non-property business:								
Natural resources	32	2	34	17	15	2	—	34
Of which renewables	*23*	*1*	*24*	*15*	*9*	—	—	*24*
Leisure	86	5	91	21	38	33	(1)	91
Manufacturing	59	6	65	10	36	19	—	65
Health, education and social work	51	2	53	12	37	5	(1)	53
Services	34	4	38	10	16	12	—	38
Agriculture, forestry and fishing	37	3	40	5	16	23	(4)	40
Retail and wholesale trade	56	5	61	10	31	21	(1)	61
Transport and storage	73	2	75	8	7	60	—	75
Telecommunications, media and technology	31	1	32	8	13	11	—	32
Financial, insurance and other government activities	14	—	14	2	2	10	—	14
Total non-property business	473	30	503	103	211	196	(7)	503
Property and construction	464	20	484	67	230	188	(1)	484
Residential mortgages	270	1	271	11	53	210	(3)	271
Other personal	137	6	143	20	57	66	—	143
Total	1,344	57	1,401	201	551	660	(11)	1,401
Concentration by location[1]								
Republic of Ireland	1,071	46	1,117	127	467	534	(11)	1,117
United Kingdom	196	9	205	51	42	112	—	205
North America	12	1	13	11	2	—	—	13
Rest of the World	65	1	66	12	40	14	—	66
	1,344	57	1,401	201	551	660	(11)	1,401

1. Based on country of risk.

2.1.1 Credit risk – Credit exposure overview *continued*

Concentration by industry sector *continued*

Gross exposures to customers

									2023
								At amortised cost	At FVTPL
	Gross carrying amount			Analysed by stage profile					
	Loans and advances to customers	Loan commitments and financial guarantees issued	Total	Stage 1	Stage 2	Stage 3	POCI	Total	Total
Concentration by industry sector	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Non-property business:									
Natural resources	3,610	2,113	5,723	5,502	198	23	—	5,723	27
Of which renewables	2,907	1,133	4,040	3,960	80	—	—	4,040	—
Leisure	2,666	555	3,221	2,428	603	185	5	3,221	—
Manufacturing	2,519	2,179	4,698	4,281	375	40	2	4,698	—
Health, education and social work	2,032	385	2,417	1,928	448	39	2	2,417	—
Services	2,064	1,333	3,397	3,103	247	43	4	3,397	—
Agriculture, forestry and fishing	1,780	707	2,487	2,071	323	84	9	2,487	—
Retail and wholesale trade	1,747	1,516	3,263	2,915	279	63	6	3,263	15
Transport and storage	1,710	596	2,306	2,094	171	40	1	2,306	—
Telecommunications, media and technology	1,394	332	1,726	1,621	93	12	—	1,726	—
Financial, insurance and other government activities	506	891	1,397	1,360	26	11	—	1,397	—
Total non-property business	20,028	10,607	30,635	27,303	2,763	540	29	30,635	42
Property and construction	9,237	2,224	11,461	7,504	3,270	683	4	11,461	—
Residential mortgages	34,764	1,236	36,000	32,817	2,390	695	98	36,000	—
Other personal	2,940	2,926	5,866	5,339	437	90	—	5,866	—
Total	66,969	16,993	83,962	72,963	8,860	2,008	131	83,962	42
Concentration by location[1]									
Republic of Ireland	53,887	12,887	66,774	57,876	7,280	1,487	131	66,774	42
United Kingdom	8,240	3,082	11,322	10,068	922	332	—	11,322	—
North America	2,007	365	2,372	2,124	240	8	—	2,372	—
Rest of the World	2,835	659	3,494	2,895	418	181	—	3,494	—
	66,969	16,993	83,962	72,963	8,860	2,008	131	83,962	42

ECL allowance

								2023
								At amortised cost
	ECL allowance			Analysed by stage profile				
	Loans and advances to customers	Loan commitments and financial guarantees issued	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Concentration by industry sector	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Non-property business:								
Natural resources	40	3	43	17	12	14	—	43
Of which renewables	17	2	19	13	6	—	—	19
Leisure	168	3	171	19	107	46	(1)	171
Manufacturing	58	5	63	13	32	18	—	63
Health, education and social work	83	2	85	34	41	12	(2)	85
Services	48	4	52	16	20	16	—	52
Agriculture, forestry and fishing	50	3	53	7	15	36	(5)	53
Retail and wholesale trade	55	7	62	10	31	21	—	62
Transport and storage	29	1	30	9	10	11	—	30
Telecommunications, media and technology	22	1	23	9	9	5	—	23
Financial, insurance and other government activities	20	—	20	6	3	11	—	20
Total non-property business	573	29	602	140	280	190	(8)	602
Property and construction	541	23	564	87	273	205	(1)	564
Residential mortgages	309	1	310	19	77	207	7	310
Other personal	97	6	103	22	36	45	—	103
Total	1,520	59	1,579	268	666	647	(2)	1,579
Concentration by location[1]								
Republic of Ireland	1,085	52	1,137	137	495	507	(2)	1,137
United Kingdom	236	6	242	104	59	79	—	242
North America	51	1	52	13	34	5	—	52
Rest of the World	148	—	148	14	78	56	—	148
	1,520	59	1,579	268	666	647	(2)	1,579

1. Based on country of risk.

Risk Management *continued*

2.1.2 Credit risk – Credit profile of the loan portfolio

The Group's customer loan portfolio comprises loans (including overdrafts), instalment credit and finance lease receivables. An overdraft provides a demand credit facility combined with a current account. Borrowings occur when the customer's drawings take the current account into debit. The balance may, therefore, fluctuate with the requirements of the customer. Although overdrafts are contractually repayable on demand (unless a fixed term has been agreed), provided the account is deemed to be satisfactory, full repayment is not generally demanded without notice.

Credit profile of the loan portfolio

The following table analyses loans and advances to customers at amortised cost by segment, internal credit ratings and ECL staging at 31 December 2024 and 2023:

Amortised cost						2024						2023
	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total
Gross carrying amount	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Residential mortgages	35,520	479	—	971	—	36,970	33,383	476	—	905	—	34,764
Other personal	3,106	93	—	66	—	3,265	2,825	45	—	70	—	2,940
Property and construction	428	5,912	—	2,421	—	8,761	456	6,553	—	2,228	—	9,237
Non-property business	3,033	11,018	5,528	2,544	50	22,173	3,107	10,337	4,118	2,438	28	20,028
Total	42,087	17,502	5,528	6,002	50	71,169	39,771	17,411	4,118	5,641	28	66,969
Analysed by internal credit ratings[1]												
Strong	29,594	10,467	4,858	3,468	20	48,407	28,088	11,458	3,751	3,790	9	47,096
Satisfactory	9,058	5,568	579	2,083	30	17,318	8,964	4,229	302	1,203	19	14,717
Total strong/satisfactory	38,652	16,035	5,437	5,551	50	65,725	37,052	15,687	4,053	4,993	28	61,813
Criticised watch	2,039	466	2	59	—	2,566	1,330	854	37	176	—	2,397
Criticised recovery	221	471	51	132	—	875	360	219	28	171	—	778
Total criticised	2,260	937	53	191	—	3,441	1,690	1,073	65	347	—	3,175
Non-performing	1,175	530	38	260	—	2,003	1,029	651	—	301	—	1,981
Gross carrying amount	42,087	17,502	5,528	6,002	50	71,169	39,771	17,411	4,118	5,641	28	66,969
Analysed by ECL staging												
Stage 1	37,728	12,976	5,206	5,159	50	61,119	35,646	12,937	4,023	4,618	28	57,252
Stage 2	3,112	3,995	284	583	—	7,974	3,032	3,824	95	721	—	7,672
Stage 3	1,062	529	38	260	—	1,889	974	647	—	302	—	1,923
POCI	185	2	—	—	—	187	119	3	—	—	—	122
Total	42,087	17,502	5,528	6,002	50	71,169	39,771	17,411	4,118	5,641	28	66,969
ECL allowance – statement of financial position												
Stage 1	39	91	19	35	—	184	54	94	17	89	—	254
Stage 2	138	335	20	31	—	524	144	433	10	48	—	635
Stage 3	351	192	6	99	—	648	348	219	—	67	—	634
POCI	(11)	(1)	—	—	—	(12)	(2)	(1)	—	—	—	(3)
Total	517	617	45	165	—	1,344	544	745	27	204	—	1,520
ECL allowance cover percentage	%	%	%	%	%	%	%	%	%	%	%	%
Stage 1	0.1	0.7	0.4	0.7	—	0.3	0.2	0.7	0.4	1.9	—	0.4
Stage 2	4.4	8.4	6.9	5.4	—	6.6	4.8	11.3	10.5	6.7	—	8.3
Stage 3	33.1	36.4	16.0	38.1	—	34.3	35.7	33.8	—	22.2	—	33.0
POCI	(5.7)	(59.6)	—	—	—	(6.2)	(1.5)	(33.3)	—	—	—	(2.5)
Income statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	50	(69)	22	89	—	92	82	96	(7)	45	—	216
Recoveries of amounts previously written-off	(20)	(10)	—	(2)	—	(32)	(22)	(2)	—	(3)	—	(27)
Net credit impairment charge/(writeback)	30	(79)	22	87	—	60	60	94	(7)	42	—	189

1. Further analysis of internal credit grade profile by ECL staging is set out on page 207.

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Credit profile of the loan portfolio *continued*

The following table analyses loans and advances to customers at FVTPL by segment and internal credit ratings at 31 December 2024 and 2023:

FVTPL

	2024						2023					
	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total
Carrying amount	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Non-property business	—	64	—	—	—	64	—	42	—	—	—	42
Total	—	64	—	—	—	64	—	42	—	—	—	42
Analysed by internal credit ratings												
Strong	—	64	—	—	—	64	—	42	—	—	—	42
Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
Total strong/satisfactory	—	64	—	—	—	64	—	42	—	—	—	42
Total criticised	—	—	—	—	—	—	—	—	—	—	—	—
Non-performing	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	64	—	—	—	64	—	42	—	—	—	42

Internal credit grade profile by ECL staging *(audited)*

The table below analyses the internal credit grading profile by ECL staging for the Group's loans and advances to customers at 31 December 2024 and 2023:

Amortised cost *(audited)*	2024					2023				
	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
Total										
Strong	45,774	2,593	—	40	48,407	44,273	2,808	—	15	47,096
Satisfactory	14,598	2,706	—	14	17,318	12,014	2,697	—	6	14,717
Total strong/satisfactory	60,372	5,299	—	54	65,725	56,287	5,505	—	21	61,813
Criticised watch	728	1,828	—	10	2,566	919	1,473	—	5	2,397
Criticised recovery	18	847	—	10	875	44	694	—	40	778
Total criticised	746	2,675	—	20	3,441	963	2,167	—	45	3,175
Non-performing	1	—	1,889	113	2,003	2	—	1,923	56	1,981
Gross carrying amount	61,119	7,974	1,889	187	71,169	57,252	7,672	1,923	122	66,969
ECL allowance	(184)	(524)	(648)	12	(1,344)	(254)	(635)	(634)	3	(1,520)
Carrying amount	60,935	7,450	1,241	199	69,825	56,998	7,037	1,289	125	65,449

Credit exposure by midpoint PD grade

The table below represents the credit risk profile for loans and advances to customers at amortised cost via the mapping of credit risk management midpoint PD grades at 31 December 2024 and 2023. The 'Internal credit grading profile by ECL staging' table above includes qualitative factors such as financial distress and arrears (in addition to PD to prioritise credit risk management activity) which the midpoint PD table below does not reflect.

			2024					2023				
Quality Code	Lower Bound PD	Upper Bound PD	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
1 - 3	0.00%	1.23%	51,152	2,962	—	47	54,161	49,359	3,296	—	40	52,695
4 - 7	1.23%	6.94%	9,305	2,461	—	11	11,777	7,376	2,300	—	8	9,684
8 - 10	6.94%	99.99%	661	2,551	—	16	3,228	515	2,076	—	18	2,609
11	100.00%	100.00%	1	—	1,889	113	2,003	2	—	1,923	56	1,981
Gross carrying amount			61,119	7,974	1,889	187	71,169	57,252	7,672	1,923	122	66,969

At 31 December 2024, 93% of the portfolio is in quality codes 1 to 7 which are typically strong/satisfactory (2023: 93%), 4% of the portfolio is in quality codes 8 to 10 which are typically criticised (2023: 4%) and the final 3% is in quality code 11 which is in default (2023: 3%).

IFRS 9 Stage 1 and Stage 2 classification is not dependent solely on the absolute probability of default but includes significant increase in credit risk (SICR), including relative movement in IFRS 9 probability of default since initial recognition. Therefore, there is no direct relationship between internal PD grades and IFRS 9 stage classification.

Risk Management *continued*

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Aged analysis of contractually past due loans and advances to customers

The following table shows aged analysis of contractually past due loans and advances to customers by industry sector analysed by ECL staging and segment at 31 December 2024 and 2023:

At amortised cost									2024
		Of which past due							
	Not past due	1-30 days	31-60 days	61-90 days	91-180 days	181-365 days	> 365 days	Total past due	Total
Industry sector	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Non-property business:									
Natural resources	4,989	—	—	—	3	—	3	6	4,995
Of which renewables	4,476	—	—	—	3	—	—	3	4,479
Leisure	2,849	25	3	12	4	11	38	93	2,942
Manufacturing	2,617	113	—	—	1	18	4	136	2,753
Health, education and social work	1,870	—	—	—	1	1	7	9	1,879
Services	2,229	5	1	1	3	3	8	21	2,250
Agriculture, forestry and fishing	1,654	13	2	3	5	3	11	37	1,691
Retail and wholesale trade	1,849	16	1	5	9	4	11	46	1,895
Transport and storage	1,808	35	—	—	1	1	3	40	1,848
Telecomms, media and technology	1,448	—	—	—	—	1	1	2	1,450
Financial, insurance and other government activities	459	1	—	—	—	—	10	11	470
Total non-property business	21,772	208	7	21	27	42	96	401	22,173
Property and construction	8,444	57	1	7	164	28	60	317	8,761
Residential mortgages	36,350	80	14	25	50	103	348	620	36,970
Other personal	3,136	38	10	7	22	33	19	129	3,265
Total gross carrying amount	69,702	383	32	60	263	206	523	1,467	71,169
ECL staging									
Stage 1	60,931	188	—	—	—	—	—	188	61,119
Stage 2	7,818	111	20	25	—	—	—	156	7,974
Stage 3	855	82	12	34	259	194	453	1,034	1,889
POCI	98	2	—	1	4	12	70	89	187
	69,702	383	32	60	263	206	523	1,467	71,169
Segment									
Retail Banking	41,217	148	29	34	88	153	418	870	42,087
Capital Markets	17,057	173	—	7	170	44	51	445	17,502
Climate Capital	5,528	—	—	—	—	—	—	—	5,528
AIB UK	5,850	62	3	19	5	9	54	152	6,002
Group	50	—	—	—	—	—	—	—	50
	69,702	383	32	60	263	206	523	1,467	71,169
As a percentage of total gross loans at amortised cost	%	%	%	%	%	%	%	%	%
	97.9	0.5	0.1	0.1	0.4	0.3	0.7	2.1	100.0

The figures reported are inclusive of overdrafts, bridging loans and cases with expired limits. There were no contractually past due loans measured at FVTPL at 31 December 2024 and 2023.

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Aged analysis of contractually past due loans and advances to customers *continued*

At amortised cost									2023
		Of which past due							
	Not past due	1-30 days	31-60 days	61-90 days	91-180 days	181-365 days	> 365 days	Total past due	Total
Industry sector	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Non-property business:									
Natural resources	3,607	—	—	—	—	2	1	3	3,610
Of which renewables	2,907	—	—	—	—	—	—	—	2,907
Leisure	2,582	48	5	1	2	3	25	84	2,666
Manufacturing	2,493	17	1	1	1	2	4	26	2,519
Health, education and social work	1,990	29	2	—	2	7	2	42	2,032
Services	2,035	11	1	1	4	2	10	29	2,064
Agriculture, forestry and fishing	1,737	12	6	9	3	4	9	43	1,780
Retail and wholesale trade	1,706	16	1	1	3	4	16	41	1,747
Transport and storage	1,704	2	—	—	—	1	3	6	1,710
Telecommunications, media and technology	1,392	1	—	—	—	—	1	2	1,394
Financial, insurance and other government activities	488	18	—	—	—	—	—	18	506
Total non-property business	19,734	154	16	13	15	25	71	294	20,028
Property and construction	8,904	91	14	1	5	177	45	333	9,237
Residential mortgages	34,175	135	37	33	89	76	219	589	34,764
Other personal	2,829	39	10	8	20	20	14	111	2,940
Total gross carrying amount	65,642	419	77	55	129	298	349	1,327	66,969
ECL staging									
Stage 1	57,154	98	—	—	—	—	—	98	57,252
Stage 2	7,438	157	45	32	—	—	—	234	7,672
Stage 3	948	161	31	23	126	294	340	975	1,923
POCI	102	3	1	—	3	4	9	20	122
	65,642	419	77	55	129	298	349	1,327	66,969
Segment									
Retail Banking	38,952	189	59	43	119	117	292	819	39,771
Capital Markets	17,078	127	3	7	5	167	24	333	17,411
Climate Capital	4,118	—	—	—	—	—	—	—	4,118
AIB UK	5,473	96	15	5	5	14	33	168	5,641
Group	21	7	—	—	—	—	—	7	28
	65,642	419	77	55	129	298	349	1,327	66,969
As a percentage of total gross loans at amortised cost	%	%	%	%	%	%	%	%	%
	98.0	0.6	0.1	0.1	0.2	0.4	0.5	2.0	100.0

Risk Management *continued*

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Gross loans[1] and ECL movements *(audited)*

The following tables set out the movements in the gross carrying amount and ECL allowance for loans and advances to customers at amortised cost by ECL staging between 1 January 2024 and 31 December 2024 and the corresponding movements between 1 January 2023 and 31 December 2023.

Accounts that triggered movements between Stage 1 and Stage 2 as a result of failing/curing a quantitative measure only (as disclosed on page 191) and that subsequently reverted within the year to their original stage, are excluded from 'Transferred from Stage 1 to Stage 2' and 'Transferred from Stage 2 to Stage 1'. The Group believes this presentation aids the understanding of the underlying credit migration.

Gross carrying amount movements – total *(audited)*

2024	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January	**57,252**	**7,672**	**1,923**	**122**	**66,969**
Transferred from Stage 1 to Stage 2	**(6,290)**	**6,290**	**—**	**—**	**—**
Transferred from Stage 2 to Stage 1	**4,509**	**(4,509)**	**—**	**—**	**—**
Transferred to Stage 3	**(149)**	**(907)**	**1,056**	**—**	**—**
Transferred from Stage 3	**29**	**217**	**(246)**	**—**	**—**
New loans originated/top-ups	**15,898**	**—**	**—**	**88**	**15,986**
Redemptions/repayments	**(11,842)**	**(2,704)**	**(765)**	**(31)**	**(15,342)**
Interest credited	**2,863**	**469**	**89**	**5**	**3,426**
Write-offs	**—**	**—**	**(126)**	**—**	**(126)**
Derecognised due to disposals	**(264)**	**(112)**	**(81)**	**—**	**(457)**
Exchange translation adjustments	**530**	**49**	**15**	**1**	**595**
Impact of model, parameter and overlay changes	**(1,499)**	**1,499**	**—**	**—**	**—**
Other movements	**82**	**10**	**24**	**2**	**118**
At 31 December	**61,119**	**7,974**	**1,889**	**187**	**71,169**

2023	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m
At 1 January	52,862	6,036	1,997	87	60,982
Transferred from Stage 1 to Stage 2	(7,377)	7,377	—	—	—
Transferred from Stage 2 to Stage 1	4,518	(4,518)	—	—	—
Transferred to Stage 3	(125)	(1,070)	1,195	—	—
Transferred from Stage 3	47	262	(309)	—	—
New loans originated/top-ups	17,186	—	—	36	17,222
Redemptions/repayments	(11,266)	(1,895)	(579)	(10)	(13,750)
Interest credited	2,426	419	80	3	2,928
Write-offs	—	—	(125)	—	(125)
Derecognised due to disposals	(47)	(43)	(316)	—	(406)
Exchange translation adjustments	74	21	6	—	101
Impact of model, parameter and overlay changes	(1,082)	1,082	—	—	—
Other movements	36	1	(26)	6	17
At 31 December	57,252	7,672	1,923	122	66,969

1. The gross carrying amount movement is recorded at each month end with movements calculated versus the position at previous month end. The sum of all 12 months movement is then presented.

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Gross loans and ECL movements *continued*

ECL allowance movements – total *(audited)*

	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	2024 Total € m
At 1 January	254	635	634	(3)	1,520
Transferred from Stage 1 to Stage 2	(79)	277	—	—	198
Transferred from Stage 2 to Stage 1	87	(243)	—	—	(156)
Transferred to Stage 3	—	(108)	190	—	82
Transferred from Stage 3	—	21	(47)	—	(26)
Net remeasurement (within Stage)	(8)	15	75	(10)	72
New loans originated/top-ups	57	—	—	—	57
Redemptions/repayments	(33)	(69)	—	—	(102)
Impact of model and overlay changes	4	41	(37)	—	8
Impact of credit or economic risk parameters	(16)	(17)	(8)	—	(41)
Net remeasurement of ECL Allowance	12	(83)	173	(10)	92
Write-offs	—	—	(126)	—	(126)
Derecognised due to disposals	(88)	(29)	(56)	—	(173)
Exchange translation adjustments	7	4	5	—	16
Other movements	(1)	(3)	18	1	15
At 31 December	184	524	648	(12)	1,344

	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	2023 Total € m
At 1 January	263	646	700	9	1,618
Transferred from Stage 1 to Stage 2	(100)	252	—	—	152
Transferred from Stage 2 to Stage 1	73	(209)	—	—	(136)
Transferred to Stage 3	(1)	(99)	180	—	80
Transferred from Stage 3	2	28	(52)	—	(22)
Net remeasurement (within Stage)	29	67	56	(12)	140
New loans originated/top-ups	49	—	—	—	49
Redemptions/repayments	(25)	(99)	—	—	(124)
Impact of model and overlay changes	(16)	34	82	(4)	96
Impact of credit or economic risk parameters	(22)	19	(16)	—	(19)
Net remeasurement of ECL Allowance	(11)	(7)	250	(16)	216
Write-offs	—	—	(125)	—	(125)
Derecognised due to disposals	(9)	(8)	(183)	—	(200)
Exchange translation adjustments	—	2	2	—	4
Other movements	11	2	(10)	4	7
At 31 December	254	635	634	(3)	1,520

Risk Management *continued*

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Gross loans and ECL movements *continued* (audited)

Total exposures to which an ECL applies increased during the year by € 4.2 billion from € 67.0 billion at 1 January 2024 to € 71.2 billion at 31 December 2024. The increase in the year was driven by the strong new lending in the year and the final tranche of the Ulster Bank tracker (and linked) mortgage portfolio acquisition (which is included within ‘New loans originated/top-ups’).

Stage transfers are a key component of ECL allowance movements (i.e. Stage 1 to Stage 2 to Stage 3 and vice versa) in addition to the net remeasurement of ECL due to change in risk parameters within a stage. Excluding the impact of model/overlay changes and the updated macroeconomic scenarios, an ECL charge of € 125 million occurred due to underlying credit management activity and a slight deterioration in credit parameters which inform the modelled outcomes.

The impact of model and overlay changes resulted in an ECL charge of € 8 million. This was driven by a € 67 million charge following the deployment of the recalibrated grading models and a € 59 million writeback relating to post model adjustments, largely driven by utilisation as previously identified risks have now been captured in the modelled outcomes. Further details on the post model adjustments are outlined on pages 200 and 201. These ensure exposures subject to risks which are not adequately reflected in the modelled outcomes, retain an appropriate ECL.

The updated macroeconomic scenarios and weightings resulted in an ECL release of € 41 million. This ECL movement is presented separately within ‘Impact of credit or economic risk parameters’. This release was most significant within the non-property business portfolio accounting for a release of € 32 million within the portfolio. Despite the update to the probability weightings tilting towards the downside scenarios, the writeback reflects a more favourable base scenario following the observed easing inflation and a reduction in interest and unemployment rates. However, downside risks remain a concern, as heightened geopolitical risks necessitate the Group’s conservative stance.

The gross loan transfers from Stage 1 to Stage 2 of € 6.3 billion are due to underlying credit management activity where a significant increase in credit risk occurred during the year through either the quantitative or qualitative criteria for stage movement. 43% of the movements relied on a qualitative or backstop indicator of significant increase in credit risk (e.g. forbearance or movement to a watch grade) with 4% caused solely by the backstop of 30 days past due. Of the € 6.3 billion which transferred from Stage 1 to Stage 2 in the year approximately € 4.2 billion is reported as Stage 2 at 31 December 2024.

Where a movement to Stage 2 is triggered by multiple drivers simultaneously these are reported in the following order: quantitative, qualitative and backstop.

Similarly, transfers from Stage 2 to Stage 1 of € 4.5 billion represent those loans where the triggers for significant increase in credit risk no longer apply or loans that have fulfilled a probation period.

These transfers include loans which have been upgraded through normal credit management processes and incorporates loans which transferred due to the impact of the updated macroeconomic scenarios and weightings.

Transfers from Stage 2 to Stage 3 of € 0.9 billion represent those loans that defaulted during the year. These arose in cases where it was determined that the customers were unlikely to pay their loans in full without the realisation of collateral regardless of the existence of any past due amount or the number of days past due. In addition, transfers also include all borrowers that are 90 days or more past due on a material obligation. Of the transfers from Stage 2 to Stage 3, € 0.3 billion had transferred from Stage 1 to Stage 2 earlier in the year.

Transfers from Stage 3 to Stage 2 of € 0.2 billion were mainly driven by resolution activity with the customer, through either restructuring or forbearance previously granted and which subsequently adhered to default probation requirements. As part of the credit management practices, active monitoring of loans and their adherence to default probation requirements is in place.

In summary, the staging movements of the overall portfolio were as follows:

Stage 1 loans have increased by € 3.8 billion to € 61.1 billion (2023: € 57.3 billion) due to strong new lending and the migration of the final tranche of the Ulster Bank tracker (and linked) mortgage portfolio acquisition.

Stage 2 loans have increased by € 0.3 billion to € 8.0 billion (2023: € 7.7 billion). The increase in Stage 2 loans was driven by the non-property business and other personal portfolios which increased by € 0.5 billion and € 0.4 billion respectively. The increase in these portfolios was impacted by the deployment in the year of the recalibrated grading models which reflects an improvement in how the Group measures the risk in these portfolios as opposed to any deterioration in customer asset quality. These increases were slightly offset by a € 0.5 billion reduction in the residential mortgages portfolio.

Stage 3 loans remained unchanged in the year at € 1.9 billion with an ECL of € 0.6 billion, resulting in cover of 34.3% (2023: 33.0%).

Further details on the stage movements by asset class are set out in the following tables on pages 213 and 214.

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Gross loans[1] and ECL movements *continued*

The following tables set out the movements in the gross carrying amount and ECL allowance for loans and advances to customers by asset class and ECL staging for the year to 31 December 2024 and 2023:

Gross carrying amount movements – Asset class

2024

	Residential mortgages					Other personal				Property and construction					Non-property business				
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	Total € m	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
At 1 January	31,594	2,385	688	97	34,764	2,613	247	80	2,940	5,823	2,754	657	3	9,237	17,222	2,286	498	22	20,028
Transferred from Stage 1 to Stage 2	(1,472)	1,472	—	—	—	(741)	741	—	—	(1,629)	1,629	—	—	—	(2,448)	2,448	—	—	—
Transferred from Stage 2 to Stage 1	1,591	(1,591)	—	—	—	563	(563)	—	—	702	(702)	—	—	—	1,653	(1,653)	—	—	—
Transferred to Stage 3	(80)	(291)	371	—	—	(8)	(100)	108	—	(43)	(234)	277	—	—	(18)	(282)	300	—	—
Transferred from Stage 3	17	118	(135)	—	—	1	18	(19)	—	6	9	(15)	—	—	5	72	(77)	—	—
New loans originated/top-ups	5,467	—	—	88	5,555	1,354	—	—	1,354	2,048	—	—	—	2,048	7,029	—	—	—	7,029
Redemptions/repayments	(4,179)	(329)	(161)	(21)	(4,690)	(1,084)	(202)	(26)	(1,312)	(1,537)	(1,122)	(375)	(2)	(3,036)	(5,042)	(1,051)	(203)	(8)	(6,304)
Interest credited	1,119	90	24	4	1,237	199	43	2	244	363	166	32	—	561	1,182	170	31	1	1,384
Write-offs	—	—	(11)	—	(11)	—	—	(16)	(16)	—	—	(40)	—	(40)	—	—	(59)	—	(59)
Derecognised due to disposals	—	—	—	—	—	—	—	(43)	(43)	(90)	(7)	(3)	—	(100)	(174)	(105)	(35)	—	(314)
Exchange translation adjustments	40	1	2	—	43	3	—	—	3	91	15	3	1	110	396	33	10	—	439
Impact of model, parameter and overlay changes	(1)	1	—	—	—	(428)	428	—	—	(225)	225	—	—	—	(845)	845	—	—	—
Other movements	69	9	(8)	2	72	77	4	14	95	(12)	(8)	1	—	(19)	(52)	5	17	—	(30)
At 31 December	34,165	1,865	770	170	36,970	2,549	616	100	3,265	5,497	2,725	537	2	8,761	18,908	2,768	482	15	22,173

2023

	Residential mortgages					Other personal				Property and construction					Non-property business				
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	Total € m	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
At 1 January	28,396	1,158	638	87	30,279	2,274	270	179	2,723	6,820	1,391	406	—	8,617	15,372	3,217	774	—	19,363
Transferred from Stage 1 to Stage 2	(1,412)	1,412	—	—	—	(329)	329	—	—	(3,737)	3,737	—	—	—	(1,899)	1,899	—	—	—
Transferred from Stage 2 to Stage 1	875	(875)	—	—	—	204	(204)	—	—	1,553	(1,553)	—	—	—	1,886	(1,886)	—	—	—
Transferred to Stage 3	(33)	(244)	277	—	—	(9)	(86)	95	—	(55)	(432)	487	—	—	(28)	(308)	336	—	—
Transferred from Stage 3	13	101	(114)	—	—	1	21	(22)	—	16	15	(31)	—	—	17	125	(142)	—	—
New loans originated/top-ups	7,896	—	—	13	7,909	1,227	—	—	1,227	2,490	—	—	4	2,494	5,573	—	—	19	5,592
Redemptions/repayments	(4,135)	(233)	(119)	(12)	(4,499)	(1,000)	(103)	(34)	(1,137)	(1,468)	(629)	(160)	—	(2,257)	(4,663)	(930)	(266)	2	(5,857)
Interest credited	920	55	16	2	993	196	28	6	230	326	144	22	—	492	984	192	36	1	1,213
Write-offs	—	—	(17)	—	(17)	—	—	(41)	(41)	—	—	(20)	—	(20)	—	—	(47)	—	(47)
Derecognised due to disposals	—	—	—	—	—	(2)	(7)	(80)	(89)	(2)	—	(50)	—	(52)	(43)	(36)	(186)	—	(265)
Exchange translation adjustments	19	1	1	—	21	1	—	—	1	35	7	2	—	44	19	13	3	—	35
Impact of model, parameter and overlay changes	(1,006)	1,006	—	—	—	—	—	—	—	(76)	76	—	—	—	—	—	—	—	—
Other movements	61	4	6	7	78	50	(1)	(23)	26	(79)	(2)	1	(1)	(81)	4	—	(10)	—	(6)
At 31 December	31,594	2,385	688	97	34,764	2,613	247	80	2,940	5,823	2,754	657	3	9,237	17,222	2,286	498	22	20,028

1. The gross carrying amount movement is recorded at each month end with movements calculated versus the position at previous month end. The sum of all 12 months movement is then presented.

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Gross loans and ECL movements *continued*

ECL allowance movements – Asset class

2024

	Residential mortgages					Other personal				Property and construction					Non-property business				
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	Total € m	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
At 1 January	19	77	207	6	309	21	32	44	97	83	264	195	(1)	541	131	262	188	(8)	573
Transferred from Stage 1 to Stage 2	(2)	56	—	—	54	(21)	62	—	41	(29)	52	—	—	23	(27)	107	—	—	80
Transferred from Stage 2 to Stage 1	6	(32)	—	—	(26)	11	(36)	—	(25)	33	(59)	—	—	(26)	37	(116)	—	—	(79)
Transferred to Stage 3	—	(27)	42	—	15	—	(34)	49	15	—	(13)	20	—	7	—	(34)	79	—	45
Transferred from Stage 3	—	7	(15)	—	(8)	—	5	(11)	(6)	—	1	(3)	—	(2)	—	8	(18)	—	(10)
Net remeasurement (within Stage)	(3)	(7)	4	(9)	(15)	(5)	12	1	8	(31)	(16)	43	—	(4)	31	26	27	(1)	83
New loans originated/top-ups	2	—	—	—	2	15	—	—	15	22	—	—	—	22	18	—	—	—	18
Redemptions/repayments	(1)	(4)	—	—	(5)	(2)	(1)	—	(3)	(13)	(26)	—	—	(39)	(17)	(38)	—	—	(55)
Impact of model and overlay changes	(9)	(13)	(10)	—	(32)	—	13	24	37	29	26	(32)	—	23	(16)	15	(19)	—	(20)
Impact of credit or economic risk parameters	(2)	(4)	(7)	—	(13)	(1)	(1)	1	(1)	6	1	(2)	—	5	(19)	(13)	—	—	(32)
Net remeasurement of ECL Allowance	(9)	(24)	14	(9)	(28)	(3)	20	64	81	17	(34)	26	—	9	7	(45)	69	(1)	30
Write-offs	—	—	(11)	—	(11)	—	—	(16)	(16)	—	—	(40)	—	(40)	—	—	(59)	—	(59)
Derecognised due to disposals	—	—	—	—	—	—	—	(41)	(41)	(43)	(3)	(3)	—	(49)	(45)	(26)	(12)	—	(83)
Exchange translation adjustments	—	—	—	—	—	—	—	—	—	2	1	1	—	4	5	3	4	—	12
Other movements	—	—	—	—	—	1	—	15	16	1	(2)	—	—	(1)	(3)	(1)	3	1	—
At 31 December	10	53	210	(3)	270	19	52	66	137	60	226	179	(1)	464	95	193	193	(8)	473

2023

	Residential mortgages					Other personal				Property and construction					Non-property business				
	Stage 1 € m	Stage 2 € m	Stage 3 € m	POCI € m	Total € m	Stage 1 € m	Stage 2 € m	Stage 3 € m	Total € m	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
At 1 January	40	38	196	9	283	24	37	116	177	84	117	119	—	320	115	454	269	—	838
Transferred from Stage 1 to Stage 2	(4)	36	—	—	32	(7)	53	—	46	(53)	104	—	—	51	(36)	59	—	—	23
Transferred from Stage 2 to Stage 1	6	(13)	—	—	(7)	6	(25)	—	(19)	19	(50)	—	—	(31)	42	(121)	—	—	(79)
Transferred to Stage 3	—	(14)	25	—	11	—	(29)	44	15	(1)	(22)	31	—	8	—	(34)	80	—	46
Transferred from Stage 3	—	4	(9)	—	(5)	—	4	(12)	(8)	1	2	(4)	—	(1)	1	18	(27)	—	(8)
Net remeasurement (within Stage)	4	(1)	33	(3)	33	(1)	—	9	8	13	34	10	(1)	56	13	34	4	(8)	43
New loans originated/top-ups	3	—	—	—	3	11	—	—	11	19	—	—	—	19	16	—	—	—	16
Redemptions/repayments	(2)	(3)	—	—	(5)	(2)	(1)	—	(3)	(4)	(26)	—	—	(30)	(17)	(69)	—	—	(86)
Impact of model and overlay changes	(26)	28	(19)	(4)	(21)	(8)	(2)	9	(1)	3	89	93	—	185	15	(81)	(1)	—	(67)
Impact of credit or economic risk parameters	(2)	3	(5)	—	(4)	(3)	(5)	(1)	(9)	—	19	(9)	—	10	(17)	2	(1)	—	(16)
Net remeasurement of ECL Allowance	(21)	40	25	(7)	37	(4)	(5)	49	40	(3)	150	121	(1)	267	17	(192)	55	(8)	(128)
Write-offs	—	—	(17)	—	(17)	—	—	(41)	(41)	—	—	(20)	—	(20)	—	—	(47)	—	(47)
Derecognised due to disposals	—	—	—	—	—	(1)	(6)	(71)	(78)	—	—	(27)	—	(27)	(8)	(2)	(85)	—	(95)
Exchange translation adjustments	—	—	—	—	—	—	—	—	—	—	—	1	—	1	—	2	1	—	3
Other movements	—	(1)	3	4	6	2	6	(9)	(1)	2	(3)	1	—	—	7	—	(5)	—	2
At 31 December	19	77	207	6	309	21	32	44	97	83	264	195	(1)	541	131	262	188	(8)	573

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Movements in off-balance sheet exposures *(audited)*

The following tables set out the movements in the nominal amount and ECL allowance for loan commitments and financial guarantees by ECL staging for the year to 31 December 2024 and 2023:

Nominal amount movements *(audited)*

										2024
					Loan commitments					**Financial guarantee contracts**
	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**
At 1 January	**14,921**	**1,136**	**71**	**8**	**16,136**	**790**	**52**	**14**	**1**	**857**
Transferred from Stage 1 to Stage 2	**(835)**	**835**	**—**	**—**	**—**	**(71)**	**71**	**—**	**—**	**—**
Transferred from Stage 2 to Stage 1	**401**	**(401)**	**—**	**—**	**—**	**28**	**(28)**	**—**	**—**	**—**
Transferred to Stage 3	**(16)**	**(20)**	**36**	**—**	**—**	**(2)**	**—**	**2**	**—**	**—**
Transferred from Stage 3	**10**	**8**	**(18)**	**—**	**—**	**1**	**—**	**(1)**	**—**	**—**
Other movements[1]	**873**	**(179)**	**(6)**	**(1)**	**687**	**137**	**(16)**	**(1)**	**(1)**	**119**
At 31 December	**15,354**	**1,379**	**83**	**7**	**16,823**	**883**	**79**	**14**	**—**	**976**

										2023
					Loan commitments					Financial guarantee contracts
	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
At 1 January	13,947	1,033	80	—	15,060	738	45	19	—	802
Transferred from Stage 1 to Stage 2	(631)	631	—	—	—	(40)	40	—	—	—
Transferred from Stage 2 to Stage 1	456	(456)	—	—	—	51	(51)	—	—	—
Transferred to Stage 3	(17)	(8)	25	—	—	(1)	(1)	2	—	—
Transferred from Stage 3	7	5	(12)	—	—	—	—	—	—	—
Other movements[1]	1,159	(69)	(22)	8	1,076	42	19	(7)	1	55
At 31 December	14,921	1,136	71	8	16,136	790	52	14	1	857

1. Includes new commitments, utilised and expired commitments.

The internal credit grade profile of loan commitments and financial guarantees is set out in the following table *(audited)*:

	2024 € m	2023 € m
Strong	**10,858**	11,942
Satisfactory	**6,435**	4,711
Criticised watch	**381**	187
Criticised recovery	**22**	60
Default	**103**	93
Total	**17,799**	16,993

Non-performing off-balance sheet commitments

Total non-performing off-balance sheet commitments amounted to € 103 million (2023: € 93 million).

2.1.2 Credit risk – Credit profile of the loan portfolio *continued*

Movements in off-balance sheet exposures *continued* *(audited)*

ECL allowance movements *(audited)*

										2024
	Loan commitments					Financial guarantee contracts				
	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
At 1 January	12	26	4	1	43	2	5	9	—	16
Transferred from Stage 1 to Stage 2	(3)	22	—	—	19	—	5	—	—	5
Transferred from Stage 2 to Stage 1	6	(32)	—	—	(26)	2	(3)	—	—	(1)
Transferred to Stage 3	—	—	2	—	2	—	(1)	2	—	1
Transferred from Stage 3	—	—	(1)	—	(1)	—	1	(1)	—	—
Net remeasurement	—	7	(2)	—	5	(2)	(3)	(2)	—	(7)
Net income statement charge/(credit)	3	(3)	(1)	—	(1)	—	(1)	(1)	—	(2)
Other movements	1	—	1	—	2	(1)	—	—	—	(1)
At 31 December	16	23	4	1	44	1	4	8	—	13

										2023
	Loan commitments					Financial guarantee contracts				
	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
At 1 January	19	35	5	—	59	2	4	13	—	19
Transferred from Stage 1 to Stage 2	(2)	23	—	—	21	(3)	4	—	—	1
Transferred from Stage 2 to Stage 1	3	(12)	—	—	(9)	3	(5)	—	—	(2)
Transferred to Stage 3	—	(2)	3	—	1	(1)	—	1	—	—
Transferred from Stage 3	1	—	(1)	—	—	1	—	(1)	—	—
Net remeasurement	(9)	(17)	(2)	—	(28)	—	1	(2)	—	(1)
Net income statement (credit)/charge	(7)	(8)	—	—	(15)	—	—	(2)	—	(2)
Other movements	—	(1)	(1)	1	(1)	—	1	(2)	—	(1)
At 31 December	12	26	4	1	43	2	5	9	—	16

2.1.3 Credit risk – Impairment and write-offs

Income statement

The table below analyses the key components of the income statement charge for loans and advances to customers at 31 December 2024 and 2023:

Amortised cost					2024					2023
	Residential mortgages	Other personal	Property and construction	Non-property business	Total	Residential mortgages	Other personal	Property and construction	Non-property business	Total
Income Statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net stage transfers	35	25	2	36	98	31	34	27	(18)	74
Net remeasurement (within Stage)	(15)	8	(4)	83	72	33	8	56	43	140
New loans originated/top-ups	2	15	22	18	57	3	11	19	16	49
Redemptions/repayments	(5)	(3)	(39)	(55)	(102)	(5)	(3)	(30)	(86)	(124)
Impact of credit or economic risk parameters	(13)	(1)	5	(32)	(41)	(4)	(9)	10	(16)	(19)
Impact of model and overlay changes	(32)	37	23	(20)	8	(21)	(1)	185	(67)	96
Net remeasurement of ECL allowance	(28)	81	9	30	92	37	40	267	(128)	216
Recoveries of amounts previously written-off	(8)	(2)	(6)	(16)	(32)	(7)	(4)	(6)	(10)	(27)
Net credit impairment (writeback)/charge	(36)	79	3	14	60	30	36	261	(138)	189

There was a € 60 million net credit impairment charge in the year to 31 December 2024 which comprised a net remeasurement of ECL allowance charge of € 92 million and recoveries of amounts previously written-off of € 32 million (2023: € 189 million charge comprising a net remeasurement charge of € 216 million and € 27 million of recoveries).

The key drivers of the net remeasurement of ECL allowance charge of € 92 million consist of the following components and activity:

- Net stage transfers resulted in a € 98 million charge which was evident across all asset classes. Net remeasurements within stage resulted in a € 72 million charge driven by the non-property business sector. Redemption and repayment activity offset by new loans originated resulted in a € 45 million writeback. This was largely due to strong repayments in the non-property business and property and construction sectors, particularly within Stage 2 with a € 64 million writeback driven by loans that fully repaid. Further details on the ECL allowance movements are outlined on pages 210 to 216.

- Within the IFRS 9 models, € 41 million ECL writeback has been observed due to macroeconomic factors. Despite the update to the probability weightings tilting towards the downside scenarios, the writeback reflects a more favourable base scenario following the observed easing inflation and a reduction in interest and unemployment rates. However, downside risks remain a concern, as heightened geopolitical risks necessitate the Group's conservative stance. Further details on the macroeconomic scenarios and weightings are outlined on pages 194 to 198.

- The impact of model and overlay changes resulted in a net charge of € 8 million. This was driven by a € 67 million charge following the deployment of the recalibrated grading models and a € 59 million writeback relating to post model adjustments, largely driven by utilisation as previously identified risks have now been captured in the modelled outcomes. Further details on post model adjustments are outlined on pages 200 and 201.

Recoveries of amounts previously written-off of € 32 million (2023: € 27 million) included € 15 million of recoveries (2023: € 13 million) due to cash recoveries received against legacy non-performing exposures. The remaining € 17 million (2023: € 14 million) relates to interest recognised as a result of loans curing from Stage 3.

2.1.3 Credit risk – Impairment and write-offs *continued*

Loans written-off and recoveries of previously written-off loans

The following table analyses loans written-off and recoveries of previously written-off loans by geography and industry sector for the years ended 31 December 2024 and 2023:

	2024		2023	
Concentration by industry sector	**Loans written-off €m**	**Recoveries of amounts previously written-off €m**	Loans written-off €m	Recoveries of amounts previously written-off €m
Non-property business:				
Natural resources	**29**	**—**	16	—
Leisure	**4**	**9**	—	2
Manufacturing	**1**	**1**	2	1
Health, education and social work	**—**	**—**	14	—
Services	**10**	**1**	7	—
Agriculture, forestry and fishing	**6**	**1**	1	1
Retail and wholesale trade	**1**	**1**	3	1
Transport and storage	**1**	**—**	1	1
Telecommunications, media and technology	**2**	**—**	—	—
Financial, insurance and other government activities	**5**	**3**	3	4
Total non-property business	**59**	**16**	47	10
Property and construction	**40**	**6**	20	6
Residential mortgages	**11**	**8**	17	7
Other personal	**16**	**2**	41	4
Total	**126**	**32**	125	27
Concentration by location[1]				
Republic of Ireland	**63**	**23**	85	23
United Kingdom	**38**	**3**	40	3
Rest of the World	**25**	**6**	—	1
	126	**32**	125	27

1. By country of risk.

The contractual amount outstanding of loans written-off during the year that are subject to enforcement activity amounted to € 30 million (2023: € 9 million) which includes both full and partial write-offs. Total cumulative non-contracted loans written-off at 31 December 2024 has reduced to € 170 million (2023: € 188 million).

2.1.4 Credit risk – Asset class analysis

Asset class summary – key points:

- The **residential mortgage** portfolio has increased by € 2.2 billion in the year to € 37.0 billion driven by strong new lending and the final tranche of the Ulster Bank tracker (and linked) mortgage portfolio acquisition. The staging composition of the portfolio has improved in the year as Stage 1 loans increased by € 2.5 billion to € 34.1 billion, Stage 2 loans decreased by € 0.5 billion to € 1.9 billion and there was a marginal € 0.1 billion increase in Stage 3 loans to € 0.8 billion. Total ECL stock has remained unchanged at € 0.3 billion (2023: € 0.3 billion) resulting in ECL cover of 0.7% (2023: 0.9%). There was a € 36 million net credit impairment writeback in the year (2023: € 30 million charge).
- The **other personal** portfolio increased by € 0.4 billion in the year to € 3.3 billion. New lending totalled € 1.3 billion for the year, however this was largely offset by redemptions/repayments of € 1.0 billion. The staging composition has weakened in the year as Stage 2 loans increased to € 0.6 billion (2023: € 0.2 billion), which was primarily driven by the deployment of the recalibrated grading models in the year. Stage 1 and Stage 3 loans remained unchanged at € 2.6 billion and € 0.1 billion respectively. Total ECL cover has increased to 4.2% (2023: 3.3%). There was a net credit impairment charge of € 79 million in the year (2023: € 36 million charge).
- The **property and construction** portfolio has decreased by € 0.5 billion in the year to € 8.7 billion, as redemptions/ repayments exceeded new lending. The staging composition of the portfolio has remained stable in the year. Stage 1 loans decreased by € 0.3 billion to € 5.5 billion, Stage 2 loans experienced a slight decrease to € 2.7 billion and Stage 3 loans decreased by € 0.1 billion to € 0.5 billion. Total ECL cover has also decreased to 5.3% (2023: 5.9%). There was a € 3 million net credit impairment charge in the year (2023: € 261 million charge).
- The **non-property business** portfolio has increased by € 2.1 billion in the year to € 22.2 billion, primarily due to strong new lending activity. The staging composition of the portfolio has remained relatively stable. Stage 1 loans have increased by € 1.6 billion to € 18.9 billion. However, Stage 2 loans have increased by € 0.5 billion to € 2.8 billion and were impacted by the deployment of the recalibrated grading models in the year. Stage 3 loans have remained unchanged at € 0.5 billion. Total ECL cover has reduced to 2.1% (2023: 2.9%). There was a € 14 million net credit impairment charge in the year (2023: € 138 million writeback).

Loans and advances to customers – Residential mortgages

Residential mortgages amounted to € 37.0 billion at 31 December 2024, with the majority (97%) relating to residential mortgages in the Republic of Ireland and the remainder relating to Northern Ireland. This compares to € 34.8 billion at 31 December 2023, of which 97% related to residential mortgages in the Republic of Ireland. The split of the residential mortgage portfolio was owner-occupier € 35.7 billion and buy-to-let € 1.3 billion (2023: owner-occupier € 33.3 billion and buy-to-let € 1.5 billion).

The portfolio increased by € 2.2 billion in the year, as strong new lending accounted for € 4.7 billion (2023: € 4.1 billion), in addition to a further € 0.8 billion relating to the final tranche of the Ulster Bank tracker (and linked) mortgage portfolio acquisition, was partially offset by redemptions/repayments.

The staging composition of the portfolio has improved in the year as Stage 1 loans increased by € 2.5 billion to € 34.1 billion, Stage 2 loans decreased by € 0.5 billion to € 1.9 billion and there was a marginal € 0.1 billion increase in Stage 3 loans to € 0.8 billion.

The split of the Mortgage portfolio comprises € 20.5 billion (55%) fixed rate, € 9.6 billion (26%) variable rate and € 6.9 billion (19%) tracker rate mortgages (31 December 2023: € 20.0 billion (58%) fixed rate, € 7.4 billion (21%) variable rate and € 7.4 billion (21%) tracker rate mortgages).

Forbearance

Residential mortgages subject to forbearance measures reduced slightly to € 0.6 billion at 31 December 2024 (31 December 2023 € 0.7 billion). Details of forbearance measures are set out on pages 229 and 230.

Income statement

There was a € 36 million net credit impairment writeback in the year to 31 December 2024 compared to a € 30 million net credit impairment charge in 2023. This comprises a net remeasurement of ECL allowance writeback of € 28 million and recoveries of previously written-off loans of € 8 million.

The ECL allowance for the portfolio totalled € 0.3 billion providing ECL allowance cover of 0.7%. For the Stage 3 portfolio, the ECL allowance cover is 27% (2023: € 0.3 billion, 0.9% and 30% respectively).

Residual debt, which is now unsecured following the disposal of property on which the residential mortgage was secured, is included in the residential mortgage portfolio and as such, is included in the tables within this section.

2.1.4 Credit risk – Asset class analysis *continued*

Loans and advances to customers – Residential mortgages *continued*

The following table analyses the residential mortgage portfolio at amortised cost by segment, internal credit ratings and ECL staging at 31 December 2024 and 2023:

(Audited)						2024						2023
	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total
Gross carrying amount	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Owner occupier	34,346	417	—	925	—	35,688	32,068	405	—	854	—	33,327
Buy-to-let	1,174	62	—	46	—	1,282	1,315	71	—	51	—	1,437
Total	35,520	479	—	971	—	36,970	33,383	476	—	905	—	34,764
Analysed by internal credit ratings												
Strong	28,930	311	—	849	—	30,090	25,812	324	—	758	—	26,894
Satisfactory	4,829	150	—	72	—	5,051	5,758	140	—	68	—	5,966
Total strong/satisfactory	33,759	461	—	921	—	35,141	31,570	464	—	826	—	32,860
Criticised watch	786	15	—	11	—	812	891	10	—	33	—	934
Criticised recovery	142	—	—	3	—	145	247	—	—	4	—	251
Total criticised	928	15	—	14	—	957	1,138	10	—	37	—	1,185
Non-performing	833	3	—	36	—	872	675	2	—	42	—	719
Gross carrying amount	35,520	479	—	971	—	36,970	33,383	476	—	905	—	34,764
Analysed by ECL staging												
Stage 1	32,799	441	—	925	—	34,165	30,318	436	—	840	—	31,594
Stage 2	1,820	35	—	10	—	1,865	2,324	38	—	23	—	2,385
Stage 3	731	3	—	36	—	770	644	2	—	42	—	688
POCI	170	—	—	—	—	170	97	—	—	—	—	97
Total	35,520	479	—	971	—	36,970	33,383	476	—	905	—	34,764
ECL allowance – statement of financial position												
Stage 1	10	—	—	—	—	10	19	—	—	—	—	19
Stage 2	52	1	—	—	—	53	76	1	—	—	—	77
Stage 3	206	1	—	3	—	210	202	—	—	5	—	207
POCI	(3)	—	—	—	—	(3)	6	—	—	—	—	6
Total	265	2	—	3	—	270	303	1	—	5	—	309
ECL allowance cover percentage	%	%	%	%	%	%	%	%	%	%	%	%
Stage 1	—	—	—	—	—	—	0.1	—	—	—	—	0.1
Stage 2	2.9	2.5	—	—	—	2.8	3.3	2.4	—	—	—	3.2
Stage 3	28.2	30.3	—	8.3	—	27.2	31.4	—	—	9.7	—	30.0
POCI	(1.8)	—	—	—	—	(1.8)	6.8	—	—	—	—	6.8
Income statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	(27)	—	—	(1)	—	(28)	36	1	—	—	—	37
Recoveries of amounts previously written-off	(8)	—	—	—	—	(8)	(7)	—	—	—	—	(7)
Net credit impairment (writeback)/charge	(35)	—	—	(1)	—	(36)	29	1	—	—	—	30

2.1.4 Credit risk – Asset class analysis *continued*

Loans and advances to customers - residential mortgages

Estimated fair value of collateral held for the Group's residential mortgage portfolio

The following table shows the estimated fair value of collateral held for the Group's residential mortgage portfolio at 31 December 2024 and 2023. The value at 31 December 2024 and 2023 is estimated based on property values at origination or date of latest valuation and applying the CSO Residential Property Price Index (Republic of Ireland) and Nationwide House Price Index (Great Britain & Northern Ireland) to these values to take account of price movements in the interim.

	2024					2023				
	At amortised cost					At amortised cost				
	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
Fully collateralised[1]										
Loan-to-value ratio:										
Less than 50%	**19,051**	**1,191**	**462**	**104**	**20,808**	16,866	1,275	434	55	18,630
50% – 70%	**9,220**	**532**	**195**	**44**	**9,991**	9,290	884	181	26	10,381
71% – 80%	**3,379**	**95**	**40**	**7**	**3,521**	2,500	149	35	5	2,689
81% – 90%	**1,942**	**25**	**28**	**3**	**1,998**	2,242	54	12	1	2,309
91% – 100%	**140**	**1**	**14**	**2**	**157**	615	9	8	1	633
	33,732	**1,844**	**739**	**160**	**36,475**	31,513	2,371	670	88	34,642
Partially collateralised										
Collateral value relating to loans over 100% loan-to-value	**64**	**5**	**20**	**4**	**93**	50	8	7	—	65
Total collateral value	**33,796**	**1,849**	**759**	**164**	**36,568**	31,563	2,379	677	88	34,707
Gross carrying amount	**34,165**	**1,865**	**770**	**170**	**36,970**	31,594	2,385	688	97	34,764
ECL allowance	**(10)**	**(53)**	**(210)**	**3**	**(270)**	(19)	(77)	(207)	(6)	(309)
Net carrying amount	**34,155**	**1,812**	**560**	**173**	**36,700**	31,575	2,308	481	91	34,455

1. The value of collateral held for residential mortgages which are fully collateralised has been capped at the carrying value of the loans outstanding at each year end.

Indexed loan-to-value ratios of the Group's residential mortgage portfolio

The following table profiles the residential mortgage portfolio by the indexed loan-to-value ratios at 31 December 2024 and 2023[1]:

(Audited)	**2024**					2023				
	At amortised cost					At amortised cost				
	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
Less than 80%	**31,968**	**1,830**	**702**	**154**	**34,654**	28,653	2,308	652	85	31,698
81 – 100%	**2,082**	**26**	**42**	**5**	**2,155**	2,865	63	21	2	2,951
100 – 120%	**32**	**2**	**9**	**1**	**44**	27	4	5	—	36
Greater than 120%	**80**	**6**	**15**	**3**	**104**	47	8	6	—	61
Total with LTVs	**34,162**	**1,864**	**768**	**163**	**36,957**	31,592	2,383	684	87	34,746
Unsecured	**3**	**1**	**2**	**7**	**13**	2	2	4	10	18
Total	**34,165**	**1,865**	**770**	**170**	**36,970**	31,594	2,385	688	97	34,764
Of which:										
Owner occupier										
Less than 80%	**30,950**	**1,669**	**646**	**146**	**33,411**	27,504	2,111	590	85	30,290
81 – 100%	**2,077**	**27**	**31**	**3**	**2,138**	2,847	68	18	2	2,935
100 – 120%	**31**	**1**	**7**	**1**	**40**	25	6	7	—	38
Greater than 120%	**76**	**5**	**10**	**3**	**94**	44	7	5	—	56
Total with LTVs	**33,134**	**1,702**	**694**	**153**	**35,683**	30,420	2,192	620	87	33,319
Unsecured	**2**	**—**	**1**	**2**	**5**	1	—	2	5	8
Total	**33,136**	**1,702**	**695**	**155**	**35,688**	30,421	2,192	622	92	33,327

1. At 31 December 2023, this table was reported for ROI mortgages only. At 31 December 2024, this table represents the total Group mortgage portfolio and the 2023 figures have been re-presented to reflect same.

The weighted average indexed loan-to-value of the stock of residential mortgages at 31 December 2024 was 47% (2023: 49%), new residential mortgages issued during the year was 68% (2023: 71%), and Stage 3 was 47% (2023: 47%).

Risk Management *continued*

2.1.4 Credit risk – Asset class analysis *continued*

Loans and advances to customers – Other personal

The following table analyses other personal lending at amortised cost by segment, internal credit ratings and ECL staging at 31 December 2024 and 2023:

(Audited)						2024						2023
	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total	Retail Banking	Capital Markets	Climate Capital	AIB UK	Group	Total
Gross carrying amount	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Credit cards	736	9	—	22	—	767	700	9	—	23	—	732
Loans/overdrafts	2,370	84	—	44	—	2,498	2,125	36	—	47	—	2,208
Total	3,106	93	—	66	—	3,265	2,825	45	—	70	—	2,940
Analysed by internal credit ratings												
Strong	469	9	—	59	—	537	1,326	14	—	61	—	1,401
Satisfactory	1,797	76	—	6	—	1,879	1,153	29	—	6	—	1,188
Total strong/satisfactory	2,266	85	—	65	—	2,416	2,479	43	—	67	—	2,589
Criticised watch	728	8	—	—	—	736	253	1	—	2	—	256
Criticised recovery	13	—	—	—	—	13	14	—	—	—	—	14
Total criticised	741	8	—	—	—	749	267	1	—	2	—	270
Non-performing	99	—	—	1	—	100	79	1	—	1	—	81
Gross carrying amount	3,106	93	—	66	—	3,265	2,825	45	—	70	—	2,940
Analysed by ECL staging												
Stage 1	2,403	84	—	62	—	2,549	2,511	41	—	61	—	2,613
Stage 2	604	9	—	3	—	616	235	4	—	8	—	247
Stage 3	99	—	—	1	—	100	79	—	—	1	—	80
POCI	—	—	—	—	—	—	—	—	—	—	—	—
Total	3,106	93	—	66	—	3,265	2,825	45	—	70	—	2,940
ECL allowance – statement of financial position												
Stage 1	18	1	—	—	—	19	20	—	—	1	—	21
Stage 2	51	1	—	—	—	52	31	1	—	—	—	32
Stage 3	65	—	—	1	—	66	44	—	—	—	—	44
POCI	—	—	—	—	—	—	—	—	—	—	—	—
Total	134	2	—	1	—	137	95	1	—	1	—	97
ECL allowance cover percentage	%	%	%	%	%	%	%	%	%	%	%	%
Stage 1	0.8	0.6	—	—	—	0.7	0.8	—	—	0.2	—	0.8
Stage 2	8.5	9.3	—	—	—	8.5	13.3	25.0	—	—	—	12.9
Stage 3	65.4	—	—	63.0	—	65.3	55.2	—	—	—	—	55.2
POCI	—	—	—	—	—	—	—	—	—	—	—	—
Income statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	81	—	—	—	—	81	40	—	—	—	—	40
Recoveries of amounts previously written-off	(2)	—	—	—	—	(2)	(4)	—	—	—	—	(4)
Net credit impairment charge	79	—	—	—	—	79	36	—	—	—	—	36

At 31 December 2024, the other personal lending portfolio of € 3.3 billion comprises € 2.5 billion in loans and overdrafts and € 0.8 billion in credit card facilities (2023: € 2.9 billion, € 2.2 billion and € 0.7 billion respectively). The increase in personal lending was driven by new lending totalling € 1.3 billion for the year to 31 December 2024 (2023: € 1.2 billion), however this was largely offset by redemptions/ repayments of € 1.0 billion.

The asset quality and staging composition of the portfolio has weakened in the year, however underlying credit performance is aligned to 31 December 2023. 26% of the portfolio is categorised as less than satisfactory at 31 December 2024, of which non-performing loans amounted to € 0.1 billion (2023: 12% and € 0.1 billion). Stage 1 loans remained unchanged at € 2.6 billion, however Stage 2 loans increased in the year to € 0.6 billion (2023: € 0.2 billion) following the deployment of the recalibrated grading models.

The recalibration reflects an improvement in how the Group measures the risk in the portfolio as opposed to any deterioration in customer asset quality. Stage 2 ECL cover has reduced to 8% (2023: 13%). Total Stage 3 loans experienced a slight increase but remained unchanged at € 0.1 billion.

Income statement

There was a net credit impairment charge of € 79 million to the income statement in the year to 31 December 2024 compared to a € 36 million net credit impairment charge in 2023. This comprises a net remeasurement of ECL allowance charge of € 81 million and recoveries of previously written-off loans of € 2 million.

The ECL allowance for the portfolio totalled € 0.1 billion providing ECL allowance cover of 4%. For the Stage 3 portfolio, the ECL allowance cover is 65% (2023: € 0.1 billion, 3% and 55% respectively).

2.1.4 Credit risk – Asset class analysis *continued*

Loans and advances to customers – Property and construction

The following table analyses property and construction lending at amortised cost by segment, internal credit ratings and ECL staging at 31 December 2024 and 2023:

(Audited)	2024						2023					
Gross carrying amount	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m
Investment:												
Residential investment	40	1,671	—	409	—	2,120	51	1,682	—	244	—	1,977
Student housing	—	337	—	541	—	878	—	258	—	571	—	829
Housing associations	—	157	—	486	—	643	—	145	—	431	—	576
Commercial investment – Office	23	1,433	—	400	—	1,856	29	1,569	—	398	—	1,996
Commercial investment – Retail	35	658	—	90	—	783	47	891	—	58	—	996
Commercial investment – Mixed	49	697	—	116	—	862	66	852	—	132	—	1,050
Commercial investment – Industrial	20	280	—	160	—	460	27	310	—	155	—	492
Total investment	167	5,233	—	2,202	—	7,602	220	5,707	—	1,989	—	7,916
Land and development:												
Residential development	25	574	—	101	—	700	28	668	—	154	—	850
Commercial development	5	14	—	90	—	109	5	95	—	42	—	142
Total land and development	30	588	—	191	—	809	33	763	—	196	—	992
Contractors	231	91	—	28	—	350	203	83	—	43	—	329
Total	428	5,912	—	2,421	—	8,761	456	6,553	—	2,228	—	9,237
Analysed by internal credit ratings												
Strong	54	4,473	—	1,108	—	5,635	141	4,904	—	1,430	—	6,475
Satisfactory	243	616	—	1,227	—	2,086	200	850	—	681	—	1,731
Total strong/satisfactory	297	5,089	—	2,335	—	7,721	341	5,754	—	2,111	—	8,206
Criticised watch	72	50	—	3	—	125	33	244	—	19	—	296
Criticised recovery	13	356	—	7	—	376	24	21	—	30	—	75
Total criticised	85	406	—	10	—	501	57	265	—	49	—	371
Non-performing	46	417	—	76	—	539	58	534	—	68	—	660
Gross carrying amount	428	5,912	—	2,421	—	8,761	456	6,553	—	2,228	—	9,237
Analysed by ECL staging												
Stage 1	285	3,102	—	2,110	—	5,497	327	3,604	—	1,892	—	5,823
Stage 2	97	2,393	—	235	—	2,725	71	2,415	—	268	—	2,754
Stage 3	44	417	—	76	—	537	55	534	—	68	—	657
POCI	2	—	—	—	—	2	3	—	—	—	—	3
Total	428	5,912	—	2,421	—	8,761	456	6,553	—	2,228	—	9,237
ECL allowance – statement of financial position												
Stage 1	1	44	—	15	—	60	2	40	—	41	—	83
Stage 2	5	208	—	13	—	226	5	241	—	18	—	264
Stage 3	15	149	—	15	—	179	19	159	—	17	—	195
POCI	(1)	—	—	—	—	(1)	(1)	—	—	—	—	(1)
Total	20	401	—	43	—	464	25	440	—	76	—	541
ECL allowance cover percentage	%	%	%	%	%	%	%	%	%	%	%	%
Stage 1	0.4	1.4	—	0.7	—	1.1	0.5	1.1	—	2.2	—	1.4
Stage 2	5.0	8.7	—	5.6	—	8.3	7.5	10.0	—	6.7	—	9.6
Stage 3	35.2	35.8	—	19.6	—	33.4	34.5	29.8	—	24.2	—	29.7
POCI	(51.4)	—	—	—	—	(51.4)	(43.7)	—	—	—	—	(43.7)
Income statement	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	1	(6)	—	14	—	9	4	220	—	43	—	267
Recoveries of amounts previously written-off	(3)	(3)	—	—	—	(6)	(4)	(1)	—	(1)	—	(6)
Net credit impairment (writeback)/charge	(2)	(9)	—	14	—	3	—	219	—	42	—	261

Risk Management *continued*

2.1.4 Credit risk – Asset class analysis *continued*

Loans and advances to customers – Property and construction *continued*

The property and construction portfolio has decreased by € 0.5 billion to € 8.7 billion in the year to 31 December 2024 (2023: € 9.2 billion). The decrease was driven by redemptions/repayments activity of € 2.1 billion, which exceeded new lending of € 1.6 billion (2023: € 2.0 billion).

The portfolio amounted to 12% of loans and advances to customers and comprised 87% investment loans (€ 7.6 billion), 9% land and development loans (€ 0.8 billion) and 4% relating to loans to contractors (€ 0.3 billion). The Capital Markets and AIB UK segments continue to account for the majority of this portfolio at 67% and 28% respectively.

At 31 December 2024, € 7.7 billion of the portfolio was in a strong/ satisfactory grade (2023: € 8.2 billion). The overall Stage composition of the portfolio has remained stable in the year. Stage 1 loans decreased by € 0.3 billion to € 5.5 billion, Stage 2 loans experienced a slight decrease to € 2.7 billion and Stage 3 loans decreased by € 0.1 billion to € 0.5 billion.

Income statement

There was a net credit impairment charge of € 3 million to the income statement in the year to 31 December 2024 compared to a € 261 million charge in 2023. This comprises a net remeasurement of ECL allowance charge of € 9 million and recoveries of previously written-off loans of € 6 million.

The ECL allowance for the portfolio totalled € 0.4 billion providing ECL allowance cover of 5%. For the Stage 3 portfolio, the ECL allowance cover is 33% (2023: € 0.5 billion, 6% and 30% respectively).

Investment

Investment property loans amounted to € 7.6 billion at 31 December 2024 (2023: € 7.9 billion), of which, € 4.0 billion related to commercial investment. The geographic profile of the investment property portfolio is predominantly in the Republic of Ireland (€ 5.0 billion) and the United Kingdom (€ 2.2 billion).

The following are the key themes within the investment property sub-sectors in relation to the total property and construction portfolio:
- The residential investment sub-sector represents 24% of the portfolio at € 2.1 billion. The Irish housing market remains characterised by a notable weakness in housing supply when compared with the underlying level of demand. Consequently, house price inflation has remained high throughout 2024 despite the higher interest rate environment.
- The student housing residential investment sub-sector represents 10% of the portfolio at € 0.9 billion. Notwithstanding the current inflationary market resulting in increased rental rates, this sub-sector continues to experience strong levels of occupancy and growth due to under-supply.
- The social housing residential investment sub-sector represents 8% of the portfolio at € 0.6 billion. Similar to other residential sub-sectors, social housing has remained resilient in both Ireland and the UK with strong occupancy levels due to structural under supply and significant waiting lists.
- The office commercial investment sub-sector represents 21% of the portfolio at € 1.8 billion. This sub-sector continues to be impacted by global economic challenges, hybrid working and ESG considerations. Energy ratings of the secondary office portfolio remain a key risk and future transition funding to meet regulations will be a challenge from both a debt and equity perspective.
- The retail commercial investment sub-sector represents 9% of the portfolio at € 0.8 billion. Yields have remained broadly stable over recent quarters; occupancy has improved, and rents have stabilised.
- The mixed commercial investment sub-sector represents 10% of the portfolio at € 0.9 billion. This sub-sector consists of mixed investment properties including retail, office and residential with the outlook impacted by the current interest rate environment and macro-economic uncertainty.
- The industrial commercial investment sub-sector represents 5% of the portfolio at € 0.5 billion. Rents continue to grow at a steady pace as a result of sustained demand but constrained supply.

At 31 December 2024, there was a net credit impairment charge of € 19 million to the income statement on the investment property element of the property and construction portfolio (2023: € 203 million charge).

Land and development

Land and development loans amounted to € 0.8 billion at 31 December 2024 (2023: € 1.0 billion) of which € 0.6 billion related to loans in the Capital Markets segment and € 0.2 billion in the AIB UK segment.

The following are the key themes within the land and development property sub-sectors in relation to the total property and construction portfolio:
- The residential development sub-sector represents 8% of the property and construction portfolio at € 0.7 billion. Structural demand and supply imbalances continue to be enduring features of the residential market with increased government policy intervention aimed at underpinning supply and supporting the viability of demand. Further expansions in housing supply will be required to address not only the accumulated deficit but also rising levels of demand.
- The commercial development sub-sector represents 1% of the portfolio at € 0.1 billion.

At 31 December 2024, there was a net credit impairment writeback for the year of € 20 million (2023: € 53 million charge).

Contractors

The contractors sub-sector represents 4% of the portfolio at € 0.3 billion (2023: € 0.3 billion). The demand for this sub-sector is underpinned by public works and residential projects. This sub-sector continues to face challenges in the current market such as a shortage in skilled labourers and supply chain disruptions.

2.1.4 Credit risk – Credit profile of the loan portfolio – Asset class analysis *continued*

Loans and advances to customers – Non-property business

The following table analyses non-property business lending at amortised cost by segment, internal credit ratings and ECL staging at 31 December 2024 and 2023:

(Audited)						2024						2023
Gross carrying amount	**Retail Banking € m**	**Capital Markets € m**	**Climate Capital € m**	**AIB UK € m**	**Group € m**	**Total € m**	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m
Natural resources	**18**	**531**	**4,204**	**242**	**—**	**4,995**	20	334	3,000	256	—	3,610
Of which renewables	***—***	***282***	***4,176***	***21***	***—***	***4,479***	*—*	*—*	*2,899*	*8*	*—*	*2,907*
Leisure	**298**	**2,016**	**—**	**628**	**—**	**2,942**	340	1,876	—	450	—	2,666
Manufacturing	**148**	**2,395**	**—**	**210**	**—**	**2,753**	141	2,257	—	121	—	2,519
Health, education and social work	**109**	**1,327**	**—**	**443**	**—**	**1,879**	112	1,344	—	576	—	2,032
Services	**532**	**1,174**	**265**	**279**	**—**	**2,250**	504	1,074	198	288	—	2,064
Agriculture, forestry and fishing	**1,284**	**353**	**—**	**54**	**—**	**1,691**	1,338	382	—	60	—	1,780
Retail and wholesale trade	**381**	**1,408**	**—**	**106**	**—**	**1,895**	398	1,257	—	92	—	1,747
Transport and storage	**205**	**785**	**394**	**464**	**—**	**1,848**	192	697	365	456	—	1,710
Telecomms, media and technology	**33**	**715**	**665**	**37**	**—**	**1,450**	35	740	555	64	—	1,394
Financial, insurance and other government activities	**25**	**314**	**—**	**81**	**50**	**470**	27	376	—	75	28	506
Total	**3,033**	**11,018**	**5,528**	**2,544**	**50**	**22,173**	3,107	10,337	4,118	2,438	28	20,028
Of which Syndicated & International Finance (SIF)	***—***	***2,803***	***—***	***—***	***—***	***2,803***	*—*	*2,618*	*—*	*—*	*—*	*2,618*
Analysed by internal credit ratings												
Strong	**141**	**5,674**	**4,858**	**1,452**	**20**	**12,145**	809	6,216	3,751	1,541	9	12,326
Satisfactory	**2,189**	**4,726**	**579**	**778**	**30**	**8,302**	1,853	3,210	302	448	19	5,832
Total strong/satisfactory	**2,330**	**10,400**	**5,437**	**2,230**	**50**	**20,447**	2,662	9,426	4,053	1,989	28	18,158
Criticised watch	**453**	**393**	**2**	**45**	**—**	**893**	153	599	37	122	—	911
Criticised recovery	**53**	**115**	**51**	**122**	**—**	**341**	75	198	28	137	—	438
Total criticised	**506**	**508**	**53**	**167**	**—**	**1,234**	228	797	65	259	—	1,349
Non-performing	**197**	**110**	**38**	**147**	**—**	**492**	217	114	—	190	—	521
Gross carrying amount	**3,033**	**11,018**	**5,528**	**2,544**	**50**	**22,173**	3,107	10,337	4,118	2,438	28	20,028
Analysed by ECL staging												
Stage 1	**2,241**	**9,349**	**5,206**	**2,062**	**50**	**18,908**	2,490	8,856	4,023	1,825	28	17,222
Stage 2	**591**	**1,558**	**284**	**335**	**—**	**2,768**	402	1,367	95	422	—	2,286
Stage 3	**188**	**109**	**38**	**147**	**—**	**482**	196	111	—	191	—	498
POCI	**13**	**2**	**—**	**—**	**—**	**15**	19	3	—	—	—	22
Total	**3,033**	**11,018**	**5,528**	**2,544**	**50**	**22,173**	3,107	10,337	4,118	2,438	28	20,028
ECL allowance – statement of financial position												
Stage 1	**10**	**46**	**19**	**20**	**—**	**95**	13	54	17	47	—	131
Stage 2	**30**	**125**	**20**	**18**	**—**	**193**	32	190	10	30	—	262
Stage 3	**65**	**42**	**6**	**80**	**—**	**193**	83	60	—	45	—	188
POCI	**(7)**	**(1)**	**—**	**—**	**—**	**(8)**	(7)	(1)	—	—	—	(8)
Total	**98**	**212**	**45**	**118**	**—**	**473**	121	303	27	122	—	573
ECL allowance cover percentage	**%**	**%**	**%**	**%**	**%**	**%**	%	%	%	%	%	%
Stage 1	**0.4**	**0.5**	**0.4**	**1.0**	**—**	**0.5**	0.5	0.6	0.4	2.6	—	0.8
Stage 2	**5.0**	**8.0**	**6.9**	**5.4**	**—**	**6.9**	8.0	13.9	10.5	7.1	—	11.4
Stage 3	**34.6**	**38.7**	**16.0**	**55.0**	**—**	**40.2**	42.4	54.1	—	23.6	—	37.8
POCI	**(48.6)**	**(57.2)**	**—**	**—**	**—**	**(49.7)**	(36.9)	(33.3)	—	—	—	(39.0)
Income statement	**€ m**	**€ m**	**€ m**	**€ m**	**€ m**	**€ m**	€ m	€ m	€ m	€ m	€ m	€ m
Net remeasurement of ECL allowance	**(5)**	**(63)**	**22**	**76**	**—**	**30**	2	(125)	(7)	2	—	(128)
Recoveries of amounts previously written-off	**(7)**	**(7)**	**—**	**(2)**	**—**	**(16)**	(7)	(1)	—	(2)	—	(10)
Net credit impairment (writeback)/charge	**(12)**	**(70)**	**22**	**74**	**—**	**14**	(5)	(126)	(7)	—	—	(138)

Risk Management *continued*

2.1.4 Credit risk – Asset class analysis *continued*

Loans and advances to customers – Non-property business *continued*

The non-property business portfolio includes small and medium enterprises ('SMEs') which are reliant largely on the domestic economies in which they operate. In addition to SMEs, the portfolio also includes exposures to larger corporate and institutional borrowers which are impacted by global economic conditions. The largest geographic concentration of the portfolio exposure is to Irish borrowers (50%), with the UK (25%) and USA (13%) being the other main geographic concentrations.

The non-property business portfolio consists of € 22.2 billion in loans and advances to customers measured at amortised cost and € 64 million of loans measured at FVTPL.

The portfolio measured at amortised cost increased by € 2.1 billion to € 22.2 billion in the year at 31 December 2024 (2023: € 20.1 billion). The increased portfolio can be attributed to new lending totalling € 6.8 billion (2023: € 5.0 billion) particularly within the Climate Capital segment as the Group continues to finance the transition to renewable energy and infrastructure. New lending was partially offset by redemptions/repayments of € 4.7 billion. The non-property business portfolio amounted to 31% of total Group loans and advances to customers in the year (2023: 30%).

The asset quality and staging composition of the portfolio has remained relatively stable in the year. Loans graded as strong/satisfactory increased during the year to 31 December 2024 at 92% (2023: 91%). The value of loans graded less than satisfactory (including non-performing loans) decreased from € 1.9 billion at 31 December 2023 to € 1.7 billion at 31 December 2024. Stage 1 loans have increased by € 1.6 billion to € 18.9 billion. However, Stage 2 loans have increased by € 0.5 billion to € 2.8 billion and were impacted by the deployment of the recalibrated grading models in the year. Stage 3 loans have remained unchanged at € 0.5 billion.

The performing forborne portfolio, which is also reflected within the criticised recovery category, decreased by € 0.1 billion to € 0.3 billion in the year (2023: € 0.4 billion), as borrowers successfully demonstrated repayment capacity over 24 months.

The following are the key themes within the main sub-sectors of the non-property business portfolio:

- The natural resources sub-sector comprises 23% of the portfolio at € 5.0 billion. This sub-sector includes renewable energy and continues to be a strong focus of growth for the Group. The outlook is one of continued growth with strong demand, as economies transition away from fossil fuels to meet climate goals with projects contributing to the EU and Ireland's legally binding target of generating 80% of electricity from renewable sources by 2030. Geopolitical risks and uncertainties for the climate sector in the US are key challenges to growth in this sector.
- The leisure sub-sector comprises 13% of the portfolio at € 2.9 billion. The hotel sector is normalising after a period of strong growth, with occupancy rates softening during 2024 as pent-up demand subsided and new stock came onto the market via new hotels opening in city centres and a reduction in emergency beds provided by the sector. Whilst labour costs remain a key challenge, the outlook remains reasonably optimistic due to projected, albeit modest, economic growth indicators combined with robust household and corporate balance sheets. This sub-sector also includes licensed premises where further minimum wage increases, and improved employee benefits are likely to put additional pressure on operating costs during 2025.
- The manufacturing sub-sector comprises 12% of the portfolio at € 2.8 billion. Notwithstanding challenges in the sector including inflation and intermittent supply chain concerns, operators are trading strongly with deposits maintained, relatively low gearing and continued investment by multinationals. Whilst food and drink manufacturing has been challenged by margin pressure in recent years due to higher input costs, the sector has broadly protected or recovered margin through a combination of efficiencies gained, pass through of price increases and reduced energy costs.
- The health, education and social work sub-sector comprises 8% of the portfolio at € 1.9 billion. Some recovery is evident within the nursing home sub-sector with fixed price contracts negotiated upwards addressing previous cost inflation (including energy, labour and food). A significant reduction in agency staff has normalised staff costs.
- The services sub-sector comprises 10% of the portfolio at € 2.3 billion, and includes professional services (accounting, legal and architectural/engineering activities) and other services, a more diverse grouping which includes contract services, machinery and equipment, management consultancy, research and development and public/community groups. Performance of services businesses in part is correlated to the performance of the domestic and global economies, which are currently supported by a strong labour market, falling inflation and improved global trade.
- The agriculture, forestry and fishing sub-sector represents 8% of the portfolio at € 1.7 billion. Output prices across most farm sectors remain relatively strong. The transition of activities to more climate friendly and sustainable methods will continue to be a key challenge in 2025.
- The retail and wholesale sub-sector comprises 9% of the portfolio at € 1.9 billion. Grocery has continued on a positive trajectory driven by its non-discretionary status. Whilst inflation and pressure on staff costs have driven some margin pressure, these have largely been passed on to the end customer. Further minimum wage increases from January 2025 are likely to impact grocery and convenience operators. The motor sector outlook remains positive with both car and van sales having rebounded post pandemic. Fuel operators have performed strongly with fuel price increases passed on to customers. The pharmacy sector remains robust with a positive outlook for the mature pharmacy network driven by demand for community-based services. Whilst macro indicators remain positive, cost of business pressures remain a concern for high discretionary price-sensitive sub-sectors with tight margins.
- The transport and storage sub-sector comprises 8% of the portfolio at € 1.8 billion and consists primarily of logistic, storage and travel businesses. A shortage of drivers remains a significant issue for all transport companies. Issues facing logistics and supply chain companies include skills shortages, property requirements and e-commerce growth. The sector has continued to trade well whilst some margin pressure is evident due to inflation and rising costs. The travel sub-sector has rebounded in 2024 and is expected to continue to perform strongly in 2025.
- The telecommunications, media and technology sub-sector comprises 7% of the portfolio at € 1.4 billion. Telecommunications continues to benefit from wider society changes and demand, with the need for more connected digital and physical environments. The acceleration of 5G will see wider growth and opportunities in the sub-sector. The outlook for technology is positive with high demand in Cyber and Data continuing to fuel digital transformation.

2.1.4 Credit risk – Asset class analysis *continued*

Loans and advances to customers – Non-property business *continued*

- The financial, insurance and other government activities sub-sector comprises 2% of the portfolio at € 0.5 billion. The financial institutions sub-sector has benefited from the positive interest rate environment albeit margins will compress if interest rates continue to soften during 2025. Growth is expected in the Pension industry in ROI in the coming years with the introduction of the auto-enrolment system expected to increase participation rates and savings levels.

Income statement

There was a net credit impairment charge of € 14 million to the income statement in the year to 31 December 2024 compared to a € 138 million writeback in 2023. This comprises a net remeasurement of ECL allowance charge of € 30 million and recoveries of previously written-off loans of € 16 million.

The ECL allowance for the portfolio totalled € 0.5 billion providing ECL allowance cover of 2%. For the Stage 3 portfolio, the ECL allowance cover is 40% (2023: € 0.6 billion, 3% and 38% respectively).

Syndicated and International Finance

Syndicated and International Finance (‘SIF’) is a specialised business unit within Capital Markets which participates in the provision of finance to US and European corporations for mergers, acquisitions, buy-outs and general corporate purposes.

The SIF non-property portfolio increased by € 0.2 billion to € 2.8 billion at 31 December 2024 (2023: € 2.6 billion). Growth was driven by increased appetite for lowly leveraged, strongly rated, large scale international corporates. Key portfolio metrics and trends are as follows:

- S&P corporate family rating: Improving. 89% of the SIF portfolio is rated by S&P (up from 86% at 31 December 2023) with 81% rated B+ or above (+11% vs 2023), 8% rated B (down 5% vs 2023) and 1% rated B- or below (down 3% vs 2023).
- Grading: Stable. 100% of the SIF portfolio is in a strong/satisfactory grade (2023: 96%).
- Staging: Improving. Stage 1 increased to 97%/€ 2.7 billion, Stage 2 decreased to 3%/€ 0.1 billion and there was Nil Stage 3 exposure (2023: Stage 1: 85%/€ 2.2 billion, Stage 2: 15%/€ 0.4 billion and Stage 3: Nil/€ 7 million).
- Scale: Improving. Majority of loans are to large borrowers with EBITDA > € 250m (90% of portfolio vs 84% at 2023) with the top 20 borrowers accounting for 36% of total exposure.
- Diversification: Stable. Exposures diversified across all non-property business sub-sectors. Primary sectoral concentrations are to Manufacturing (24%), Telecoms, Media and Technology (20%) and Services (18%) (2023: Manufacturing 25%, Telecoms, Media and Technology 22% and Services 20%).
- Exposures relate to borrowers domiciled in the US (63%), UK (6%) and Rest of World - primarily Europe (31%), (2023: US 56%, UK 7% and Rest of World - primarily Europe 37%).

The SIF portfolio had a net credit impairment writeback to the income statement in 2024 of € 78 million (2023: € 27 million writeback).

Risk Management *continued*

2.1.5 Credit risk – Credit ratings

External credit ratings of certain financial assets *(audited)*

The following table sets out the credit quality of certain financial assets based on available external credit ratings at 31 December 2024 and 2023. These comprise loans and advances to banks of € 1,321 million (2023: € 1,329 million), securities financing of € 6,643 million (2023: € 6,466 million), and investment debt securities at amortised cost of € 4,803 million (2023: € 4,510 million) and at FVOCI of € 13,568 million (2023: € 12,488 million) and trading portfolio financial assets of € 121 million (2023: € 84 million). Information on the credit ratings for loans and advances to customers where an external credit rating is available is disclosed on page 227.

(Audited)	2024 At amortised cost					2023 At amortised cost				
	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m
AAA/AA	1,213	—	2,412	1,946	5,571	1,725	—	2,307	1,720	5,752
A/A-	5,391	1,240	17	167	6,815	4,829	1,126	16	192	6,163
BBB+/BBB/BBB-	15	245	34	—	294	19	203	33	5	260
Sub investment	3	25	—	—	28	—	73	—	—	73
Unrated	6	53	—	—	59	2	55	—	—	57
Total	6,628	1,563	2,463	2,113 [1]	12,767	6,575	1,457	2,356	1,917 [1]	12,305
Of which:										
Stage 1	6,628	1,563	2,463	2,113	12,767	6,575	1,449	2,356	1,917	12,297
Stage 2	—	—	—	—	—	—	8	—	—	8
Stage 3	—	—	—	—	—	—	—	—	—	—

(Audited)	2024 At FVOCI					2023 At FVOCI				
	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m
AAA/AA	5,164	196	5,002	153	10,515	4,630	157	4,321	454	9,562
A/A-	1,205	373	490	—	2,068	1,312	314	265	—	1,891
BBB+/BBB/BBB-	163	169	643	—	975	256	151	628	—	1,035
Sub investment	—	—	—	—	—	—	—	—	—	—
Unrated	—	—	10	—	10	—	—	—	—	—
Total	6,532	738	6,145 [2]	153	13,568	6,198	622	5,214 [2]	454	12,488
Of which:										
Stage 1	6,532	738	6,145	153	13,568	6,198	622	5,214	454	12,488
Stage 2	—	—	—	—	—	—	—	—	—	—
Stage 3	—	—	—	—	—	—	—	—	—	—

(Audited)	2024 At FVTPL					2023 At FVTPL				
	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m	Bank € m	Corporate € m	Sovereign € m	Other € m	Total € m
AAA/AA	—	—	103	—	103	—	—	84	—	84
A/A-	—	—	—	—	—	—	—	—	—	—
BBB+/BBB/BBB-	10	6	—	—	16	—	—	—	—	—
Sub investment	2	—	—	—	2	—	—	—	—	—
Unrated	—	—	—	—	—	—	—	—	—	
Total	12	6	103	—	121	—	—	84	—	84
Of which:										
Stage 1	12	6	103	—	121	—	—	84	—	84
Stage 2	—	—	—	—	—	—	—	—	—	—
Stage 3	—	—	—	—	—	—	—	—	—	—

1. Relates to asset backed securities.
2. Includes supranational banks and government agencies.

2.1.6 Credit risk – Forbearance overview

Additional credit quality and forbearance disclosures on loans and advances to customers

Forbearance

Overview

Forbearance occurs when a customer is granted a temporary or permanent concession or an agreed change to the existing contracted terms of a facility ('forbearance measure'), for reasons relating to the actual or apparent financial stress or distress of that customer. This also includes a total or partial refinancing of existing debt due to a customer availing of an embedded forbearance clause(s) in their contract. A forbearance agreement is entered into where the customer is in financial difficulty to the extent that they are unable to meet their loans to the Group in compliance with the existing agreed contracted terms and conditions. A concession or an agreed change to the contracted terms can be of a temporary (e.g. interest only) or permanent (e.g. term extension) nature.

The Group uses a range of initiatives to support its customers. The Group considers requests from customers who are experiencing cash flow difficulties on a case by case basis in line with the Group's Forbearance Policy and relevant procedures, and completes an affordability/repayment capacity assessment taking account of factors such as current and likely future financial circumstances, the customer's willingness to resolve such difficulties, and all relevant legal and regulatory obligations to ensure appropriate and sustainable measures are put in place.

Group credit policies, supported by relevant processes and procedures, are in place which set out the policy rules and principles underpinning the Group's approach to forbearance, ensuring the forbearance measure(s) provided to customers are affordable and sustainable, and in line with relevant regulatory requirements. Key principles include supporting viable small and medium enterprises, and providing support to enable customers to remain in their family home, whenever possible. The Group has implemented the standards for the Codes of Conduct in relation to customers in actual or apparent financial stress or distress, as set out by the Central Bank of Ireland ('the Central Bank'), ensuring these customers are dealt with in a professional and timely manner.

A request for forbearance is a trigger event for the Group to undertake an assessment of the customer's financial circumstances prior to any decision to grant a forbearance measure. This may result in the downgrading of the credit grade assigned and an increase in the expected credit loss. Facilities to which forbearance has been applied continue to be classified as forborne until an appropriate probation period has passed (minimum 24 months).

The effectiveness of forbearance measures over the lifetime of the arrangements are subject to ongoing management review and monitoring of forbearance. A forbearance measure is deemed to be effective if the customer meets the revised or original terms of the contract over a sustained period of time resulting in an improved outcome for the Group and the customer.

Mortgage portfolio

Under the mandate of the Central Bank's Code of Conduct on Mortgage Arrears ('CCMA'), the Group has a four-step process called the Mortgage Arrears Resolution Process, or MARP. This process aims to engage with, support and find resolution for mortgage customers (for their primary residence only) who are in arrears, or are at risk of going into arrears.

The four step process is summarised as follows:
- Communications – We are here to listen, support and provide advice;
- Receipt of financial information – To allow us to understand the customer's finances;
- Assessment – We use the financial information to assess the customer's situation; and
- Resolution – We work with the customer to find an appropriate resolution.

The core objective of the process is to determine appropriate and sustainable solutions that, where possible, help to keep customers in their family home. In addition to relevant temporary forbearance measures (such as interest only and capital and interest moratorium), this includes permanent forbearance measures which have been devised to assist existing Republic of Ireland primary residential mortgage customers in financial difficulty. This process may result in debt write-off, where appropriate. The types of permanent forbearance solutions currently include; arrears capitalisation, term extension, split mortgages, mortgage to rent, voluntary sale for loss and negative equity trade down.

Non-mortgage portfolio

The Group also has in place forbearance measures for customers in the non-mortgage portfolio and buy-to-let mortgages who are in financial difficulty.

This approach is based on customer affordability and sustainability by applying the following core principles:
- Customers must be treated objectively and consistently;
- Customer circumstances and debt obligations must be viewed holistically; and
- Solutions will be appropriately provided where customers are co-operative, and are willing but unable to pay.

The forbearance process is one of structured engagement to assess the long term levels of sustainable and unsustainable debt. The commercial aspects of this process require that customer affordability is viewed comprehensively, to include all available sources of finance for debt repayment, including unencumbered assets.

Types of non-mortgage forbearance include temporary measures (such as interest only and capital and interest moratorium) and permanent measures (such as term extension and arrears capitalisation). This process may result in debt write-off, where appropriate.

Risk Management *continued*

2.1.6 Credit risk – Forbearance overview *continued*

Additional credit quality and forbearance disclosures on loans and advances to customers

Forbearance

The following table sets out the internal credit ratings and ECL staging of forborne loans and advances to customers at 31 December 2024 and 2023:

	2024					2023				
	At amortised cost					At amortised cost				
Analysed by forbearance type	Residential mortgages € m	Other personal € m	Property and construction € m	Non-property business € m	Total € m	Residential mortgages € m	Other personal € m	Property and construction € m	Non-property business € m	Total € m
Temporary forbearance	346	6	13	189	554 [1]	342	7	19	225	593 [1]
Permanent forbearance	240	22	486	433	1,181 [2]	335	24	271	536	1,166 [2]
	586	28	499	622	1,735	677	31	290	761	1,759
Analysed by internal credit ratings										
Strong	—	—	—	—	—	—	—	—	—	—
Satisfactory	—	—	—	—	—	—	—	—	—	—
Total strong/ satisfactory	—	—	—	—	—	—	—	—	—	—
Criticised watch	—	—	—	—	—	—	—	—	—	—
Criticised recovery	145	13	376	341	875	251	14	75	438	778
Total criticised	145	13	376	341	875	251	14	75	438	778
Non-performing	441	15	123	281	860	426	17	215	323	981
Gross carrying amount	586	28	499	622	1,735	677	31	290	761	1,759
Analysed by ECL staging										
Stage 1	17	—	—	2	19	27	—	—	18	45
Stage 2	119	13	376	340	848	184	14	75	421	694
Stage 3	383	15	123	280	801	397	17	215	320	949
POCI	67	—	—	—	67	69	—	—	2	71
Total	586	28	499	622	1,735	677	31	290	761	1,759
ECL allowance	117	10	89	173	389	140	10	87	201	438

1. Of which: interest only € 244 million, payment moratorium € 154 million, reduced payment € 109 million (2023: of which: interest only € 272 million, payment moratorium € 165 million, reduced payment € 83 million).
2. Of which: arrears capitalisation and term extension € 630 million, amendment to or non-enforcement of financial covenant € 186 million, restructure € 257 million (2023: of which: arrears capitalisation and term extension € 585 million, amendment to or non-enforcement of financial covenant € 164 million, restructure € 267 million).

The Group continues to support its existing customers ensuring they are provided with the appropriate forbearance measures, particularly given the current macro environment where customers may seek forbearance measures as a result of inflationary pressures and subsequent affordability issues due to the higher cost of household goods and services, including mortgage repayments as a result of higher interest rates.

The total forbearance portfolio has reduced slightly to € 1.7 billion in the year (2023: € 1.8 billion). The decrease primarily reflects a reduction in the non-performing forbearance loans as a result of loan disposals completed during the year.

2.2 Market and Equity risks

(a) Market risk

Market risk is the uncertainty of returns attributable to fluctuations in market factors. Where the uncertainty is expressed as a potential loss in earnings or value, it represents a risk to the income and capital position of the Group.

Changes in customer behaviours and the relationship between wholesale and retail rates give rise to changes in the Group's exposure to market risk factors and are also an important component of market risk.

Identification and assessment

The key market risks that the Group assumes as a result of its banking and trading book activities that have been identified as part of the MRA are:

- Credit spread risk is the exposure of the Group's financial position to adverse movements in the credit spreads of bonds held in the hold-to-collect-and-sell ('HTCS') securities portfolio. Credit spreads are defined as the difference between bond yields and interest rate swap rates of equivalent maturity. The HTCS bond portfolio is the principal source of credit spread risk;
- Interest rate risk in the banking book ('IRRBB') is the current or prospective risk to both the earnings and capital of the Group as a result of adverse movements in interest rates. Changes in interest rates impact the underlying value of the Group's assets, liabilities and off-balance sheet instruments and, hence, its economic value (or capital position). Similarly, interest rate changes will impact the Group's net interest income ('NII') through interest-sensitive income and expense effects; and
- The Group also assumes market risk through its trading book activities which relate to all positions in financial instruments (principally derivatives) that are held with trading intent or in order to hedge positions held with trading intent. Risks associated with valuation adjustments such as credit value adjustment ('CVA') and funding value adjustment ('FVA') are managed by the Group's Treasury function. The open market risk of Goodbody Stockbrokers is considered as part of the Group's trading book market risk.

Market risk scenarios are developed to test the capital requirements for this risk in the semi-annual stress testing process and the annual ICAAP.

In addition to above market risks, equity investment risk and pension risk are also identified by the MRA process as sub-risks.

Management and measurement *(audited)*

The Market Risk Management framework and policies set out the key requirements for managing market risk. The key aspects of this are:

- The Group's Treasury function is responsible for managing market risk. Treasury also has a mandate to trade on its own account in selected wholesale markets with risk tolerances approved on an annual basis through the Group's Risk Appetite process;
- The Group documents its annual Market Risk Strategy to ensure market risk aligns with the Group's strategic business plan; and
- Market risk is managed against a range of Board approved internal capital limits which cover market risk in the trading book, interest rate risk and credit spread risk in the banking book. The Board approved limits are supplemented by a range of ALCo approved limits which include nominal, sensitivity limits and 'stop loss' limits.

Market risk is managed and measured using portfolio sensitivities, internal capital limits Value at Risk ('VaR') and stress testing. Interest rate gaps and sensitivities to various risk factors are measured and reported on a daily basis. In terms of the VaR metric, the Group calculates a daily historical simulation VaR to a 95% confidence level, using a one day holding period and based on one year of historic data. In addition to VaR, Capital at Risk ('CaR') is also measured to a one year[1] time horizon, a 99% confidence level and a longer set of data.

Credit risk issues inherent in the market risk portfolios are also subject to the credit risk framework that is described in Section 2.1.

The Group maintains a Structural Hedging Programme (SHP), subject to oversight by ALCo. The SHP provides a framework for assessing and re-balancing the extent of earnings sensitivity (to market rate changes) versus the economic value (or capital) attributed to IRRBB. Forecast structural changes in the composition of the balance sheet are a key driver of the annual SHP strategy. From an IRRBB capital perspective the SHP strategy seeks to maintain a broadly duration-matched repricing term profile where term asset positions (typically, interest rate derivatives and fixed rate mortgages) are offset by stable, non and low interest-bearing liabilities, principally comprising current accounts and deposits, and equity.

The SHP strategy provides an effective basis for stabilising income over the medium term and protecting income during periods of falling interest rates. SHP interest rate derivatives are subject to either cash flow hedging of floating-rate assets or macro fair value hedging of customer accounts.

1. The Capital at Risk on core trading book positions is assessed using a ten day horizon, with the exception of FX which is assessed using a one year horizon.

Monitoring, escalating and reporting *(audited)*

On a daily basis front office and risk functions receive a range of valuation, sensitivity and market risk measurement reports, while ALCo receives a monthly market risk commentary and summary risk profile. Market risk exposures are reported to the Group Risk Committee ('GRC') and Board Risk Committee ('BRC') on a monthly basis through the CRO Report.

Risk Management *continued*

2.2 Market and Equity risks *continued*

(a) Market risk continued *(audited)*

The following table sets out financial assets and financial liabilities at 31 December 2024 and 2023 subject to market risk analysed between trading and non-trading portfolios, showing the principal market risks to which the assets and liabilities are exposed:

(Audited)		Market risk measures		2024
	Carrying amount € m	Trading portfolios € m	Non-trading portfolios € m	Risk factors
Assets subject to market risk				
Cash and balances at central banks	37,315	—	37,315	Interest rate, foreign exchange
Trading portfolio financial assets	136	136	—	Interest rate, foreign exchange, equity
Derivative financial instruments	2,144	425	1,719	Interest rate, foreign exchange, credit spreads, equity, inflation rates, wholesale electricity prices
Loans and advances to banks	1,321	—	1,321	Interest rate, foreign exchange
Loans and advances to customers	69,889	—	69,889	Interest rate, foreign exchange
Securities financing	6,643	—	6,643	Interest rate, credit spreads, foreign exchange
Investment securities	18,668	—	18,668	Interest rate, foreign exchange, credit spreads, equity
Liabilities subject to market risk				
Deposits by central banks and banks	836	—	836	Interest rate, foreign exchange
Customer accounts	109,883	—	109,883	Interest rate, foreign exchange
Securities financing	196	—	196	Interest rate, credit spreads, foreign exchange
Trading portfolio financial liabilities	262	262	—	Interest rate, foreign exchange, equity
Derivative financial instruments	1,807	461	1,346	Interest rate, foreign exchange, credit spreads, equity, inflation rates, wholesale electricity prices
Debt securities in issue	8,832	—	8,832	Interest rate, credit spreads, foreign exchange
Subordinated liabilities and other capital instruments	1,627	—	1,627	Interest rate, credit spreads

(Audited)		Market risk measures		2023
	Carrying amount € m	Trading portfolios € m	Non-trading portfolios € m	Risk factors
Assets subject to market risk				
Cash and balances at central banks	38,018	—	38,018	Interest rate, foreign exchange
Trading portfolio financial assets	93	93	—	Interest rate, foreign exchange, equity
Derivative financial instruments	2,377	457	1,920	Interest rate, foreign exchange, credit spreads, equity, inflation rates
Loans and advances to banks	1,329	—	1,329	Interest rate, foreign exchange
Loans and advances to customers	65,491	—	65,491	Interest rate, foreign exchange
Securities financing	6,466	—	6,466	Interest rate, credit spreads, foreign exchange
Investment securities	17,353	—	17,353	Interest rate, foreign exchange, credit spreads, equity
Liabilities subject to market risk				
Deposits by central banks and banks	1,780	—	1,780	Interest rate, foreign exchange
Customer accounts	104,782	—	104,782	Interest rate, foreign exchange
Securities financing	575	—	575	Interest rate, credit spreads, foreign exchange
Trading portfolio financial liabilities	139	139	—	Interest rate, foreign exchange, equity
Derivative financial instruments	1,902	448	1,454	Interest rate, foreign exchange, credit spreads, equity, inflation rates
Debt securities in issue	8,423	—	8,423	Interest rate, credit spreads, foreign exchange
Subordinated liabilities and other capital instruments	1,473	—	1,473	Interest rate, credit spreads

2.2 Market and Equity risks *continued*

(a) Market risk *continued*

Interest rate sensitivity *(audited)*

The table below shows the sensitivity of the Group's banking book to an immediate and sustained +/- 100 basis point, +/-50 basis point and +/-25 basis point movement in interest rates, in terms of the impact on net interest income on a forward looking basis over a twelve month period, assuming no change in the balance sheet.

Sensitivity of projected net interest income to interest rate movements:

December 2024 *(audited)*	**€ m - 100bps**	**€ m - 50bps**	**€ m - 25bps**	**€ m + 25bps**	**€ m + 50bps**	**€ m + 100bps**
Euro	**(385)**	**(189)**	**(93)**	**80**	**163**	**329**
Sterling	**(37)**	**(19)**	**(9)**	**9**	**19**	**37**
Other (mainly US $)	**(17)**	**(8)**	**(4)**	**4**	**8**	**17**
Total	**(439)**	**(216)**	**(106)**	**93**	**190**	**383**

December 2023 *(audited)*	€ m - 100bps	€ m - 50bps	€ m - 25bps	€ m + 25bps	€ m + 50bps	€ m + 100bps
Euro	(332)	(145)	(53)	49	130	292
Sterling	(37)	(19)	(9)	9	18	37
Other (mainly US $)	(12)	(6)	(3)	3	6	11
Total	(381)	(170)	(65)	61	154	340

The above sensitivity table is computed under the assumption of an unchanged balance sheet and that all market rates (Risk Free Rates/ Euribors/Swaps) move upwards or downwards in parallel. Managing interest rate sensitivity has been a key risk management priority during 2024, given the evolving interest rate environment and the more restrictive EBA NII Supervisory Outlier Test threshold. The year-on-year increase in the reported sensitivity has been driven by the ongoing dynamics in the customer deposit market which includes the growth in balances, the slow pace of deposit balance migration from interest insensitive to interest-bearing products and the impact of retail pass-through models. On the asset side, increases in the bond portfolio and a change in the mix of mortgage products towards variable rates have also contributed. Given the composition of the balance sheet, and its expected evolution, the trade-off between managing IRRBB earnings (NII Sensitivity) and economic value (Capital at Risk) perspectives will continue to be a priority. In particular, the evolution of customer deposit balance migration is closely monitored, given the 'static balance sheet' assumption underpinning this NII Sensitivity metric.

Group interest rate and foreign exchange rate VaR are calculated to a 95% confidence level with a one day holding period, and equity VaR is calculated to a 99% confidence level with a one day holding period. At 31 December 2024, interest rate VaR stood at € 18.72 million, foreign exchange rate VaR at € 0.32 million and equity VaR at € 0.2 million. The Group recognises the limitations of VaR models, and supplements its VaR measures with stress tests which draw from a longer set of historical data and also with sensitivity measures.

Structural foreign exchange risk

Structural foreign exchange risk is the exposure of the Group's capital ratios to changes in exchange rates and results from net investment in subsidiaries, associates and branches, the functional currencies being currencies other than Euro. The Group is exposed to foreign exchange risk as it translates foreign currencies into Euro at each reporting period and the currency profile of the Group's capital may not necessarily match that of its assets and risk-weighted assets.

Exchange differences on structural exposures are recognised in 'other comprehensive income' in the financial statements. The Group ALCo monitors structural foreign exchange risk and the foreign exchange sensitivity of consolidated capital ratios. This impact is measured in terms of basis point sensitivities using scenario analysis.

The following table shows the sensitivity of the Group's fully loaded CET1 ratio to a hypothetical and sustained movement in GBP/EUR and USD/EUR foreign exchange rates.

Sensitivity of CET 1 fully loaded capital to foreign exchange movements	**31 December 2024**	2023
+ 10% move in GBP and USD FX rates	**(0.13)%**	(0.14)%
– 10% move in GBP and USD FX rates	**0.13 %**	0.13 %

The above analysis is subject to certain simplifying assumptions such as GBP/EUR and USD/EUR foreign exchange rates moving in the same direction and at the same time.

(b) Pension risk

Pension risk is the risk that:
- The funding position of the Group's defined benefit schemes would deteriorate to such an extent that additional contributions would be required to cover its funding obligations towards current and former employees;
- The capital position of the Group is negatively affected as funding deficits will be fully deductible from regulatory capital; and
- There could be a negative impact on industrial relations if the funding level of the scheme was to deteriorate significantly.

Risk identification and assessment

The Group maintains a number of defined benefit pension schemes for current and former employees. All defined benefit schemes operated by the Group closed to future accrual no later than the 31 December 2013 and staff transferred to defined contribution schemes for future pension benefits.

Each scheme has a separate trustee board and the Group has agreed funding plans to deal with deficits where they exist. As part of any funding agreement, the Group engages with each trustee regarding an appropriate investment strategy to reduce the risk in that scheme.

Irish schemes that are deemed to have a deficit under the Minimum Funding Standard must prepare funding plans to address this situation in a timely manner and submit them to the Pensions Authority for approval.

The IAS 19 valuation of the pension scheme assets and liabilities may vary which could impact on the Group's capital. The Group works with the Trustees of each scheme to monitor the performance of investments and estimates of future liability to identify deficits.

Given that variability in the value of the pension scheme assets and liabilities can impact on the Group's capital, the key processes through which pension risk is evaluated are the Internal Capital Adequacy Assessment Process ('ICAAP') as well as internal stress tests and monthly reporting of pension risk against risk appetite.

Risk Management *continued*

2.2 Market and Equity risks *continued*

(b) Pension risk *continued*

Management and measurement *(audited)*
The pension risk framework and policies set out the key risk management rules in place for this risk. The ability of the pension schemes to meet the projected pension payments is managed by the Trustees through the active management of the investment portfolios. Although the Group has interaction with the trustees, it cannot direct the investment strategy of the schemes.

The Group has developed a strategy for each of its defined benefit schemes which include the following steps:
1. All defined benefit schemes are closed to future accrual.
2. They have funding plans (or are funded as required for the US schemes) and each defined benefit scheme has an investment strategy in place.
3. All schemes have a strategy of de-risking in line with their regulatory requirements, funding positions and funding plans, taking into account the nature of their liabilities.

The Irish Scheme continued to de-risk in 2024, with further sales of equities. The Scheme has a Liability Driven Investment ('LDI') portfolio in place to hedge its interest rate and inflation risk, which is compromised of a mixture of nominal bonds, inflation linked bonds as well as interest rate and inflation derivatives .

Independent actuarial valuations for the Irish scheme and the UK scheme are carried out on a triennial basis by the schemes' actuary, Mercer. The most recent valuation of the Irish scheme was carried out at 30 June 2021 and reported the scheme to be in surplus. The next actuarial valuation of the Irish scheme is being prepared with an effective date of 30 June 2024 with the results expected by 31 March 2025. No deficit funding is required at this time as the Irish scheme continues to meet the minimum funding standard. The most recent valuation of the UK scheme was carried out at 31 December 2020. The next actuarial valuation of the UK scheme is being carried out for 31 December 2023 with the results expected by 31 March 2025.

As part of the investment strategy of the UK scheme, it was significantly de-risked in December 2019. The Group agreed with the Scheme Trustee a revised funding arrangement for the UK scheme to support the purchase of a pensioner buy-in policy in respect of the pensioner members and an assured payment policy ('APP') in respect of the deferred members. Under this funding arrangement, the Group expects to make a payment of £ 9.5 million in 2025. This amount is what is expected to be required to finalise the buy-in of the scheme based on the latest estimates from Legal & General Assurance Society LGAS. This payment and any other related costs are subject to change prior to finalisation.

Monitoring, escalating and reporting *(audited)*
Pension risk is monitored and controlled in line with the requirements of the Group's pension risk framework and policy. The surplus or deficit is monitored on a monthly basis by the Group's risk team and is currently reported monthly in both the financial risk report to the Group Asset & Liabilities Committee and the Group Chief Risk Officer ('CRO') report to Group Risk Committee and Board Risk Committee.

Pension risk is also included in the internal stress test process. The output of these stress tests is reviewed by ALCo and on an annual basis an ICAAP Report is produced which is a comprehensive analysis of the Group's capital position in base and stress scenarios over a three year horizon. This document is reviewed and approved by the Board and is submitted to the Joint Supervisory Team.

The pension capital at risk exposure is measured and reported monthly in the CRO report against a Group Risk Appetite Statement watch trigger. While the Group has taken certain risk mitigating actions, a level of volatility associated with pension funding remains due to potential financial market fluctuations and possible changes to pension and accounting regulations.

(c) Equity risk

Banking book equity investment risk refers to the possibility of losses arising in the equity investment portfolio of the Group due to changes in the economic value of the investments. Where the uncertainty is expressed as a potential loss in value, it represents a risk to the income and capital position of the Group.

Identification and assessment
All equity proposals are considered to ensure all aspects of the proposal are fully and consistently addressed. Where a proposal for a new equity investment or divestment opportunity arises, Risk is involved and submits a Risk opinion. Risk reviews and comments on all proposals and recommends proposals for approval through the appropriate governance process. All new investments need to adhere to relevant regulatory, Policy and accounting requirements.

Management and measurement
Exposures are reported on in line with Risk appetite requirements. Risk measurement is also captured through stress testing. A forward looking stress test is produced semi annually. The stress test is used to assess the impact of severe but plausible shocks to underlying risk factors on the capital requirements for the business. Management projections of the future business mix must be factored into the analysis and be consistent with projections included in business area plans for equity risk.

Monitoring, escalating and reporting
Exposure levels are reviewed on an on-going basis to ensure no undue risk concentration and to consider whether the level of risk exposures remains appropriate. Exposures are currently reported monthly by Equity Portfolio Management to Risk and the Group Asset & Liabilities Committee ('ALCo') and any limit/policy breaches or exceptions that arose during the period are recorded.

Risk provide management with an independent perspective on the risk-taking activities within the equity investment portfolio monthly via the Financial Risk ALCo report, RAS limit report and the CRO report. Additionally, there is a quarterly valuation review process in place and Board and segment limits are applied and reported on with an escalation process as set out in the Equity Risk Policy.

2.3 Capital adequacy risk *(audited)*

Capital adequacy risk is the risk that the Group breaches or may breach regulatory capital ratios and internal targets, measured on a forward looking basis across a range of scenarios, including a severe but plausible stress.

Identification and assessment *(audited)*
An annual MRA is conducted to identify all relevant (current and anticipated) material risks which are then assessed from a capital perspective. The sub-risks are identified as part of the MRA process including risks surrounding the quality and composition of capital as well as measurement and forecasting risk. Capital adequacy risk is primarily evaluated through the annual financial planning and the Group's ICAAP processes where the level of capital required to support growth plans and meet regulatory requirements is assessed over the three year planning horizon. Plans are assessed across a range of scenarios ranging from base case and moderate downside scenarios to a severe but plausible stress using the Group's stress testing methodologies.

Management and measurement
The ICAAP is fully integrated and embedded in the strategic, financial and risk management processes of the Group. The Capital Adequacy (CA) Framework sets out the key processes, governance arrangements and roles and responsibilities which support the ICAAP. The Stress Testing Policy and Capital Adequacy Policy were updated in 2023 and further refined in 2024 to reflect the work of the Climate Stress Testing project regarding Climate Stress Testing models, roles and responsibilities and governance requirements relating to climate stress testing across the Group. Two new C&E KRIs, Transition Risk Depletion and Physical Risk Depletion, were introduced to the suite of Capital Adequacy KRIs in 2024 as was a Stress CET1 management buffer metric. Embedding of the ICAAP is facilitated through capital planning, the setting of risk appetite and risk adjusted performance monitoring. In addition to the capital plan, a capital contingency plan is in place which identifies and quantifies actions which are available to the Group in order to mitigate against the impact of a stress event. Trigger points at which these actions will be considered are also identified. The impact of changing regulatory requirements, changes in the risk profile of the Group's balance sheet, other internal factors, and changing external risks are regularly assessed by first and second line of defence teams via regular monitoring of performance against the agreed financial plan, monthly capital updates to ALCo and Group Risk Committees and are also assessed via quarterly internal stress testing. A further set of triggers and capital options are set out in the Group's Recovery Plan, which presents the actions available to the Group to restore viability in the event of extreme stress.

The Group uses risk adjusted return on capital for capital allocation purposes and as a behavioural driver of sound risk management. The use of risk adjusted return on capital for portfolio management and in new lending decisions continues to be an area of focus and a key consideration for pricing of lending products, both at portfolio level and individually for large transactions.

The Board reviews and approves the ICAAP on an annual basis and is also responsible for approving a capital adequacy statement attesting that the Board has reviewed and is satisfied with the capital adequacy of the Group.

Monitoring, escalating and reporting *(audited)*
The Group monitors its capital adequacy on a monthly basis through a capital reporting pack which is presented to senior executives and Board setting out the evolution of the Group's capital position. The risk profile, including performance against risk appetite, is presented to the BRC via the CRO report which is produced independently by the second line of defence. The escalation process, as stipulated under the RAS policy, is commenced in the event of a breach of either the RAS watch trigger or limit for any of the metrics. This ensures Board and Regulator notification, where appropriate, within approved timeframes.

The output of internal stress tests is reviewed by ALCo and, on an annual basis, an ICAAP report is produced which is a comprehensive analysis of the Group's capital position in base and stress scenarios over a three year horizon. The ICAAP document is reviewed and approved by the Board and is submitted to the Joint Supervisory Team, where it forms the basis of their supervisory review and evaluation process.

2.4 Liquidity and funding risk

Liquidity risk is the risk that the Group will not be able to fund its assets and meet its payment obligations as they fall due, without incurring unacceptable costs or losses. Funding is the means by which liquidity is generated, e.g. secured or unsecured, corporate or retail. In this respect, funding risk is the risk that a specific form of liquidity cannot be obtained at an acceptable cost.

Identification and assessment
Liquidity and funding risk is identified and assessed by the Group's Material Risk Assessment ('MRA') process in support of the Internal Liquidity Adequacy Assessment Process ('ILAAP'). The MRA process is a 'top-down' assessment performed on at least an annual basis and identifies the key material risks to the Group, taking into account its strategic objectives, in addition to internal and external risk information.

The ILAAP is fully integrated and embedded in the strategic, financial and risk management processes of the Group. Embedding of the ILAAP is facilitated through the setting of risk appetite and ensuring that liquidity considerations are factored into all key strategic decisions.

The Group has a comprehensive ILAAP Framework for managing the Group's liquidity risk and complying with the Board's risk appetite, as well as evolving regulatory standards. This is delivered through a combination of policy formation, governance, analysis, stress testing and limit setting and monitoring, and is part of the wider Risk Management Framework.

Management and measurement *(audited)*
The objective of liquidity management is to ensure that, at all times, the Group holds sufficient funds to meet its contracted and contingent commitments to customers and counterparties at an economic price. The ILAAP Framework and supporting Funding and Liquidity risk policy set out the key requirements for managing the risk. These include:

- adherence to both internal limits and regulatory defined liquidity ratios including the Liquidity Coverage Ratio ('LCR') and the Net Stable Funding Ratio ('NSFR'). The LCR is designed to promote short term resilience of the Group's liquidity risk profile by ensuring that it has sufficient high quality liquid resources to survive an acute stress scenario lasting for 30 days. The NSFR has a time horizon of one year and has been developed to promote a sustainable maturity structure of assets and liabilities;
- performing a multi-year projection of the Group's funding sources, taking into account its baseline scenario, strategy and operational plans as outlined in the Group's Funding and Liquidity Plan. The purpose of this Plan is to set out a comprehensive, forward looking liquidity and funding strategy for the Group, including material subsidiary companies;
- assessing the Funding and Liquidity Plan under a range of adverse scenarios, the outcomes of which should ensure sufficient liquidity to implement a sustainable strategy, even in a stressed environment;
- maintaining a Contingency Funding Plan that identifies and quantifies actions that are available to the Group in deteriorating liquidity conditions and to help it emerge from a temporary liquidity crisis as a credit-worthy institution;
- monitoring a further set of triggers and liquidity options outlined in the Group's Recovery Plan, which presents the actions available to the Group to restore viability in the event of extreme stress; and
- having an approved liquidity cost-benefit allocation mechanism in place to attribute funding costs, benefits and risks to the Group's business lines.

2.4 Liquidity and funding risk *continued*

Monitoring, escalating and reporting

The Group liquidity and funding position is reported regularly to the Finance and Risk functions, Group Asset and Liability Committee ('ALCo'), Group Risk Committee ('GRC') and Board Risk Committee ('BRC'). In addition, the Executive Committee ('ExCo') and the Board are briefed on liquidity and funding on an ongoing basis.

On an annual basis, the Board attests to the Group's liquidity adequacy via the Liquidity Adequacy Statement as part of the ILAAP. The Group's ILAAP encompasses all aspects of liquidity and funding management, including planning, analysis, stress testing, control, governance, policy and contingency planning. This document is submitted to the Joint Supervisory Team and forms the basis of their supervisory review and evaluation process.

Management of the Group liquidity pool

The Group manages the liquidity pool on a centralised basis and primarily comprises government guaranteed bonds, balances with central banks and internal and external covered bonds. The composition of the liquidity pool is subject to limits recommended by the Risk function and approved by the Board.

At 31 December 2024, the Group held € 69,063 million (2023: € 67,776 million) in qualifying liquid assets ('QLA')[1] of which € 7,599 million (2023: € 6,903 million) was not available due to repurchase, secured loans and other restrictions.

At 31 December 2024, the Group's available QLA was € 61,464 million (2023: € 60,873 million). During 2024, the available QLA ranged from € 58,359 million to € 63,503 million (2023: € 52,170 million to € 62,747 million) and the average balance was € 60,513 million (2023: € 55,905 million).

The Group's available QLA increased in 2024 by € 591 million, which was predominantly due to an increase in customer deposits in Ireland, debt market issuance, a decrease in securities financing activities where cash was exchanged for non-QLA eligible collateral offset by an increase in customer loans, debt market buy-backs, contractual debt maturities and a decrease in unsecured bank deposits.

Other contingent liquidity

The Group has access to other unencumbered assets, providing a source of contingent liquidity, which are not in the Group's liquidity pool. However, these assets may be monetised in a stress scenario to generate liquidity through use as collateral for secured funding or outright sale.

Liquidity stress testing

Liquidity stress testing is a key component of the ILAAP framework. The purpose of these tests is to ensure the continued stability of the Group's liquidity position within the Group's pre-defined liquidity risk tolerance levels.The Group undertakes liquidity stress testing that includes both firm-specific and systemic risk events and a combination of both as a key liquidity control. Stressed assumptions are applied to the Group's liquidity buffer and liquidity risk drivers. This estimates the potential impact of a range of stress scenarios on the Group's liquidity position. Actions and strategies available to mitigate the impacts of the stress scenarios are evaluated as to their appropriateness. Liquidity stress test results are reported to the ALCo, ExCo and Board.

Liquidity regulation

The Group is required to comply with the liquidity requirements of the Single Supervisory Mechanism/Central Bank of Ireland and also with the requirements of local regulators in the jurisdictions in which it operates. The Group adheres to these requirements.

Liquidity metrics	2024 %	2023 %
Liquidity Coverage Ratio	**201**	199
Net Stable Funding Ratio	**162**	159

The Group monitors and reports its liquidity positions against the Capital Requirements Regulation (CRR2) and other related liquidity regulations (LCR Delegated Act). It has fully complied with the minimum LCR and NSFR requirements of 100% during 2024, with ratios well in excess of this level.

Funding structure *(audited)*

The Group's funding strategy is to deliver a sustainable, diversified and robust customer deposit base at economic pricing and to further enhance and strengthen the wholesale funding franchise, with appropriate access to term markets to support core lending activities. The strategy aims to deliver a solid funding structure that complies with internal and regulatory policy requirements and reduces the probability of a liquidity stress, i.e. an inability to meet funding obligations as they fall due.

Customer deposits represent the largest source of funding for the Group, with the core retail franchises and accompanying deposit base in both Ireland and the UK providing a stable and reasonably predictable source of funds.

Customer accounts *(audited)*	2024 € m	2023 € m
Total	**109,883**	104,782
Of which:		
Euro	**98,270**	93,732
Sterling	**9,754**	9,237
US Dollar	**1,624**	1,608
Other currencies	**235**	205

Customer accounts increased by € 5,101 million in 2024, driven by higher personal and SME balances. This was predominantly reflected in higher Euro time deposit accounts, coupled with an increase across all other Group significant currencies (GBP and USD). There was a € 533 million increase in the value of GBP and USD deposits, mainly due to currency movements.

1. QLA are assets that can be readily converted into cash, either with the market or with the monetary authorities, and where there is no legal, operational or prudential impediments to their use as liquid assets.

2.4 Liquidity and funding risk *continued*

Composition of wholesale funding[1] *(audited)*

The Group maintains access to a variety of sources of wholesale funding, including bank deposits, securities financing, debt securities and subordinated debt. At 31 December 2024, total wholesale funding outstanding was € 11,491 million (2023: € 12,251 million), of which € 2,366 million is due to mature in less than one year (2023: € 2,805 million).

(Audited) 2024	< 1 month € m	1–3 months € m	3–6 months € m	6–12 months € m	Total < 1 year € m	1–3 years € m	3–5 years € m	> 5 years € m	Total € m
Deposits by central banks and banks	830	—	6	—	836	—	—	—	836
Securities financing	184	12	—	—	196	—	—	—	196
Senior debt	—	—	—	495	495	2,183	3,461	1,734	7,873
ACS	2	—	—	—	2	—	5	20	27
Credit linked notes	—	—	—	—	—	—	—	95	95
Commercial paper	539	230	68	—	837	—	—	—	837
Subordinated liabilities and other capital instruments	—	—	—	—	—	—	—	1,627	1,627
Total 31 December	1,555	242	74	495	2,366	2,183	3,466	3,476	11,491
Of which:									
Secured	186	12	6	—	204	—	5	115	324
Unsecured	1,369	230	68	495	2,162	2,183	3,461	3,361	11,167
	1,555	242	74	495	2,366	2,183	3,466	3,476	11,491

(Audited) 2023	< 1 month € m	1–3 months € m	3–6 months € m	6–12 months € m	Total < 1 year € m	1–3 years € m	3–5 years € m	> 5 years € m	Total € m
Deposits by central banks and banks	1,040	452	—	—	1,492	98	190	—	1,780
Securities financing	358	217	—	—	575	—	—	—	575
Senior debt	—	—	738	—	738	2,786	1,643	3,229	8,396
ACS	—	—	—	—	—	—	5	22	27
Credit linked notes	—	—	—	—	—	—	—	—	—
Commercial paper	—	—	—	—	—	—	—	—	—
Subordinated liabilities and other capital instruments	—	—	—	—	—	—	—	1,473	1,473
Total 31 December	1,398	669	738	—	2,805	2,884	1,838	4,724	12,251
Of which:									
Secured	358	217	—	—	575	98	195	22	890
Unsecured	1,040	452	738	—	2,230	2,786	1,643	4,702	11,361
	1,398	669	738	—	2,805	2,884	1,838	4,724	12,251

1. The maturity analysis has been prepared using the residual contractual maturity of the liabilities.

Deposits by central banks and banks decreased by € 944 million to € 836 million, primarily driven by lower deposits by central banks and cash collateral received from derivative counterparties. For further details, see note 28 to the Consolidated Financial Statements. Securities Financing decreased € 379 million to € 196 million, reflective of a decrease in standard bilateral bank repo activity (see the currency split in the 'Currency composition of wholesale funding' table).

During 2024, senior debt decreased € 523 million to € 7,873 million, primarily reflecting a $ 1 billion early redemption and a € 750 million contractual maturity, offset by a $ 1 billion MREL bond issuance. Over the twelve months to 31 December 2023, there was a net commercial paper issuance of € 837 million, whilst outstanding asset-covered securities ('ACS') remained flat at € 27 million. For further details, see note 30 to the Consolidated Financial Statements. Subordinated liabilities increased € 154 million to € 1,627 million, driven by a green Tier 2 capital issuance of € 650 million, partially offset by € 500 million redemption.

Risk Management *continued*

2.4 Liquidity and funding risk *continued*

Currency composition of wholesale funding

At 31 December 2024, 70% (2023: 69%) of wholesale funding was in Euro, with the remainder held in GBP and USD. The Group manages cross-currency refinancing risk against foreign exchange cash flow limits.

					2024					2023
	EUR € m	GBP € m	USD € m	Other € m	Total € m	EUR € m	GBP € m	USD € m	Other € m	Total € m
Deposits by central banks and banks	827	7	2	—	836	1,002	325	453	—	1,780
Securities financing	101	42	53	—	196	156	—	419	—	575
Senior debt	5,241	—	2,632	—	7,873	5,898	—	2,498	—	8,396
ACS	27	—	—	—	27	27	—	—	—	27
Credit link notes	95	—	—	—	95	—	—	—	—	—
Commercial paper	105	436	296	—	837	—	—	—	—	—
Subordinated liabilities and other capital instruments	1,625	2	—	—	1,627	1,425	48	—	—	1,473
Total wholesale funding	8,021	487	2,983	—	11,491	8,508	373	3,370	—	12,251
% of wholesale funding	%	%	%	%	%	%	%	%	%	%
	70	4	26	—	100	69	3	28	—	100

Encumbrance

An asset is defined as encumbered if it has been pledged as collateral and, as a result, is no longer available to the Group to secure funding, satisfy collateral needs or to be sold. As part of managing its funding requirements, the Group encumbers assets as collateral to support wholesale funding initiatives. This would include covered bonds, securities repurchase agreements and other structures that are secured over customer loans. The Group manages encumbrance levels to ensure that the Group has sufficient contingent collateral to maximise balance sheet flexibility.

The Group's encumbrance ratio has decreased to 4% at 31 December 2024 (2023: 6%), with € 5,885 million of the Group's assets encumbered (2023: € 8,295 million). The encumbrance level is based on the amount of assets that are required in order to meet regulatory and contractual commitments.

Financial assets and financial liabilities by contractual residual maturity *(audited)*

The following table analyses financial assets and financial liabilities by contractual residual maturity at 31 December 2024 and 2023:

(Audited)						2024
	On demand € m	<3 months but not on demand € m	3 months to 1 year € m	1–5 years € m	Over 5 years € m	Total € m
Financial assets[1]						
Cash and balances at central banks	37,315	—	—	—	—	37,315
Derivative financial instruments[2]		16	52	700	1,376	2,144
Loans and advances to banks[3]	642	679	—	—	—	1,321
Loans and advances to customers[3]	2,319	1,331	2,950	20,778	43,855	71,233
Securities financing	5	1,610	2,970	2,058	—	6,643
Investment securities[4]	—	276	603	8,002	9,490	18,371
Other financial assets	—	894	—	—	—	894
	40,281	4,806	6,575	31,538	54,721	137,921
Financial liabilities[5,6]						
Deposits by central banks and banks	26	804	6	—	—	836
Customer accounts	93,977	7,790	4,856	3,230	30	109,883
Securities financing	—	196	—	—	—	196
Derivative financial instruments[2]		72	78	538	1,119	1,807
Debt securities in issue	—	769	562	5,649	1,852	8,832
Subordinated liabilities and other capital instruments	—	—	—	—	1,627	1,627
Other financial liabilities	1,748	—	—	44	—	1,792
	95,751	9,631	5,502	9,461	4,628	124,973

2.4 Liquidity and funding risk *continued*

Financial assets and financial liabilities by contractual residual maturity *continued (audited)*

(Audited)

	On demand € m	<3 months but not on demand € m	3 months to 1 year € m	1–5 years € m	Over 5 years € m	Total € m
						2023
Financial assets[1]						
Cash and balances at central banks	38,018	—	—	—	—	38,018
Derivative financial instruments[2]	—	14	56	717	1,590	2,377
Loans and advances to banks[3]	588	741	—	—	—	1,329
Loans and advances to customers[3]	2,145	1,770	3,003	18,545	41,548	67,011
Securities financing	10	849	3,329	2,278	—	6,466
Investment securities[4]	23	586	470	6,484	9,435	16,998
Other financial assets	—	688	—	—	—	688
	40,784	4,648	6,858	28,024	52,573	132,887
Financial liabilities[5,6]						
Deposits by central banks and banks	22	1,470	—	288	—	1,780
Customer accounts	95,095	5,297	2,943	1,418	29	104,782
Securities financing	—	575	—	—	—	575
Derivative financial instruments[3]	—	41	110	444	1,307	1,902
Debt securities in issue	—	—	738	4,434	3,251	8,423
Subordinated liabilities and other capital instruments	—	—	—	—	1,473	1,473
Other financial liabilities	1,571	—	—	—	—	1,571
	96,688	7,383	3,791	6,584	6,060	120,506

1. Excludes trading portfolio financial assets of € 136 million (2023: € 93 million). The contractual maturity of those assets in 2024 is: € 26 million in <3 months but not on demand; € 13 million in 1-5 years; and € 97 million over 5 years (2023: € 9 million in <3 months but not on demand; € 10 million in 3 months to 1 year; € 2 million in 1-5 years and € 72 million over 5 years).
2. Shown by maturity date of contract.
3. Shown gross of expected credit losses.
4. Excluding equity shares.
5. A maturity of lease liabilities is disclosed in note 31.
6. Excludes trading portfolio financial liabilities of € 262 million (2023: € 139 million). The contractual maturity of those liabilities in 2024 is: € 5 million in <3 months but not on demand; € 190 million in 1-5 years and € 67 million over 5 years (2023: € 7 million in <3 months but not on demand; € 89 million in 1-5 years and € 43 million over 5 years).

Financial liabilities by undiscounted contractual maturity *(audited)*

The balances in the table below include the undiscounted cash flows relating to principal and interest on financial liabilities and as such will not agree directly with the balances on the Consolidated Statement of Financial Position. All derivative financial instruments have been analysed based on their contractual maturity undiscounted cash flows.

The following table analyses, on an undiscounted basis, financial liabilities by remaining contractual maturity at 31 December 2024 and 2023:

In the daily management of liquidity risk, the Group adjusts the contractual outflows on customer deposits to reflect the inherent stability of these deposits. Offsetting the liability outflows are cash inflows from the assets on the Consolidated Statement of Financial Position. Additionally, the Group holds a stock of high-quality liquid assets, which are held for the purpose of covering unexpected cash outflows.

(Audited)

	On demand € m	<3 months but not on demand € m	3 months to 1 year € m	1–5 years € m	Over 5 years € m	Total € m
						2024
Financial liabilities[1,2]						
Deposits by central banks and banks	**26**	**804**	**6**	**—**	**—**	**836**
Customer accounts	**93,978**	**7,836**	**5,006**	**3,275**	**31**	**110,126**
Securities financing	**—**	**196**	**—**	**—**	**—**	**196**
Derivative financial instruments	**—**	**137**	**263**	**472**	**116**	**988**
Debt securities in issue	**—**	**813**	**880**	**6,761**	**2,232**	**10,686**
Subordinated liabilities and other capital instruments	**—**	**—**	**59**	**320**	**1,859**	**2,238**
Other financial liabilities	**1,664**	**—**	**—**	**64**	**—**	**1,728**
	95,668	**9,786**	**6,214**	**10,892**	**4,238**	**126,798**

Risk Management *continued*

2.4 Liquidity and funding risk *continued*

Financial liabilities by undiscounted contractual maturity *continued* *(audited)*

(Audited) 2023

	On demand € m	<3 months but not on demand € m	3 months to 1 year € m	1–5 years € m	Over 5 years € m	Total € m
Financial liabilities[1,2]						
Deposits by central banks and banks	22	1,473	—	312	—	1,807
Customer accounts	95,095	5,320	3,016	1,452	29	104,912
Securities financing	—	577	—	—	—	577
Derivative financial instruments	—	275	400	925	411	2,011
Debt securities in issue	—	44	1,018	5,506	3,471	10,039
Subordinated liabilities and other capital instruments	—	—	38	262	1,724	2,024
Other financial liabilities	1,571	—	—	—	—	1,571
	96,688	7,689	4,472	8,457	5,635	122,941

1. Excludes trading portfolio financial liabilities of € 262 million (2023: € 139 million). The undiscounted contractual maturity for those liabilities in 2024 is: € 5 million in <3 months but not on demand; € 190 million in 1-5 years and € 67 million over 5 years.
2. A maturity of lease liabilities is disclosed in note 32.

The undiscounted cash flows potentially payable under guarantees and similar contracts *(audited)*
The undiscounted cash flows that are potentially payable under guarantees and similar contracts, included below within contingent liabilities, are classified on the basis of the earliest date the facilities can be called. The Group is only called upon to satisfy a guarantee when the guaranteed party fails to meet their obligations. The Group expects that most guarantees it provides will expire unused. The Group has given commitments to provide funds to customers under undrawn facilities. The undiscounted cash flows have been classified on the basis of the earliest date that the facility can be drawn. The Group does not expect all facilities to be drawn, and some may lapse before drawdown. For further details, see note 39 to the Consolidated Financial Statements. The following table analyses undiscounted cash flows potentially payable under guarantees and similar contracts at 31 December 2024 and 2023:

(Audited) **2024**

	On demand € m	**<3 months but not on demand € m**	**3 months to 1 year € m**	**1–5 years € m**	**Over 5 years € m**	**Total € m**
Contingent liabilities	**976**	**—**	**—**	**—**	**—**	**976**
Commitments	**16,823**	**—**	**—**	**—**	**—**	**16,823**
	17,799	**—**	**—**	**—**	**—**	**17,799**

(Audited) 2023

	On demand € m	<3 months but not on demand € m	3 months to 1 year € m	1–5 years € m	Over 5 years € m	Total € m
Contingent liabilities	857	—	—	—	—	857
Commitments	16,136	—	—	—	—	16,136
	16,993	—	—	—	—	16,993

2.5 Business model risk

Business model risk is the risk of not achieving the agreed Strategy or approved business plan either as a result of an inadequate implementation plan, or failure to execute the implementation plan as a result of inability to secure the required investment. This also includes the risk of implementing an unsuitable Strategy, or maintaining an obsolete business model, in light of known internal and external factors.

Identification and assessment

The Group's MRA process identifies the key elements of business model risk. The process includes identifying the associated sub-risks such as strategic planning risk, strategic execution risk and financial performance risk and the emerging risk drivers including inflationary pressures, macroeconomic uncertainty and market volatility.

The Group also identifies and assesses the risk as part of its integrated planning process, which encapsulates strategic, business and financial planning. This process drives delivery of strategic objectives aligned to the Group's risk appetite and enables measurable business objectives to be set for management aligned to the short, medium and long term strategy of the Group. The outcomes of these processes form the basis of the Group's ICAAP and ILAAP.

Every year, the Group prepares three-year financial plans based on macroeconomic and market forecasts across a range of scenarios (including a range of 'downside' scenarios). The plan includes an evaluation of planned performance against a suite of key metrics, supported by detailed analysis and commentary on underlying trends and drivers, across the income statement, balance sheet and business targets. This assessment includes discussions on new lending volumes and pricing, deposits volumes and pricing, other income, cost management initiatives and credit performance. The plan is subject to robust review and challenge through the governance process including an independent second line of defence review and challenge by the Risk function prior to approval by the Board.

The Group plan is also supported by detailed business unit plans. Each business unit plan is aligned to the Group strategy and risk appetite. The business plan typically describes the market in which the business operates, market and competitor dynamics, business strategy, financial assumptions underpinning the strategy, actions/investment required to achieve financial outcomes and any risks/opportunities to the strategy.

The Group reviews underlying assumptions on its external operating environment to identify potential risks and, by extension, its strategic objectives on a periodic basis. The frequency of this review is determined by a number of factors including the speed of change of the economic environment, changes in the financial services industry and the competitive landscape, regulatory change and deviations in actual business outturn from strategic targets.

Management and measurement

At a strategic level, the Group manages business model risk within its risk appetite framework, by setting limits in respect of measures such as financial performance, capital constraints, portfolio concentration and risk-adjusted return. At a more operational level, the risk is mitigated through periodic monitoring of variances to strategic and financial plans. Where performance/progress against the plans are respective considered to be outside of agreed tolerances or risk appetite metrics, proposed mitigating actions are presented and evaluated, and tracked thereafter. During the year, at least semi-annual strategic updates and/or periodic forecast updates for the full year financial outcome may also be produced.

At an individual level, planning targets translate into accountable objectives to enable performance tracking across the Group and to facilitate formulation and review of Executive Committee performance scorecards.

Monitoring, escalating and reporting

Performance against plan is monitored at a business level on a monthly basis and reported to senior management teams within the business. At an overall Group level, performance against plan is monitored as part of the monthly CFO report which is discussed at the Executive Committee and Board. Monitoring of the risk profile, via the CRO report, including performance against Business Model risk appetite is presented to the Board Risk Committee. The escalation process, as stipulated under the RAS policy, is commenced in the event of a breach of RAS watch trigger or limit for any of the metrics which may directly or indirectly impact on Business Model Risk. This ensures Board and Regulator notification within an approved timeframe, when appropriate.

2.6 Operational risk

Operational risk is the risk arising from inadequate or failed internal processes, people and systems, or from external events. This includes legal risk - the potential for loss arising from the uncertainty of legal proceedings and potential legal proceedings, but excludes strategic and reputational risk.

Identification and assessment

Operational risk is identified and assessed by the Group's MRA which also identifies the following sub risks: Information security (including cyber risk), technology risk, change and transformation risk, people risk, physical safety and property risk, continuity and resilience risk, product and proposition risk, third party risk, data risk, fraud risk and legal risk. The risk and control assessment is the Group's core bottom-up process for the identification and assessment of operational risk across the Group.

The risk and control assessment process serves to ensure that key operational risks are proactively identified, assessed, recorded, and reported, and that appropriate action is taken for risk mitigation. Self-assessment of risks is completed at a business unit level and are recorded on SHIELD which is the Group's governance, risk and compliance system. Service assessments and risk assessments are performed on all critical or important outsourcing arrangements and are recorded on SHIELD.

SHIELD provides all areas with one consistent view of the operational risks, controls, actions and events across the Group. Risk and control assessments are regularly reviewed and updated by business unit management.

The potential impact of the identified risks is then used to inform scenarios for each of the Basel event categories that are assessed through the Operational risk ICAAP.

Management and measurement

The Operational Risk Framework sets out the principles, supporting policies, roles and responsibilities, governance arrangements and processes for operational risk management across the Group. Each sub risk has a supporting policy in place to outline the minimum control standards and core policy rules that must be adhered to. The sub risks are owned and actively monitored under the Operational Risk Framework and underlying policies to ensure material operational risks are managed effectively within the Group RAS limits. The Operational Risk Framework and policies set out the process for risk and control assessments, identification of the key non-financial risks arising from key business processes and activities. It also includes the process for the escalation of the relevant RAS metric limit and watch-trigger breaches.

Risk Management *continued*

2.6 Operational risk *continued*

In addition, operational risk is partially hedged through an insurance programme in place, including a self-insured retention, to cover a number of risk events which would fall under the operational risk umbrella. These include financial lines policies such as:
- comprehensive crime/computer-crime/cyber/professional indemnity/ civil liability;
- employment practices liability;
- directors' and officers' liability; and
- a suite of general insurance policies to cover such things as property and business interruption, terrorism, employers and public liability and personal accident.

Operational risk is measured through a series of risk appetite metrics and key risk indicators. These include metrics on operational risk losses and events, Information Security (including cyber), change initiatives, technical risk, people risk, quality and accessibility of priority data, service availability and third-party risks.

From 1 January 2025 Information Security (including Cyber) Risk has been deemed as a Principal Risk to the Group and will no longer be a sub risk of Operational Risk. This is an outcome of a review performed of the materiality of sub risks in Operational Risk as part of the MRA process which considered a number of factors including impact on our capital, historical loss events in AIB, external loss events sourced from the Operational Risk data eXchange Association ('ORX') network, the Risk and Control Assessment ('RCA'), the assessment of emerging risks and consideration of the regulatory horizon. Sustainability Reporting on pages 107 to 110 provides additional information on how the Group assesses and manages cyber security.

As part of the Group MRA approved by the Board in July 2023, People risk, the failure on the part of the Group to plan for, acquire, develop and retain the appropriate number of people resources with the necessary skills and capabilities required to achieve the Group strategy was approved to be a sub risk of Operational risk as it was primarily deemed material through its interconnectedness with Operational risk. Culture risk continues to be a material risk but was transferred from People and Culture risk into Conduct Risk and Culture risk. Retention risk continues to be a critical component of the Group's People Risk profile. Although the partial lifting of remuneration restrictions has been helpful in this regard, ongoing remuneration restrictions increase the risk of losing key senior talent in the organisation, damaging market credibility and adversely affecting strategy execution. In addition, in alignment with the Group's technological and digital strategy, the ability to recruit staff with the requisite competencies to execute this strategy effectively will continue to be monitored as part of the Group's people risk profile..

Monitoring, escalating and reporting

In addition to risk appetite measures and limits, operational risk is monitored on a regular basis via the Group's risk governance committees. This provides senior management, through the Operational Risk Committee and Group Risk Committee and the Board (through Board Risk Committee), with timely updates on the Group's operational risk profile. The profile update details the current status of the Group's key operational risks and includes an overview of current trends. It also includes an update on recent major risk events and any remediation actions/lessons identified following events.

Operational risk events are identified and captured in the SHIELD system. These are escalated through a defined process depending on impact and severity. Root causes of events are determined, and action plans are implemented to ensure there are enhanced controls in place to keep customers and the business safe.

2.7 Climate and Environmental risk

Climate and Environmental ('C&E') Risk encompasses the financial and non-financial impacts on the Group arising from climate change, environmental change and the transition to a sustainable economy. These risks can affect the Group directly through our operations or indirectly through our relationships with customers and third party suppliers.

Identification and assessment

Risk identification and assessment for C&E Risk is completed in line with the Groups Risk Management Framework as well as other internal processes which consist of top-down and bottom-up approaches. The processes included identify the sub-risks associated such as Physical Risk, Transition Risk and Liability Risk. C&E risk drivers are far reaching in breadth and magnitude over uncertain, often long-term time horizons with dependency on short term action to mitigate. The Group undertakes regular processes for the identification and assessment of C&E impacts, risks and opportunities. These include: Material Risk Assessment ('MRA'), Risk and Control Assessments ('RCAs'), Transmission Channel Analysis, Business Environment Scans, 'House Views' on key sectors, compilation of Heatmaps, C&E Stress Testing and regulatory horizon scanning. The outputs from these processes inform areas for focus in the Group's strategic, financial and investment planning processes. Further information on C&E assessment can be found on the Sustainability Reporting on page 43.

Material Risk Assessment ('MRA')

The MRA is an annual top-down process, identifying the Group's material risks in line with the Group's Risk Management Framework, taking into account the Group's strategic objectives, in addition to internal and external risk sources including climate related and environmental factors. The MRA is a key input into the Group's risk management processes, including the Risk Appetite Statement ('RAS'), which sets out the maximum amount of risk the Group is willing to accept in pursuit of its strategic objectives.

Risk & Control Assessments ('RCAs')

The RCA process is the detailed bottom-up risk assessment identifying the risks arising from the Group's processes and business activities. The risks are recorded on SHIELD which is the Group's governance, risk and compliance system.

2.7 Climate and Environmental risk *continued*

Management and measurement

C&E Risk is actively managed through the C&E Risk Framework and Policy. The C&E Risk Framework sets out the principles, roles and responsibilities, governance arrangements and processes for C&E risk management across the Group. The Framework sits within the overall group risk architecture and is one of the material risk frameworks supporting the Group's Risk Management Framework.

The C&E Risk Framework is underpinned by the C&E Risk Policy, ensuring that C&E risk is managed in line with the Group's overall purpose, the five key strategic pillars, as well as the Group's strategic objectives. The C&E Risk Framework and Policy went live in Group on 1 March 2024, and was approved and adopted by subsidiaries during the year. Both were further updated and approved through appropriate governance fora in December 2024. The changes reflect the maturing approach to C&E Risk management providing greater clarity on roles and responsibilities, due diligence, monitoring and reporting.

Due to the pervasive nature of C&E risk and its impact on other principal risks, the C&E risk management aspects for these principal risks are incorporated within their relevant risk frameworks and policies. In 2024, a number of updates were made across the principal risk policies and frameworks to enhance the management, measurement, mitigation and reporting of C&E Risks. These updates covered financial risk, model risk, regulatory compliance, operational risk (both own operations and third party providers) and credit risk. These include additional requirements for C&E Risk information and enhancements to systems to processes to enable systematic capture of this data.

Risk Appetite Statement ('RAS')

Articulation of the Group's C&E risk appetite and tolerance is expressed through the qualitative statements about the nature and type of risk that the Group is willing to accept as well as quantitative RAS metrics that define the range of acceptable risk. Qualitative statements and Quantitative metrics are linked to material C&E risk drivers as identified through Group's materiality assessment. The 2024 materiality assessment showed that main impacts are expected to materialise in the areas of Credit Risk and Operational Risk. This has been reflected in the development of RAS metrics.

In 2024 we reviewed the RAS metrics and approved the C&E Risk RAS metrics for 2025, which include three C&E qualitative statements that help articulate appropriate areas of climate-related risk appetite. In addition to this, the Group has approved six new quantitative C&E RAS metrics, ensuring coverage across physical, transition and environmental risks (bringing the total number of C&E related metrics to nine). The RAS metrics are cascaded to segments and subsidiaries as appropriate.

Monitoring, escalating and reporting

C&E risk is monitored through internal and external reporting across the Group. The primary internal risk report, the CRO report, dedicates a section to C&E risk providing the GRC and the BRC with relevant updates on the C&E risk profile. The profile section encompasses the key developments around the risk, planned initiatives and also reports on the Group's performance against risk appetite and against other Key Risk Indicators.

Monitoring and reporting of the C&E quantitative RAS metrics is conducted monthly. The escalation process, as stipulated under the RAS policy, is commenced in the event of a breach of either the RAS watch trigger or limit for any of the metrics. This ensures the Group's Board and Regulator are notified within an approved timeframe, when appropriate.

In addition to RAS metrics, C&E Key Risk Indicators (KRIs) have been considered, across all material risk categories, based upon the impacts identified in the Transmission Channel Analysis and how these impacts would manifest. These KRIs are approved, reported and escalated through the appropriate governance pathways for the relevant material risk. A number of enhancements to C&E KRIs were approved in 2024, which will be reported in 2025. These include new KRIs for financial risk, operational risk and credit risk.

Key Performance Indicators ('KPIs') monitors the C&E risk drivers aligned to the C&E materiality assessment. The materiality assessment focus efforts on managing C&E risks with particular regard to credit and operational risk. These are reported and monitored via the Strategic Outcome Report, Climate Dashboard and ExCo Scorecards. The KPIs are cascaded to business lines and subsidiaries as appropriate. The KPIs sit on the Climate & Environmental Dashboard and roll-up into the Strategic Outcomes Report and cascade to the ExCo Scorecards. The Group actively monitors the progress of achieving the Board approved sustainability targets via the Climate Dashboard. The metrics contained in the dashboard are reported in the CRO report, to the GSC and the SBAC.

Risk Management *continued*

2.8 Model risk

Model risk is the potential loss to the Group, as a consequence of decisions that could be principally based on the output of models, due to errors in the development, implementation or use of such models.

Identification and assessment

The Group's MRA and the risk and control assessment forms the basis for identifying the key elements of the risk. The MRA identifies the key sub-risks including model oversight risk, model data risk, model methodology and performance risk and model use and implementation risk. The RCA is the Group's core bottom-up process in the identification and assessment of model risk across the Group.

The RCA includes a requirement to perform a self-assessment of the risks at each business unit level. The potential impact of model risk is assessed through the ICAAP. Model risk is generally mitigated through specific model adjustments. There is no explicit capital requirement generated from this risk; it is indirectly assessed through the other risks.

Management and measurement

There is a Model Risk Framework and supporting policies in place to drive the consistent management of this risk. This sets out the key controls required to mitigate model risk across the model lifecycle, from initiation of a model build through to implementation, use and ongoing monitoring. The key controls include:

- A complete inventory of all models in the Group, with a clear tiering of models to ensure key controls such as model validation and monitoring are being applied on a risk-based approach;
- Requirement for clear hand-offs between each stage in the lifecycle to mitigate the risk of issues propagating through the lifecycle of the model;
- Models are built, validated and monitored by suitably qualified analytical personnel, supported by relevant business, risk and finance functions;
- The best available data, both internal and external, must be used, and any data weaknesses are appropriately mitigated through the model build;
- The use of industry standard techniques are applied for stages in the model lifecycle where appropriate; and
- All material models are validated by an appropriately qualified team which is independent of the model build process. Where issues are identified, appropriate mitigants are applied. This can include temporary post model adjustments which are put in place until a model is re-developed.

Model risk is measured using a composite assessment of model outcomes across the lifecycle for all models in the inventory.

Monitoring, escalating and reporting

The GRC and its sub-committee, the Model Risk Committee, are the primary committees for overseeing model risk in the Group. Model materiality is defined in the Group Model Risk Management Policy. The outcomes of validation and other reviews are brought to the appropriate committee(s) for oversight to ensure all models remain fit for their intended use and that any issues are appropriately escalated.

Model monitoring on material models is reported to committee(s) regularly to monitor model performance with appropriate actions raised when models fall below the required performance levels.

An overall assessment of model risk is performed on a quarterly basis and is reported quarterly to the Model Risk committee and semi-annually to the Group Risk Committee and Board Risk Committee. The status of model risk is reported on a monthly basis in the CRO report, which includes an update on recent significant events and any remediation actions that are underway.

2.9 Culture risk and Conduct risk

Culture Risk and Conduct Risk are two distinct risks. Culture Risk is the risk that the core values of the Group are not shared by all staff and as a consequence are not consistently demonstrated through staff behaviour. This includes the risk that consistent, fully understood and risk adjusted performance measures are not in place resulting in outcomes that are not aligned to the Group's Strategy, Behaviour or Values.

Conduct risk is defined as the risk that inappropriate actions or inactions by the Group cause poor or unfair customer outcomes or negatively impact on market integrity.

The effective management of conduct risk requires embedding of a strong conduct culture with a customer centric approach to conduct risk management as articulated in the Group's values, behaviours and Code of Conduct.

The conduct risk priorities for the Group include:

- A Customer First culture, as articulated by the Brand Values, Behaviours and Code of Conduct, is embedded and demonstrated throughout the organisation;
- A mature Group Conduct Risk Framework aligned with the Group Strategy, is embedded in the organisation that provides oversight of conduct risks at Executive Committee and Board level; and
- Customers, existing and new, are treated in a fair and transparent way.

Identification and assessment

The Group's MRA and risk and control assessment forms the basis for identifying the key elements of Culture risk and Conduct risk.

The Group has identified a number of risk drivers pertaining to conduct risk and these are reviewed on an annual basis as part of the MRA process. These include, inter alia:

- Monitoring trends of customer complaints on a regular basis;
- The pace and complexity of changing industry best practice and clarifications received in relation to regulatory expectations can drive an accelerated process for changing products, practices, services and cultures;
- Potential of unintended consequences arising from the scale and pace of inorganic and strategic change;
- Understanding the implications of the evolving global, European and Irish economic landscape on short to medium term interest rate environment;
- Increased competition in terms of resources, skills, industry participants remuneration practices and customer bases;
- Negative macroeconomic environment can result in unexpected bank and/or employee behaviour and potential increased market instability could result in market conduct risk; and
- Environmental, Social and Governance risks ("ESG") may result in poor customer outcomes such as incorrect risk preferences or failing to identify climate impacts on product offerings.

Conduct risks are identified during the risk and control assessment process which provides documentary evidence of risk assessments. It determines the risk profile of the business, drives risk management and actions plans including key risk indicator development and reporting. A risk register of the Group's material risks is also maintained. The risk and control assessment has identified a number of key conduct risks relating to customer satisfaction and employee behaviour as well as clients, business and product practice.

Group Conduct completes horizon scanning and benchmarking to identify future conduct risk considerations within business and regulatory environments. In addition, Compliance identify regulatory change through its upstream and horizon scanning team. Conduct risks are considered during the implementation of same, as appropriate.

2.9 Culture risk and Conduct risk *continued*

The amalgamation of Culture risk within conduct has commenced and further integration through frameworks, policies, procedures and metrics is planned for 2025. Culture forms an integral part of risk culture and overall conduct risk management and is core to all customer and market facing decisions and interactions. It is imperative that the Group maintains a strong customer culture in order to deliver appropriate customer outcomes. The Group's cultural ambition is that all colleagues truly demonstrate and live the Group's values and the behaviours that underpin them. The challenge is to ensure that the Group's values are embedded consistently across the organisation by all employees. The tone is set from the top leaders have a critical role to play in shaping the Group's culture. Culture risk captures the need for the Group's core values to be shared by all staff, demonstrated through staff behaviour and that consistent fully understood performance measures are in place resulting in outcomes aligned to the Group's strategy.

Management and measurement

The Group has a Culture and Conduct Risk Framework and Conduct Risk Policy which applies to the Group including all subsidiaries. This Framework and Policy, as well as other supporting policies, are in place to drive consistent management of Culture risk and Conduct risk

This Policy includes the approach to vulnerable customers, which is defined as recognising customers who are in need of additional care, support or protection. The Vulnerable Customer team are in place to ensure governance structures are in place for the oversight of the Vulnerable Customer Programme, developing and ensuring execution of the Group Vulnerable Customer Action Plan as well as developing and delivering group level training for staff on customer vulnerability issues.

Where the Group engages in investment and wholesale services and activities it must implement and maintain adequate policies and procedures designed to detect any risk of failure by the Group with its obligations, and put in place adequate measures and procedures designed to minimise such risk. In particular, it is expected that the Group is able to demonstrate awareness and management of Wholesale Market Conduct Risk in the areas of strategy, governance, culture, risk management and management information

Conduct risk measurement is considered qualitatively under normal and stressed conditions. Any new material business development or change in strategy would also warrant an independent assessment of conduct risks and potential impact on reputation.

The Group Head of Culture and Conduct and team provides independent oversight and governance of conduct risk across the Group (and is a mandatory approver of product / propositions proposals), including training and awareness building.

An approved Group Conduct Strategy, aligned with the Group's Purpose, Strategy and Values, is supported by annual Business Conduct Action plans, delivering against key strategic objectives, ensuring continued progress on embedding conduct and meeting evolving regulatory expectations.

The Conduct Risk and Culture Risk RAS is recommended by the Compliance Function and consists of qualitative statements and key risk indicator ('KRI') metrics. The KRIs establish specific limits, ceilings and floors that relate to the qualitative RAS. Risk, through the Compliance & Group Risk Assurance function, provide independent challenge of potential and identified conduct risks and provide advice to business segments on conduct risk issues.

Business conduct dashboards measure key management information trends under the five key conduct risk areas, as reflected in the Group's conduct strategy.

The Group Head of Conduct in the first line of defence is a member of a number of key working groups and fora regarding the management and measurement of conduct risk, and provides challenge on RAS metrics which are monitored monthly, customer solutions and the resolution of materialised conduct risks.

Monitoring, escalating and reporting

The Group Conduct Committee together with Business Conduct Committees operating to standard terms of reference actively drive the conduct agendas and manage conduct risk within their businesses. Conduct risks are assessed and monitored across the Group in line with risk management procedures. Significant conduct events are assessed and remedial actions implemented where necessary. These are escalated based on a materiality assessment, in line with the Conduct Risk Framework.

Conduct risks and controls are monitored on a monthly basis via the Group's risk governance committees. This provides the Group Risk Committee and the Board Risk Committee with relevant updates on the conduct risk profile. The profile update details the current status of the Group's key conduct risks, includes an overview of current trends, an update on recent significant events and any remediation actions or lessons identified following events.

From a Prudential perspective the Group reports the financial impact of conduct risk events through the annual operational risk ICAAP, quarterly COREP submissions and the biennial EBA Stress Testing exercise.

The Regulatory and Conduct Risk Committee ('CR') is the forum that provides risk oversight of regulatory and conduct risks of the Group including oversight of its subsidiaries. The RCR was established by, and is accountable to, the Group Risk Committee to oversee regulatory and conduct risks across the Group. This includes monitoring and reviewing the Group's regulatory and conduct risk profile, compliance with risk appetite and other approved policy limits, reviewing risk policies and recommending these for approval to the Group Risk Committee.

2.10 Regulatory compliance risk

Regulatory compliance risk is defined in the Regulatory Risk Management Framework as the risk of legal or regulatory sanctions, material financial loss, or loss to reputation which the Group may suffer as a result of its failure to comply with principal laws, regulations, rules, related self-regulatory codes and related supervisory expectations which relate to the Group's regulated banking and financial service activities i.e., those activities which the Group is licenced to conduct business.

Identification and assessment

The Group's MRA and RCA forms the basis for identifying the key drivers of regulatory compliance risk. The associated sub-risks include prudential regulation risk, regulatory change risk, financial crime risk and data protection risk. The MRA process also identified that the complexity and volume of regulatory change and the rapidly evolving international sanctions environment, raises the risk of regulatory compliance failure and/or regulatory sanction.
The key areas of focus of both the Central Bank of Ireland ('CBI') and the Joint Supervisory Teams ('JST') includes:

- Regulated firms, that are subject to the regulation from the CBI and JST, are fully compliant with their obligations and are treating their customers, existing and new, in a fair and transparent way, including the embedding of directives and regulations;
- Continued focus on the full implementation of the suite of prudential requirements including Capital Requirements Directive ('CRD') and Capital Requirements Regulation ('CRR'), and the binding technical standards and guidelines;
- CBI Regulatory and Supervisory Outlook report and Dear CEO letters;
- Climate and ESG issues where the CBI has noted its expectations for firms including the requirements relating to governance, risk management frameworks, scenario analysis, disclosures as well as strategy and business model risks.

Risk Management *continued*

2.10 Regulatory compliance risk *continued*

Management and measurement

The Regulatory Compliance Risk Management Framework sets out the principles, roles and responsibilities, and governance arrangements and is supported by a number of key policies.

The compliance mandate aims to ensure that the Group understands the externals rules, laws, regulations and codes which apply to the Group's regulated activities and the implications of any non-compliance. In addition, the mandate supports internal compliance with the Group's suite of Regulatory Compliance and Conduct Policies and Standards, promotes the Group's ethos of acting with integrity, honesty and fairly in all its dealings with colleagues, customers, and stakeholders.

The Group Regulatory Compliance Risk Management Framework and the regulatory compliance risk management lifecycle commences with upstream regulation risk management.

The Regulatory Change Team ('RCT') reside within the Regulatory Compliance Team and provide oversight and support in respect of regulatory change risk management. The approach to regulatory change has been designed to ensure regulatory requirements are clearly understood from the outset with end-to-end traceability monitored by the Regulatory Forum as part of Group Programme Board ('GPB'). It involves an up-front partnership between the Regulatory Change Team and Change Operations to ensure business stakeholders are identified with roles and accountabilities assigned. The process provides a platform for clear monitoring, communication, effective oversight, robust challenge and the pursuit of regulatory compliance in a collaborative manner across both the first and second line of defence.

The regulatory compliance risk management lifecycle is reviewed on an annual basis by the various teams within Compliance. In order to produce a comprehensive holistic view of regulatory compliance risks across the Group, detailed risk assessments are completed based on the premise of identifying the regulatory compliance risks which pose the most significant threat to the Group. Risk identification and assessment is carried out through a combined top-down and bottom-up approach. The output of this risk assessment process is to produce the Compliance & Risk Assurance Plan.

Monitoring, escalating and reporting

Regulatory compliance risks are monitored on a monthly basis via the Group's risk governance committees. This occurs initially at the Regulatory and Conduct Risk Committee ('RCR') and key items are brought through to Group Risk Committee ('GRC') and Board Risk Committee ('BRC') for discussion and escalation where appropriate. This includes an update on recent significant events and any remediation actions or lessons identified following events.

The RCR is the forum that provides risk oversight of regulatory and conduct risks of the Group including oversight of its subsidiaries. The RCR was established by, and is accountable to, the GRC, to oversee regulatory and conduct risks across the Group, including monitoring, reviewing the regulatory and conduct risk profile, compliance with risk appetite and other approved policy limits. It is also responsible for reviewing risk policies and recommending these for approval to the GRC.

Regulatory Compliance establish written guidance to staff on the appropriate implementation of relevant laws, rules and standards through relevant regulatory compliance policies and support the first line business units in understanding and implementing their regulatory compliance obligations and management of the associated regulatory compliance risks in line with the Regulatory Compliance and Conduct Risk Appetite Statements. As part of their role engaging with the first line, Regulatory Compliance assist the business in maintaining a positive and transparent relationship with the Regulators in respect of regulatory compliance and conduct matters.

Group Risk Assurance ('GRA') provides independent review and objective assurance on the quality and effectiveness of the Group's internal control system, including the Risk Governance Policies and Frameworks in accordance with a Board approved risk-based assurance plan.

Financial Statements

In this section

Statement of Directors’ Responsibilities

The following statement which should be read in conjunction with the Statement of Auditor’s Responsibilities set out in their Audit Report, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are responsible for preparing the Annual Financial Report and the Group and Company financial statements, in accordance with applicable law and regulations. The Directors responsibilities for the Sustainability Statement are discussed in full in the Statement of Directors' Responsibilities for the Sustainability Statement on page 116.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors are required to prepare:
- The Group financial statements in accordance with International Financial Reporting Standards (‘IFRSs’) as adopted by the EU, Article 4 of the IAS Regulation, the Asset Covered Securities Acts 2001 and 2007, and those parts of the Companies Act 2014 and the European Union (Credit Institutions: Financial Statements) Regulations 2015 applicable to companies reporting under IFRS; and
- The Company financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 101 *Reduced Disclosure Framework* and Irish law) and the Companies Act 2014.

In preparing both the Group and Company 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 that the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities. Under applicable law and corporate governance requirements, the Directors are also responsible for preparing the Directors’ Report and the reports relating to the Directors’ remuneration and corporate governance that comply with that law and the relevant listing rules of Euronext Dublin (the Irish Stock Exchange) and the UK Listing Authority.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors whose names and functions are listed on pages 128 to 131 confirm, to the best of their knowledge and belief, that:
- They have complied with the above requirements in preparing the financial statements;
- The Group financial statements, prepared in accordance with IFRSs as adopted by the EU, Article 4 of the IAS Regulation, the Asset Covered Securities Acts 2001 and 2007, and those parts of the Companies Act 2014 and the European Union (Credit Institutions: Financial Statements) Regulations 2015 applicable to companies reporting under IFRS and give a true and fair view of the state of the Group’s affairs as at 31 December 2024 and of its profit for the year then ended;
- The Company financial statements are prepared in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 101 *Reduced Disclosure Framework* and Irish law) and the Companies Act 2014;
- The Directors’ report provides a fair review of the development and performance of the business and the financial position of the Group, together with a description of the principal risks and uncertainties faced by the Group; and
- The Annual Financial Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group’s and the Company’s position and performance, business model and strategy.

For and on behalf of the Board

Jim Pettigrew	**Colin Hunt**	**Donal Galvin**
Chair	Chief Executive Officer	Chief Financial Officer

4 March 2025

Independent auditors' report

Independent auditors' report to the members of AIB Group plc

Report on the audit of the financial statements

Opinion

In our opinion, AIB Group plc's consolidated financial statements and Company financial statements (the 'financial statements'):
- give a true and fair view of the Group's and the Company's assets, liabilities and financial position as at 31 December 2024 and of the Group's profit and cash flows for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union;
- the Company financial statements have been properly prepared 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* and Irish law); and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the consolidated financial statements, Article 4 of the IAS Regulation.

We have audited the financial statements, included within the Annual Financial Report (the 'Annual Report'), which comprise:
- the Consolidated and Company Statement of Financial Position as at 31 December 2024;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated and Company Statement of Changes in Equity for the year then ended; and
- the Notes to the Consolidated and Company financial statements, which include a description of the accounting policies.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

Our opinion is consistent with our reporting to the Board Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by IAASA's Ethical Standard were not provided to the Group or the Company.

Other than those disclosed in note 12 to the financial statements, we have provided no other services to the Group or the Company in the period from 1 January 2024 to 31 December 2024.

Independent auditors' report *continued*

Our audit approach

Overview

Materiality	**Overall materiality** • €77.5 million (2023: €57.5 million) - Consolidated financial statements. • Based on c. 3.0% of profit before tax (2023: c. 2.4% of profit before tax). • €76.0 million (2023: €57.0 million) - Company financial statements. • Based on c. 0.5% of total equity (2023: c. 0.4% of total equity). **Performance materiality** • €58.0 million (2023: €43.2 million) - Consolidated financial statements. • €57.0 million (2023: €42.8 million) - Company financial statements.
Audit scope	• We completed a full scope audit of the financial information of Allied Irish Banks, p.l.c., EBS d.a.c. and AIB Mortgage Bank Unlimited Company. In addition, we directly instructed PwC UK to conduct and report to us on a full scope audit of the financial information of AIB Group (UK) p.l.c. • Specific audit procedures on selected account balances, classes of transactions or disclosures were performed for other entities within the Group based on our assessment of the risk of material misstatement and of the materiality of the Group's operations in these entities. • The significant components subject to full scope audit accounted for in excess of 90% of both Profit before Tax and Total Assets.
Key audit matters	• Expected credit loss (i) completeness and valuation of the post model adjustments (ii) judgements taken on individually assessed exposures. • IT (Privileged User Access). • Recoverability of the Deferred Tax Assets. • Recoverability of investment in subsidiary (Company only).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Expected credit loss (i) completeness and valuation of the post model adjustments (ii) judgements taken on individually assessed exposures Refer to Note 1 (q) 'Impairment of financial assets' within Note 1 'Accounting policies', 'Impairment of financial assets' within Note 2 'Critical accounting judgements and estimates', Note 11 'Net credit impairment charge', Note 18 'Loans and advances to customers' and Section 2.1 'Risk management - Credit risk' of the Risk management report. At 31 December 2024, the Group reported total gross loans to customers classified at amortised cost of €71.2bn and €1.3bn of expected credit loss (ECL). The measurement of expected credit losses is required to reflect an unbiased probability-weighted range of possible future outcomes. Complex models and significant judgements are used to estimate the probability of default (PD), loss given default (LGD) and exposure at default (EAD) as well as in applying the staging criteria under IFRS 9. The calculation of ECL requires a high degree of judgement to reflect recent developments in credit quality, arrears experience and / or emerging macroeconomic risks. The two 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 were 1. Completeness and valuation of post model adjustments (PMAs) The judgement surrounding the completeness and valuation of PMA's represents a significant estimation risk. The modelling methodologies used to estimate ECL are developed using historical experience. Adjustments are made to model outcomes to address known model and data limitations, and emerging or non-modelled risks. In addition, modelling methodologies do not incorporate all factors that are relevant to estimating ECL. The current economic environment continues to be uncertain and differs from recent experience, which is characterised by elevated inflation, increased cost of living and increasing costs of financing, which affects the debt servicing capability for borrowers. As a result, the judgements around if and when the Group recognise adjustments to model outcomes to account for potential model weaknesses in coping with the current economic environment and outlook are highly judgemental and inherently uncertain. 2. Individually assessed ECL (Stage 3) The judgements applied with respect to the measurement of impairment of Stage 3 individually assessed loans represents a significant estimation risk. For individual provision assessments of larger exposures in Stage 3, the significant judgements in determining provisions are the completeness and appropriateness of the potential workout scenarios identified, the probability assigned to each identified potential workout scenario and the valuation assumptions used in determining expected recoveries. Other assumptions Management makes other assumptions which are less judgemental or for which variations have a less significant impact on ECL. These assumptions include: • Conceptual soundness of the modelling methodologies; • Quantitative and qualitative criteria used to assess significant increases in credit risk which drives the allocation of assets to Stage 1, 2, or 3 using criteria in accordance with the accounting standards; • Accounting interpretations, modelling assumptions and data used to build and run the ECL models; and • Inputs and assumptions used to reflect the impact of multiple economic scenarios, including any changes to the forward looking scenarios.	**Controls** In conjunction with our credit modelling specialists, we performed end-to-end process walkthroughs to understand and identify the key systems, applications and key controls used in the ECL processes. We tested the design and operating effectiveness of key controls across the processes relevant to management's ECL calculation, including those relating to the key judgements and estimates involving our credit modelling specialists where appropriate. We also tested the design and operating effectiveness of key controls over the governance of the estimation of ECL. We attended key executive finance and risk committee meetings where the inputs, assumptions and adjustments to the ECL were discussed and approved and observed management's review and challenge in these governance forums including the assessment of model limitations and any resulting judgemental post model adjustments. **Conceptual Soundness** We performed a risk assessment on the models involved in the ECL calculation to determine the models to test and the nature of the testing required in respect of the individual models. We involved credit modelling specialists to assist us in testing the ECL models by testing the assumptions, inputs and implementation of model formulae. This included a combination of assessing the appropriateness of model design, challenger/sensitivity analyses, recalculating the Probability of Default and Loss Given Default and testing model implementation. In conjunction with our credit modelling specialists, we assessed model governance including model validation and monitoring. This included assessing model performance by evaluating variations between observed data and model predictions and developing an understanding and assessment of model limitations and remedial actions. We inquired of the model development and validation teams to assess whether the basis for significant model enhancements introduced were reasonable. **Post Model Adjustments** In conjunction with our credit modelling specialists, we evaluated the conceptual soundness of the PMAs by critically assessing management's rationale and methodology, including the limitation and / or risk that the PMA is seeking to address. We inspected the PMA calculation methodology and tested, on a sample basis, the completeness and accuracy of key data inputs into the PMA calculation. We challenged the overall completeness and reasonableness of post model adjustments by comparing the PMAs recognised by management to the key model limitations and / or data limitations that we considered to exist in the portfolio. **Individually assessed stage 3 assets** For a sample of credit-impaired loans, we assessed the exposures to determine if they met the definition of credit impaired under IFRS 9. We challenged the forecasts of future cash flows prepared by management to support the calculation of the impairment loss allowance by challenging the key assumptions and corroborating estimates to external support where available. Where appropriate, our work involved inspecting valuations of collateral, internal valuation guidelines and/or externally prepared reports to determine whether appropriate valuation methodologies and assumptions were employed. Our selection of credit impaired loans was based on a number of factors, including higher risk sectors identified with reference to external sources, such as commercial real estate, retail and leisure, as well as materiality. We inquired of Divisional and Group management and reviewed relevant management information to understand the emerging and potential issues across the relevant portfolios.

Independent auditors' report *continued*

Key audit matter	How our audit addressed the key audit matter
Expected credit loss (i) completeness and valuation of the post model adjustments (ii) judgements taken on individually assessed exposures continued	**Quantitative and Qualitative criteria in determining specific increases in credit risk** We challenged the appropriateness and application of the quantitative and qualitative criteria used to assess significant increases in credit risk which determine the allocation of an asset to Stage 1, 2 or 3 in accordance with IFRS 9. For a selection of performing loans, we critically assessed, by reference to the underlying documentation and through inquiries with management, whether the trigger for credit impaired classification had occurred. In conjunction with our credit modelling specialists, we reperformed key aspects of the models underlying the calculation of expected credit losses, including independent recalculation of the PD and LGD for a sample of models and independent recalculation of ECL model outcomes for a sample of models. **Economic Scenarios** In conjunction with our credit modelling specialists, we considered the base case and alternative economic scenarios. We challenged and assessed the reasonableness of the significant assumptions underpinning management's economic scenarios which we determined to be GDP, unemployment and property prices by comparing to independent and observable economic forecasts, leveraging a number of external data points. We assessed whether forecasted macroeconomic variables were reasonable and supportable. With the support of our credit modelling specialists, we evaluated the overall impact of the macroeconomic factors to the ECL. This assessment considered the sensitivity of ECL to variations in the severity and probability weighting of the economic forecasts. We challenged the reasonableness of management's forward-looking information (FLI) upside / downside scenario weightings, having regard to relevant available information. Specifically, we challenged the appropriateness of management's change in the weightings in the current year. **Overall standback** We performed an overall assessment of ECL provision levels by IFRS 9 stage to determine if they were reasonable by considering the overall credit quality of the Group's portfolios, risk profile, credit risk management practices and the macroeconomic environment by considering trends in the economy and sectors to which the Group is exposed. We performed peer benchmarking where available to assess overall staging and provision coverage levels. **Disclosures** We assessed the adequacy and appropriateness of disclosures for compliance with the accounting standards and the process and controls management had in place to prepare and approve the disclosures. **Conclusion** On the basis of the work performed we have concluded the stock of Expected Credit Loss reserves at year end is within the range of acceptable outcomes.

Key audit matter	How our audit addressed the key audit matter
IT (Privileged User Access) The IT environment is complex and pervasive to the operations of the Group due to the multiplicity of systems and the large volume of transactions processed and its reliance on automated and IT dependent manual controls. Appropriate IT controls are required to ensure that applications process data as expected and that changes are made in a controlled manner. Our audit approach includes reliance on automated and IT dependent manual controls and therefore on the effectiveness of controls over IT systems impacting financial reporting. Privileged user access management controls are an integral part of the IT environment to ensure both system access and changes made to systems are authorised and appropriate. An integral part of our audit testing is therefore on the effectiveness of privileged user access management controls. In the context of our audit scope, we consider privileged user access management controls at the application layer to be critical to ensuring that only appropriately authorised changes are made to IT systems deemed relevant to our audit. Moreover, appropriate privileged user access management controls contribute to mitigating the risk of potential fraud or error. We considered this to be a key audit matter owing to the high level of reliance on IT operations within the Group as well as the risk that key IT Audit Dependencies such as automated controls and system generated reports are not designed and operating effectively.	Through inquiries with management and inspection of internal governance documents, we obtained an understanding of the Group's IT environment. In conjunction with our Digital Audit specialists, we; • Tested the design, implementation and where relevant, the operating effectiveness of preventative and detective IT General Controls (ITGC) over privileged user access management (i.e. those relating to privileged user access provisioning, revocation, recertification and authentication). • Inquired of Group Internal Audit (GIA) and inspected IT related GIA reports produced during the period to understand the nature of findings, if any, and consider the impact on our audit. • Where control deficiencies were identified at the design level we considered the compensating controls in place and sought to obtain additional evidence for the in scope IT Dependencies to obtain reasonable assurance that there were no unauthorised changes made to these during the financial year. • Our risk assessment procedures included an assessment of those deficiencies to determine the impact on our audit plan and designed and executed additional procedures where required. **Conclusion** Having completed the additional audit procedures we concluded that we obtained sufficient evidence for the purposes of our audit.
Recoverability of the Deferred Tax Assets Refer to Note 1 (i) 'Income tax, including deferred income tax' within Note 1 'Accounting policies', 'Deferred taxation' within Note 2 'Critical accounting judgements and estimates' and Note 26 'Deferred taxation'. The Group has deferred tax assets of €2.3bn that primarily arise due to historical operating losses. A key judgement in the recognition of deferred tax assets is whether there is convincing evidence of sufficient future taxable profits against which those losses can be utilised. This judgement relies on the assessment of the probability and the sufficiency of future taxable profits, which in turn is based on assumptions concerning future economic conditions and business performance. The Group's considerations in respect of the recognition of the deferred tax assets are outlined in the key accounting judgements and estimates section within the financial statements, which also provides an overview of the key assumptions underpinning the financial projections. In particular, the deferred tax asset relating to the UK subsidiary (amounting to €183m or 8% of the total) has been limited to a recognition period of 15 years as management believe the degree of estimation uncertainty beyond that period is high. We regard the recoverability of the deferred tax assets as a key audit matter owing to the degree of uncertainty given the length of recovery periods involved. These recovery periods are driven by management judgement over the quantum and timing of future profitability which are, by their nature, subject to estimation uncertainty.	We performed an end-to-end walkthrough of the process for the forecasting of profits used to support the recognition of the deferred tax assets, including the approval process. Management prepares a Financial Plan to forecast financial performance over a three year period. The projections are then extrapolated at 2% based on estimated annual long term growth rates for the Irish economy for the purposes of projecting future taxable profits beyond three years. We assessed whether estimated future profits used within the forecasts were reasonable by reference to recent performance and challenged the key assumptions underpinning the Group's future forecasts using our knowledge of the business, the Group's strategy and wider initiatives within the Group. We assessed and challenged the reasonableness of the external economic assumptions applied in the future forecast assessment with reference to observable market data. We considered whether the forecast of taxable profits provides convincing evidence that sufficient taxable profits will be available to utilise unused tax losses. We assessed the basis for management's conclusion that the recovery period for trading losses carried forward in the UK subsidiary should be restricted to fifteen years being the period over which the Directors can conclude that it is probable that future taxable profits will be available in the UK entity. We assessed the adequacy of the financial statement disclosures in respect of the recoverability of deferred tax assets. **Conclusion** On the basis of the work performed we have concluded the recognition of the deferred tax asset is reasonable.

Independent auditors' report *continued*

Key audit matter	How our audit addressed the key audit matter
Recoverability of investment in subsidiary (Company only) Refer to 'Investment in Subsidiary' within Note a 'Accounting policies' and Note e 'Investment in subsidiary undertaking' to the Company financial statements. The Company balance sheet includes a €13.9bn investment in Allied Irish Banks, p.l.c., the main trading entity of the Group. 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'). The calculation of VIU is dependent on certain key assumptions around the future cash flows which have been forecasted using the Group's three-year plan, the discount rates and the terminal growth rates. These assumptions, which are judgemental, are derived from a combination of management estimates, market data and other information obtained from external sources. The significant assumptions that we focused on were those with greater levels of management judgement and for which variations had the most significant impact on the recoverable amount. Specifically, these included the output of the financial plan for 2025 to 2027, regulatory capital requirements, long term growth rates and discount rates. The investment held by the Company in Allied Irish Banks, p.l.c. is carried at its original cost (as adjusted for additional investments and subsequent share buybacks). Given the VIU amount was determined to be greater than the carrying value of the Company's investment in Allied Irish Banks, p.l.c. as at 31 December 2024, no impairment was required. We considered this to be a key audit matter due to the judgement associated with the assessment of the recoverable amount of the investment at 31 December 2024 including, in particular, the expected cash flows, the discount rate and the terminal growth rate.	We performed an end-to-end process walkthrough over the recoverability of the carrying value of the investment by AIB Group plc in Allied Irish Banks, p.l.c.. We involved our valuation specialists to assist us in evaluating the appropriateness of the discount rate used by independently developing discount rate ranges using external data sources and peer bank data and assessing whether the methodology over management's calculation of the VIU is compliant with the requirements of the accounting standard. We compared key assumptions including those underlying certain estimated future cash flows, the discount rate and the terminal growth rate to externally derived data including, peer bank data and projected economic growth. We assessed the sensitivity of the VIU to reasonable variations in discount rate. the terminal value and the terminal growth rate. We assessed the adequacy of the financial statement disclosures in respect of the investment in the AIB Group plc company only financial statements. **Conclusion** On the basis of the work performed we have concluded the carrying value is reasonable.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

In establishing the overall approach to scoping the Group audit engagement, we identified components based on the Group's legal entities and determined that an audit of the complete financial information (a 'full scope' audit) should be performed by us on three legal entities due to their size or risk characteristics and to ensure appropriate coverage. These are Allied Irish Banks, p.l.c., EBS d.a.c. and AIB Mortgage Bank Unlimited Company.

The significant majority of Group activity outside Ireland is in the UK and PwC UK was engaged to perform a full scope audit on AIB Group (UK) p.l.c.. No other PwC network firm was engaged for the Group audit. In relation to audit procedures that were performed by PwC UK, we arranged joint planning meetings and regular physical and virtual meetings throughout the audit and reviewed certain audit working papers in PwC UK's audit file to corroborate that their audit plan was appropriately executed. The meetings also involved discussing and understanding the significant audit risk areas and other relevant matters. We interacted regularly with PwC UK during all stages of the audit. In addition to their formal audit report, we received a detailed memorandum of examination on work performed and relevant findings that supplemented our understanding of the individual component. The Group Engagement Leader also physically attended several of the AIB Group (UK) p.l.c. Audit Committee meetings.

In order to achieve the desired level of audit evidence on each account balance in the Consolidated and Company financial statements, specific audit procedures on selected account balances, classes of transactions or disclosures were performed at two other legal entities within the Group.

The nature and extent of audit procedures was determined by our risk assessment. Together with additional procedures performed at the Group level, this gave us the evidence we needed for our opinion on the financial statements as a whole. The significant components subject to full scope audit accounted for in excess of 90% of both Profit before Tax and Total Assets.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Consolidated financial statements	Company financial statements
Overall materiality	€77.5 million (2023: €57.5 million)	€76.0 million (2023: €57.0 million)
How we determined it	c.3.0% of profit before tax (2023: c.2.4% of profit before tax).	c.0.5% of total equity (2023: c.0.4% of total equity).
Rationale for benchmark applied	We applied this benchmark because in our view this is a metric against which the recurring performance of the Group is commonly measured by its stakeholders to assess its performance.	The Company is the ultimate holding company of the Group and its activities are limited to its investment in Allied Irish Banks, p.l.c. and the issue of debt securities, subordinated liabilities and other capital instruments. Hence a benchmark based on total equity reflects the focus of the users of the financial statements.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to c. €58.0 million (Group audit) and €57.0 million (Company audit).

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Board Audit Committee that we would report to them misstatements identified during our audit above €3.75 million (2023: € 2.75 million) (Group audit) and €3.75 million (2023: €2.75 million) (Company audit) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment;
- Performing a risk assessment to identify factors that could impact the going concern assessment;
- Considering the Group's Financial Plan approved by the Board in December 2024. In evaluating management's base case forecasts and alternative stress scenarios we considered the Group's financial position, historic performance, its past record of achieving strategic objectives and management's assessment of the likely impact on financial performance, capital and liquidity for a period of 12 months from the date on which the financial statements are authorised for issue;
- Considering whether the assumptions underlying the base cases were consistent with related assumptions used in other areas of the Group's and Company's business activities, for example, in testing for non-financial asset impairment;
- Reading relevant correspondence from the Central Bank of Ireland and the ECB Joint Supervisory Team with regards to regulatory capital and liquidity requirements of the Group; and
- Considering the adequacy of relevant disclosures made in the financial statements.

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's or the Company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's or the Company's ability to continue as a going concern.

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, 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.

We are required to report if the directors' statement relating to going concern in accordance with the Listing Rules for Euronext Dublin and the Listing Rules of the UK Financial Conduct Authority is materially inconsistent with our knowledge obtained in the audit. We have nothing to report in respect of this responsibility.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for 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 to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 (excluding the information included in the 'Non-Financial Statement' and the sustainability reporting required by that Act on which we are not required to report) have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below.

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report (excluding the information included in the 'Non-Financial Statement' and the sustainability reporting on which we are not required to report) for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.
- Based on our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report (excluding the information included in the 'Non-Financial Statement' and the sustainability reporting on which we are not required to report).
- In our opinion, based on the work undertaken in the course of the audit of the financial statements,
  – the description of the main features of the internal control and risk management systems in relation to the financial reporting process; and
  – the information required by Section 1373(2)(d) of the Companies Act 2014;
  included in the Corporate Governance Statement, is consistent with the financial statements and has been prepared in accordance with section 1373(2) of the Companies Act 2014.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process and the information required by section 1373(2)(d) of the Companies Act 2014 included in the Corporate Governance Statement.
- In our opinion, based on the work undertaken during the course of the audit of the financial statements, the information required by section 1373(2)(a),(b),(e) and (f) of the Companies Act 2014 and regulation 6 of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 is contained in the Corporate Governance Statement.

Corporate Governance Statement

The Listing Rules and ISAs (Ireland) require us to review the directors' statements in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex (the 'Code') specified for our review. Our additional responsibilities with respect to the Corporate Governance Statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Board Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for 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.

In preparing the financial statements, the directors are responsible for assessing the Group's and the 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 the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of banking laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2014. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential for management bias through judgement and assumptions in significant accounting estimates and manual journal entries being recorded in order to affect performance. Audit procedures performed by the engagement team included:

- Discussions with the Board Audit Committee, management and Group Legal including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Reading the meeting minutes of the Board of Directors, Board Audit Committee, Board Risk Committee, Board Remuneration Committee and the Board Nomination & Corporate Governance Committee;
- Consideration of the results of reporting from PwC UK relating to compliance with applicable laws and regulations and procedures performed to address assessed fraud risk;
- Discussions with Group Internal Audit and consideration of internal audit reports in so far as they related to the financial statements;
- Evaluating whether there was evidence of management bias that represents a risk of material misstatement due to fraud;
- Inspection of relevant regulatory correspondence from the Central Bank of Ireland and the ECB Joint Supervisory Team;
- Challenging assumptions and judgements made by management in their accounting estimates, in particular in relation to the matters set out in our key audit matters;
- Applying risk-based criteria to journal entries posted in the audit period to determine journal entries for testing purposes; and
- Designing audit procedures to incorporate elements of unpredictability around the nature and extent of audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report *continued*

Other required reporting

Companies Act 2014 opinions on other matters

- 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 Company financial statements to be readily and properly audited.
- The Company Statement of Financial Position is in agreement with the accounting records.

Other exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

We are required by the Listing Rules to review the six specified elements of disclosures in the report to shareholders by the Board on directors' remuneration. We have no exceptions to report arising from this responsibility.

Prior financial year Non-Financial Statement

We are required to report if the Company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 in respect of the prior financial year. We have nothing to report arising from this responsibility.

Prior financial year Remuneration Report

We are required to report if the Company has not provided the information required by Section 1110N of the Companies Act 2014 in respect of the prior financial year. We have nothing to report arising from this responsibility.

Appointment

We were appointed by the members at the Annual General Meeting on 4 May 2023 to audit the financial statements for the year ended 31 December 2023 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 31 December 2023 to 31 December 2024.

Ronan Doyle
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
4 March 2025

Consolidated Income Statement

for the financial year ended 31 December 2024

	Note	2024 € m	2023 € m
Interest income calculated using the effective interest rate method	4	5,273	4,549
Other interest income and similar income	4	103	96
Interest and similar income	4	5,376	4,645
Interest and similar expense	5	(1,247)	(804)
Net interest income		4,129	3,841
Fee and commission income	3	845	806
Fee and commission expense	3	(164)	(173)
Net trading income	6	50	210
Net gain on other financial assets measured at FVTPL	7	82	30
Net gain/(loss) on derecognition of financial assets measured at amortised cost	8	2	(9)
Other (expense)/income	9	(16)	17
Other income		799	881
Total operating income		4,928	4,722
Operating expenses	10	(1,894)	(1,847)
Impairment and amortisation of intangible assets	23	(224)	(221)
Impairment and depreciation of property, plant and equipment	24	(77)	(74)
Total operating expenses		(2,195)	(2,142)
Operating profit before impairment losses		2,733	2,580
Net credit impairment charge	11	(55)	(172)
Operating profit		2,678	2,408
Income from equity accounted investments	22	26	12
Loss on disposal of business	13	(2)	(26)
Profit before taxation		2,702	2,394
Income tax charge	14	(351)	(336)
Profit for the year		2,351	2,058
Attributable to:			
– Equity holders of the parent		2,354	2,061
– Non-controlling interests		(3)	(3)
Profit for the year		2,351	2,058

Earnings per share			
Basic earnings per ordinary share	35	92.5 c	75.7 c
Diluted earnings per ordinary share	35	92.5 c	75.7 c

Consolidated Statement of Comprehensive Income

for the financial year ended 31 December 2024

	Note	2024 € m	2023 € m
Profit for the year		**2,351**	2,058
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit assets/(liabilities), net of tax	14	**(13)**	(2)
Total items that will not be reclassified subsequently to profit or loss		**(13)**	(2)
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Net change in foreign currency translation reserves, net of tax	14	**69**	57
Net change in cash flow hedges, net of tax	14	**167**	1,182
Net change in fair value of investment debt securities at FVOCI, net of tax	14	**(57)**	(41)
Total items that will be reclassified subsequently to profit or loss when specific conditions are met		**179**	1,198
Other comprehensive income for the year, net of tax		**166**	1,196
Total comprehensive income for the year		**2,517**	3,254
Attributable to:			
– Equity holders of the parent		**2,520**	3,257
– Non-controlling interests		**(3)**	(3)
Total comprehensive income for the year		**2,517**	3,254

Consolidated Statement of Financial Position

as at 31 December 2024

	Note	2024 € m	2023 € m
Assets			
Cash and balances at central banks	44	**37,315**	38,018
Trading portfolio financial assets	15	**136**	93
Derivative financial instruments	16	**2,144**	2,377
Loans and advances to banks	17	**1,321**	1,329
Loans and advances to customers	18	**69,889**	65,491
Securities financing	19	**6,643**	6,466
Investment securities	21	**18,668**	17,353
Investments accounted for using the equity method	22	**348**	310
Intangible assets and goodwill	23	**934**	925
Property, plant and equipment	24	**516**	558
Other assets	25	**475**	260
Current taxation		**21**	17
Deferred tax assets	26	**2,303**	2,581
Prepayments and accrued income		**522**	540
Retirement benefit assets	27	**31**	31
Total assets		**141,266**	136,349
Liabilities			
Deposits by central banks and banks	28	**836**	1,780
Customer accounts	29	**109,883**	104,782
Securities financing	19	**196**	575
Trading portfolio financial liabilities	15	**262**	139
Derivative financial instruments	16	**1,807**	1,902
Debt securities in issue	30	**8,832**	8,423
Lease liabilities	31	**258**	282
Fair value changes of hedged items in portfolio hedges of interest rate risk	16	**64**	—
Current taxation		**2**	1
Deferred tax liabilities	26	**14**	23
Retirement benefit liabilities	27	**9**	14
Other liabilities	32	**1,111**	1,082
Accruals and deferred income		**735**	607
Subordinated liabilities and other capital instruments	33	**1,627**	1,473
Provisions for liabilities and commitments	34	**203**	197
Total liabilities		**125,839**	121,280
Equity			
Share capital	35	**1,455**	1,637
Reserves		**12,742**	12,323
Total shareholders' equity		**14,197**	13,960
Other equity interests	36	**1,239**	1,115
Non-controlling interests		**(9)**	(6)
Total equity		**15,427**	15,069
Total liabilities and equity		**141,266**	136,349

Jim Pettigrew
Chair

Colin Hunt
Chief Executive Officer

Donal Galvin
Chief Financial Officer

Conor Gouldson
Group Company Secretary

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2024

	Note	Attributable to equity holders of parent						
			Reserves					
		Share capital	Revenue	Other	Other equity interests	Total	Non-controlling interests	Total equity
		€ m	€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2024		1,637	15,618	(3,295)	1,115	15,075	(6)	15,069
Profit for the year		—	2,354	—	—	2,354	(3)	2,351
Other comprehensive income	14	—	(13)	179	—	166	—	166
Total comprehensive income for the year		—	2,341	179	—	2,520	(3)	2,517
Transactions with owners, recorded directly in equity								
Issuance of Additional Tier 1 securities	36	—	—	—	620	620	—	620
Buyback of Additional Tier 1 securities	36	—	(5)	—	(496)	(501)	—	(501)
Dividends paid on ordinary shares	50	—	(696)	—	—	(696)	—	(696)
Distributions paid to other equity interests	36	—	(80)	—	—	(80)	—	(80)
Buyback of ordinary shares	35	(182)	(1,502)	182	—	(1,502)	—	(1,502)
Other movements		—	—	—	—	—	—	—
Total transactions with owners		(182)	(2,283)	182	124	(2,159)	—	(2,159)
At 31 December 2024		1,455	15,676	(2,934)	1,239	15,436	(9)	15,427

Other reserves comprise the following:

	Note	Capital reserves	Merger reserves	Capital redemption reserves	Revaluation reserves	Investment securities reserves	Cash flow hedging reserves	Foreign currency translation reserves	Total
		€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2024		1,133	(3,622)	73	12	(77)	(288)	(526)	(3,295)
Profit for the year		—	—	—	—	—	—	—	—
Other comprehensive income	14	—	—	—	—	(57)	167	69	179
Comprehensive income for the year		—	—	—	—	(57)	167	69	179
Transactions with owners, recorded directly in equity									
Buyback of ordinary shares	35	—	—	182	—	—	—	—	182
Other movements		—	—	—	—	—	—	—	—
Transactions with owners		—	—	182	—	—	—	—	182
At 31 December 2024		1,133	(3,622)	255	12	(134)	(121)	(457)	(2,934)

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2023

	Note	Attributable to equity holders of parent						
			Reserves					
		Share capital	Revenue	Other	Other equity interests	Total	Non-controlling interests	Total equity
		€ m	€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2023		1,671	14,004	(4,526)	1,115	12,264	(3)	12,261
Profit for the year		—	2,061	—	—	2,061	(3)	2,058
Other comprehensive income	14	—	(2)	1,198	—	1,196	—	1,196
Total comprehensive income for the year		—	2,059	1,198	—	3,257	(3)	3,254
Transactions with owners, recorded directly in equity								
Issuance of Additional Tier 1 securities	36	—	—	—	—	—	—	—
Buyback of Additional Tier 1 securities	36	—	—	—	—	—	—	—
Dividends paid on ordinary shares	50	—	(166)	—	—	(166)	—	(166)
Distributions paid to other equity interests	36	—	(65)	—	—	(65)	—	(65)
Buyback of ordinary shares	35	(34)	(215)	34	—	(215)	—	(215)
Other movements		—	1	(1)	—	—	—	—
Total transactions with owners		(34)	(445)	33	—	(446)	—	(446)
At 31 December 2023		1,637	15,618	(3,295)	1,115	15,075	(6)	15,069

Other reserves comprise the following:

	Note	Capital reserves	Merger reserves	Capital redemption reserves	Revaluation reserves	Investment securities reserves	Cash flow hedging reserves	Foreign currency translation reserves	Total
		€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2023		1,133	(3,622)	39	13	(36)	(1,470)	(583)	(4,526)
Profit for the year		—	—	—	—	—	—	—	—
Other comprehensive income	14	—	—	—	—	(41)	1,182	57	1,198
Comprehensive income for the year		—	—	—	—	(41)	1,182	57	1,198
Transactions with owners, recorded directly in equity									
Buyback of ordinary shares	35	—	—	34	—	—	—	—	34
Other movements		—	—	—	(1)	—	—	—	(1)
Transactions with owners		—	—	34	(1)	—	—	—	33
At 31 December 2023		1,133	(3,622)	73	12	(77)	(288)	(526)	(3,295)

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2024

	Note	2024 € m	2023 € m
Cash flows from operating activities			
Profit before taxation for the year		**2,702**	2,394
Adjustments for:			
– Non-cash and other items	45	**1,023**	984
– Change in operating assets	45	**(4,176)**	(6,291)
– Change in operating liabilities	45	**3,938**	2,146
– Taxation paid		**(62)**	(71)
Net cash flow from operating activities[1]		**3,425**	(838)
Cash flows from investing activities			
Purchase of investment securities	21	**(4,081)**	(3,199)
Proceeds from sales, redemptions and maturity of investment securities	21	**3,241**	2,713
Additions to property, plant and equipment	24	**(25)**	(34)
Disposal of property, plant and equipment		**5**	7
Additions to intangible assets	23	**(232)**	(206)
Acquisition of subsidiaries		**—**	(6)
Investments accounted for using the equity method	22	**(37)**	(125)
Dividends received from associated undertakings	22	**25**	—
Net cash flow from investing activities		**(1,104)**	(850)
Cash flows from financing activities			
Proceeds on issue of other equity interests	36	**620**	—
Repurchase of other equity interests	36	**(501)**	—
Proceeds on issue of debt securities[2]	30	**923**	2,431
Maturity of debt securities[2]		**(1,680)**	(382)
Proceeds on issue of subordinated liabilities	33	**650**	—
Repurchase and redemption of subordinated liabilities	33	**(565)**	—
Dividends paid on ordinary shares	50	**(696)**	(166)
Buyback of ordinary shares	35	**(1,502)**	(215)
Distributions paid to other equity interests	36	**(80)**	(65)
Repayment of lease liabilities		**(34)**	(35)
Interest paid on debt securities[2]		**(350)**	(204)
Interest paid on subordinated liabilities and other capital instruments		**(34)**	(38)
Net cash flow from financing activities		**(3,249)**	1,326
Change in cash and cash equivalents		**(928)**	(362)
Opening cash and cash equivalents		**39,041**	39,316
Effect of exchange translation adjustments		**214**	87
Closing cash and cash equivalents	44	**38,327**	39,041

1. Net cash flow from operating activities, including the impact of related cash flow hedges, includes interest received of € 5,354 million (2023: € 4,499 million) and interest paid of € 466 million (2023: € 137 million).
2. Relates to debt securities classified at origination as MREL.

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1 Accounting policies

The material accounting policies that the Group applied in the preparation of the financial statements are set out in this section. The Group, as a pillar bank with diverse stakeholder groups, has considered both quantitative and qualitative factors (including the complexity of its financial statements and the range of users of its financial statements) in its assessment of which accounting policies to disclose as material.

(a) Reporting entity

AIB Group plc ('the parent company' or 'the Company') is a company domiciled in Ireland. The address of the Company's registered office is 10 Molesworth Street, Dublin 2, Ireland. AIB Group plc is registered under the Companies Act 2014 as a public limited company under the company number 594283 and is the holding company of the Group.

The consolidated financial statements for the year ended 31 December 2024 include the financial statements of AIB Group plc and its subsidiary undertakings, collectively referred to as 'AIB Group' or 'the Group', where appropriate, including certain structured entities and the Group's interest in associates/joint ventures using the equity method of accounting and are prepared to the end of the financial period. The Group is and has been primarily involved in retail and corporate banking.

(b) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (collectively 'IFRSs') as adopted by the European Union ('EU') and applicable for the financial year ended 31 December 2024. The consolidated financial statements also comply with those parts of the Companies Act 2014 and the European Union (Credit Institutions: Financial Statements) Regulations 2015 applicable to companies reporting under IFRS, and the Asset Covered Securities Acts 2001 and 2007 and Article 4 of the IAS Regulation. The accounting policies have been consistently applied by Group entities and are consistent with the previous year, unless otherwise described.

(c) Basis of preparation

Functional and presentation currency

The financial statements are presented in Euro, which is the functional currency of the parent company and a significant number of its subsidiaries, rounded to the nearest million.

Basis of measurement and presentation

The financial statements have been prepared under the historical cost basis, with the exception of the following assets and liabilities which are stated at their fair value: derivative financial instruments, financial instruments at fair value through profit or loss, certain hedged financial assets and financial liabilities and investment securities at fair value through other comprehensive income ('FVOCI'). The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, other than portfolio hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

The financial statements comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, and the consolidated statement of changes in equity together with the related notes. The financial statements include the information that is described as being an integral part of the audited financial statements contained in: (i) Sections 2.1, 2.2, 2.3 and 2.4 of the Risk Management Report as described further on page 179 and (ii) the Directors' remuneration section of the Corporate Governance Remuneration Statement as described further on pages 163 and 165.

Change in presentation for certain items in the primary statements

The Group has changed the presentation of reserves in the consolidated statement of changes in equity to better align with the presentation in the consolidated statement of financial position. The related comparatives for 2023 have been re-presented.

Change in presentation for certain notes to the financial statements

(i) Segmental information

The Group has changed the presentation in note 3 following the introduction of the new Climate Capital segment. The related comparatives for 2023 have been re-presented. For further information, please refer to page 283.

The Group has also changed the description of certain line items in the 'Net fee and commission income' table in note 3 to more appropriately reflect the nature of the fee and commission income and expenses. 'Foreign exchange fees' was changed to 'customer related foreign exchange', 'credit related fees' was changed to 'lending related fees', 'specialised payment services fees' was changed to 'specialised payment services fees (Payzone)' and 'specialised payment services expenses' was changed to 'specialised payment services expenses (Payzone)'.

(ii) Derivative financial instruments

In 2024 the Group revised the maturity analysis disclosure to better align it with the current maturity profile of the Group's hedging instruments. The related comparatives for 2023 have been re-presented.

(iii) Provisions for liabilities and commitments

The Group has presented legal claims, customer redress and other provisions as separate classes of provisions in 2024. Belfry related provisions, the FSPO provision and other individually immaterial customer redress provisions (which were previously presented within other provisions) are now all presented as customer redress provisions. The related comparatives for 2023 have been re-presented. The Group has also changed the description of the related line item in the operating expenses note from 'restitution and associated costs' to 'customer redress'.

(iv) Credit risk

The Group has changed the presentation of certain credit risk tables. The related comparatives for 2023 have been re-presented. For further information please refer to 'Post model adjustments' on page 200 and 'Indexed loan-to-value ratios of the Group's residential mortgage portfolio' on page 221.

Adoption of new accounting policies

The Group commenced portfolio fair value hedging to hedge on-demand deposits and current accounts with low/zero fixed interest rates and entered into a credit risk transfer transaction in 2024. The policies are described in '(o) derivatives and hedge accounting' and '(s) financial guarantees and loan commitment contracts' respectively.

Use of judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Since management's judgement may involve making estimates concerning the likelihood of future events, the actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. The judgements that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year relate to:

- Impairment of financial assets;
- Deferred taxation;
- Retirement benefit obligations; and
- Provisions for liabilities and commitments.

A description of these judgements and estimates is set out in note 2.

1 Accounting policies *continued*

(c) Basis of preparation *continued*

Consideration of climate change
In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified in the 'Sustainability Statement' in this Annual Financial Report. There has been no material impact identified on the financial reporting judgements and estimates of the Group. In particular, the Directors considered the impact of climate change in respect of the following areas:

- **Credit risk:** The impact of climate risk on the management, escalating and reporting of credit risk was considered by the Group. There is currently no reasonable and supportable information that indicates a material impact of climate change on estimated credit losses ('ECL') at a macro level and the Group's approach to individual counterparty risk assessment adequately captures climate risk where appropriate.
- **Going concern and viability:** The assessment of the group's going concern and viability over the next three years did not identify material climate-related risks, both in terms of our decarbonisation commitments and the physical risks from climate change. This is set out in further detail on page 171.
- **Provisions and contingent liabilities:** The Group's publicly announced commitment to reduce absolute Scope 1 greenhouse gas ('GHG') emissions 34% by 2027 from a 2019 base year and to increase annual sourcing of renewable electricity from 1% in 2019 to 100% by 2030 are not considered a constructive obligation or a contingent liability. The timeframe allows opportunities for the Group to evolve its plans for how the decarbonisation strategy will be met and therefore the Group should not currently recognise a provision or a contingent liability in relation to its commitment (i.e. as the Group does not have an obligation as a result of a past event). IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* sets out that it is only those obligations arising from past events existing independently of an entity's future actions that are recognised as provisions or disclosed as contingent liabilities.
- **Impairment of non-financial assets:** The Group applies the requirements of IAS 36 *Impairment of Assets* in assessing whether impacted assets are impaired at a reporting date. The Group has a robust process to identify assets that may be impaired which requires the identification of all material potential impairment triggers including identification of climate related impairment triggers. The Group's impairment charge for 2024 includes the impact of the Greener Branches Refurbishments Programme to improve branch and office buildings' energy efficiency. In addition, the Group's published decarbonisation commitments do not impact the useful lives of the Group's impacted assets as the Group proposes to replace impacted assets as their useful lives expire. In 2024, the Group continued our phased approach to transitioning our fleet, which is on track for full electrification by 2027.

Going concern
The financial statements for the year ended 31 December 2024 have been prepared on a going concern basis as the Directors are satisfied, having considered the risks and uncertainties impacting the Group, that it has the ability to continue in business for the period of assessment. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions. This includes capital forecasts and internally generated stress scenarios to take account of geopolitical risks, the impacts of inflation, increased interest rates and related impacts on unemployment and property prices. The period of assessment used by the Directors is at least 12 months from the date of approval of these annual financial statements.

(d) Basis of consolidation – Notes 13, 22 and 40

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries including controlled structured entities.

Subsidiary undertakings
Subsidiary undertakings are all entities (including structured entities) over which the group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary undertakings are fully consolidated from the date on which control is transferred to the Group. They are derecognised from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been updated where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and consolidated statement of financial position respectively.

If the Group loses control over a subsidiary undertaking, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss.

Investments accounted for using the equity method
The Group's investments accounted for using the equity method comprise its investments in associates and joint ventures.

An associated undertaking is an entity over 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 can be clearly demonstrated that this is not the case.

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.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Since the goodwill that forms part of the carrying amount of the investment in an associate is not recognised separately, it is, therefore, not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

1 Accounting policies *continued*

(e) Foreign currency translation
Items included in the financial statements of each of the Group's entities are measured using their functional currency, being the currency of the primary economic environment in which the entity operates.

Transactions and balances
Foreign currency transactions are translated into the respective entity's functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate prevailing at the period-end. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Exchange differences on equities and similar non-monetary items held at fair value through profit or loss are reported as part of the fair value gain or loss. Exchange differences on a financial instruments designated as a hedge of the net investment in a foreign operation are reported in other comprehensive income.

Foreign operations
The results and financial position of all Group entities that have a functional currency different from the Euro are translated into Euro as follows:
- Assets and liabilities including goodwill and fair value adjustments arising on consolidation of foreign operations are translated at the closing rate;
- Income and expenses are translated into Euro at the average rates of exchange during the period where these rates approximate to the foreign exchange rates ruling at the dates of the transactions;
- Foreign currency translation differences are recognised in other comprehensive income; and
- Since 1 January 2004, the Group's date of transition to IFRS, all such exchange differences are included in the foreign currency cumulative translation reserve within shareholders' equity. When a foreign operation is disposed of in full, the relevant amount of this reserve is transferred to the income statement. When a subsidiary is partly disposed, the relevant proportion of foreign currency translation reserve is re-attributed to the non-controlling interest. In the case of a partial disposal, a pro-rata amount of the foreign currency cumulative translation reserve is transferred to the income statement. A partial disposal is also considered to have occurred when a formal decision has been made to wind down an entity and where capital is being repaid but there has not been a reduction in the Group's overall percentage holding.

(f) Interest income and expense recognition – Notes 4 and 5
Interest income and expense is recognised in the income statement using the effective interest rate method.

Effective interest rate
The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:
- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

The application of the method has the effect of recognising income receivable and expense payable on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating the effective interest rate for financial instruments, the Group estimates cash flows (using projections based on its experience of customers' behaviour) considering all contractual terms of the financial instrument but excluding expected credit losses (except, in the case of POCI financial assets where expected credit losses are included in the calculation of a credit-adjusted effective interest rate). The calculation takes into account all fees, including those for any expected early redemption, and points paid or received between parties to the contract that are an integral part of the effective interest rate, as well as transaction costs and all other premiums and discounts.

All costs associated with mortgage incentive schemes are included in the effective interest rate calculation. Fees and commissions payable to third parties in connection with lending arrangements, where these are direct and incremental costs related to the issue of a financial instrument, are included in interest income as part of the effective interest rate.

Amortised cost and gross carrying amount
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The gross carrying amount of a financial asset is the amortised cost before adjusting for any loss allowance.

Calculation of interest income and interest expense
In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability.

For financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, the calculation of interest income reverts to the gross basis.

However, for financial assets that were credit impaired on initial recognition, interest income is calculated by applying the credit adjusted effective interest rate to the amortised cost of the financial asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

When a financial asset is no longer credit impaired or has been repaid in full (i.e. cured without financial loss), the Group presents previously unrecognised interest income as a reversal of credit impairment/ recovery of amounts previously written-off.

Interest income and expense on financial assets and liabilities classified as held for trading or at fair value through profit or loss ('FVTPL') is recognised in 'other interest income and similar income' or 'interest expense' in the income statement, as applicable.

1 Accounting policies *continued*

(f) Interest income and expense recognition *continued*

Presentation

Interest income and expense presented in the consolidated income statement include:

- Interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest rate basis;
- Interest on investment debt securities measured at FVOCI calculated on an effective interest rate basis;
- Net interest income and expense on qualifying hedge derivatives designated as cash flow hedges or fair value hedges which are recognised in interest income or interest expense;
- Net interest income or expense on derivatives that are held with hedging intent, but for which hedge accounting is not applied;
- Interest income and funding costs of trading portfolio financial assets;
- Interest income and expense on leases and hire purchase contracts; and
- Interest income on financial assets at FVTPL.

(g) Fee and commission income – Note 3

The measurement and timing of recognition of fee and commission income is based on the core principles of IFRS 15 *Revenue from Contracts with Customers*.

Fee and commission income is recognised when the performance obligation in the contract has been performed, either at a 'point in time' or 'over time' if the performance obligation is performed over a period of time unless the income has been included in the effective interest rate calculation.

The Group includes in the transaction price, some or all of an amount of variable consideration estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The majority of the Group's fee and commission income arises from retail banking activities. Loan syndication fees are recognised as revenue when the syndication has been completed and the Group has retained no part of the loan package for itself or retained a part at the same effective interest rate as applicable to the other participants.

Customer related foreign exchange is fee income that is derived from arranging foreign exchange transactions on behalf of customers. Such income is recognised when the individual performance obligation has been fulfilled.

Portfolio and other management advisory and service fees are recognised based on the applicable service contracts. Asset management fees relating to investment funds are recognised over time in line with the performance obligation. The same principle is applied to the recognition of income from wealth management, financial planning and custody services that are continuously provided over an extended period of time.

Commitment fees together with related direct costs, for loan facilities where drawdown is probable, are deferred and recognised as an adjustment to the effective interest rate on the loan once drawn. Commitment fees in relation to facilities where drawdown is not probable are recognised over the term of the commitment on a straight line basis. Other lending related fees are recognised over time in line with the performance obligation except for arrangement fees where it is likely that the facility will be drawn down, and which are included in the effective interest rate calculation.

Fee income and fee expenses in respect of services and prepaid credits for cellular phone and utilities sold to third parties are classified as specialised payment services fees (Payzone) and are recognised when the performance obligation is satisfied.

(h) Employee benefits – Note 27

Retirement benefit obligations

The Group provides employees with post-retirement benefits mainly in the form of pensions.

The Group operates a number of retirement benefit schemes including defined benefit and defined contribution schemes. This includes benefits for some members accrued from 2007 to 2013 under a hybrid scheme arrangement that had both defined benefit and defined contribution elements. In addition, the Group contributes, according to local law in the various countries in which it operates, to governmental and other schemes which have the characteristics of defined contribution schemes.

Full actuarial valuations of defined benefit schemes are undertaken every three years and are updated to reflect current conditions at each year end reporting date.

Scheme assets are measured at fair value determined by using current bid prices, except for insurance policies acquired as part of a buy in. If the policies are qualifying policies under IAS 19 *Employee Benefits* and if the timing and amount of payments under the policies exactly match some or all of the benefits payable under the scheme, then the present value of the related obligation is determined and is deemed to be the fair value of the insurance policies to be included in plan assets.

Scheme liabilities are measured on an actuarial basis by estimating the amount of future benefit that employees have earned for their service in current and prior periods and discounting that benefit at the market yield on a high-quality corporate bond of equivalent term and currency to the liability. The calculation is performed by a qualified actuary using the projected unit credit method. The difference between the fair value of the scheme assets and the present value of the defined benefit obligation at the year end reporting date is recognised in the statement of financial position. Schemes in surplus are shown as assets and schemes in deficit, together with unfunded schemes, are shown as liabilities. A surplus is only recognised as an asset to the extent that it is recoverable through a refund from the scheme or through reduced contributions in the future. Actuarial gains and losses are recognised immediately in other comprehensive income.

The cost of providing defined benefit pension schemes to employees, comprising the net interest on the net defined benefit liability/(asset), calculated by applying the discount rate to the net defined benefit liability/(asset) at the start of the annual reporting period, taking into account contributions and benefit payments during the period, is charged to the income statement within personnel expenses.

Remeasurements of the net defined benefit liability/(asset), comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability/(asset)) are recognised in other comprehensive income. Amounts recognised in other comprehensive income in relation to remeasurements of the net defined benefit liability/(asset) will not be reclassified to profit or loss in a subsequent period.

1 Accounting policies *continued*

(h) Employee benefits *continued*

The Group recognises the effect of an amendment to a defined benefit scheme when the plan amendment occurs, which is when the Group introduces or withdraws a defined benefit scheme, or changes the benefits payable under existing defined benefit schemes. A curtailment is recognised when a significant reduction in the number of employees covered by a defined benefit scheme occurs. A settlement is a transaction that eliminates all further legal or constructive obligations for part or all of the benefits provided under a defined benefit scheme. Gains or losses on plan amendments, curtailments and settlements are recognised in the income statement.

Changes with regard to benefits payable to retirees which represent a constructive obligation under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* are accounted for as a past service cost. These are recognised in the income statement.

The costs of managing the defined benefit scheme assets are deducted from the return on scheme assets. All costs of running the defined benefit schemes are recognised in the income statement when they are incurred.

The cost of the Group's defined contribution schemes is charged to the income statement in the accounting period in which it is incurred. Any contributions unpaid at the year end reporting date are included as a liability. The Group has no further obligation under these schemes once these contributions have been paid.

Short term employee benefits

Short term employee benefits, such as salaries and other benefits, are accounted for on an accruals basis over the period during which employees have provided services. Bonuses are recognised to the extent that the Group has a legal or constructive obligation to its employees that can be measured reliably.

(i) Income tax, including deferred income tax – Notes 14 and 26

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income. Income tax relating to items in equity is recognised directly in equity. However, the income tax consequences of payments on financial instruments that are classified as equity but treated as liabilities for tax purposes are recognised in profit or loss if those payments are distributions of profits previously recognised in profit or loss.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the balance sheet liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates based on legislation enacted or substantively enacted at the reporting date and is expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred income tax assets are recognised when it is probable that future taxable profits will be available against which the temporary differences will be utilised. The deferred tax asset is reviewed at the end of each reporting period and the carrying amount will reflect the extent that it is probable that sufficient taxable profits will be available to allow all of the asset to be recovered.

The tax effects of income tax losses available for carry forward are recognised as an asset to the extent that it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle the current tax assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

The principal temporary differences arise from the depreciation of property, plant and equipment, revaluation of certain financial assets and financial liabilities including derivative contracts, provisions for pensions and other post-retirement benefits, and in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base.

Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, 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. In addition, temporary differences are not provided for assets and liabilities the initial recognition of which, in a transaction that is not a business combination, affects neither accounting nor taxable profit.

Income tax payable on profits arising from investments in subsidiaries and associates, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which the profits arise.

The Group adopted the amendments to IAS 12 by the IASB (International Tax Reform – Pillar Two Model Rules) in 2023. The amendments provide a mandatory temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. Accordingly, the Group has not recognised any changes to its deferred tax assets or liabilities in respect of Pillar Two.

(j) Financial assets – Notes 7, 8, 15, 17, 18, 19, 21, 25 and 42

Recognition and initial measurement

The Group initially recognises financial assets on the trade date, being the date on which the Group commits to purchase the assets. Loan assets are recognised when cash is advanced to borrowers. In a situation where the Group commits to purchase financial assets under a contract which is not considered a regular-way transaction, the assets to be acquired are not recognised until the acquisition contract is settled. In this case, the contract to acquire the financial asset is a derivative that is measured at FVTPL in the period between the trade date and the settlement date.

Financial assets measured at amortised cost or at fair value through other comprehensive income ('FVOCI') are recognised initially at fair value adjusted for direct and incremental transaction costs. Financial assets measured at fair value through profit or loss ('FVTPL') are recognised initially at fair value and transaction costs are taken directly to the income statement.

Derivatives are measured initially at fair value on the date on which the derivative contract is entered into. The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) 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 whose variables include only data from observable markets. Profits or losses are only recognised on the initial recognition of derivatives when there are observable current market transactions or valuation techniques that are based on observable market inputs.

1 Accounting policies *continued*

(j) Financial assets *continued*

Classification and subsequent measurement
On initial recognition, a financial asset is classified and subsequently measured at amortised cost, FVOCI or FVTPL.

The classification and subsequent measurement of financial assets depend on:
- The Group's business model for managing the asset; and
- The cash flow characteristics of the asset (for assets in a 'hold-to-collect' or 'hold-to-collect-and-sell' business model).

Based on these factors, the Group classifies its financial assets into one of the following categories:

– Amortised cost
Assets that have not been designated as at FVTPL, and are held within a 'hold-to-collect' business model whose objective is to hold assets to collect contractual cash flows; and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI'). The carrying amount of these assets is calculated using the effective interest rate method and is adjusted on each measurement date by the expected credit loss allowance for each asset, with movements recognised in profit or loss.

– Fair value through other comprehensive income ('FVOCI')
Assets that have not been designated as at FVTPL, and are held within a 'hold-to-collect-and-sell' business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and whose contractual terms give rise on specified dates to cash flows that are SPPI. Movements in the carrying amount of these assets are taken through other comprehensive income ('OCI'), except for the recognition of credit impairment gains or losses, interest revenue or foreign exchange gains and losses, which are recognised in profit or loss. When a financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss other than in the case of equity instruments designated at FVOCI.

– Fair value through profit or loss ('FVTPL')
Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Gains or losses (excluding interest income or expense) on such assets are recognised in profit or loss on an ongoing basis.

In addition, the Group may irrevocably designate a financial asset as at FVTPL that otherwise meets the requirements to be measured at amortised cost or at FVOCI if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment
The Group makes an assessment of the objective of the business model at a portfolio level, as this reflects how portfolios of assets are managed to achieve a particular objective, rather than management's intentions for individual assets.

The assessment considers the following:
- The strategy for the portfolio as communicated by management;
- How the performance of the portfolio is evaluated and reported to senior management;
- The risks that impact the performance of the business model, and how those risks are managed;
- How managers of the business are compensated (i.e. based on fair value of assets managed or on the contractual cash flows collected); and
- The frequency, value and timing of sales in prior periods, reasons for those sales, and expectations of future sales activity.

Financial assets that are held for trading or managed within a business model that is evaluated on a fair value basis are measured at FVTPL because the business objective is neither hold-to-collect contractual cash flows nor hold-to-collect-and-sell contractual cash flows.

Characteristics of the contractual cash flows
An assessment ('SPPI test') is performed on all financial assets at origination that are held within a 'hold-to-collect' or 'hold-to-collect-and-sell' business model to determine whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset at initial recognition. 'Interest' is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding, for other basic lending risks and costs (i.e. liquidity, administrative costs) and profit margin.

The SPPI test requires an assessment of the contractual terms and conditions to determine whether a financial asset contains any terms that could modify the timing or amount of contractual cash flows of the asset, to the extent that they could not be described as solely payments of principal and interest. In making this assessment, the Group considers:
- Features that modify the time value of money element of interest (e.g. tenor of the interest rate does not correspond with the frequency within which it resets);
- Terms providing for prepayment and extension;
- Leverage features;
- Contingent events that could change the amount and timing of cash flows;
- Terms that limit the Group's claim to cash flows from specified assets; and
- Contractually linked instruments.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in equity instruments
Equity instruments are classified and measured at FVTPL with gains and losses reflected in profit or loss.

(k) Financial liabilities and equity – Notes 15, 28, 29, 30, 32, 33 and 42

The Group categorises financial liabilities as at amortised cost or as at FVTPL.

The Group recognises a financial liability when it becomes party to the contractual provisions of the contract.

Issued financial instruments or their components are classified as liabilities where the substance of the contractual arrangement results in the Group having a present obligation to either deliver cash or another financial asset to the holder, to exchange financial instruments on terms that are potentially unfavourable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares.

Financial liabilities are initially recognised at fair value, being their issue proceeds (fair value of consideration received), net of transaction costs incurred. Financial liabilities are subsequently measured at amortised cost, with any difference between the proceeds net of transaction costs and the redemption value recognised in the income statement using the effective interest rate method.

1 Accounting policies *continued*

(k) Financial liabilities and equity *continued*

Where financial liabilities are classified as trading they are also initially recognised at fair value with the related transaction costs taken directly to the income statement. Gains and losses arising from subsequent changes in fair value are recognised directly in the income statement within net trading income.

Issued financial instruments are classified as equity when the Group has no contractual obligation to transfer cash, or other financial assets or to issue a variable number of its own equity instruments. Incremental costs directly attributable to the issue of equity instruments are shown as a deduction from the proceeds of issue, net of tax.

On the extinguishment of equity instruments, gains or losses arising are recognised net of tax directly in the statement of changes in equity.

(l) Leases – Notes 24 and 31

The Group applies a single recognition and measurement approach for all leases, except for short-term leases of 12 months or less or leases of low-value assets (i.e. the value of the underlying asset, when new, is less than € 5,000/£ 5,000). The Group recognises lease liabilities that represent the present value of lease payments to be made over the lease term and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

(m) Determination of fair value of financial instruments – Note 43

The fair value of a financial instrument 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 market, or in its absence, the most advantageous market to which the Group has access at that date. The Group considers the impact of non-performance risk when valuing its financial liabilities.

Financial instruments are initially recognised at fair value and, with the exception of financial assets at fair value through profit or loss, the initial carrying amount is adjusted for direct and incremental transaction costs. In the normal course of business, the fair value on initial recognition is the transaction price (fair value of consideration given or received). If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is determined by a quoted price in an active market for the same financial instrument, or by a valuation technique which uses only observable market inputs, the difference between the fair value at initial recognition and the transaction price is recognised as a gain or loss. If the fair value is calculated by a valuation technique that features significant market inputs that are not observable, the difference between the fair value at initial recognition and the transaction price is deferred. Subsequently, the difference is recognised in the income statement on an appropriate basis over the life of the financial instrument, but no later than when the valuation is supported by wholly observable inputs; the transaction matures; or is closed out.

Subsequent to initial recognition, the methods used to determine the fair value of financial instruments include quoted prices in active markets where those prices are considered to represent actual and regularly occurring market transactions. Where quoted prices are not available or are unreliable because of market inactivity, fair values are determined using valuation techniques.

Quoted prices in active markets

Quoted market prices are used where those prices are considered to represent actual and regularly occurring market transactions for financial instruments in active markets.

Valuations for negotiable instruments such as debt and equity securities are determined using bid prices for asset positions and ask prices for liability positions.

Where securities are traded on an exchange, the fair value is based on prices from the exchange. The market for debt securities largely operates on an 'over-the-counter' basis which means that there is not an official clearing or exchange price for these security instruments. Therefore, market makers and/or investment banks ('contributors') publish bid and ask levels which reflect an indicative price that they are prepared to buy and sell a particular security. The Group's valuation policy requires that the prices used in determining the fair value of securities quoted in active markets must be sourced from established market makers and/or investment banks.

Valuation techniques

In the absence of quoted market prices, and in the case of over-the-counter derivatives, fair value is calculated using valuation techniques. These valuation techniques maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The valuation techniques used incorporate the factors that market participants would take into account in pricing a transaction. Valuation techniques include the use of recent orderly transactions between market participants, reference to other similar instruments, option pricing models, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Fair value may be estimated using quoted market prices for similar instruments, adjusted for differences between the quoted instrument and the instrument being valued. Where the fair value is calculated using discounted cash flow analysis, the methodology is to use, to the greatest extent possible, market data that is either directly observable or is implied from instrument prices, such as interest rate yield curves, equities and commodities prices, credit spreads, option volatilities and currency rates. In addition, the Group considers the impact of own credit risk and counterparty risk when valuing its derivative liabilities.

1 Accounting policies *continued*

(m) Determination of fair value of financial instruments *continued*

The valuation methodology is to calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. The assumptions involved in these valuation techniques include:

- The likelihood and expected timing of future cash flows of the instrument. These cash flows are generally governed by the terms of the instrument, although management judgement may be required when the ability of the counterparty to service the instrument in accordance with the contractual terms is in doubt. In addition, future cash flows may also be sensitive to the occurrence of future events, including changes in market rates; and
- Selecting an appropriate discount rate for the instrument, based on the interest rate yield curves including the determination of an appropriate spread for the instrument over the risk-free rate. The spread is adjusted to take into account the specific credit risk profile of the exposure.

All adjustments in the calculation of the present value of future cash flows are based on factors market participants would take into account in pricing the financial instrument. Certain financial instruments (both assets and liabilities) may be valued on the basis of valuation techniques that feature one or more significant market inputs that are not observable. When applying a valuation technique with unobservable data, estimates are made to reflect uncertainties in fair values resulting from a lack of market data, for example, as a result of illiquidity in the market. For these instruments, the fair value measurement is less reliable. Inputs into valuations based on non-observable data are inherently uncertain because there is little or no current market data available from which to determine the price at which an orderly transaction between market participants would occur under current market conditions. However, in most cases there is some market data available on which to base a determination of fair value, for example historical data, and the fair values of most financial instruments will be based on some market observable inputs even where the non-observable inputs are significant. All unobservable inputs used in valuation techniques reflect the assumptions market participants would use when fair valuing the financial instrument.

The Group tests the outputs of the valuation model to ensure that it reflects current market conditions. The calculation of fair value for any financial instrument may require adjustment of the quoted price or the valuation technique output to reflect the cost of credit risk and the liquidity of the market, if market participants would include one, where these are not embedded in underlying valuation techniques or prices used.The choice of contributors, the quality of market data used for pricing and the valuation techniques used are all subject to internal review and approval procedures.

(n) Sale and repurchase agreements (including securities borrowing and lending) – Notes 19 and 41

Financial assets may be lent or sold subject to a commitment to repurchase them (‘repos’). Such securities are retained on the statement of financial position when substantially all the risks and rewards of ownership remain with the Group. The liability to the counterparty is included separately on the statement of financial position. Similarly, when securities are purchased subject to a commitment to resell (‘reverse repos’), or where the Group borrows securities, but does not acquire the risks and rewards of ownership, the transactions are treated as collateralised loans, and the securities are not usually included in the statement of financial position. The exception to this is where these are sold to third parties, at which point the obligation to repurchase the securities is recorded as a trading liability at fair value and any subsequent gain or loss included in trading income. The difference between the sale and repurchase price is accrued over the life of the agreements using the effective interest rate method. Securities lent to counterparties are also retained in the financial statements.

(o) Derivatives and hedge accounting – Note 16

Derivatives, such as interest rate swaps, options and forward rate agreements, futures, currency swaps and options, credit and equity derivatives are used for trading purposes whereas interest rate swaps, currency swaps, cross currency interest rate swaps and credit derivatives are used for hedge accounting purposes.

The Group maintains trading positions in a variety of financial instruments including derivatives. Trading transactions arise both as a result of activity generated by customers and from proprietary trading with a view to generating incremental income.

Non-trading derivative transactions comprise transactions held for hedging purposes as part of the Group’s risk management strategy against assets, liabilities, positions and cash flows.

Derivatives are measured initially at fair value on the date on which the derivative contract is entered into and subsequently remeasured at fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and from valuation techniques using discounted cash flow models and option pricing models as appropriate. Derivatives are included in assets when their fair value is positive, and in liabilities when their fair value is negative, unless there is the legal ability and intention to settle an asset and liability on a net basis.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) 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 whose variables include only data from observable markets.

Profits or losses are only recognised on initial recognition of derivatives when there are observable current market transactions or valuation techniques that are based on observable market inputs.

Hedging

The Group avails of the hedge accounting requirements of IAS 39 *Financial Instruments: Recognition and Measurement* ('IAS 39') as adopted by the EU, until portfolio hedge accounting is addressed by the IASB, as permitted as an accounting policy choice under IFRS 9.

All derivatives are carried at fair value and the accounting treatment of the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Where derivatives are held for risk management purposes, and where transactions meet the criteria specified in IAS 39, the Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or firm commitments (‘fair value hedge’); or
- Hedges of the exposure to variability of cash flows attributable to a recognised asset or liability, or a highly probable forecasted Transaction (‘cash flow hedge’); or
- Hedges of a net investment in a foreign operation.

Notes to the Consolidated Financial Statements *continued*

1 Accounting policies *continued*

(o) Derivatives and hedge accounting *continued*

When a financial instrument is designated as a hedge, the Group formally documents the relationship between the hedging instrument and hedged item as well as its risk management objectives and its strategy for undertaking the various hedging 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 the hedged items.

The Group discontinues hedge accounting when:
(a) it is determined that a derivative is not, or has ceased to be, highly effective as a hedge;
(b) the derivative expires, or is sold, terminated, or exercised;
(c) the hedged item matures or is sold or repaid; or
(d) a forecast transaction is no longer deemed highly probable.

To the extent that the changes in the fair value of the hedging derivative differ from changes in the fair value of the hedged risk in the hedged item, or the cumulative change in the fair value of the hedging derivative differs from the cumulative change in the fair value of expected future cash flows of the hedged item, ineffectiveness arises. The amount of ineffectiveness, taking into account the timing of the expected cash flows where relevant, provided that it is not so great as to disqualify the entire hedge for hedge accounting, is recorded in the income statement.

In certain circumstances, the Group may decide to cease hedge accounting even though the hedge relationship continues to be highly effective by no longer designating the financial instrument as a hedge.

Fair value hedge accounting
Changes in fair value of derivatives that qualify and are designated as fair value hedges are recorded in the income statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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 aggregated fair value changes in the portfolio of hedged items are recognised in a single separate line item within liabilities when the hedged portfolio consists of liabilities, or within assets when the hedged portfolio consists of assets.

If the hedge no longer meets the criteria for hedge accounting, the fair value hedging adjustment, for items carried at amortised cost, is amortised to profit or loss using the effective interest rate method over the remaining maturity of the hedged item for micro hedges, and on a straight-line basis over the relevant repricing period for macro hedges. For debt securities measured at FVOCI, the fair value adjustment for hedged items is recognised in the income statement using the effective interest rate method.

When a hedged item held at amortised cost that is designated in a micro fair value hedge or included in the repricing time-period of a portfolio hedge is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement.

Cash flow hedge accounting
The Group enters into portfolio cash flow hedges. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is initially recognised directly in other comprehensive income and included in the cash flow hedging reserve in the statement of changes in equity. The amount recognised in other comprehensive income is reclassed to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of comprehensive income. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement immediately.

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 recognised in other comprehensive income from the time when the hedge was effective remains in equity and is reclassified to the income statement as a reclassification adjustment as the forecast transaction affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income from the period when the hedge was effective is reclassified to the income statement.

Net investment hedge
Hedges of net investments in foreign operations, including monetary items that are accounted for as part of the net investment, are accounted for similarly to cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income and the ineffective portion is recognised immediately in the income statement. The cumulative gain or loss previously recognised in other comprehensive income is recognised in the income statement on the disposal or partial disposal of the foreign operation. Hedges of net investments may include non-derivative liabilities as well as derivative financial instruments.

Derivatives that do not qualify for hedge accounting
Certain derivative contracts entered into as economic hedges do not qualify for hedge accounting and are classified as trading derivatives. Changes in the fair value of these derivative instruments are recognised immediately in the income statement.

(p) Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Relevant costs incurred with the disposal of a financial asset are deducted in computing the gain or loss on disposal.

Any interest in transferred financial assets that qualify for derecognition, that is created or retained by the Group, is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities sold under agreements to repurchase.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate or is less than adequate for performing the servicing.

1 Accounting policies *continued*

(p) Derecognition *continued*

The write-off of a financial asset constitutes a derecognition event. Where a financial asset is partially written-off, and the portion written-off comprises specifically identified cash flows, this will constitute a derecognition event for that part written-off.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Any gain or loss on the extinguishment or remeasurement of a financial liability is recognised in profit or loss.

(q) Impairment of financial assets – Notes 11, 20 and 34

The Group recognises loss allowances for expected credit losses at each balance sheet date for the following financial instruments that are not measured at FVTPL:

- Financial assets at amortised cost;
- Financial assets at FVOCI (except for equity instruments);
- Lease receivables;
- Financial guarantee contracts issued; and
- Loan commitments issued.

Investments in equity instruments are recognised at fair value and accordingly, expected credit losses ('ECLs') are not recognised separately for equity instruments.

ECLs are the weighted average of credit losses. When measuring ECLs, the Group takes into account:

- Probability-weighted outcomes;
- The time value of money so that ECLs are discounted to the reporting date; 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.

The amount of ECLs recognised as a loss allowance depends on the extent of credit deterioration since initial recognition. There are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items as long as there is no significant deterioration in credit quality since initial recognition; and
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The 12 month ECL is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL is the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In the case of Stage 2, credit risk on the financial instrument has increased significantly since initial recognition but the instrument is not considered credit impaired. For a financial instrument in Stage 3, credit risk has increased significantly since initial recognition and the instrument is considered credit impaired.

Financial assets are allocated to stages dependent on credit quality relative to when the asset was originated.

A financial asset can only originate in either Stage 1 or as purchased or originated credit impaired ('POCI'). The ECL held against an asset depends on a number of factors, one of which is its stage allocation. Assets allocated to Stage 2 and Stage 3 have lifetime ECLs. Collateral and other credit enhancements are not considered as part of stage allocation. Collateral is reflected in the Group's loss given default models ('LGD').

Purchased or originated credit impaired

POCI financial assets are those that are credit-impaired on initial recognition. The Group may originate a credit-impaired financial asset following a substantial modification of a distressed financial asset that resulted in derecognition of the original financial asset.

POCIs are financial assets originated credit impaired that have a discount to the contractual value when measured at fair value. The Group uses an appropriate discount rate for measuring ECL in the case of POCIs which is the credit-adjusted EIR. This rate is used to discount the expected cash flows of such assets to fair value on initial recognition.

POCIs remain outside of the normal stage allocation process for the lifetime of the obligation. The ECL for POCIs is always measured at an amount equal to lifetime expected credit losses. The amount recognised as a loss allowance for these assets is the cumulative changes in lifetime expected credit losses since the initial recognition of the assets rather than the total amount of lifetime expected credit losses.

At each reporting date, the Group recognises the amount of the change in lifetime expected credit losses as a credit impairment gain or loss in the income statement. Favourable changes in lifetime expected credit losses are recognised as a credit impairment gain, even if the favourable changes exceed the amount previously recognised in profit or loss as a credit impairment loss.

Modification

From time to time, the Group will modify the original terms of a customer's loan either as part of the ongoing relationship or arising from changes in the customer's circumstances such as when that customer is unable to make the agreed original contractual repayments.
A modification refers to either:

- A change to the previous terms and conditions of a debt contract; or
- A total or partial refinancing of a debt contract.

Modifications may occur for both customers in distress and for those not in distress. Any financial asset that undergoes a change or renegotiation of cash flows and is not derecognised is a modified financial asset.

When modification does not result in derecognition, the modified assets are treated as the same continuous lending agreement and a modification gain or loss is taken to profit or loss immediately. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at the financial asset's original effective interest rate. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

The stage allocation for modified assets which are not derecognised is by reference to the credit risk at initial recognition of the original, unmodified contractual terms i.e. the date of initial recognition is not reset.

Where renegotiation of the terms of a financial asset leads to a customer granting equity to the Group in exchange for any loan balance outstanding, the new instrument is recognised at fair value with any difference to the loan carrying amount recognised in the income statement.

Derecognition occurs if a modification or restructure is substantial on a qualitative or quantitative basis. Accordingly, certain forborne assets are derecognised. The modified/restructured asset (derecognised forborne asset ('DFA')) is considered a 'new financial instrument' and the date that the new asset is recognised is the date of initial recognition from this point forward. DFAs are allocated to Stage 1 on origination and follow the normal staging process thereafter.

1 Accounting policies *continued*

(q) Impairment of financial assets *continued*

If there is evidence of credit impairment at the time of initial recognition of a DFA, the asset is deemed to be a POCI. POCIs are not allocated to stages but are assigned a lifetime PD and ECL for the duration of the obligation's life. Where the modification/restructure of a non-forborne credit obligation results in derecognition, the new loan is originated in Stage 1 and follows the normal staging process thereafter.

Collateralised financial assets – Repossessions

The ECL calculation for a collateralised financial asset reflects the cash flows that may result from foreclosure, costs for obtaining and settling the collateral, and whether or not foreclosure is probable.

For loans that are credit impaired, the Group may repossess collateral previously pledged as security in order to achieve an orderly realisation of the loan. The Group will then offer this repossessed collateral for sale. However, if the Group believes the proceeds of the sale will comprise only part of the recoverable amount of the loan with the customer remaining liable for any outstanding balance, the loan continues to be recognised and the repossessed asset is not recognised. However, if the Group believes that the sale proceeds of the asset will comprise all or substantially all of the recoverable amount of the loan, the loan is derecognised and the acquired asset is accounted for in accordance with the applicable accounting standard. Any further impairment of the repossessed asset is treated as an impairment of that asset and not as a credit impairment of the original loan.

Financial assets at FVOCI

The ECL allowance for financial assets measured at FVOCI does not reduce the carrying amount in the statement of financial position because the carrying amount of these assets is fair value. However, an amount equal to the ECL allowance that would arise if the assets were measured at amortised cost is recognised in other comprehensive income ('OCI') as an accumulated credit impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit or loss upon derecognition of the assets (together with other accumulated gains and losses in OCI).

Write-offs and debt forgiveness

The Group reduces the gross carrying amount of a financial asset either partially or fully when there is no reasonable expectation of recovery.

Where there is no formal debt forgiveness agreed with the customer, the Group may write off a loan either partially or fully when there is no reasonable expectation of recovery. This is considered a non-contracted write-off. In this case, the borrower remains fully liable for the credit obligation and is not advised of the write-off.

Once a financial asset is written-off either partially or fully, the amount written-off cannot subsequently be recognised on the balance sheet. It is only when cash is received in relation to the amount written-off that income is recognised in the income statement as a 'recovery of bad debt previously written-off.

Debt forgiveness arises where there is a formal contract agreed with the customer for the write-off of a loan.

(r) Collateral and netting

The Group enters into master netting 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.

Collateral

The Group obtains collateral in respect of customer advances where this is considered appropriate. The collateral normally takes the form of a lien over the customer's assets and gives the Group a claim on these assets for both existing and future customer liabilities. The collateral is, in general, not recorded on the statement of financial position.

The Group also receives collateral in the form of cash or securities in respect of other credit instruments, such as securities borrowing contracts and derivative contracts in order to reduce credit risk. Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. Therefore, in the case of cash collateral, these amounts are assigned to deposits received from banks or other counterparties. Any interest payable or receivable arising is recorded as interest expense or interest income respectively.

In certain circumstances, the Group will pledge collateral in respect of its own liabilities or borrowings. Collateral pledged in the form of securities or loans and advances continues to be recorded on the statement of financial position. Collateral paid away in the form of cash is recorded in loans and advances to banks or customers. Any interest payable or receivable arising is recorded as interest expense or interest income respectively.

Netting

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position if, and only if, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross on the statement of financial position.

(s) Financial guarantees and loan commitment contracts – Note 39

Financial guarantees provided by the Group

Financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities ('facility guarantees') and to other parties in connection with the performance of customers under obligations relating to contracts, advance payments made by other parties, tenders, retentions and the payment of import duties. In its normal course of business, Allied Irish Banks, p.l.c. (the principal operating company) may issue financial guarantees to other Group entities.

A loan commitment is a contract with a borrower to provide a loan or credit on specified terms at a future date. The contract may or may not be cancelled unconditionally at any time without notice depending on the terms of the contract.

The origination date for financial guarantees and loan commitment contracts is the date when the contracts become irrevocable. The credit risk at this date is used to determine if a significant increase in credit risk has subsequently occurred.

Financial guarantees and loan commitments are initially recognised in the financial statements at fair value on the date that the guarantee is given. Subsequent to initial recognition, the Group applies the impairment provisions of IFRS 9 and calculates an ECL allowance for financial guarantees and loan commitment contracts (i.e. those that are not measured at FVTPL).

The ECL allowance calculated on financial guarantees and loan commitment contracts is reported within Provisions for liabilities and commitments.

1 Accounting policies *continued*

(s) Financial guarantees and loan commitment contracts *continued*

Financial guarantees purchased by the Group
The Group enters into financial guarantee contracts which require the counter-party to the contract to reimburse the Group for a loss it incurs when the credit risk of the borrower significantly deteriorates. The Group enters into financial guarantee contracts which require the counter-party to the contract to reimburse the Group for a loss it incurs when the credit risk of the borrower significantly deteriorates. This is settled periodically by reducing the liability associated with the credit linked notes.The reimbursement asset is settled periodically by reducing the liability associated with the credit linked notes.

(t) Property, plant and equipment – Note 24

Property, plant and equipment are stated at cost, or deemed cost, less accumulated depreciation and provisions for impairment, if any. Additions and subsequent expenditures are capitalised only to the extent that they enhance the future economic benefits expected to be derived from the asset. No depreciation is provided on freehold land. Property, plant and equipment are depreciated on a straight line basis over their estimated useful economic lives. Depreciation is calculated based on the gross carrying amount, less the estimated residual value at the end of the assets' economic lives.

The Group uses the following useful lives when calculating depreciation:

Asset type	Useful life
Freehold buildings and long-leasehold property	50 years
Short leasehold property	life of lease, up to 50 years
Costs of adaptation of freehold and leasehold property	
Branch properties	up to 10 years[1]
Office properties	up to 15 years[1]
Computers and similar equipment	3 – 7 years
Fixtures and fittings and other equipment	5 – 10 years

1. Subject to the maximum remaining life of the lease.

The Group depreciates right-of-use assets arising under lease obligations from the commencement date of a lease to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term on a straight line basis.

The Group reviews its depreciation rates, at least annually, to take account of any change in circumstances. When deciding on useful lives and methods, the principal factors that the Group takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets. When reviewing residual values, the Group estimates the amount that it would currently obtain for the disposal of the asset, after deducting the estimated cost of disposal if the asset was already of the age and condition expected at the end of its useful life.

Gains and losses on disposal of property, plant and equipment are included in the income statement. It is Group policy not to revalue its property, plant and equipment.

(u) Intangible assets – Note 23

Computer software and other intangible assets
Computer software and other intangible assets are stated at cost, less amortisation on a straight line basis and provisions for impairment, if any. The identifiable and directly associated external and internal costs of acquiring and developing software are capitalised where the software is controlled by the Group, and where it is probable that future economic benefits that exceed its cost will flow from its use over more than one year. Costs associated with maintaining software are recognised as an expense when incurred. Capitalised computer software is amortised over 3 to 9 years. Other intangible assets are amortised over the life of the asset. Computer software and other intangible assets are reviewed for impairment when there is an indication that the asset may be impaired. Intangible assets not yet available for use are reviewed for impairment on an annual basis.

Acquired intangible assets
Customer related intangible assets and brands acquired in a business combination are recognised at fair value at acquisition date.

Customer related intangible assets and brands have a finite useful life and are carried at cost less accumulated amortisation and provision for impairment, if any. Amortisation is calculated using the straight line basis to allocate the cost over their estimated useful life (6 years).

(v) Non-credit risk provisions – Note 34

Provisions are recognised for present legal or constructive obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

When the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Payments are deducted from the present value of the provision, and interest at the relevant discount rate is charged annually to interest expense using the effective interest rate method. These are reported within 'provisions for liabilities and commitments' in the statement of financial position.

(w) Share capital and reserves – Notes 35, 36, 37 and 50

Share capital
Share capital represents funds raised by issuing shares in return for cash or other consideration. Share capital comprises ordinary shares of the entity.

Dividends and distributions
Final dividends on ordinary shares are recognised as a liability in the Group's financial statements in the period in which they are approved by the shareholders of the Company. Proposed dividends that are declared after the end of the reporting date are not recognised as a liability, they are disclosed in note 50.

Other equity interests
Other equity interests include:
- Additional Tier 1 Perpetual Contingent Temporary Write-down Securities (AT1s) (note 36); and
- Warrants to acquire a fixed number of the company shares for a fixed amount of currency are classified as equity instruments and are recognised on initial recognition at the fair value of consideration received.

Distributions on the AT1s are recognised in equity when approved for payment by the Board of Directors.

Capital contributions
Capital contributions represent the receipt of non-refundable considerations arising from transactions with the Irish Government (note 46). These contributions comprise both financial and non-financial net assets. The contributions are classified as equity and may be either distributable or non-distributable. Capital contributions are distributable if the assets received are in the form of cash or another asset that is readily convertible to cash, otherwise, they are treated as non-distributable. Capital contributions in the statement of financial position arose during 2011 from (a) an EBS transaction and (b) non-refundable receipts from the Irish Government and the National Pension Reserve Fund Commission ('NPRFC').

Notes to the Consolidated Financial Statements *continued*

1 Accounting policies *continued*

(w) Share capital and reserves *continued*

The capital contribution from the EBS transaction is treated as non-distributable as the related net assets received were largely non-cash in nature.

Non-refundable receipts of € 6,054 million from the Irish Government and the NPRFC are distributable. These are included in revenue reserves.

Investment securities reserves

Investment securities reserves represent the net unrealised gain or loss, net of tax, arising from the recognition in the statement of financial position of investment securities at FVOCI.

On disposal of equity securities which had been designated at FVOCI on initial recognition, any amounts held in the investment securities reserves account is transferred directly to revenue reserves without recycling through profit or loss.

Cash flow hedging reserves

Cash flow hedging reserves represent the net gains or losses, net of tax, on effective cash flow hedging instruments that will be reclassified to the income statement when the hedged transaction affects profit or loss.

Revenue reserves

Revenue reserves include the following:

- Retained earnings of the parent company and its subsidiaries;
- The Group's share of its joint venture and associated undertakings post-acquisition profits or losses;
- Amounts transferred from issued share capital, share premium, revaluation reserves and capital redemption reserves following Irish High Court approval;
- Amounts arising from the capital reduction which followed the 'Scheme of Arrangement' undertaken by the Group in December 2017;
- Remeasurements of defined benefit pension schemes; and
- Transactions with owners including distributions and buybacks.

Merger reserve

The merger reserve arose following the Scheme of Arrangement approved by the Irish High Court in December 2017 where a new company, AIB Group plc ('the Company'), was introduced as the holding company of AIB Group (note 37).

In the consolidated financial statements of AIB Group plc, the carrying value of the investment in Allied Irish Banks, p.l.c. by AIB Group plc was eliminated against the share capital and share premium account in Allied Irish Banks, p.l.c. and the merger reserve in AIB Group plc resulting in a negative merger reserve.

(x) Cash and cash equivalents – Notes 44 and 45

For the purposes of the cash flow statement, cash comprises cash on hand and demand deposits, and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value and with a maturity of less than three months from the date of acquisition.

(y) Adoption of new accounting standards and amendments to standards

The table below outlines the new standards and amendments to standards that have been adopted by the Group for the year ended 31 December 2024. The Group has not early adopted any standard or amendment that has been issued but is not yet effective.

Accounting standard update IFRS 16 *Leases*: Lease Liability in a Sale and Leaseback **Nature of change** Specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.	**Effective date** Annual periods beginning on or after 1 January 2024. **Impact** The amendments had no impact on the Group's financial statements.
Accounting standard update IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants **Nature of change** Clarifies the requirements on determining whether a liability is current or non-current and requires additional disclosures when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.	**Effective date** Annual periods beginning on or after 1 January 2024. **Impact** The amendments had no impact on the Group's financial statements.
Accounting standard update IFRS 7 *Financial Instruments: Disclosures* ('IFRS 7') and IAS 7 *Statement of Cash Flows* ('IAS 7'): Disclosures: Supplier Finance Arrangements **Nature of change** Clarifies the characteristics of supplier finance arrangements with additional disclosure requirements intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk as they apply to entities that enter into supplier finance arrangements with third parties.	**Effective date** Annual periods beginning on or after 1 January 2024. **Impact** The amendments had no impact on the Group's financial statements.

1 Accounting policies *continued*

(z) Prospective accounting changes

The table below outlines the amendments to existing standards which have been approved by the IASB, but not early adopted by the Group, that will impact the Group's financial reporting in future periods. The Group will consider the impact of these amendments as the situation requires. The amendments which are most relevant to the Group are as follows:

Accounting standard update Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*: Lack of Exchangeability **Nature of change** Clarifies whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.	**Effective date** Annual reporting periods beginning on or after 1 January 2025. **Impact** These amendments are not expected to have a material impact on the Group.
Accounting standard update Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* **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; • Clarify and add further guidance for assessing whether a financial asset meets the SPPI criterion;	• Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and • Update the disclosures for equity instruments designated at FVOCI. **Effective date** Annual reporting periods beginning on or after 1 January 2026 and will apply retrospectively. Not yet endorsed by the EU. **Impact** The Group is currently evaluating the impact that the amendments will have on its financial statements.
Accounting standard update Annual Improvements to IFRS – Volume 11 **Nature of change** Limited amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7, IFRS 9, IFRS 10 *Consolidated Financial Statements* ('IFRS 10') and IAS 7 that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards.	**Effective date** Annual reporting periods beginning on or after 1 January 2026. Not yet endorsed by the EU. **Impact** These amendments are not expected to have a material impact on the Group.
Accounting standard update IFRS 18 *Presentation and Disclosure in Financial Statements* **Nature of change** Introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss, provide disclosures on management-defined performance measures ('MPMs') in the notes to the financial statements and improve aggregation and disaggregation.	**Effective date** Annual reporting periods beginning on or after 1 January 2027 and will apply retrospectively. Not yet endorsed by the EU. **Impact** The Group is currently evaluating the impact that IFRS 18 will have on its financial statements.
Accounting standard update IFRS 19 *Subsidiaries without Public Accountability: Disclosures* **Nature of change** Optional for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements.	**Effective date** Annual reporting periods beginning on or after 1 January 2027. Not yet endorsed by the EU. **Impact** The Company is not eligible to apply IFRS 19 in its consolidated or company financial statements.

Notes to the Consolidated Financial Statements *continued*

2 Critical accounting judgements and estimates

The accounting judgements that have the most significant effect on the amounts recognised in the financial statements, and the estimates that have a significant risk of material adjustment in the next year are set out below.

Significant judgements

The significant judgements made by the Group in applying its accounting policies are as follows:
- Deferred taxation;
- Impairment of financial assets; and
- Provisions for liabilities and commitments.

The application of certain of these judgements also involves estimations which are discussed separately.

Deferred taxation

The Group's accounting policy for deferred tax is set out in accounting policy (i) in note 1. Details of the Group's deferred tax assets and liabilities are set out in note 26.

The Group's key judgement in relation to the recoverability of deferred tax assets for unused tax losses is that it is probable that there will be sufficient future taxable profits against which those losses can be used:
- The disclosed estimated utilisation period for those losses in Ireland is within the timeframe that taxable profits are considered probable; and
- Taxable profits are considered more likely than not in the UK for a period of 15 years.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that there will be sufficient future taxable profits against which the losses can be used. For a company with a history of recent losses, there must be other convincing evidence to underpin this assessment.

The recognition of these deferred tax assets relies on the assessment of future profitability and the sufficiency of those profits to absorb losses carried forward. It requires significant judgements to be made about the projection of long-term future profitability because of the period over which recovery extends.

In assessing the future profitability of the Group, the Board has considered a range of positive and negative evidence for this purpose. Among this evidence, the principal positive factors include:
- AIB as a pillar bank with a strong Irish franchise;
- The absence of any expiry dates for Irish and UK tax losses;
- The changing banking landscape in Ireland;
- External economic forecasts for Ireland, with growth forecasted for 2025;
- The Irish economy remained robust in 2024, outperforming European peers, driven by domestic and FDI sectors;
- The recent inorganic activity of the Group;
- The turnaround evident in the Group's financial performance over the years 2021-2024;
- The introduction of the bank resolution framework under the BRRD and the establishment in 2017 of AIB Group plc as the new holding company of the Group. This provides greater confidence in relation to the future viability of Allied Irish Banks, p.l.c. (as the principal operating bank subsidiary) as there are now effective tools in place that should facilitate its recapitalisation in a future crisis; and
- The non-enduring nature of the loan impairments at levels which resulted in the losses between 2009 and 2013.

The Board also considered negative evidence and the inherent uncertainties in any long-term financial assumptions and projections, including:
- The absolute level of deferred tax assets compared to the Group's equity;
- The quantum of profits required to be earned and the extended period over which it is projected that the tax losses will be utilised;
- The challenge of forecasting over a long period, taking account of the changing level of competition, and the evolving interest rate environment;
- The globalised nature of the Irish economy and its exposure to macroeconomic headwinds and geopolitical issues; and
- Taxation changes (including Organisation for Economic Co-operation and Development ('OECD') tax reform) and the likelihood of future developments and their impact on profitability.

Taking account of all relevant factors, and in the absence of any expiry date for tax losses in Ireland, it is more likely than not that there will be future profits in the medium term, and beyond, in the relevant Irish Group companies against which to use the tax losses. In this regard, the Group has carried out an exercise to determine the likely number of years required to utilise the deferred tax asset under the following scenario. Using the Group's financial plan 2025 to 2027 as a base and a profit growth rate of 2% from 2027, it was assessed that it will take less than 10 years for the Irish deferred tax asset (€ 2.0 billion) to be utilised. If the growth rate assumption was decreased by 1%, then the utilisation period would increase by c.1 year. The Group's analysis of this and other scenarios examined would not alter the basis of recognition or the current carrying value. In 2023, the Group reported that it expected that it would take less than 13 years for the deferred tax asset to be utilised with 80% being utilised within 10 years.

Given the relative size of the Group's operations in the UK compared to the role that the Irish operations play in supporting a functioning banking environment, a different judgement has been applied to the period that taxable profits are considered more likely than not in the UK. Despite the absence of any expiry date for tax losses in the UK, the Group has concluded that the recognition of deferred tax assets in its UK subsidiary be limited to the amount projected to be realised within a time period of 15 years. This is the timescale within which the Group believes that it can assess the likelihood of its UK profits arising as being more likely than not.

Impairment of financial assets

The Group's accounting policy for impairment of financial assets is set out in accounting policy (q) in note 1. Details of the Group's net credit impairment charge are set out in note 11 and ECL allowance on financial assets are set out in note 20.

The calculation of the ECL allowance is complex and requires the use of a number of accounting judgements.

The most significant judgements applied by the Group in determining the ECL allowance are as follows:
- Determining the criteria for a significant increase in credit risk and for being classified as credit impaired; and
- Determining the need for and an appropriate methodology for post-model adjustments.

The significant management judgement and the governance process, relating to ECL, are set out on pages 187 to 201 in the Risk Management section.

2 Critical accounting judgements and estimates *continued*

Provisions for liabilities and commitments
The Group's accounting policy for provisions for liabilities and commitments is set out in accounting policy (v) in note 1. Details of the Group's provisions for liabilities and commitments are shown in note 34.

Significant management judgement is required to determine whether the Group has a present obligation as a result of a past event and whether it is probable that an outflow of resources will be required to settle the obligation.

The Group recognises liabilities where it has present legal or constructive obligations as a result of past events and it is more likely than not that these obligations will result in an outflow of resources to settle the obligations and the amount can be reliably estimated.

Judgement is required in determining whether the Group has a present obligation and whether it is probable that an outflow of economic benefits will be required to settle this obligation. This judgement is applied to information available at the time of determining the provision including, but not limited to, judgements around interpretations of legislation, regulations and case law depending on the nature of the provision.

Critical accounting estimates

The accounting estimates with a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year were in relation to:
- Impairment of financial assets; and
- Retirement benefit obligations.

Impairment of financial assets
The Group's accounting policy for impairment of financial assets is set out in accounting policy (q) in note 1. Details of the Group's expected credit loss ('ECL') allowance are set out in note 20.

The key estimates and assumptions that the Group have used in determining the ECL allowance are as follows:
- Establishing the number and relative weightings for forward looking scenarios;
- Inputs into discounted cash-flows ('DCFs') for certain stage 3 credit impaired obligors;
- The assumptions for measuring ECL (e.g. PD, LGD and EAD and the parameters to be included within the models for modelled ECL); and
- The estimation of post model adjustments where required.

The calculation of the ECL allowance is complex and therefore the Group must consider large amounts of information in its determination. This process requires significant use of estimates and assumptions, some of which by their nature, are highly subjective and very sensitive to risk factors such as changes to economic conditions. Changes in the ECL allowance can materially affect net income.

On an ongoing basis, the various estimates and assumptions are reviewed in light of differences between actual and previously calculated expected losses. These are then recalibrated and refined to reflect current and evolving economic conditions. The ECL allowance is, in turn, reviewed and approved by the Group Credit Committee on a quarterly basis with final Group levels being approved by the Board Audit Committee. Further detail on the ECL governance process is set out on page 187.

The macroeconomic variables used in models to calculate ECL allowance are based on assumptions, forecasts and estimates against a backdrop of an evolving economic landscape. Accordingly, developments in local and international factors could have a material bearing on the ECL allowance within the next financial year. The Group's sensitivity to a range of macroeconomic factors under the (i) base forecast; (ii) upside; and (iii) downside scenarios is set out on pages 194 to 199 of the Risk Management section of this report.

DCFs are the most significant input to the ECL calculation for Stage 3 credit impaired borrowers where the gross credit exposure is greater than or equal to € 1 million for Ireland or greater than or equal to £ 500,000 for the UK. Collateral valuations and the estimated time to realisation of collateral is a key component of the DCF model. The DCF assessment produces a base case ECL which is then adjusted, considering all relevant and supportable information, including but not limited to, historical data analysis, predictive modelling and management judgement, to incorporate the impact of multiple scenarios on the base ECL.

The Group has developed a standard approach for the measurement of ECL for the majority of the Group's exposures where each ECL input parameter (e.g. PD, LGD and EAD) is developed in line with standard modelling methodology. These are discussed further on pages 192 to 193 of the Risk Management section. When considering changes in these assumptions collectively, there is a significant risk of a material adjustment to the Group's ECL allowance within the next financial year.

Where the estimate of ECL does not adequately capture all available forward looking information about the range of possible outcomes, or where there is a significant degree of uncertainty, management may consider it appropriate for an adjustment to ECL. These are referred to as post model adjustments and are set out in detail on pages 200 and 201.

Notes to the Consolidated Financial Statements *continued*

2 Critical accounting judgements and estimates *continued*

Impairment of financial assets *continued*
The sensitivity of the carrying amounts of the ECL to changes in assumptions and estimates relating to inputs into DCFs for certain Stage 3 credit impaired obligors; the assumptions for measuring ECL; and the estimation of post model adjustments where required have not been provided given their diverse nature, their interrelationship and the number of estimates and assumptions involved.

Retirement benefit obligations
The Group's accounting policy for retirement benefit obligations is set out in accounting policy (h) in note 1. Details of the Group's retirement benefit obligations are set out in note 27.

The key estimates and assumptions that the Group have used in determining the retirement benefit obligation are as follows:

- In a situation where the Group believes the Trustee has the ability to grant discretionary increases without any funding being provided by the Group, the Group has assumed that the Trustee will grant increases and as a result the scheme's liabilities include an estimate for this matter; and
- The significant demographic and financial actuarial assumptions used to determine the present value of the retirement benefit obligation.

The Trustee of the Irish Scheme has awarded an increase, in certain years, in respect of pensions eligible for discretionary pension in payment increases notwithstanding a decision by the Group not to fund such increases. This reflected the ability of the Trustee to grant an increase when the financial position of the scheme would enable such an increase at that point in time. Taking these decisions by the Trustee into consideration, the long term assumption for future increases in pension in payment reflects an assessment of the Trustee's ability to grant further increases without any funding from the Group, capped at a long-term inflation assumption.

Having taken actuarial advice, the Group has adopted a rate of 1.90% (31 December 2023: 2.05%) for the long-term assumption for future discretionary increases in pensions in payment (which is the lower of either the surplus available to the Trustee to distribute or the long-term inflation assumption). This increased the scheme liabilities by € 808 million at 31 December 2024 (31 December 2023: € 822 million). A sensitivity analysis for the rate of increase in pensions in payment is not provided, as this rate is dependent on the surplus available to the Trustee to distribute and the advice of the actuary.

The actuarial valuation of the schemes' liabilities is dependent upon a number of financial and demographic assumptions which are inherently uncertain. Changes to those assumptions could materially impact the reported amount for schemes' liabilities and the actuarial gains/losses reported in equity. Details of the assumptions adopted by the Group in calculating the schemes' liabilities and a sensitivity analysis for the principal assumptions used to measure the schemes' liabilities are set out in note 27 to the financial statements.

3 Segmental information

Segment overview

The Group has identified reportable segments on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ('CODM') in order to allocate resources to the segment and assess its performance.

Transactions between operating segments are on normal commercial terms and conditions, with internal charges and transfer pricing adjustments reflected in the performance of each operating segment. Revenue sharing agreements are used to allocate external customer revenues to an operating segment on a reasonable basis. The geographical distribution of total revenue is based primarily on the location of the office recording the transaction.

In 2024 the Group introduced a new customer facing segment, 'Climate Capital', increasing the Group's reportable segments from four to five. The Group's performance is now therefore managed and reported across Retail Banking, AIB Capital Markets ('Capital Markets'), Climate Capital, AIB UK and Group segments. Comparative segment information for the prior period has been re-presented. Segment performance excludes exceptional items.

Retail Banking

Our leading Irish retail franchise provides a comprehensive range of products and services to more than 3 million customers delivered through our branch, digital and phone banking channels; with an expanded reach into the retail customer base via EBS, Haven, AIB Merchant Services, Payzone, Nifti and AIB life.

- Homes and Consumer are responsible for meeting the everyday banking needs of customers in Ireland by delivering innovative products, propositions and services and for growing our market leading positions. Our aim is to achieve a seamless and transparent customer experience across all our products and services including mortgages, current accounts, personal lending, payments and credit cards, deposits, insurance and wealth.
- SME serves our micro and small SME customers through our sector-led strategy and local expertise with an extensive product and services offering. Our aim is to help our customers create and build sustainable businesses in their communities.

Capital Markets

Capital Markets provides institutional, corporate and business banking services to the Group's larger customers and customers requiring specific sector or product expertise. Capital Markets' relationship-driven model serves customers through sector specialist teams including: corporate banking, real estate finance and business banking.

In addition to traditional credit products, Capital Markets offers customers foreign exchange and interest rate risk management products, cash management products, trade finance, mezzanine finance, structured and specialist finance and equity investments, as well as Private Banking services and advice. Capital Markets also has syndicated and international finance teams based in Dublin and in New York. Goodbody offers further capabilities in wealth management, corporate finance, asset management and wider capital markets propositions.

Climate Capital

Climate Capital is a new segment comprised of assets and resources previously residing in Capital Markets and AIB UK segments.

Climate Capital specialises in lending to large scale renewable energy and infrastructure projects, which are key drivers for sustainable economic growth. The business serves the Irish, UK, European and North American markets through offices in Dublin, London and New York.

AIB UK

AIB UK offers corporate, retail and business banking services in two distinct markets:

- A sector-led corporate bank supporting mid to large corporates focused on housing, commercial real estate, health, hotels and manufacturing businesses across both Great Britain and Northern Ireland. Services include lending, treasury, trade facilities, asset finance and invoice discounting.
- A full-service retail bank in Northern Ireland ('AIB (NI)') to personal and business customers with a focus on mortgage and business lending.

Group

Group comprises wholesale treasury activities and Group control and support functions. Treasury manages the Group's liquidity and funding positions and provides customer treasury services and economic research. The Group control and support functions in the period included Technology and Data, Operations and Business Services, Finance, Risk, Legal and Corporate Governance, Chief Customer Office, Human Resources, Strategy and Sustainability, Corporate Affairs and Group Internal Audit.

Segment allocations

Under the Group's cost allocation methodology, substantially all of the costs of the Group's control, support and Treasury functions are allocated to Retail Banking, Capital Markets, Climate Capital and AIB UK. In addition, certain Bank levies and regulatory fees, such as the Irish bank levy, are allocated to the Retail Banking, Capital Markets and Climate Capital segments.

Funding and liquidity income/charges are based on each segment's funding requirements and the Group's funding cost profile, which is informed by wholesale and retail funding costs. Income attributable to capital is allocated to segments based on each segment's capital requirement.

Notes to the Consolidated Financial Statements *continued*

3 Segmental information *continued*

	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Exceptional items[1] € m	2024 Total € m
Operations by business segment								
Net interest income	2,633	906	110	379	101	4,129	—	4,129
Other income	509	223	21	26	—	779	20	799
*Of which: Net fee and commission income**	*455*	*158*	*13*	*37*	*3*	*666*	*15*[2]	*681*
Other	*54*	*65*	*8*	*(11)*	*(3)*	*113*	*5*[3]	*118*
Total operating income	3,142	1,129	131	405	101	4,908	20	4,928
Other operating expenses	(1,353)	(375)	(47)	(182)	(14)	(1,971)	(86)	(2,057)
Of which: Personnel expenses	*(611)*	*(239)*	*(29)*	*(95)*	*(6)*	*(980)*	*(4)*[4]	*(984)*
General and administrative expenses	*(510)*	*(97)*	*(12)*	*(66)*	*(5)*	*(690)*	*(82)*[5-7]	*(772)*
Depreciation, impairment and amortisation	*(232)*	*(39)*	*(6)*	*(21)*	*(3)*	*(301)*	—	*(301)*
Bank levies and regulatory fees	(104)	(19)	(2)	(2)	(11)	(138)	—	(138)
Total operating expenses	(1,457)	(394)	(49)	(184)	(25)	(2,109)	(86)	(2,195)
Operating profit/(loss) before impairment losses	1,685	735	82	221	76	2,799	(66)	2,733
Net credit impairment charge	(28)	83	(22)	(90)	2	(55)	—	(55)
Operating profit/(loss)	1,657	818	60	131	78	2,744	(66)	2,678
Income/(loss) from equity accounted investments	21	—	—	6	(1)	26	—	26
Loss on disposal of business	—	—	—	—	(2)	(2)	—	(2)
Profit/(loss) before taxation	1,678	818	60	137	75	2,768	(66)	2,702

1. Exceptional items are shown separately above. These are items that Management view as distorting comparability of performance year-on-year. Exceptional items are set out in 2 to 7 below.
2. Run-off fee receivable on exit of a servicing arrangement.
3. Gain on disposal of loan portfolios and other operating income.
4. Restructuring costs.
5. Customer redress costs.
6. Inorganic transaction costs.
7. Other costs.

*Net fee and commission income	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Exceptional items[1] € m	2024 Total € m
Customer accounts	210	26	1	12	1	250	—	250
Card income	169	8	—	12	—	189	—	189
Customer related foreign exchange[2]	47	36	1	6	1	91	—	91
Lending related fees[2]	8	28	9	11	—	56	—	56
Specialised payment services fees (Payzone)[2,3]	128	—	—	—	—	128	—	128
Stockbroking client fees and commissions	—	57	—	—	—	57	—	57
Asset management and advisory fees	—	—	—	—	—	—	—	—
Other fees and commissions	43	9	2	—	5	59	15[4]	74
Fee and commission income	605	164	13	41	7	830	15	845
Customer account expenses	(1)	(1)	—	—	—	(2)	—	(2)
Specialised payment services expenses (Payzone)[2,3]	(108)	—	—	—	—	(108)	—	(108)
Card expenses	(36)	(1)	—	(4)	—	(41)	—	(41)
Other fee and commission expenses	(5)	(4)	—	—	(4)	(13)	—	(13)
Fee and commission expense	(150)	(6)	—	(4)	(4)	(164)	—	(164)
Total net fee and commission income	455	158	13	37	3	666	15	681

1. Exceptional items are shown separately above. These are items that Management view as distorting comparability of performance year-on-year.
2. Refer to note 1(c) for further information about the change in presentation for certain notes to the financial statements.
3. Specialised payment services (Payzone): fee income and fee expenses in respect of services and prepaid credits for cellular phone and utilities sold to third parties.
4. Run-off fee receivable on exit of a servicing arrangement.

Fees and commissions which are an integral part of the effective interest rate are recognised as part of interest and similar income (note 4) or interest and similar expense (note 5).

3 Segmental information *continued*

	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Exceptional items[1] € m	2023 Total € m
Operations by business segment								
Net interest income	2,409	841	89	391	111	3,841	—	3,841
Other income	662	185	13	39	1	900	(19)	881
*Of which: Net fee and commission income**	*438*	*143*	*11*	*36*	*5*	*633*	*—*	*633*
Other	*224*	*42*	*2*	*3*	*(4)*	*267*	*(19)*[2,5]	*248*
Total operating income	3,071	1,026	102	430	112	4,741	(19)	4,722
Other operating expenses	(1,253)	(353)	(35)	(170)	(15)	(1,826)	(131)	(1,957)
Of which: Personnel expenses	*(564)*	*(221)*	*(22)*	*(89)*	*(6)*	*(902)*	*(10)*[3]	*(912)*
General and administrative expenses	*(465)*	*(92)*	*(9)*	*(58)*	*(5)*	*(629)*	*(121)*[4-6]	*(750)*
Depreciation, impairment and amortisation	*(224)*	*(40)*	*(4)*	*(23)*	*(4)*	*(295)*	*—*	*(295)*
Bank levies and regulatory fees	(51)	(12)	—	(1)	(121)	(185)	—	(185)
Total operating expenses	(1,304)	(365)	(35)	(171)	(136)	(2,011)	(131)	(2,142)
Operating profit/(loss) before impairment losses	1,767	661	67	259	(24)	2,730	(150)	2,580
Net credit impairment writeback/(charge)	(57)	(85)	9	(38)	(1)	(172)	—	(172)
Operating profit/(loss)	1,710	576	76	221	(25)	2,558	(150)	2,408
Income/(loss) from equity accounted investments	7	—	—	6	(1)	12	—	12
Profit/(loss) on disposal of business	—	2	—	—	(28)	(26)	—	(26)
Profit/(loss) before taxation	1,717	578	76	227	(54)	2,544	(150)	2,394

1. Exceptional items are shown separately above. These are items that Management view as distorting comparability of performance year-on-year. Exceptional items are set out in 2 to 6 below.
2. Loss on disposal of loan portfolios.
3. Termination benefits.
4. Customer redress costs.
5. Restructuring costs.
6. Inorganic transaction costs.

***Net fee and commission income**	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m	Exceptional items € m	2023 Total € m
Customer accounts	202	26	—	12	—	240	—	240
Card income	166	9	—	12	—	187	—	187
Customer related foreign exchange[1]	47	32	1	6	2	88	—	88
Lending related fees[1]	8	27	9	10	—	54	—	54
Specialised payment services fees (Payzone)[1,2]	138	—	—	—	—	138	—	138
Stockbroking client fees and commissions	—	46	—	—	—	46	—	46
Asset management and advisory fees	—	4	—	—	—	4	—	4
Other fees and commissions	36	5	1	—	7	49	—	49
Fee and commission income	597	149	11	40	9	806	—	806
Specialised payment services expenses (Payzone)[1,2]	(119)	—	—	—	—	(119)	—	(119)
Card expenses	(34)	(1)	—	(4)	—	(39)	—	(39)
Other fee and commission expenses	(6)	(5)	—	—	(4)	(15)	—	(15)
Fee and commission expense	(159)	(6)	—	(4)	(4)	(173)	—	(173)
Total net fee and commission income	438	143	11	36	5	633	—	633

1. Refer to note 1(c) for further information about the change in presentation for certain notes to the financial statements.
2. Specialised payment services (Payzone): fee income and fee expenses in respect of services and prepaid credits for cellular phone and utilities sold to third parties.

Notes to the Consolidated Financial Statements *continued*

3 Segmental information *continued*

						31 December 2024
Other amounts – statement of financial position	**Retail Banking € m**	**Capital Markets € m**	**Climate Capital € m**	**AIB UK € m**	**Group € m**	**Total € m**
Loans and advances to customers:						
– measured at amortised cost	**41,570**	**16,885**	**5,483**	**5,837**	**50**	**69,825**
– measured at FVTPL	**—**	**64**	**—**	**—**	**—**	**64**
Total loans and advances to customers	**41,570**	**16,949**	**5,483**	**5,837**	**50**	**69,889**
Customer accounts	**84,206**	**15,555**	**365**	**8,575**	**1,182**	**109,883**

						31 December 2023
Other amounts – statement of financial position	Retail Banking € m	Capital Markets € m	Climate Capital € m	AIB UK € m	Group € m	Total € m
Loans and advances to customers:						
– measured at amortised cost	39,227	16,666	4,091	5,437	28	65,449
– measured at FVTPL	—	42	—	—	—	42
Total loans and advances to customers	39,227	16,708	4,091	5,437	28	65,491
Customer accounts	80,454	14,856	342	7,977	1,153	104,782

				Year to 31 December 2024
Geographic information[1]	**Ireland € m**	**United Kingdom € m**	**Rest of the World € m**	**Total € m**
Gross external revenue	**4,410**	**483**	**35**	**4,928**
Inter-geographical segment revenue	**21**	**31**	**(52)**	**—**
Total revenue	**4,431**	**514**	**(17)**	**4,928**

				Year to 31 December 2023
Geographic information[1]	Ireland € m	United Kingdom € m	Rest of the World € m	Total € m
Gross external revenue	4,042	642	38	4,722
Inter-geographical segment revenue	158	(115)	(43)	—
Total revenue	4,200	527	(5)	4,722

Revenue from external customers comprises net fee and commission income (note 3), interest and similar income (note 4) and interest and similar expense (note 5) and all other items of income (notes 6 to 9).

				31 December 2024
Geographic Information	**Ireland € m**	**United Kingdom € m**	**Rest of the World € m**	**Total € m**
Non-current assets[2]	**1,387**	**55**	**8**	**1,450**

				31 December 2023
Geographic Information	Ireland € m	United Kingdom € m	Rest of the World € m	Total € m
Non-current assets[2]	1,429	53	1	1,483

1. For details of significant geographic concentrations, see the ‘Risk management’ section.
2. Non-current assets comprise intangible assets, goodwill and property, plant and equipment.

4 Interest and similar income

	2024 € m	2023 € m
Interest on loans and advances to customers at amortised cost[1]	**2,715**	2,295
Interest on loans and advances to banks at amortised cost	**1,445**	1,267
Interest on securities financing at amortised cost	**271**	273
Interest on investment securities	**842**	714
Interest income calculated using the effective interest rate method	**5,273**	4,549
Interest income on finance leases and hire purchase contracts	**94**	80
Interest income on financial assets at FVTPL	**9**	16
Other interest income and similar income	**103**	96
Total interest and similar income	**5,376**	4,645

1. Includes a debit of € 618 million (2023: a debit of € 607 million) transferred from other comprehensive income in respect of cash flow hedges.

5 Interest and similar expense

	2024 € m	2023 € m
Interest on customer accounts[1]	**468**	175
Interest on deposits by central banks and banks	**35**	19
Interest on securities financing	**25**	23
Interest on debt securities in issue	**540**	436
Interest on lease liabilities	**9**	9
Interest on subordinated liabilities and other capital instruments	**111**	97
Interest expense on financial liabilities	**1,188**	759
Negative interest on financial assets[2]	**2**	2
Interest expense calculated using the effective interest rate method	**1,190**	761
Non-trading derivatives (not in hedge accounting relationships - economic hedges)	**57**	43
Other interest and similar expense	**57**	43
Total interest and similar expense	**1,247**	804

1. Includes a credit of € 49 million (2023: a credit of € 42 million) transferred from other comprehensive income in respect of cash flow hedges.
2. The Group presents interest resulting from negative effective interest rates on financial assets as interest expense rather than as offset against interest income.

6 Net trading income

	2024 € m	2023 € m
Foreign exchange contracts	**23**	(3)
Interest rate contracts and debt securities[1]	**12**	6
Credit derivative contracts	**(1)**	(3)
Equity investments, index contracts and warrants	**(8)**	(13)
Forward contract to acquire loans[2]	**27**	223
Virtual corporate power purchase agreement	**(3)**	—
Total net trading income	**50**	210

1. The total hedging ineffectiveness on cash flow hedges reflected in the consolidated income statement amounted to a loss of € 6 million (2023: Nil).
2. Comprises a gain of € 27 million (2023: gain of € 203 million) relating to the forward contract to acquire Ulster Bank tracker (and linked) mortgages. 2023 also includes a gain of € 20 million relating to the forward contract to acquire Ulster Bank corporate and commercial loans. See note 43 for further information.

7 Net gain on other financial assets measured at FVTPL

	2024 € m	2023 € m
Loans and advances to customers[1]	**12**	3
Investment securities – equity	**70**	27
Total net gain on other financial assets measured at FVTPL	**82**	30

1. Excludes interest income (note 4).

Notes to the Consolidated Financial Statements *continued*

8 Net gain/(loss) on derecognition of financial assets measured at amortised cost

	2024		2023	
	Carrying value of derecognised financial assets measured at amortised cost € m	**Gain from derecognition € m**	Carrying value of derecognised financial assets measured at amortised cost € m	Loss from derecognition € m
Loans and advances to customers	**284**	**2**	204	(9)

Derecognition relates to the sale of portfolios of performing and non-performing loans and the sale of individual loans (for credit management purposes) where credit deterioration had occurred.

9 Other (expense)/income

	2024 € m	2023 € m
Loss on disposal of investment securities at FVOCI – debt	**(77)**	(22)
Gain on termination of hedging swaps[1]	**41**	14
Dividend income	**1**	2
Miscellaneous operating income	**19**	23
Total other (expense)/income	**(16)**	17

1. The majority of the gain on termination of hedging swaps relates to the disposal of debt securities at FVOCI. In addition, it includes Nil (2023: a debit of € 8 million) transferred from other comprehensive income in respect of cash flow hedges.

10 Operating expenses

	2024 € m	2023 € m
Personnel expenses:		
Wages and salaries	**777**	711
Termination benefits[1]	**19**	7
Retirement benefits[2]	**110**	105
Social security costs	**83**	79
Other personnel expenses	**29**	36
	1,018	938
Less: staff costs capitalised to intangible assets	**(34)**	(26)
Total personnel expenses	**984**	912
General and administrative expenses	**720**	688
Customer redress[3]	**52**	62
	772	750
Bank levies and regulatory fees	**138**	185
Total operating expenses	**1,894**	1,847

1. Represents charges for voluntary severance programmes.
2. Comprises a defined contribution charge of € 96 million (2023: a charge of € 89 million), a charge of € 3 million in relation to defined benefit expenses (2023: a charge of € 5 million), and a long term disability payments/death in service benefit charge of € 11 million (2023: a charge of € 11 million). For details of retirement benefits, see note 27.
3. The Group recognised a net charge of € 52 million (2023: € 62 million) for customer redress and associated costs in respect of legacy matters. Refer to note 1 for further information about the change in presentation for certain notes to the financial statements and note 34 for further information on customer redress.

The average number of employees for 2024 and 2023 is set out in note 47.

11 Net credit impairment charge

The following table analyses the income statement net credit impairment charge on financial instruments for the years to 31 December 2024 and 2023.

			2024			2023
Credit impairment charge on financial instruments	**Measured at amortised cost € m**	**Measured at FVOCI € m**	**Total € m**	Measured at amortised cost € m	Measured at FVOCI € m	Total € m
Net remeasurement of ECL allowance						
Loans and advances to banks	**—**	**—**	**—**	—	—	—
Loans and advances to customers	**(92)**	**—**	**(92)**	(216)	—	(216)
Securities financing	**—**	**—**	**—**	—	—	—
Loan commitments	**1**	**—**	**1**	15	—	15
Financial guarantee contracts	**2**	**—**	**2**	2	—	2
Investment securities – debt	**2**	**—**	**2**	—	—	—
Credit impairment charge	**(87)**	**—**	**(87)**	(199)	—	(199)
Recoveries of amounts previously written-off	**32**	**—**	**32**	27	—	27
Total net credit impairment charge	**(55)**	**—**	**(55)**	(172)	—	(172)

12 Auditor's remuneration

The disclosure of auditor's remuneration is in accordance with Section 322 of the Companies Act 2014. This mandates disclosure of remuneration paid/payable to the Group Auditor only (PricewaterhouseCoopers), for services relating to the audit of the Group and relevant subsidiary financial statements in the categories set out below.

			2024			2023
	Ireland € m	**Overseas € m**	**Total € m**	Ireland € m	Overseas € m	Total € m
Auditor's remuneration (excluding VAT):						
Audit of Group financial statements	**3.9**	**0.9**	**4.8**	2.9	0.9	3.8
Other assurance services[1]	**1.5**	**0.1**	**1.6**	0.7	0.1	0.8
Other non-audit services	**—**	**—**	**—**	—	—	—
Total auditor's remuneration	**5.4**	**1.0**	**6.4**	3.6	1.0	4.6

1. Represents other assurance services provided by the Group's auditor for CSRD (2024 only), letters of comfort, other ESG reporting and other regulatory reporting.

The amounts in the table above relate to fees payable to PricewaterhouseCoopers, split between those payable to the statutory auditors, PricewaterhouseCoopers in Ireland and fees paid to overseas auditors, PricewaterhouseCoopers LLP in the UK.

Other assurance services include remuneration for additional assurance issued by the firms outside of the audit of the statutory financial statements of the Group and its subsidiaries. This remuneration includes assignments where the Auditor, in Ireland, provides assurance to third parties.

The Group policy on the provision of non-audit services to the parent and its subsidiary companies includes the prohibition on the provision of certain services and the pre-approval by the Board Audit Committee of the engagement of the Auditor in other instances.

The Board Audit Committee has reviewed the level of non-audit services remuneration and is satisfied that it has not affected the independence of the Auditor. It is Group policy to subject all large consultancy assignments to competitive tender, where appropriate.

13 Loss on disposal of business

	2024 € m	2023 € m
Loss on disposal of business	**(2)**	(26)
Total loss on disposal of business	**(2)**	(26)

The loss on disposal of business in 2024 relates to a foreign subsidiary of the Group that was dissolved and the reclassification of the related cumulative exchange differences from the foreign currency translation reserve to the income statement.

The loss in 2023 primarily related to the repatriation of part of the capital of certain foreign subsidiaries in the Group which have ceased trading. A pro-rata amount of the related foreign currency cumulative translation reserve was transferred to the income statement.

Notes to the Consolidated Financial Statements *continued*

14 Taxation

	2024 € m	2023 € m
Current tax		
Corporation tax in Ireland		
Current tax on income for the year	**(8)**	(6)
Adjustments in respect of prior years	**1**	—
	(7)	(6)
Foreign tax		
Current tax on income for the year	**(52)**	(71)
Adjustments in respect of prior years	**(1)**	—
	(53)	(71)
Current tax charge for the year	**(60)**	(77)
Deferred tax		
Origination and reversal of temporary differences	**4**	1
Adjustments in respect of prior years	**(1)**	2
Recognition of deferred tax assets in respect of current and prior period losses[1]	**25**	—
Reduction in carrying value of deferred tax assets in respect of carried forward losses	**(319)**	(262)
Deferred tax charge for the year	**(291)**	(259)
Total tax charge for the year	**(351)**	(336)
Effective tax rate	**13.0 %**	14.0 %

1. During the year the Group recognised € 25 million (2023: Nil) in respect of tax losses within UK and US overseas branches.

Factors affecting the effective tax rate

The following table sets out the difference between the tax charge that would result from applying the standard corporation tax rate in Ireland of 12.5% and the actual tax charge for the year:

	2024		2023	
	€ m	%	€ m	%
Profit before tax	**2,702**		2,394	
Tax charge at standard corporation tax rate in Ireland of 12.5%	**(338)**	**12.5**	(299)	12.5
Effects of:				
Foreign profits taxed at other rates	**(34)**	**1.3**	(40)	1.7
Expenses not deductible for tax purposes	**(20)**	**0.6**	(11)	0.4
Exempted income, income at reduced rates and tax credits	**1**	**—**	(1)	0.1
Share of results of investments accounted for using the equity method shown post tax in the income statement	**5**	**(0.2)**	3	(0.2)
Income taxed at higher tax rates	**(7)**	**0.3**	(12)	0.5
Tax legislation on equity distributions	**11**	**(0.4)**	8	(0.3)
Deferred tax assets not recognised/reversal of amounts previously not recognised	**30**	**(1.1)**	13	(0.5)
Other tax adjustments	**1**	**—**	1	(0.1)
Adjustments to tax charge in respect of prior years	**—**	**—**	2	(0.1)
Tax charge	**(351)**	**13.0**	(336)	14.0

The Group is within the scope of the global minimum top-up tax under Pillar Two tax legislation from 1 January 2024, however, the Group is not liable to any additional top-up tax expense for the period in Ireland or any of the other jurisdictions in which it operates. This is because the Pillar Two effective tax rate in each of those jurisdictions is above 15% or transitional exemptions apply.

14 Taxation *continued*

Recognised within other comprehensive income in the Consolidated Statement of Comprehensive Income

	2024 Gross € m	2024 Tax € m	2024 Net € m	2023 Gross € m	2023 Tax € m	2023 Net € m
Retirement benefit schemes						
Remeasurement of defined benefit assets/(liabilities)	(18)	5	(13)	(2)	—	(2)
Total	(18)	5	(13)	(2)	—	(2)
Foreign currency translation reserves						
Amounts reclassified from the foreign currency translation reserves to the income statement as a reclassification adjustment:						
– *amounts for which hedge accounting had previously been used, but for which the hedged future cash flows are no longer expected to occur*	—	—	—	—	—	—
– *amounts that have been transferred because the hedged item has affected the income statement*	—	—	—	—	—	—
Recognised in other comprehensive income:						
– *Net losses on net investment hedges*	(66)	8	(58)	(28)	3	(25)
– *Net exchange differences on translation of foreign operations*	127	—	127	82	—	82
Total	61	8	69	54	3	57
Cash flow hedging reserves						
Amounts reclassified from the cash flow hedging reserves to the income statement as a reclassification adjustment:						
– *amounts for which hedge accounting had previously been used, but for which the hedged future cash flows are no longer expected to occur*	—	—	—	—	—	—
– *amounts that have been transferred because the hedged item has affected the income statement*	569	(71)	498	573	(72)	501
Hedging (losses)/gains recognised in other comprehensive income	(382)	51	(331)	791	(110)	681
Total	187	(20)	167	1,364	(182)	1,182
Investment debt securities at FVOCI reserves						
Fair value losses transferred to income statement	77	(4)	73	22	(3)	19
Fair value losses recognised in other comprehensive income	(148)	18	(130)	(68)	8	(60)
Total	(71)	14	(57)	(46)	5	(41)

15 Trading portfolio

	2024 Trading portfolio assets € m	2024 Trading portfolio liabilities € m	2023 Trading portfolio assets € m	2023 Trading portfolio liabilities € m
Equity securities	15	(5)	9	(5)
Debt securities	121	(257)	84	(134)
Total	136	(262)	93	(139)

16 Derivative financial instruments

Derivatives are entered into to service customer requirements, to manage the Group's interest rate, exchange rate, equity and credit exposures and for trading purposes. Derivative instruments are contractual agreements whose value is derived from price movements in underlying assets, interest rates, foreign exchange rates or indices.

Market risk is the exposure to potential loss through holding interest rate, exchange rate and equity positions in the face of absolute and relative price movements, interest rate volatility, movements in exchange rates and shifts in liquidity. Credit risk is the exposure to loss should the counterparty to a financial instrument fail to perform in accordance with the terms of the contract.

Credit risk in derivative contracts is the risk that the Group's counterparty in the contract defaults prior to maturity at a time when the Group has a claim on the counterparty under the contract (i.e. contracts with a positive fair value). The Group would then have to replace the contract at the current market rate, which may result in a loss. For risk management purposes, consideration is taken of the fact that not all counterparties to derivative positions are expected to default at the point where the Group is most exposed to them. While notional principal amounts are used to express the volume of derivative transactions, the amounts subject to credit risk are much lower because derivative contracts typically involve payments based on the net differences between specified prices or rates.

The following table presents the notional principal amount of interest rate, exchange rate, equity, credit and commodity derivative contracts together with the positive and negative fair values attaching to those contracts at 31 December 2024 and 2023:

	2024			2023		
	Notional principal amount	**Fair values**		Notional principal amount	Fair values	
		Assets	**Liabilities**		Assets	Liabilities
Derivative financial instruments	**€ m**	**€ m**	**€ m**	€ m	€ m	€ m
Interest rate contracts	**86,671**	**2,109**	**(1,689)**	86,899	2,351	(1,869)
Exchange rate contracts	**8,685**	**35**	**(112)**	6,287	14	(29)
Equity contracts	**41**	**—**	**—**	92	—	(1)
Credit derivatives	**83**	**—**	**(3)**	83	—	(3)
Forward contracts to acquire loans[1]	**—**	**—**	**—**	1,047	12	—
Virtual corporate power purchase agreement	**2**	**—**	**(3)**	—	—	—
Total	**95,482**	**2,144**	**(1,807)**	94,408	2,377	(1,902)

1. Relates to a forward contract to acquire tracker (and linked) mortgages from Ulster Bank. See note 43 for further information.

The Group uses the same credit control and risk management policies in undertaking all off-balance sheet commitments as it does for on-balance sheet lending including counterparty credit approval, limit setting and monitoring procedures. In addition, derivative instruments are subject to the market risk policy and control framework as described in the 'Risk management' section of this report.

The Group has the following concentration of exposures in respect of notional principal amount and positive fair value of derivative financial instruments. The concentrations are based primarily on the location of the office recording the transaction.

	Notional principal amount		**Positive fair value**	
	2024	2023	**2024**	2023
	€ m	€ m	**€ m**	€ m
Ireland	**91,221**	90,975	**2,064**	2,261
United Kingdom	**4,174**	3,341	**78**	113
United States of America	**87**	92	**2**	3
Total	**95,482**	94,408	**2,144**	2,377

Trading book activities

The Group maintains trading positions in a variety of financial instruments including derivatives. These derivative financial instruments include interest rate, foreign exchange, equity and credit derivatives. Most of these positions arise as a result of activity generated by corporate customers while the remainder represent trading decisions of the Group's derivative and foreign exchange traders with a view to generating incremental income.

All trading activity is conducted within risk limits approved by the Board. Systems are in place which measure risks and profitability associated with derivative trading positions as market movements occur. Independent risk control units monitor these risks.

Banking book activities

In addition to meeting customer needs, the Group's principal objective in holding or transacting derivatives is the management of interest rate and foreign exchange risks which arise within the banking book through the operations of the Group as outlined below. Market risk within the banking book is also controlled through limits approved by the Board and monitored by an independent second line risk function.

The operations of the Group are exposed to interest rate risk arising from the fact that assets and liabilities mature or reprice at different times or in differing amounts. Derivatives are used to modify the repricing or maturity characteristics of assets and liabilities in a cost-efficient manner. This flexibility helps the Group to achieve interest rate risk management objectives. Similarly, foreign exchange derivatives can be used to hedge the Group's exposure to foreign exchange risk.

16 Derivative financial instruments *continued*

Banking book activities *continued*

The fair values of derivatives fluctuate as the underlying market interest rates or foreign exchange rates change. If the derivatives are purchased or sold as hedges of statement of financial position items, the change in fair value of the derivatives will generally be offset by the change in fair value of the hedged items.

To achieve its risk management objectives, the Group uses a combination of derivative financial instruments, particularly interest rate swaps, cross currency interest rate swaps, futures, options and currency swaps, as well as other contracts. The risk that counterparties to derivative contracts (both trading and banking book) might default on their obligations is monitored on an ongoing basis. The level of credit risk is minimised by dealing with counterparties of good credit standing, by the use of Credit Support Annexes and ISDA Netting Agreements and increased clearing of derivatives through Central Clearing Counterparties ('CCP's'). As the traded instruments are recognised at fair value, any changes in fair value directly affect reported income for a given period.

The following table shows the notional principal amount and the fair value of derivative financial instruments analysed by product and purpose at 31 December 2024 and 2023. A description of how the fair values of derivatives are determined is set out in note 43.

	2024			2023		
	Notional principal amount	**Fair values**		Notional principal amount	Fair values	
		Assets	**Liabilities**		Assets	Liabilities
Derivatives held for trading	**€ m**	**€ m**	**€ m**	€ m	€ m	€ m
Interest rate derivatives						
Interest rate swaps – over-the-counter ('OTC')	**5,700**	**107**	**(321)**	5,199	138	(351)
Interest rate swaps – OTC central clearing	**5,111**	**274**	**(36)**	4,650	278	(49)
Cross-currency interest rate swaps – OTC	**—**	**—**	**—**	645	3	—
Interest rate options bought and sold – OTC	**3,701**	**9**	**(10)**	3,493	14	(18)
Interest rate futures bought and sold – exchange traded	**221**	**—**	**—**	85	—	—
Total interest rate derivatives	**14,733**	**390**	**(367)**	14,072	433	(418)
Foreign exchange derivatives						
Foreign exchange contracts – OTC	**7,246**	**35**	**(88)**	4,783	12	(26)
Total foreign exchange derivatives	**7,246**	**35**	**(88)**	4,783	12	(26)
Equity, credit and other derivatives						
Equity total return swaps – OTC	**41**	**—**	**—**	92	—	(1)
Credit derivatives – OTC central clearing	**83**	**—**	**(3)**	83	—	(3)
Forward contracts to acquire loans[1]	**—**	**—**	**—**	1,047	12	—
Virtual corporate power purchase agreement	**2**	**—**	**(3)**	—	—	—
Total equity, credit and other derivatives	**126**	**—**	**(6)**	1,222	12	(4)
Total derivatives held for trading	**22,105**	**425**	**(461)**	20,077	457	(448)
Derivatives held for hedging						
Derivatives designated as fair value hedges						
Interest rate swaps – OTC	**183**	**5**	**—**	422	9	(1)
Interest rate swaps – OTC central clearing	**29,783**	**1,050**	**(363)**	24,015	1,228	(341)
Total derivatives designated as fair value hedges	**29,966**	**1,055**	**(363)**	24,437	1,237	(342)
Derivatives designated as cash flow hedges						
Interest rate swaps – OTC	**222**	**—**	**(5)**	255	—	(12)
Interest rate swaps – OTC central clearing	**41,110**	**664**	**(915)**	48,135	681	(1,097)
Cross currency interest rate swaps - OTC	**640**	**—**	**(39)**	—	—	—
Total derivatives designated as cash flow hedges	**41,972**	**664**	**(959)**	48,390	681	(1,109)
Derivatives designated as net investment hedges						
Forward exchange contracts – OTC	**1,439**	**—**	**(24)**	1,504	2	(3)
Total derivatives designated as net investment hedges	**1,439**	**—**	**(24)**	1,504	2	(3)
Total derivatives held for hedging	**73,377**	**1,719**	**(1,346)**	74,331	1,920	(1,454)
Total derivative financial instruments	**95,482**	**2,144**	**(1,807)**	94,408	2,377	(1,902)

1. Relates to a forward contract to acquire tracker (and linked) mortgages from Ulster Bank. See note 43 for further information.

16 Derivative financial instruments *continued*

Fair value hedges

Fair value hedges are entered into to hedge the exposure to changes in the fair value of recognised assets or liabilities arising from changes in interest rates, primarily, debt securities and fixed rate liabilities. The fair values of financial instruments are set out in note 43.

The net mark to market on fair value hedging derivatives, excluding accrual and risk adjustments at 31 December 2024 is positive € 594 million (2023: positive € 764 million) and the net mark to market on the related hedged items at 31 December 2024 is negative € 576 million (2023: negative € 748 million).

Offsetting of derivative financial assets and financial liabilities

Derivative financial instruments are shown on the statement of financial position at their fair value. Those with a positive fair value are reported as assets and those with a negative fair value are reported as liabilities. Details on offsetting financial assets and financial liabilities are set out in note 38.

Nominal values and average interest rates by residual maturity

At 31 December 2024 and 2023, the Group held the following hedging instruments of interest rate risk and foreign exchange rate risk in fair value, cash flow and net investment hedges respectively. In 2024 the Group revised the maturity analysis disclosure to better align it with the current maturity profile of the Group's hedging instruments. The related comparatives for 2023 have been re-presented.

					2024
	Up to 1 year	1 to 2 years	2 to 5 years	5 years +	Total
Fair value hedges – Interest rate swaps					
Assets					
Hedges of investment securities					
Nominal principal amount (€ m)	785	1,617	5,949	7,803	16,154
Average interest rate (%)[1]	0.94	0.77	1.02	1.85	1.39
Hedges of customer loans					
Nominal principal amount (€ m)	—	—	—	15	15
Average interest rate (%)[1]	—	—	—	2.59	2.59
Liabilities					
Hedges of debt securities in issue					
Nominal principal amount (€ m)	1,972	750	3,468	1,732	7,922
Average interest rate (%)[1]	4.73	0.50	4.74	5.59	4.52
Hedges of subordinated debt					
Nominal principal amount (€ m)	—	1,000	—	650	1,650
Average interest rate (%)[1]	—	2.88	—	4.63	3.56
Hedges of customer deposits					
Nominal principal amount (€ m)	—	—	2,615	1,610	4,225
Average interest rate (%)[1]	—	—	2.59	2.47	2.55
Total nominal amount of fair value hedges – Interest rate swaps	2,757	3,367	12,032	11,810	29,966
Cash flow hedges – Interest rate swaps[2]					
Hedges of financial assets					
Nominal principal amount (€ m)	4,430	10,627	7,182	17,526	39,765
Average interest rate (%)[3]	3.06	3.27	1.78	2.34	2.57
Hedges of financial liabilities					
Nominal principal amount (€ m)	213	459	962	573	2,207
Average interest rate (%)[3]	2.29	2.39	2.61	2.76	2.57
Total nominal amount of cash flow hedges – Interest rate swaps	4,643	11,086	8,144	18,099	41,972
Net investment hedges – Forward exchange contracts					
Nominal principal amount (€ m)	1,231	208	—	—	1,439
Forward FX rate (%)[4]	0.85	0.87	—	—	0.85

1. Represents the fixed rate on the hedged item which is being swapped for a variable rate.
2. Includes interest rate swaps and cross currency swaps used to hedge interest rate risk on variable rate EUR/USD assets and liabilities.
3. This is the average interest rate on the fixed leg of swap agreements where the variable rate on the assets and liabilities in cash flow hedges is being swapped for a fixed rate. Pay fixed cash flow hedges are used to hedge the cash flows on variable rate liabilities and receive fixed cash flow hedges are used to hedge the cash flows on variable rate assets.
4. Being the forward FX rates on the hedging derivatives which are being used to hedge the Group's net investment in foreign operations.

16 Derivative financial instruments *continued*

Nominal values and average interest rates by residual maturity *continued*

	Up to 1 year	1 to 2 years	2 to 5 years	5 years +	2023 Total
Fair value hedges – Interest rate swaps					
Assets					
Hedges of investment securities					
Nominal principal amount (€ m)	931	913	7,430	5,134	14,408
Average interest rate (%)[1]	0.74	0.88	0.83	1.40	1.03
Hedges of customer loans					
Nominal principal amount (€ m)	—	—	—	15	15
Average interest rate (%)[1]	—	—	—	2.59	2.59
Liabilities					
Hedges of debt securities in issue					
Nominal principal amount (€ m)	1,655	1,929	4,160	770	8,514
Average interest rate (%)[1]	2.90	4.66	3.95	5.25	4.02
Hedges of subordinated debt					
Nominal principal amount (€ m)	500	—	1,000	—	1,500
Average interest rate (%)[1]	1.88	—	2.88	—	2.54
Hedges of customer deposits					
Nominal principal amount (€ m)	—	—	—	—	—
Average interest rate (%)[1]	—	—	—	—	—
Total nominal amount of fair value hedges – Interest rate swaps	3,086	2,842	12,590	5,919	24,437
Cash flow hedges – Interest rate swaps[2]					
Hedges of financial assets					
Nominal principal amount (€ m)	8,511	3,805	18,892	15,279	46,487
Average interest rate (%)[3]	2.19	2.44	2.61	2.26	2.40
Hedges of financial liabilities					
Nominal principal amount (€ m)	82	355	1,251	215	1,903
Average interest rate (%)[3]	0.81	2.32	2.07	3.36	2.21
Total nominal amount of cash flow hedges – Interest rate swaps	8,593	4,160	20,143	15,494	48,390
Net investment hedges – Forward exchange contracts					
Nominal principal amount (€ m)	1,504	—	—	—	1,504
Forward FX rate (%)[4]	0.87	—	—	—	0.87

1. Represents the fixed rate on the hedged item which is being swapped for a variable rate.
2. Includes interest rate swaps used to hedge interest rate risk.
3. This is the average interest rate on the fixed leg of swap agreements where the variable rate on the assets and liabilities in cash flow hedges is being swapped for a fixed rate. Pay fixed cash flow hedges are used to hedge the cash flows on variable rate liabilities and receive fixed cash flow hedges are used to hedge the cash flows on variable rate assets.
4. Being the forward FX rates on the hedging derivatives which are being used to hedge the Group's net investment in foreign operations.

Notes to the Consolidated Financial Statements *continued*

16 Derivative financial instruments *continued*

Fair value hedges of interest rate risk

The tables below set out the amounts relating to items designated as (a) hedging instruments and (b) hedged items in fair value hedges of interest rate risk together with the related hedge ineffectiveness at 31 December 2024 and 2023:

2024

Hedging instrument[1]	Nominal amount of hedging instrument € m	Carrying amount of hedging instrument[2] Assets € m	Liabilities € m	Change in fair value used for calculating hedge ineffectiveness for the year € m	Hedge ineffectiveness recognised in the income statement[1] € m
Interest rate swaps hedging:					
Investment securities	16,154	827	(270)	(372)	1
Debt securities in issue	7,922	132	(69)	67	(2)
Subordinated debt	1,650	30	(21)	64	1
Customer accounts	4,225	66	(2)	64	—
Customer loans	15	—	(1)	—	—
	29,966	1,055	(363)	(177)	—

2024

Hedged item	Line item in Statement of Financial Position where hedged item is included	Carrying amount of hedged item recognised in Statement of Financial Position Assets € m	Liabilities € m	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item Assets € m	Liabilities € m	Change in fair value of hedged item used for calculating hedge ineffectiveness for the year € m	Remaining adjustments for discontinued hedges € m
Investment securities	Investment securities	15,172	—	—	(555)	373	—
Debt securities in issue	Debt securities in issue	—	(7,900)	18	—	(69)	—
Subordinated debt	Subordinated liabilities and other capital instruments	—	(1,625)	25	—	(63)	—
Customer accounts	Customer accounts	—	(4,225)	—	(64)	(64)	—
Customer loans	Loans and advances to customers	15	—	1	—	—	—
		15,187	(13,750)	44	(619)	177	—

2023

Hedging instrument[1]	Nominal amount of hedging instrument € m	Carrying amount of hedging instrument[2] Assets € m	Liabilities € m	Change in fair value used for calculating hedge ineffectiveness for the year € m	Hedge ineffectiveness recognised in the income statement[1] € m
Interest rate swaps hedging:					
Investment securities	14,408	1,102	(136)	(724)	(1)
Debt securities in issue	8,514	136	(133)	256	4
Subordinated debt	1,500	—	(73)	66	1
Customer accounts	—	—	—	—	—
Customer loans	15	—	(1)	(1)	—
	24,437	1,238	(343)	(403)	4

2023

Hedged item	Line item in Statement of Financial Position where hedged item is included	Carrying amount of hedged item recognised in Statement of Financial Position Assets € m	Liabilities € m	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item Assets € m	Liabilities € m	Change in fair value of hedged item used for calculating hedge ineffectiveness for the year € m	Remaining adjustments for discontinued hedges € m
Investment securities	Investment securities	13,540	—	—	(925)	723	—
Debt securities in issue	Debt securities in issue	—	(8,423)	89	—	(252)	—
Subordinated debt	Subordinated liabilities and other capital instruments	—	(1,412)	88	—	(65)	—
Customer accounts	Customer accounts	—	—	—	—	—	—
Customer loans	Loans and advances to customers	15	—	1	—	1	—
		13,555	(9,835)	178	(925)	407	—

1. All hedging instruments are included within derivative financial instruments on the statement of financial position and ineffectiveness is included within net trading income in the income statement.
2. The net mark to market on fair value hedging derivatives, excluding accruals of € 97 million, is positive € 595 million (2023: € 130 million and positive € 765 million).

16 Derivative financial instruments *continued*

Cash flow hedges of interest rate risk

The tables below set out the amounts relating to (a) items designated as hedging instruments and (b) the hedged items in cash flow hedges of interest rate risk together with the related hedge ineffectiveness at 31 December 2024 and 2023:

							2024
		Carrying amount of the hedging instrument					
	Nominal amount of the hedging instrument	Assets	Liabilities	Change in fair value of hedging instrument used for calculating hedge ineffectiveness in the year	Change in fair value of hedging instrument recognised in OCI in the year	Hedge Ineffectiveness recognised in the income statement[1]	Amounts reclassified from the cash flow hedge reserve to the income statement
Hedging instrument[1]	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Interest rate swaps hedging[2]:							
Assets (interest rate risk)	39,765	598	(954)	167	173	(6)	(618) [3]
Liabilities (interest rate risk)	2,207	66	(5)	—	—	—	49 [4]
	41,972	664	(959)	167	173	(6)	(569)

1. All hedging instruments are included within derivative financial instruments on the statement of financial position and all ineffectiveness is included within net trading income in the income statement.
2. These can include both interest rate swaps and cross currency swaps, both of which are hedging interest rate risk.
3. Included in interest and similar income in the income statement.
4. Included in interest and similar expense in the income statement.

						2024
Hedged item	**Line item in Statement of Financial Position in which hedged item is included**	Change in fair value of hedged item used for calculating hedge ineffectiveness for the year € m	Amounts in the cash flow hedging reserves for continuing hedges[1] pre tax € m	Amounts in the cash flow hedging reserves for continuing hedges[1] post tax € m	Amounts remaining in the cash flow hedging reserves from any hedging relationship for which hedge accounting is no longer applied pre tax € m	Amounts remaining in the cash flow hedging reserves from any hedging relationship for which hedge accounting is no longer applied post tax € m
Assets (interest rate risk)	Loans and advances to customers	(173)	(264)	(189)	25	22
Liabilities (interest rate risk)	Customer accounts	—	52	46	—	—

1. The cash flow hedging reserves are adjusted to the lower of either the cumulative gain or loss or the cumulative change in fair value (present value) of the hedged item from inception of the hedge. The portion that is offset by the change in the cash flow hedging reserves is recognised in other comprehensive income with any hedge ineffectiveness recognised in the income statement.

Notes to the Consolidated Financial Statements *continued*

16 Derivative financial instruments *continued*

Cash flow hedges of interest rate *continued*

2023

Hedging instrument[1]	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument Assets	Carrying amount of the hedging instrument Liabilities	Change in fair value of hedging instrument used for calculating hedge ineffectiveness in the year	Change in fair value of the hedging instrument recognised in OCI in the year	Hedge Ineffectiveness recognised in the income statement[1]	Amounts reclassified from the cash flow hedge reserve to the income statement
	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Interest rate swaps hedging[2]							
Assets (interest rate risk)	46,487	604	(1,095)	1,480	1,480	—	(615) [3]
Liabilities (interest rate risk)	1,903	77	(14)	(75)	(75)	—	42 [4]
	48,390	681	(1,109)	1,405	1,405	—	(573)

1. All hedging instruments are included within derivative financial instruments on the statement of financial position and all ineffectiveness is included within net trading income in the income statement.
2. These can include both interest rate swaps and cross currency swaps, both of which are hedging interest rate risk.
3. Included in interest and similar income and other (expense)/income in the income statement.
4. Included in interest and similar expense in the income statement.

2023

Hedged item	Line item in Statement of Financial Position in which hedged item is included	Change in fair value of hedged item used for calculating hedge ineffectiveness for the year	Amounts in the cash flow hedging reserves for continuing hedges[1] pre tax	Amounts in the cash flow hedging reserves for continuing hedges[1] post tax	Amounts remaining in the cash flow hedging reserves from any hedging relationship for which hedge accounting is no longer applied pre tax	Amounts remaining in the cash flow hedging reserves from any hedging relationship for which hedge accounting is no longer applied post tax
		€ m	€ m	€ m	€ m	€ m
Assets (interest rate risk)	Loans and advances to customers	(1,480)	(432)	(344)	13	11
Liabilities (interest rate risk)	Customer accounts	75	52	45	—	—

1. The cash flow hedging reserves are adjusted to the lower of either the cumulative gain or loss or the cumulative change in fair value (present value) of the hedged item from inception of the hedge. The portion that is offset by the change in the cash flow hedging reserves is recognised in other comprehensive income with any hedge ineffectiveness recognised in the income statement.

16 Derivative financial instruments *continued*

Cash flow hedges

The table below sets out the hedged cash flows which are expected to occur in the following periods:

2024	Within 1 year € m	Between 1 and 2 years € m	Between 2 and 5 years € m	More than 5 years € m	Total € m
Forecast receivable cash flows	**991**	**696**	**1,545**	**1,016**	**4,248**
Forecast payable cash flows	**77**	**53**	**93**	**29**	**252**

2023	Within 1 year € m	Between 1 and 2 years € m	Between 2 and 5 years € m	More than 5 years € m	Total € m
Forecast receivable cash flows	1,400	692	1,381	1,113	4,586
Forecast payable cash flows	73	44	59	21	197

The table below sets out the hedged cash flows, including amortisation of terminated cash flow hedges, which are expected to impact the income statement in the following periods:

2024	Within 1 year € m	Between 1 and 2 years € m	Between 2 and 5 years € m	More than 5 years € m	Total € m
Forecast receivable cash flows	**991**	**696**	**1,545**	**1,016**	**4,248**
Forecast payable cash flows	**87**	**60**	**91**	**35**	**273**

2023	Within 1 year € m	Between 1 and 2 years € m	Between 2 and 5 years € m	More than 5 years € m	Total € m
Forecast receivable cash flows	1,400	692	1,381	1,113	4,586
Forecast payable cash flows	88	47	48	29	212

Notes to the Consolidated Financial Statements *continued*

16 Derivative financial instruments *continued*

Hedges of net investment in foreign operations

The tables below set out the amounts relating to (a) items designated as hedging instruments and (b) the hedged items in hedges of the net investment in foreign operations together with the related hedge ineffectiveness at 31 December 2024 and 2023.

2024

Hedging Instrument[1]	Nominal amount of hedging instrument	Carrying amount of the hedging instrument: Assets	Carrying amount of the hedging instrument: Liabilities	Change in fair value of hedging instrument used for calculating hedge ineffectiveness in the year	Change in fair value of hedging instrument recognised in OCI in the year	Hedge Ineffectiveness recognised in the income statement[1]	Amounts that have been transferred because the hedged item has affected the income statement
	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Foreign exchange contracts							
Derivatives hedging assets	1,439	—	(24)	(66)	(66)	—	—[2]
Derivatives hedging liabilities	—	—	—	—	—	—	—[2]

1. All hedging instruments are included within derivative financial instruments on the statement of financial position and ineffectiveness is included within net trading income in the income statement.
2. Included in other (expense)/income in the income statement.

2024

Hedged item	Line item in Statement of Financial Position in which hedged item is included	Change in fair value of hedged item used for calculating hedge ineffectiveness for the year	Amount in the foreign currency translation reserves for continuing hedges pre tax	Amounts in the foreign currency translation reserves for continuing hedges post tax	Amounts remaining in the foreign currency translation reserves from any hedging relationship for which hedge accounting is no longer applied pre tax	Amounts remaining in the foreign currency translation reserves from any hedging relationship for which hedge accounting is no longer applied post tax
		€ m	€ m	€ m	€ m	€ m
Net investment in UK subsidiary	Reserves	66	(108)	(94)	(8)	(7)

2023

Hedging Instrument[1]	Nominal amount of hedging instrument	Carrying amount of the hedging instrument: Assets	Carrying amount of the hedging instrument: Liabilities	Change in fair value of hedging instrument used for calculating hedge ineffectiveness in the year	Change in fair value of hedging instruments recognised in OCI in the year	Hedge Ineffectiveness recognised in the income statement[1]	Amounts that have been transferred because the hedged item has affected the income statement
	€ m	€ m	€ m	€ m	€ m	€ m	€ m
Foreign exchange contracts							
Derivatives hedging assets	1,504	2	(3)	(28)	(28)	—	—[2]
Derivatives hedging liabilities	—	—	—	—	—	—	—[2]

1. All hedging instruments are included within derivative financial instruments on the statement of financial position and ineffectiveness is included within net trading income in the income statement.
2. Included in other (expense)/income in the income statement.

2023

Hedged item	Line item in Statement of Financial Position in which hedged item is included	Change in fair value of hedged item used for calculating hedge ineffectiveness for the year	Amount in the foreign currency translation reserves for continuing hedges pre tax	Amounts in the foreign currency translation reserves for continuing hedges post tax	Amounts remaining in the foreign currency translation reserves from any hedging relationship for which hedge accounting is no longer applied pre tax	Amounts remaining in the foreign currency translation reserves from any hedging relationship for which hedge accounting is no longer applied post tax
		€ m	€ m	€ m	€ m	€ m
Net investment in UK subsidiary	Reserves	28	(50)	(43)	—	—

17 Loans and advances to banks

	2024 € m	2023 € m
At amortised cost		
Funds placed with central banks	**241**	259
Funds placed with other banks	**1,080**	1,070
	1,321	1,329
ECL allowance	**—**	—
Total loans and advances to banks	**1,321**	1,329

Loans and advances to banks by geographical area[1]	2024 € m	2023 € m
Ireland	**989**	937
United Kingdom	**317**	388
United States of America	**15**	4
Total loans and advances to banks by geographical area	**1,321**	1,329

1. The classification of loans and advances to banks by geographical area is based primarily on the location of the office recording the transaction.

Loans and advances to banks include cash collateral of € 680 million (2023: € 741 million) placed with derivative counterparties in relation to net derivative positions and placed with repurchase agreement counterparties. In addition, these include € 6 million (2023: € 5 million) relating to restricted balances held in trust in respect of certain payables which are included in 'other liabilities' (note 32).

The group is required by law to maintain reserve balances with the Bank of England. At 31 December 2024, these amounted to € 241 million (2023: € 259 million).

18 Loans and advances to customers

	2024 € m	2023 € m
At amortised cost		
Loans and advances to customers[1]	**69,453**	65,320
Amounts receivable under finance leases and hire purchase contracts	**1,716**	1,649
	71,169	66,969
ECL allowance	**(1,344)**	(1,520)
	69,825	65,449
Mandatorily at fair value through profit or loss		
Loans and advances to customers	**64**	42
Total loans and advances to customers	**69,889**	65,491
Additional information:		
Amounts which are repayable on demand	**2,319**	2,145
Amounts due from equity accounted investments	**66**	45
Undrawn commitments from equity accounted investments (less than one year)	**208**	225
Cash collateral placed with derivative counterparties	**50**	21

1. During the period, the Group acquired Ulster Bank tracker (and linked) mortgages of € 840 million (2023: € 3,842 million). In 2023 the Group acquired Ulster Bank corporate and commercial loans of € 884 million.

For details of credit quality of loans and advances to customers, including forbearance, refer to the sections denoted as 'audited' in the 'Risk management' section 2.1.2 to 2.1.6 of this report.

Notes to the Consolidated Financial Statements *continued*

18 Loans and advances to customers *continued*

Amounts receivable under finance leases and hire purchase contracts

The following balances principally comprise of leasing arrangements and hire purchase agreements of vehicles, plant, machinery and equipment:

	2024 € m	2023 € m
Gross receivables		
Not later than 1 year	**647**	640
Later than 1 year and not later than 2 years	**493**	466
Later than 2 years and not later than 3 years	**361**	344
Later than 3 years and not later than 4 years	**222**	208
Later than 4 years and not later than 5 years	**109**	104
Later than 5 years	**24**	19
Total	**1,856**	1,781
Unearned future finance income	**(151)**	(142)
Deferred costs incurred on origination	**11**	10
Present value of minimum payments	**1,716**	1,649
ECL allowance for uncollectible minimum payments receivable[1]	**39**	43

1. Included in 'ECL allowance on financial assets' (note 20).

19 Securities financing

Securities financing transactions are generally entered into on a collateralised basis, with debt securities and equities, usually advanced or received as collateral. Reverse repurchase agreements involve purchase of debt securities with an agreement to resell substantially identical investments at a fixed price on a certain future date. Securities borrowing agreements involve purchase of debt securities and equities with an agreement to resell substantially identical investments at a fixed price on a certain future date. Securities sold under agreements to repurchase involves sales of securities with agreements to repurchase substantially identical investments at a fixed price on a certain future date.

			2024			2023
	Banks € m	Customers € m	Total € m	Banks € m	Customers € m	Total € m
Assets						
Reverse repurchase agreements	**3,380**	**175**	**3,555**	3,628	171	3,799
Securities borrowing transactions	**1,848**	**1,240**	**3,088**	1,541	1,126	2,667
Total[1]	**5,228**	**1,415**	**6,643**	5,169	1,297	6,466
Liabilities						
Securities sold under agreements to repurchase	**191**	**5**	**196**	575	—	575
Total	**191**	**5**	**196**	575	—	575

1. Classified as ECL Stage 1 and have an ECL of € 1 million at 31 December 2024 (31 December 2023: € 1 million).

In accordance with the terms of the reverse repurchase agreements and securities borrowing agreements, the Group accepts collateral that it is permitted to sell or repledge in the absence of default by the owner of the collateral. At 31 December 2024, the total fair value of the collateral received was € 6,643 million (2023: € 6,466 million), none of which had been resold or repledged. These transactions were conducted under terms that are usual and customary to standard reverse repurchase agreements and securities borrowing agreements.

Securities sold under agreements to repurchase mature within six months and are secured by debt securities and eligible assets. At 31 December 2024, in relation to securities sold under agreements to repurchase, the Group had pledged collateral with a fair value of € 196 million (2023: € 575 million). These transactions were conducted under terms that are usual and customary to standard securities sold under repurchase transactions.

20 ECL allowance on financial assets

The following table shows the movements on the ECL allowance on financial assets. Further information is disclosed in the Gross Loans and ECL movement tables in the 'Risk management' section of this report. See pages 210 to 216.

	2024 € m	2023 € m
At 1 January	**1,525**	1,623
Net re-measurement of ECL allowance – investment securities-debt	**(2)**	—
Net re-measurement of ECL allowance – banks	**—**	—
Net re-measurement of ECL allowance – customers	**92**	216
Net re-measurement of ECL allowance – securities financing	**—**	—
Changes in ECL allowance due to write-offs	**(126)**	(125)
Changes in ECL allowance due to disposals	**(173)**	(200)
Exchange translation adjustments	**16**	4
Other	**15**	7
At 31 December	**1,347**	1,525
Amount included in financial assets measured at amortised cost:		
Investment securities – debt	**1**	3
Loans and advances to banks	**—**	—
Loans and advances to customers	**1,344**	1,520
Securities financing	**1**	1
Other assets – stockbroking client debtors	**1**	1
At 31 December	**1,347**	1,525

21 Investment securities

The following table analyses the carrying value of investment securities by major classification at 31 December 2024 and 2023.

	2024 € m	2023 € m
Debt securities at FVOCI		
Government securities	**3,013**	2,986
Supranational banks and government agencies securities	**3,132**	2,228
Asset backed securities	**153**	454
Bank securities	**6,532**	6,198
Corporate securities	**738**	622
Total debt securities at FVOCI[1]	**13,568**	12,488
of which provided as collateral	**1,963**	3,558
Debt securities at amortised cost		
Government securities	**2,226**	2,177
Supranational banks and government agencies securities	**237**	179
Asset backed securities	**2,113**	1,917
Bank securities	**79**	77
Corporate securities	**148**	160
Total debt securities at amortised cost	**4,803**	4,510
of which provided as collateral	**859**	1,397
Total debt securities	**18,371**	16,998
Total of which provided as collateral	**2,822**	4,955
Equity securities		
Equity investments at FVTPL	**297**	355
Total equity securities	**297**	355
Total investment securities	**18,668**	17,353

The following table analyses the carrying amount of debt securities by ECL stage:

	2024 € m	2023 € m
Gross amount		
Stage 1	**18,372**	16,991
Stage 2	**—**	10
Total debt securities	**18,372**	17,001
ECL[2]	**(1)**	(3)
Carrying value	**18,371**	16,998

1. The ECL of € 2 million (2023: € 2 million) on debt securities 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.
2. Relates to debt securities at amortised cost.

22 Investments accounted for using the equity method

	2024			2023		
	Associates € m	Joint venture € m	Total € m	Associates € m	Joint venture € m	Total € m
Share of net assets including goodwill						
At 1 January	208	102	310	159	14	173
Investment during the year	27	10	37	18	107	125
Dividends received	(25)	—	(25)	—	—	—
Share of results of equity accounted investments (after tax)	33 [1]	(7)	26	31 [1]	(19)	12
At 31 December	243	105	348	208	102	310

1. Share of results of equity accounted investments includes € 34 million (2023: € 35 million) relating to AIB Merchant Services.

Details of the Group's associates and joint venture

Investments in associates comprises the Group's investment in AIB Merchant Services, Clearpay DAC, First Homes Scheme DAC and Autolease Fleet Management Ltd. The investment in joint venture comprises the Group's investment in AIB life, being the Group's joint venture with Great-West Lifeco Inc. None of the investments are considered individually material to the Group.

The following is the principal associate company of the Group at 31 December 2024 and 2023:

			Proportion of ownership interest and voting power held by the Group	
Name of associate	Principal activity	Place of incorporation and operation	2024 %	2023 %
Zolter Services DAC (holds 100% of First Merchant Processing (Ireland) DAC and First Merchant Processing UK Ltd, together trading as AIB Merchant Services)	Provider of merchant payment solutions	Registered Office: Unit 6, Belfield Business Park, Clonskeagh, Dublin 4 Ireland	49.9	49.9

In accordance with Sections 316 and 348 of the Companies Act 2014 and the European Communities (Credit Institutions: Financial Statements) Regulations 2015, AIB Group plc will annex a full listing of associated undertakings to its annual return to the Companies Registration Office.

Transactions with the Group's associates and joint venture

Banking transactions between the Group and its associates and joint venture are entered into in the normal course of business. For further information see notes 18 and 29. There was no unrecognised share of losses of associates or joint ventures at 31 December 2024 or 2023.

Change in the Group's ownership interest in associates

There were no material disposals and/or change in the Group's ownership interest in the current year.

Significant restrictions

There is no significant restriction on the ability of associates or joint ventures to transfer funds to the Group in the form of cash or dividends, or to repay loans or advances made by the Group.

Notes to the Consolidated Financial Statements *continued*

23 Intangible assets and goodwill

2024	Software externally purchased € m	Software internally generated € m	Software under construction € m	Goodwill[1] € m	Other € m	Total € m
Cost						
At 1 January	237	1,805	158	128	42	2,370
Additions	13	106	113	—	—	232
Transfers in/(out)	—	105	(105)	—	—	—
Amounts written-off[2]	(34)	(120)	(2)	—	—	(156)
Exchange translation adjustments	—	3	—	—	—	3
At 31 December	216	1,899	164	128	42	2,449
Amortisation/impairment						
At 1 January	214	1,201	—	—	30	1,445
Amortisation for the year[3]	11	205	—	—	6	222
Impairment for the year[3]	—	—	2	—	—	2
Amounts written-off[2]	(34)	(120)	(2)	—	—	(156)
Exchange translation adjustments	—	2	—	—	—	2
At 31 December	191	1,288	—	—	36	1,515
Carrying value at 31 December	25	611	164	128	6	934

2023	Software externally purchased € m	Software internally generated € m	Software under construction € m	Goodwill[1] € m	Other € m	Total € m
Cost						
At 1 January	243	1,638	149	120	40	2,190
Additions	10	91	95	8	2	206
Transfers in/(out)	—	86	(86)	—	—	—
Amounts written-off[2]	(16)	(11)	—	—	—	(27)
Exchange translation adjustments	—	1	—	—	—	1
At 31 December	237	1,805	158	128	42	2,370
Amortisation/impairment						
At 1 January	221	1,005	—	—	24	1,250
Amortisation for the year[3]	9	205	—	—	6	220
Impairment for the year[3]	—	1	—	—	—	1
Amounts written-off[2]	(16)	(11)	—	—	—	(27)
Exchange translation adjustments	—	1	—	—	—	1
At 31 December	214	1,201	—	—	30	1,445
Carrying value at 31 December	23	604	158	128	12	925

1. In 2023 the Group acquired two subsidiaries, Gaiastream Ltd (trading as Clearstream Solutions) and ParkMagic Mobile Solutions Ltd, which were not material either individually or collectively. The Group recognised goodwill of € 8 million as a result of these transactions.
2. Relates to assets which are no longer in use with a Nil carrying value.
3. Included in 'Impairment and amortisation of intangible assets' in the consolidated income statement.

Future capital expenditure in relation to both intangible assets and property, plant and equipment is set out in note 24.

24 Property, plant and equipment

2024

	Owned assets					Leased assets		
	Property					Right-of-use assets		
	Freehold € m	Long leasehold € m	Leasehold under 50 years € m	Equipment € m	Assets under construction € m	Property € m	Other € m	Total € m
Cost								
At 1 January	173	39	109	370	17	443	5	1,156
Transfers in/(out)	1	—	13	2	(16)	—	—	—
Additions	1	—	2	13	9	8	1	34
Transfers (to)/from held for sale	—	(2)	—	—	—	—	—	(2)
Amounts written off[1]	—	—	(4)	(33)	—	(32)	(1)	(70)
Exchange translation adjustments	1	—	—	1	—	2	—	4
At 31 December	176	37	120	353	10	421	5	1,122
Depreciation/impairment								
At 1 January	54	14	61	298	—	171	—	598
Depreciation charge for the year[2]	5	1	9	22	—	34	2	73
Impairment charge for the year[2]	1	1	1	1	—	—	—	4
Amounts written off[1]	—	—	(4)	(33)	—	(32)	(1)	(70)
Transfers (to)/from held for sale	—	(1)	—	—	—	—	—	(1)
Exchange translation adjustments	—	—	—	—	—	1	1	2
At 31 December	60	15	67	288	—	174	2	606
Carrying value at 31 December	116	22	53	65	10	247	3	516

2023

	Owned assets					Leased assets		
	Property					Right-of-use assets		
	Freehold € m	Long leasehold € m	Leasehold under 50 years € m	Equipment € m	Assets under construction € m	Property € m	Other € m	Total € m
Cost								
At 1 January	168	38	107	378	9	377	4	1,081
Transfers in/(out)	2	—	1	1	(4)	—	—	—
Additions	4	1	2	15	12	57	5	96
Amounts written off[1]	(1)	—	(1)	(24)	—	(4)	(4)	(34)
Other	—	—	—	—	—	13	—	13
Exchange translation adjustments	—	—	—	—	—	—	—	—
At 31 December	173	39	109	370	17	443	5	1,156
Depreciation/impairment								
At 1 January	50	13	53	298	—	128	3	545
Depreciation charge for the year[2]	5	1	9	24	—	34	1	74
Impairment charge for the year[2]	—	—	—	—	—	—	—	—
Amounts written off[1]	(1)	—	(1)	(24)	—	(4)	(4)	(34)
Transfers (to)/from held for sale	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	13	—	13
Exchange translation adjustments	—	—	—	—	—	—	—	—
At 31 December	54	14	61	298	—	171	—	598
Carrying value at 31 December	119	25	48	72	17	272	5	558

1. Relates to assets which are no longer in use with a Nil carrying value.
2. Included in 'Impairment and depreciation of property, plant and equipment' in the consolidated income statement.

The net carrying value of property occupied by the Group for its own activities was € 182 million (2023: € 183 million) in relation to owned assets and € 247 million in relation to right-of-use assets (2023: € 272 million), excluding those held as disposal groups and non-current assets held for sale. Property leased to others by the Group had a carrying value of € 9 million (2023: € 9 million).

Notes to the Consolidated Financial Statements *continued*

24 Property, plant and equipment *continued*

Future capital expenditure

The table below shows future capital expenditure in relation to both property, plant and equipment and intangible assets (excluding right-of-use assets).

	2024 € m	2023 € m
Estimated outstanding commitments for capital expenditure not provided for in the financial statements	2	7
Capital expenditure authorised but not yet contracted for	14	7

Leased assets

Property

The Group leases property for its offices and retail branch outlets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Most of these leases carry statutory renewal rights, or include an option to renew the lease for an additional period after the end of the contract term. Where the Group is likely to exercise these options, this has been taken into account in determining the lease liability and the right-of-use asset.

Other

The Group leases motor vehicles, ATM offsite locations and IT equipment.

Lease liabilities

A maturity analysis of lease liabilities is shown in note 31.

Amounts recognised in income statement	2024 € m	2023 € m
Depreciation expense on right-of-use assets	36	35
Interest on lease liabilities *(note 5)*	9	9

Amounts recognised in statement of cash flows	2024 € m	2023 € m
Total cash outflow for leases during the year[1]	43	43

1. Includes amounts reported as interest expense on lease liabilities of € 9 million (2023: € 9 million) and amounts reported as principal repayments on lease liabilities of € 34 million (2023: € 34 million). Refer to note 31.

25 Other assets

	2024 € m	2023 € m
Proceeds due from disposal of loan portfolio[1]	133	43
Proceeds due from the issuance of debt securities[1]	105	—
Stockbroking client debtors[2]	11	21
Items in transit	114	83
Items in course of collection	35	42
Other[3]	77	71
Total other assets	475	260
Other assets are analysed as follows:		
Less than 1 year	475	260
Greater than 1 year	—	—
	475	260

1. ECL: Nil (2023: Nil).
2. ECL: € 1 million (2023: € 1 million).
3. Includes sundry debtors € 32 million (2023: € 37 million).

26 Deferred taxation

	2024 € m	2023 € m
Deferred tax assets:		
Unutilised tax losses	**2,203**	2,474
Cash flow hedges	**73**	97
Transition to IFRS 9	**3**	4
Assets used in the business	**47**	17
Retirement benefits	**3**	4
Assets leased to customers	**15**	16
Investment securities	**15**	—
Other	**3**	3
Total gross deferred tax assets	**2,362**	2,615
Deferred tax liabilities:		
Cash flow hedges	**(7)**	(11)
Retirement benefits	**(6)**	(6)
Assets used in the business	**(51)**	(22)
Acquisition of subsidiary	**(1)**	(2)
Other	**(8)**	(16)
Total gross deferred tax liabilities	**(73)**	(57)
Net deferred tax assets	**2,289**	2,558
Represented on the statement of financial position:		
Deferred tax assets	**2,303**	2,581
Deferred tax liabilities	**(14)**	(23)
	2,289	2,558

For each of the years ended 31 December 2024 and 2023, full provision has been made for capital allowances and other temporary differences.

Analysis of movements in deferred taxation	2024 € m	2023 € m
At 1 January	**2,558**	3,002
Exchange translation and other adjustments	**15**	(11)
Deferred tax through other comprehensive income *(note 14)*	**7**	(174)
Income statement *(note 14)*	**(291)**	(259)
At 31 December	**2,289**	2,558

With regard to the Group's deferred tax asset for unutilised losses, during 2024 the Group recognised a net charge to the income statement of € 294 million (2023: € 262 million) and an increase in the carrying value of € 23 million (2023: € 8 million) in relation to exchange translations and other adjustments. As a result, the amount of recognised deferred tax assets arising from unutilised tax losses amounted to € 2,203 million (2023: € 2,474 million) of which € 1,995 million (2023: € 2,289 million) relates to Irish tax losses, € 191 million (2023: € 185 million) relates to UK tax losses and € 17 million (2023: Nil) relates to US tax losses. Additional commentary on the basis of recognition of deferred tax assets on unused tax losses is included in note 2.

Temporary differences recognised in other comprehensive income consist of deferred tax on financial assets at FVOCI, cash flow hedges and actuarial gains/losses on retirement benefit schemes. Temporary differences recognised in the income statement consist of provisions for expected credit losses on financial instruments, amortised income, assets leased to customers, and assets used in the course of the business.

Net deferred tax assets at 31 December 2024 of € 2,076 million (2023: € 2,361 million) are expected to be recovered after more than 12 months.

For the Group's principal UK subsidiary, the Group has concluded that the recognition of deferred tax assets be limited to the amount projected to be realised within a time period of 15 years. This is the timescale within which the Group believes that it can assess the likelihood of its profits arising as being more likely than not. The deferred tax asset for unutilised tax losses in the principal UK subsidiary amounts to £ 152 million at 31 December 2024 (2023: £ 160 million).

For certain other subsidiaries and branches, the Group has concluded that it is more likely than not that there will be insufficient profits to support full recognition of deferred tax assets. The Group has not recognised deferred tax assets in respect of: Irish tax on unused tax losses at 31 December 2024 of € 155 million (2023: € 161 million); overseas tax (UK and USA) on unused tax losses of € 3,078 million (2023: € 3,058 million); and foreign tax credits for Irish tax purposes of € 19 million (2023: € 12 million). Of these tax losses totalling € 3,233 million for which no deferred tax is recognised: € 14 million expires in 2034; and € 6 million in 2035.

The aggregate amount of temporary differences associated with investments in subsidiaries, branches and associates for which deferred tax liabilities have not been recognised amounted to Nil (2023: Nil). Deferred tax recognised directly in equity amounted to Nil (2023: Nil).

27 Retirement benefits

The Group operates a number of defined contribution and defined benefit schemes for employees. All defined benefit schemes are closed to future accrual.

Defined contribution

From 1 January 2014, all Group staff accrue future pension benefits on a defined contribution ('DC') basis with a standard employer contribution of 10%. An additional matched employer contribution, subject to limits based on age bands of 2%, 5% or 8% is also paid into the schemes.

The amount included in operating expenses in respect of DC schemes is € 96 million (2023: € 89 million) (note 10).

Defined benefit schemes

All defined benefit schemes operated by the Group closed to future accrual no later than 31 December 2013 and staff transferred to defined contribution schemes for future pension benefits. The most significant defined benefit schemes operated by the Group are the AIB Group Irish Pension Scheme ('the Irish scheme') and the AIB Group UK Pension Scheme ('the UK scheme').

Retirement benefits for the defined benefit schemes are calculated by reference to service and final pensionable salary at 31 December 2013. The final pensionable salary used in the calculation of this benefit for staff is based on their average pensionable salary in the period between 30 June 2009 and 31 December 2013. This calculation of benefit for each staff member will revalue between 1 January 2014 and retirement date in line with the statutory requirement to revalue deferred benefits. There is no link to any future changes in salaries.

In the main Irish scheme, there are 15,560 members comprising 4,688 pensioners and 10,872 deferred members at 31 December 2024. 7,480 members have benefits accrued from 2007 to 2013 under a hybrid arrangement. In addition, there are 937 members comprising 162 pensioners and 775 deferred members at 31 December 2024 in EBS Defined Benefit Schemes.

During 2024, the UK Court of Appeal upheld a ruling in respect of Virgin Media v NTL Pension Trustees II Limited, which considered the validity of certain defined benefit scheme rule amendments made between 1997 and 2016. The Trustee with its advisers and the UK scheme actuary is considering the possible implications of the ruling on the UK scheme. As it is too early at present to estimate the potential impact, if any, on the UK scheme, no adjustment has been made in the financial statement for this matter.

(i) Responsibilities for governance

The Trustees of each Group pension scheme are ultimately responsible for the governance of the schemes. In respect of the Irish schemes, the scheme actuary reviews the statutory minimum funding requirement annually. In the event of a deficit on the statutory funding basis either the Group can meet the deficit over an agreed period through agreeing a funding proposal with the Trustees and pensions regulator or making a contribution to meet the deficit. There are currently no funding proposals or contribution requirements in respect of the Irish schemes and the scheme actuary's most recent review confirmed that the schemes met their statutory funding obligations. Funding arrangements for the UK scheme are described in the Asset-liability matching strategies within this note.

(ii) Risks

Details of the pension risk to which the Group is exposed are set out in the Risk Management section on pages 233 and 234 of this report.

(iii) Valuations

Independent actuarial valuations for the Irish scheme and the UK scheme are carried out on a triennial basis by the schemes' actuary, Mercer. The most recent valuation of the Irish scheme was carried out at 30 June 2021 and reported the scheme to be in surplus. The next actuarial valuation of the Irish scheme is being prepared with an effective date of 30 June 2024 with the results expected by 31 March 2025. No deficit funding is required at this time as the Irish scheme continues to meet the minimum funding standard. The most recent valuation of the UK scheme was carried out at 31 December 2020. The next actuarial valuation of the UK scheme is being carried out for 31 December 2023 with the results expected by 31 March 2025.

(iv) Contributions

Total contributions to all defined benefit pension schemes operated by the Group in 2024 amounted to € 24 million (2023: € 24 million). There were no contributions made to the Irish scheme in 2024 (2023: Nil). Contributions of £ 18.5 million were made to the UK scheme (2023: £ 18.5 million) as part of the revised funding arrangement which was implemented in December 2019.

Total contributions to all defined benefit pension schemes operated by the Group for the year to 31 December 2025 are estimated to be € 11 million.

27 Retirement benefits *continued*

(v) Financial assumptions

The following table summarises the financial assumptions adopted in the preparation of these financial statements in respect of the main schemes at 31 December 2024 and 2023. The assumptions have been set based upon the advice of the Group's actuary.

Financial assumptions	2024 %	2023 %
Irish scheme		
Rate of increase of pensions in payment	**1.90**	2.05
Discount rate	**3.52**	3.55
Inflation assumptions[1]	**1.90**	2.15
UK scheme		
Rate of increase of pensions in payment[2]	**3.20**	3.00
Discount rate	**5.50**	4.80
Inflation assumptions (RPI)	**3.10**	3.00

1. The inflation assumption applies to the revaluation of deferred members' benefits up to their retirement date.
2. The assumption for pension in payment increases in line with RPI but with a floor of 0% and so is higher than the RPI assumption.

– Funding of increases in pensions in payment for the Irish scheme

The Board previously determined that the funding of discretionary increases to pensions in payment is a decision to be made by the Board each year. A process, taking account of all relevant interests and factors was implemented by the Board. These interests and factors include: the advice of the Actuary; the interests of the members of the scheme; the interests of the employees; the Group's financial circumstances and ability to pay; the views of the Trustees; the Group's commercial interests and any competing obligations to the State. As a result of this process, the Group's judgement is that a constructive obligation to fund future discretionary pension in payment increases does not exist.

The Group decided in February 2024 and 2025 that the funding of discretionary increases was not appropriate in either year in relation to the Irish scheme.

– Rate of increase of pensions in payment – Irish scheme

Notwithstanding the decisions by the Board not to fund discretionary increases, the Trustee of the Irish scheme awarded an increase of 3.40% in 2024 (2023: increase of 6.75%). Taking this decision by the Trustee into consideration and the financial position of the scheme, the long-term assumption for future discretionary increases in pensions in payment continues to reflect an assessment of the Trustee's ability to grant further discretionary increases without funding from the Group. Having taken actuarial advice, this amount was estimated to increase scheme liabilities by € 808 million at 31 December 2024 (31 December 2023: € 822 million). This is equivalent to a rate of 1.90% (31 December 2023: 2.05%) for the long-term assumption for future discretionary increases in pensions in payment (which is the lower of the surplus available to the Trustee to distribute or the long-term inflation assumption).

(vi) Demographic assumptions

Demographic assumptions include assumptions for mortality, proportions married, commutation and retirement age. The mortality assumption has the most material impact on changes in demographic assumptions and further details on this assumption are set out below. The life expectancies underlying the value of the scheme liabilities for the Irish and UK schemes at 31 December 2024 and 2023 are shown in the following table.

	Life expectancy – years			
	Irish scheme		UK scheme	
	2024	2023	2024	2023
Retiring today age 63				
Males	**25.1**	25.1	**24.2**	24.3
Females	**27.0**	27.0	**26.2**	26.2
Retiring in 10 years at age 63				
Males	**25.8**	25.7	**24.5**	24.6
Females	**27.8**	27.7	**27.2**	27.2

The mortality assumptions for the Irish and UK schemes were updated in 2021 to reflect emerging market experience. The table shows that a member of the Irish scheme retiring at age 63 on 31 December 2024 is assumed to live on average for 25.1 years for a male (24.2 years for the UK scheme) and 27.0 years for a female (26.2 years for the UK scheme). There will be variation between members but these assumptions are expected to be appropriate for all members. The table also shows the life expectancy for members aged 53 on 31 December 2024 who will retire in ten years. Younger members are expected to live longer in retirement than those retiring now, reflecting a decrease in mortality rates in future years due to advances in medical science and improvements in standards of living.

Notes to the Consolidated Financial Statements *continued*

27 Retirement benefits *continued*

(vii) Movement in defined benefit obligation and scheme assets

The following table sets out the movement in the defined benefit obligation and scheme assets during 2024 and 2023.

	2024				2023			
	Defined benefit obligation	Fair value of scheme assets	Asset ceiling/ minimum funding[1]	Net defined benefit (liabilities) assets	Defined benefit obligation	Fair value of scheme assets	Asset ceiling/ minimum funding[1]	Net defined benefit (liabilities) assets
	€ m	€ m	€ m	€ m	€ m	€ m	€ m	€ m
At 1 January	(5,023)	5,690	(650)	17	(4,850)	5,454	(607)	(3)
Included in profit or loss								
Past service cost	(1)	—	—	(1)	(2)	—	—	(2)
Interest (cost)/income	(183)	209	(23)	3	(205)	232	(26)	1
Administration costs	—	(5)	—	(5)	—	(4)	—	(4)
	(184)	204	(23)	(3)	(207)	228	(26)	(5)
Included in other comprehensive income								
Remeasurement loss:								
– Actuarial gain/(loss) arising from:								
– Experience adjustments[2]	(45)	—	—	(45)	(96)	—	—	(96)
– Changes in demographic assumptions	1	—	—	1	17	—	—	17
– Changes in financial assumptions	84	—	—	84	(95)	—	—	(95)
– Return on scheme assets excluding interest income	—	(117)	—	(117)	—	189	—	189
– Asset ceiling/minimum funding adjustments	—	—	59	59	—	—	(17)	(17)
Total remeasurement loss				(18) [3]				(2) [3]
Translation adjustment on non-Euro schemes	(36)	38	—	2	(12)	15	—	3
	4	(79)	59	(16)	(186)	204	(17)	1
Other								
Contributions by employer	—	24	—	24	—	24	—	24
Benefits paid	253	(253)	—	—	220	(220)	—	—
	253	(229)	—	24	220	(196)	—	24
At 31 December	(4,950)	5,586	(614)	22	(5,023)	5,690	(650)	17

	31 December 2024 € m	31 December 2023 € m
Recognised on the statement of financial position as:		
Retirement benefit assets		
UK scheme	20	21
Other schemes	11	10
Total retirement benefit assets	31	31
Retirement benefit liabilities		
Irish scheme	—	—
EBS scheme	—	—
Other schemes	(9)	(14)
Total retirement benefit liabilities	(9)	(14)
Net pension surplus	22	17

1. In recognising the net surplus or deficit on a pension scheme, the funded status of each scheme is adjusted to reflect any minimum funding requirement and any ceiling on the amount that the sponsor has a right to recover from a scheme.
2. The effects of differences between the previous actuarial assumptions and what has actually occurred.
3. After tax € 13 million (2023: € 2 million).

27 Retirement benefits *continued*

Scheme assets

The following table sets out an analysis of the scheme assets:

	2024 € m	2023 € m
Cash and cash equivalents	**148**	196
Quoted equity instruments		
Basic materials	**28**	56
Consumer goods	**51**	92
Consumer services	**146**	121
Energy	**38**	93
Financials	**150**	212
Healthcare	**102**	152
Industrials	**140**	134
Technology	**267**	239
Telecoms	**23**	88
Utilities	**28**	40
Real estate	**22**	—
Total quoted equity instruments	**995**	1,227
Quoted debt instruments		
Corporate bonds	**744**	721
Government bonds	**1,057**	1,032
Total quoted debt instruments	**1,801**	1,753
Real estate[1,2]	**278**	300
Derivatives	**(14)**	9
Quoted investment funds		
Alternatives	**38**	26
Cash	**2**	11
Equity	**210**	187
Fixed interest	**110**	109
Forestry	**49**	48
Liability Driven Investment	**1,170**	978
Multi-asset	**6**	10
Total quoted investment funds	**1,585**	1,369
Mortgage backed securities[2]	**115**	139
Insurance contracts[3]	**678**	697
Fair value of scheme assets at 31 December	**5,586**	5,690

1. Located in Europe.
2. A quoted market price in an active market is not available.
3. Further details on these contracts are set out in the section ‘Asset-liability matching strategies’ within this note.

27 Retirement benefits *continued*

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are inherent uncertainties surrounding the assumptions adopted in calculating the liabilities of the pension schemes. Set out in the table below is a sensitivity analysis of the key assumptions for the Irish scheme and the UK scheme at 31 December 2024. A sensitivity analysis for the rate of increase of pensions in payment is not provided for the Irish scheme, as this rate is dependent on the surplus available to the Trustee to distribute and the advice of the actuary (see page 311). The inflation sensitivities for the UK Scheme are a combination of those relating to deferred members and pensioners.

In the table below, changes in assumptions are independent of each other (i.e. the effect of the reflected change in the discount rate assumes that there has been no change in the rate of mortality assumption and vice versa).

	2024				2023			
	Irish scheme defined benefit obligation		**UK scheme defined benefit obligation**		Irish scheme defined benefit obligation		UK scheme defined benefit obligation	
	Increase	**Decrease**	**Increase**	**Decrease**	Increase	Decrease	Increase	Decrease
	€ m	**€ m**	**€ m**	**€ m**	€ m	€ m	€ m	€ m
Discount rate (0.25% movement)	**(101)**	**106**	**(19)**	**18**	(105)	113	(20)	21
Inflation (0.25% movement)	**39**	**(37)**	**17**	**(19)**	42	(40)	20	(19)
Future mortality (1 year change in life expectancy)	**106**	**(106)**	**16**	**(18)**	107	(107)	18	(18)

Maturity of the defined benefit obligation

The weighted average duration of the Irish scheme at 31 December 2024 is 13 years (2023: 14 years) and of the UK scheme at 31 December 2024 is 11 years (2023: 12 years).

Asset-liability matching strategies

UK scheme

The Group and the Trustee began a substantial de-risking process of the UK scheme in 2019. An initial transaction entered into involved the acquisition of two insurance contracts from Legal and General Assurance Society ('LGAS') using the majority of the assets of the UK scheme. These insurance contracts are: a pensioner buy-in contract in respect of the pensioner members and an assured payment policy ('APP') in respect of deferred members. The ultimate obligation to pay the members benefits still remains with the scheme.

The pensioner buy-in contract removes financial and demographic risk attaching to the current UK pensioners. This pensioner buy-in contract is effectively a qualifying insurance contract, and exactly matches the amount and timing of the benefits covered. Accordingly, the fair value of the pensioner buy-in contract is set equal to the corresponding value of the liabilities, using the same assumptions.

The APP significantly reduces the inflation and interest rate risk attaching to UK deferred members although demographic risks remain. The APP can (at the UK Trustee's election) be partially surrendered on an annual basis for the purpose of wholly or partially funding buy-in of further tranches of deferred members over a defined period of time. There have been three APP conversions resulting in the purchase of additional tranches of deferred and pensioner buy-ins. This has removed exposure to the risks not covered by the APP over time. The fair value of the APP is measured as the estimated cost of purchasing the contract on the open market. Since the initial de-risking transaction in 2019, additional members (including deferred and subsequent retirees) have been added to the buy-in policy, with a partial surrender of a portion of the APP to fund the cost.

The Group agreed with the scheme Trustee a revised funding arrangement for the UK scheme to support the purchase of the pensioner buy-in contract and the APP. Under this funding arrangement, the Group made payments of £18.5 million in 2024 and expects to make a payment of £ 9.5 million in 2025. This amount is what is expected to be required in combination with surrendering the final portion of the APP to fully secure all liabilities under the buy-in policy of the scheme based on latest estimates from LGAS, plus an amount for estimated Trustee expenses. This payment and any other related costs are subject to change prior to finalisation.

Irish scheme

The Irish scheme continued to de-risk in 2024, with further sales of equities and additional investments in its Liability Driven Investment ('LDI') portfolio, which is in place to hedge its interest rate and inflation risk. The LDI portfolio comprises a mixture of nominal bonds, inflation linked bonds and interest rate and inflation derivatives.

Other long term employee benefits

Other long term employee benefits include additional benefits which the Group provides to employees who suffer prolonged periods of sickness, subject to the qualifying terms of the insurer. It provides for the partial replacement of income in the event of illness or injury resulting in the employee's long term absence from work.

Furthermore, on the death of an employee before their normal retirement date, the Group has in place insurance policies to cover the additional financial costs to the Group under the terms of the schemes.

In 2024, the Group contributed € 11 million (2023: € 11 million) towards insuring these benefits which are included in 'Operating expenses' (note 10).

28 Deposits by central banks and banks

	2024 € m	2023 € m
Central Bank Borrowings – secured	6	288
Central Bank Borrowings – unsecured	—	452
	6	740
Other Bank Borrowings – unsecured	830	1,040
Total deposits by central banks and banks	**836**	**1,780**

Deposits by central banks and banks include cash collateral at 31 December 2024 of € 803 million (2023: € 1,018 million) received from derivative counterparties in relation to net derivative positions and from repurchase agreement counterparties.

Financial assets pledged

Financial assets pledged for secured borrowings and providing access to future funding facilities with central banks and banks are detailed in the following table:

	2024			2023		
	Central banks € m	Banks € m	Total € m	Central banks € m	Banks € m	Total € m
Total carrying value of financial assets pledged	87	—	87	436	18	454
Of which:						
Government securities	9	—	9	—	18	18
Other securities[1]	78	—	78	436	—	436

1. Securities pledged as collateral comprise third party securities held by the Group and covered bonds secured on pools of residential mortgages that have been issued by and are held by the Group.

29 Customer accounts

	2024 € m	2023 € m
Current accounts	62,657	62,928
Demand deposits	31,126	32,083
Time deposits	16,100	9,771
	109,883	104,782
Of which:		
Non-interest bearing current accounts	58,454	58,643
Interest bearing deposits, current accounts and short term borrowings	51,429	46,139
Total customer accounts	**109,883**	**104,782**
Amounts include:		
Due to equity accounted investments	320	303
Cash collateral received from derivative counterparties in relation to net derivative positions	67	94

At 31 December 2024, the Group's five largest customer deposits amounted to 1% (2023: 1%) of total customer accounts.

30 Debt securities in issue

		2024 € m	2023 € m
Issued by AIB Group plc			
Euro Medium Term Note Programme		**5,245**	5,901
Global Medium Term Note Programme	(a)	**2,628**	2,495
		7,873	8,396
Issued by subsidiaries			
Credit linked notes	(b)	**95**	—
Bonds and other medium term notes		**27**	27
Commercial paper	(c)	**837**	—
		959	**27**
Total debt securities in issue		**8,832**	**8,423**

Analysis of movements in debt securities in issue	2024 € m	2023 € m
At 1 January	**8,423**	7,203
Issued during the year	**4,011**	2,431
Matured	**(3,886)**	(1,382)
Amortisation	**22**	—
Other[1]	**262**	171
At 31 December	**8,832**	8,423

1. Includes a positive fair value hedge adjustment of € 70 million (2023: positive € 254 million), positive foreign exchange of € 192 million (2023: negative € 83 million)

(a) Global Medium Term Note Programme
On 28 March 2024, AIB Group plc issued $ 1 billion Senior Unsecured 5.871% Notes maturing on 28 March 2035. The notes bear interest on the outstanding nominal amount, payable semi-annually in arrears on 28 March and 28 September each year, commencing on 30 September 2024 up to and including the maturity date.

(b) Credit linked notes
On 19 November 2024, the Group executed a synthetic credit risk transfer transaction (Significant Risk Transfer ('SRT')) on a reference portfolio of €1 billion corporate loans. The transaction involves the issuance of two classes of credit linked notes totalling € 97.5 million (including transaction costs of € 2.5 million), with the scheduled termination of the protection provided by the notes expected in 2032. Each class of notes bears interest on the outstanding nominal amount of such class, payable quarterly in arrears on 28 January, April, July and October each year, commencing on 28 April 2025.

(c) Commercial paper
Allied Irish Banks, p.l.c. introduced a short-term commercial paper programme in 2024. This programme is used as an additional liquidity mechanism whereby short-term debt, with maturities of typically less than six months, is issued in EUR, GBP and USD.

All the issuances by AIB Group plc are initially eligible to meet the Group's MREL requirements. These instruments are redeemable for tax or for regulatory reasons, subject to the permission of the relevant regulation authority.

31 Lease liabilities

Analysis of movements in lease liabilities	2024 € m	2023 € m
At 1 January	**282**	257
Lease payments[1]	**(43)**	(43)
Interest expense[1]	**9**	9
Additions	**9**	59
Early terminations	**—**	(1)
Net remeasurements	**—**	—
Foreign exchange translation adjustments	**1**	1
At 31 December	**258**	282

1. Repayment of principal portion of the lease liabilities amounted to € 34 million (2023: € 34 million) (i.e. lease payments net of interest expense).

Maturity analysis – contractual undiscounted cash flows:	2024 € m	2023 € m
Not later than one year	**41**	43
Later than one year and not later than five years	**127**	136
Later than five years	**160**	181
Total undiscounted lease liabilities at end of year	**328**	360

32 Other liabilities

	2024 € m	2023 € m
Notes in circulation	**33**	34
Items in transit	**65**	108
Creditors	**40**	36
Stockbroking client creditors	**11**	18
Bank drafts	**252**	271
Items in course of collection	**321**	284
Other[1]	**389**	331
Total other liabilities	**1,111**	1,082

Other liabilities are analysed as follows:		
Less than 1 year	**1,047**	1,020
Greater than 1 year	**64**	62
	1,111	1,082

1. Includes invoice discounting credit balances on customer accounts € 120 million (2023: € 73 million) and debt securities awaiting settlement € 32 million (2023: Nil).

Notes to the Consolidated Financial Statements *continued*

33 Subordinated liabilities and other capital instruments

		2024 € m	2023 € m
Dated loan capital – European Medium Term Note Programme:			
Issued by AIB Group plc			
€ 500 million Subordinated Tier 2 Notes due 2029, Callable 2024	(a)	—	484
€ 1 billion Subordinated Tier 2 Notes due 2031, Callable 2026	(b)	963	928
€ 650 million Subordinated Tier 2 Notes due 2035, Callable 2030	(c)	662	—
		1,625	1,412
Issued by subsidiaries			
€ 500m Callable Step-up Floating Rate Notes due October 2017			
– nominal value € 0.3 million (maturity extended to 2035 as a result of the Subordinated Liabilities Order)	(d)	—	13
£ 368m 12.5% Subordinated Notes due June 2019			
– nominal value £ 2.715 million (maturity extended to 2035 as a result of the Subordinated Liabilities Order)	(d)	2	47
£ 500m Callable Fixed/Floating Rate Notes due March 2025			
– nominal value £ 0.136 million (maturity extended to 2035 as a result of the Subordinated Liabilities Order)	(d)	—	1
		2	61
Total subordinated liabilities and other capital instruments		1,627	1,473

Maturity of dated loan capital	2024 € m	2023 € m
Dated loan capital outstanding is repayable as follows:		
5 years or more	1,627	1,473

Dated loan capital
The dated loan capital in this section is subordinated in right of payment to senior creditors, including depositors, of the respective issuing entities. Following the implementation in Ireland of the EU (Bank Recovery and Resolution) Regulations 2015, these notes are loss absorbing at the point of non-viability.

(a) € 500 million Subordinated Tier 2 Notes due 2029, Callable 2024
On 19 November 2019, AIB Group plc issued € 500 million Subordinated Tier 2 Notes due 2029, Callable 2024. Following a tender offer in May 2024, € 406 million of these notes were repurchased. The remaining € 94 million was redeemed in November 2024 on the optional redemption date.

(b) € 1 billion Subordinated Tier 2 Notes due 2031, Callable 2026
On 30 September 2020, AIB Group plc issued € 1 billion Subordinated Tier 2 Notes due 2031, Callable 2026. These notes mature on 30 May 2031 but may be redeemed in whole, but not in part, at the option of the Group on the optional redemption date on 30 May 2026, subject to the approval of the regulatory authorities, with approval being conditional on meeting the requirements of the EU Capital Requirements Regulation. The notes bear interest on the outstanding nominal amount at a fixed rate of 2.875%, payable annually in arrears on 30 May each year. The interest rate will be reset on 30 May 2026 to Euro 5 year Mid Swap rate plus the initial margin of 330 basis points.

(c) € 650 million Subordinated Tier 2 Notes due 2035, Callable 2030
On 20 May 2024, AIB Group plc issued € 650 million Subordinated Tier 2 Notes due 2035, Callable 2030. These notes mature on 20 May 2035 but may be redeemed in whole, but not in part, at the option of the Group on the optional redemption date on 20 May 2030, subject to the approval of the regulatory authorities, with approval being conditional on meeting the requirements of the EU Capital Requirements Regulation. The notes bear interest on the outstanding nominal amount at a fixed rate of 4.625%, payable annually in arrears on 20 May each year. The interest rate will be reset on 20 May 2030 to Euro 5 year Mid Swap rate plus the initial margin of 190 basis points.

(d) Other dated subordinated loan capital
Following liability management exercises and the Subordinated Liabilities Order ('SLO') in 2011, residual balances remained on the dated loan capital instruments above. The SLO, which was effective from 22 April 2011, changed the terms of all of those outstanding dated loan capital instruments. The original liabilities were derecognised and new liabilities were recognised, with their initial measurement based on the fair value at the SLO effective date. The contractual maturity date changed to 2035 as a result of the SLO, and payment of coupons became optional at the discretion of the Group. The Board of Allied Irish Banks, p.l.c. has considered the matter and as at the date of this report, the Group's position is that coupons are not paid on these instruments. These instruments will amortise to their nominal value in the period to their maturity in 2035. In December 2024, Allied Irish Banks, p.l.c. repurchased an aggregate nominal amount of the following Notes at a discount to par: € 25 million of the € 500 million Callable Subordinated Step-Up Floating Rate Notes due 2035, £ 76 million of the £ 368 million 12.5 % Subordinated Notes due 2035 and £ 1 million of the £ 500 million Subordinated Callable Fixed/Floating Rate Notes due 2035.

34 Provisions for liabilities and commitments

	Legal claims	Customer redress	Other provisions	2024 Total	
	€ m	€ m	€ m	€ m	
At 1 January 2024	**23**	**82**	**33**	**138**	
Charged to income statement	**3**	**68**	**7**	**78**	1
Released to income statement	**(1)**	**(16)**	**(5)**	**(22)**	1
Provisions utilised	**(2)**	**(40)**	**(6)**	**(48)**	
Exchange translation adjustments	**—**	**—**	**—**	**—**	
At 31 December 2024	**23**	**94**	**29**	**146**	2
ECLs on loan commitments and financial guarantees contracts					
At 1 January 2024				**59**	
Net charge to income statement				**(3)**	3
Disposals				**—**	
Exchange translation adjustments				**1**	
At 31 December 2024				**57**	
Total provisions for liabilities and commitments				**203**	4

	Legal claims	Customer redress	Other provisions	2023 Total	
	€ m	€ m	€ m	€ m	
At 1 January 2023	29	167	66	262	
Charged to income statement	11	92	6	109	1
Released to income statement	(4)	(32)	(5)	(41)	1
Provisions utilised	(13)	(145)	(35)	(193)	
Exchange translation adjustments	—	—	1	1	
At 31 December 2023	23	82	33	138	2
ECLs on loan commitments and financial guarantees contracts					
At 1 January 2023				78	
Net charge to income statement				(17)	3
Disposals				(1)	
Exchange translation adjustments				(1)	
At 31 December 2023				59	
Total provisions for liabilities and commitments				197	4

1. Included in note 10.
2. Amounts expected to be settled within one year are € 99 million (31 December 2023: € 92 million). Amounts expected to be settled outside of one year amount to € 47 million (31 December 2023: € 46 million).
3. Included in note 11.
4. Refer to note 1(c) for further information about the change in presentation for certain notes to the financial statements.

The ECL allowance on loan commitments and financial guarantee contracts are presented as a provision in the balance sheet (i.e. as a liability under IFRS 9) and separate from the ECL allowance on financial assets. For details of the geographic concentration of contingent liabilities and commitments and internal credit ratings, see pages 204 and 215 in the 'Risk management' section of this report.

Legal claims
In the ordinary course of business, legal claims (claims which have resulted in legal cases commencing in the Courts) are frequently served on the Group. There is always a level of uncertainty with legal claims given the range of potential outcomes. The Group considers many factors, including the background facts of the legal claim, legal advice and the stage of the legal claim to determine the appropriate provision. The Group has recorded a provision of € 23 million at 31 December 2024 (31 December 2023: € 23 million) in relation to ongoing legal claims against the Group.

Customer redress
Customer redress relates to remediation payments to customers and associated costs for certain legacy matters such as investment property funds; the 2020 Financial Services and Pensions Ombudsman decision; and other customer redress provisions. The provision represents the Group's best estimate of the costs of remediation of any remaining impacted customers, addressing customer appeals and closing out other related matters. Due to the complex nature of these legacy matters, they can take some time to resolve and the final outcome may be higher or lower depending on the finalisation of all associated matters. In 2024 the provision was further reassessed, primarily as a result of additional information that was obtained during the year, and as a result the Group recognised a net income statement charge of € 52 million.

Other provisions
Other provisions, none of which are individually material, include provisions for right-of-use commitments, onerous contracts and other miscellaneous provisions.

Notes to the Consolidated Financial Statements *continued*

35 Share capital

The following table shows the authorised and fully paid issued share capital:

	31 December 2024		31 December 2023	
	Number of shares m	€ m	Number of shares m	€ m
Authorised				
Ordinary share capital				
Ordinary shares of € 0.625 each	**4,000.0**	**2,500**	4,000.0	2,500
Issued and fully paid				
Ordinary share capital				
Ordinary shares of € 0.625 each	**2,328.4**	**1,455**	2,618.7	1,637

All AIB Group plc ordinary shares in issue confer identical rights, including in respect of capital, dividends and voting.

Movement in ordinary shares

The following table shows the movement in the number of ordinary shares:

	2024 Number of shares m	2023 Number of shares m
At 1 January	**2,618.7**	2,673.4
Repurchase and cancellation of shares[1,2]	**(290.3)**	(54.7)
At 31 December	**2,328.4**	2,618.7

1. In May and September 2024, AIB Group plc completed directed share buybacks from the Minister for Finance. These buybacks resulted in the repurchase of 290,061,315 ordinary shares with a nominal value of € 0.625 each for a total consideration of € 1,499 million. The Group incurred costs of € 2 million in relation to the directed share buybacks. Following repurchase, these shares were cancelled and € 182 million, representing the aggregate nominal value of the acquired shares, was transferred from share capital to capital redemption reserves.
2. In October 2024, following the implementation of an Odd-lot Offer, AIB Group plc purchased a total of 253,765 ordinary shares with a nominal value of € 0.625 each for a total consideration of € 1.4 million. Following repurchase, these shares were cancelled and € 0.2 million, representing the aggregate nominal value of the acquired shares, was transferred from share capital to capital redemption reserves.

Warrants

In 2017, warrants were issued to the Minister for Finance to subscribe for 271,166,685 ordinary shares of AIB Group plc representing 9.99% of the issued share capital at the time (31 December 2024: 11.65%). The exercise price for the warrants was originally set at 200% of the Offer Price of € 4.40 per ordinary share, the Offer Price being the price in Euro per ordinary share which was payable by investors under the terms of the initial public offering. In accordance with the terms of the warrants, the exercise price has been adjusted following various share buybacks undertaken by AIB Group plc in recent years (including the directed share buybacks and the Odd-lot Offer completed in 2024) and is now € 7.455 per share.

In accordance with the terms of the Warrant Agreement, no cash consideration was payable by the Minister to AIB Group plc in respect of the issue of the warrants.

Structure of the Company's share capital

The following table shows the structure of the Company's share capital:

	31 December 2024		31 December 2023	
	Authorised share capital %	Issued share capital %	Authorised share capital %	Issued share capital %
Class of share				
Ordinary share capital	**100**	**100**	100	100

Capital resources

The following table shows the Group's capital resources:

	31 December 2024 € m	2023 € m
Equity[1]	**15,427**	15,069
Dated capital notes *(note 33)*	**1,627**	1,473
Total capital resources	**17,054**	16,542

1. Includes other equity interests of € 1,239 million (2023: €1,115 million), for further details see note 36.

The objectives of the Group's capital management policy are to at all times comply with regulatory capital requirements and to ensure that the Group has sufficient capital to cover the current and future risk inherent in its business and to support its future development.

35 Share capital *continued*

Earnings per share

The calculation of basic earnings per unit of ordinary shares is based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue, excluding own shares held. The ordinary shares are included in the weighted average number of shares on a time apportioned basis.

The diluted earnings per share is based on the profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue, excluding own shares held, adjusted for the effect of dilutive potential ordinary shares.

There was no difference in the weighted average number of shares used for basic and diluted earnings per share for 2024 and 2023. Warrants issued to the Minister of Finance were not included in calculating the diluted earnings per share as they were antidilutive.

The following table shows the profit attributable to ordinary shareholders of the parent:

Profit attributable to ordinary shareholders of the parent	**2024 € m**	2023 € m
Profit attributable to equity holders of the parent	**2,354**	2,061
Distributions on other equity interests *(note 36)*	**(80)**	(65)
Profit attributable to ordinary shareholders of the parent	**2,274**	1,996

The following table shows the basic and diluted earnings per share:

	31 December 2024			31 December 2023		
	Profit € m	**Number of shares[1] m**	**Earnings per share € cent**	Profit € m	Number of shares[1] m	Earnings per share € cent
Basic and diluted	**2,274**	**2,459.4**	**92.5**	1,996	2,635.9	75.7

1. Weighted average number of ordinary shares in issue during the year.

36 Other equity interests

		2024 € m	2023 € m
Issued by AIB Group plc			
€ 500 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued 2019[1]	(a)	**—**	496
€ 625 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued 2020[2]	(b)	**619**	619
€ 625 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued 2024[2]	(c)	**620**	—
Total other equity interests		**1,239**	1,115

1. Included in the Group's capital base in 2023, subsequently redeemed in 2024.
2. Included in the Group's capital base.

Distributions amounting to € 80 million (2023: € 65 million) were paid in 2024 on the Additional Tier 1 Securities issued by AIB Group plc. Other equity interests are included in the Group's capital base.

The securities, which do not carry voting rights, rank pari passu with holders of other Tier 1 instruments (excluding the Company's ordinary shares). They rank ahead of the holders of ordinary share capital of the Company but junior to the claims of senior creditors and to Tier 2 capital of the Company.

Under the EU (Bank Recovery and Resolution) Regulations 2015, these securities are loss absorbing at the point of non-viability.

Furthermore, if the CET1 ratio of the Group at any time falls below 7%, subject to certain conditions, the Company shall write down the AT1s by the write-down amount and irrevocably cancel any accrued and unpaid interest up to (but excluding) the write-down date. To the extent permitted, in order to comply with regulatory capital and other requirements, the Company may reinstate any previously written down amount.

(a) In 2019, the Company issued € 500 million nominal value of Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities ('AT1s').
Interest on the securities, at a fixed rate of 5.250% per annum, is payable semi-annually in arrears on 9 April and 9 October, commencing on 9 April 2020. On the first reset date on 9 April 2025, in the event that the securities are not redeemed, interest will be reset to the relevant 5 year fixed rate plus a margin of 570.2 bps per annum. The interest payment is fully discretionary and non-cumulative and conditional upon the Company being solvent at the time of payment, having sufficient distributable reserves and not being required by the regulatory authorities to cancel an interest payment.

The securities are perpetual securities with no fixed redemption date. The Company may, in its sole and full discretion, subject to regulatory approval, redeem all (but not some only) of the securities on any day falling in the period commencing on (and including) 9 October 2024 and ending on (and including) the first reset date or on any interest payment date thereafter at the prevailing principal amount together with accrued but unpaid interest. In addition, the securities are redeemable at the option of the Company for certain regulatory or tax reasons, subject to regulatory approval. Following a tender offer to the holders, securities with a nominal value of € 337 million were repurchased in April 2024 and the remaining € 163 million were redeemed in October 2024.

36 Other equity interests *continued*

(b) In 2020, the Company issued € 625 million nominal value of Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities ('AT1s').
Interest on the securities, at a fixed rate of 6.250% per annum, is payable semi-annually in arrears on 23 June and 23 December, commencing on 23 December 2020. On the first reset date on 23 December 2025, in the event that the securities are not redeemed, interest will be reset to the relevant 5 year fixed rate plus a margin of 662.9 bps per annum. The interest payment is fully discretionary and non-cumulative and conditional upon the Company being solvent at the time of payment, having sufficient distributable reserves and not being required by the regulatory authorities to cancel an interest payment.

The securities are perpetual securities with no fixed redemption date. The Company may, in its sole and full discretion, subject to regulatory approval, redeem all (but not some only) of the securities on any day falling in the period commencing on (and including) 23 June 2025 and ending on (and including) the first reset date or on any interest payment date thereafter at the prevailing principal amount together with accrued but unpaid interest. In addition, the securities are redeemable at the option of the Company for certain regulatory or tax reasons, subject to regulatory approval.

(c) In 2024, AIB Group plc issued € 625 million nominal value of Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities ('AT1s').
Interest on these securities, at a fixed rate of 7.125% per annum, is payable semi-annually in arrears on 30 April and 30 October, commencing on 30 October 2024. On the first reset date on 30 April 2030, in the event that the securities are not redeemed, interest will be reset to the relevant five year fixed rate plus a margin of 438.7 bps per annum. The interest payment is fully discretionary and non-cumulative, and conditional upon AIB Group plc being solvent at the time of payment, having sufficient distributable reserves and not being required by the regulatory authorities to cancel an interest payment.

These securities are perpetual securities with no fixed redemption date. AIB Group plc may, at its sole and full discretion, subject to regulatory approval, redeem all (but not some only) of the securities on any day falling in the period commencing on (and including) 30 October 2029 and ending on (and including) the first reset date or on any interest payment date thereafter at the prevailing principal amount together with accrued but unpaid interest. In addition, the securities are redeemable at the option of AIB Group plc for certain regulatory or tax reasons, subject to regulatory approval.

37 Capital reserves, merger reserve and capital redemption reserves

			2024			2023
	Capital contribution reserves	**Other capital reserves**	**Total**	Capital contribution reserves	Other capital reserves	Total
Capital reserves	**€ m**	**€ m**	**€ m**	€ m	€ m	€ m
At beginning and end of year	**955** [1]	**178** [2]	**1,133**	955 [1]	178 [2]	1,133

1. Relates to the acquisition of EBS d.a.c.
2. Other capital reserves represent transfers from retained earnings in accordance with relevant legislation.

For details regarding the capital contribution reserves, refer to accounting policy (w) in note 1.

	2024	2023
Merger reserve	**€ m**	€ m
At beginning and end of year	**(3,622)**	(3,622)

The following table shows the movement on capital redemption reserves:

	2024	2023
Capital redemption reserves	**€ m**	€ m
At 1 January	**73**	39
Transfer from ordinary share capital *(note 35)*	**182**	34
At 31 December	**255**	73

38 Offsetting financial assets and financial liabilities

The disclosures set out in the tables below include financial assets and financial liabilities that:
• Are offset in the Group's statement of financial position; or
• Are subject to enforceable master netting arrangements or similar agreements that cover similar financial instruments, irrespective of whether they are offset in the statement of financial position.

The similar agreements include derivative clearing agreements, global master repurchase agreements and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Financial instruments such as loans and advances and customer accounts are not included in the tables below unless they are offset in the statement of financial position.

The Group has a number of ISDA Master Agreements (netting agreements) in place which allow it to net the termination values of derivative contracts upon the occurrence of an event of default with respect to its counterparties. The enforcement of netting agreements would potentially reduce the statement of financial position carrying amount of derivative assets and liabilities by € 1,385 million at 31 December 2024 (2023: € 1,556 million). Additionally, the Group has agreements in place which may allow it to net the termination values of cross currency swaps upon the occurrence of an event of default.

The Group's sale and repurchase and reverse sale-and-repurchase transactions and securities borrowing and lending are covered by netting agreements with terms similar to those of ISDA Master Agreements. The ISDA Master Agreements and similar master netting arrangements do not meet the criteria for offsetting in the statement of financial position where a right of set-off of recognised amounts becomes enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. Offsetting in the statement of financial position is applied where the Group has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group provides and accepts collateral in the form of cash and marketable securities in respect of the following transactions:
- Derivatives;
- Sale and repurchase agreements;
- Reverse sale and repurchase agreements; and
- Securities lending and borrowing.

Collateral is subject to the standard industry terms of Credit Support Annexes ('CSAs'), which enable the Group to pledge or sell securities received during the term of the transaction. The collateral must be returned on the maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions where the counterparty fails to post collateral. The CSAs in place provide collateral for derivative contracts. At 31 December 2024, € 698 million (2023: € 713 million) of CSAs are included within financial assets and € 814 million (2023: € 839 million) of CSAs are included within financial liabilities.

The following table shows financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements and those amounts not subject to offsetting at 31 December 2024 and 2023. The effects of over-collateralisation have not been taken into account in the table below.

		Amounts subject to enforceable netting arrangements							2024
					Related amounts not offset in the statement of financial position				
Financial assets	Note	Gross amounts of recognised financial assets € m	Gross amounts of recognised financial liabilities offset in the statement of financial position € m	Net amounts of financial assets presented in the statement of financial position € m	Financial instruments € m	Cash collateral € m	Net amount € m	Amounts not subject to enforceable netting arrangements € m	Total amount of financial assets presented in the statement of financial position € m
Derivative financial instruments	16	2,134	—	2,134	(1,385)	(251)	498	10	2,144
Securities financing									
Reverse repurchase agreements	19	5,215	(1,660)	3,555	(3,538)	(17)	—	—	3,555
Securities borrowings	19	3,088	—	3,088	(3,088)	—	—	—	3,088
Total		10,437	(1,660)	8,777	(8,011)	(268)	498	10	8,787

		Amounts subject to enforceable netting arrangements							2024
					Related amounts not offset in the statement of financial position				
Financial liabilities	Note	Gross amounts of recognised financial liabilities € m	Gross amounts of recognised financial assets offset in the statement of financial position € m	Net amounts of financial liabilities presented in the statement of financial position € m	Financial instruments € m	Cash collateral € m	Net amount € m	Amounts not subject to enforceable netting arrangements € m	Total amount of financial liabilities presented in the statement of financial position € m
Derivative financial instruments	16	1,779	—	1,779	(1,385)	(135)	259	28	1,807
Securities financing									
Securities sold under agreements to repurchase	19	1,856	(1,660)	196	(187)	(9)	—	—	196
Total		3,635	(1,660)	1,975	(1,572)	(144)	259	28	2,003

Notes to the Consolidated Financial Statements *continued*

38 Offsetting financial assets and financial liabilities *continued*

		Amounts subject to enforceable netting arrangements							2023
					Related amounts not offset in the statement of financial position				
Financial assets	Note	Gross amounts of recognised financial assets € m	Gross amounts of recognised financial liabilities offset in the statement of financial position € m	Net amounts of financial assets presented in the statement of financial position € m	Financial instruments € m	Cash collateral € m	Net amount € m	Amounts not subject to enforceable netting arrangements € m	Total amount of financial assets presented in the statement of financial position € m
Derivative financial instruments	16	2,356	—	2,356	(1,556)	(218)	582	21	2,377
Securities financing									
Reverse repurchase agreements	19	7,530	(3,731)	3,799	(3,734)	(65)	—	—	3,799
Securities borrowings	19	2,667	—	2,667	(2,667)	—	—	—	2,667
Total		12,553	(3,731)	8,822	(7,957)	(283)	582	21	8,843

		Amounts subject to enforceable netting arrangements							2023
					Related amounts not offset in the statement of financial position				
Financial liabilities	Note	Gross amounts of recognised financial liabilities € m	Gross amounts of recognised financial assets offset in the statement of financial position € m	Net amounts of financial liabilities presented in the statement of financial position € m	Financial instruments € m	Cash collateral € m	Net amount € m	Amounts not subject to enforceable netting arrangements € m	Total amount of financial liabilities presented in the statement of financial position € m
Derivative financial instruments	16	1,881	—	1,881	(1,556)	(92)	233	21	1,902
Securities financing									
Securities sold under agreements to repurchase	19	4,306	(3,731)	575	(534)	(41)	—	—	575
Total		6,187	(3,731)	2,456	(2,090)	(133)	233	21	2,477

39 Contingent liabilities and commitments

In the normal course of business, the Group is a party to financial instruments with off-balance sheet risk to meet the financing needs of customers. These instruments involve, to varying degrees, elements of credit risk which are not reflected in the consolidated statement of financial position. Credit risk is defined as the possibility of sustaining a loss because the other party to a financial instrument fails to perform in accordance with the terms of the contract.

The Group's maximum exposure to credit loss under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or security prove valueless, is represented by the contractual amounts of those instruments. The Group uses the same credit control and risk management policies in undertaking off-balance sheet commitments as it does for 'on-balance sheet lending'.

The following table gives the nominal or contract amounts of contingent liabilities and commitments:

	Contract amount	
	2024	2023
	€ m	€ m
Contingent liabilities[1] – credit related		
Guarantees and assets pledged as collateral security:		
Guarantees and irrevocable letters of credit	**952**	829
Other contingent liabilities	**24**	28
	976	857
Commitments[2]		
Documentary credits and short term trade-related transactions	**276**	208
Undrawn formal standby facilities, credit lines and other commitments to lend:		
Less than 1 year	**10,443**	9,827
1 year and over	**6,104**	6,101
	16,823	16,136
Total contingent liabilities and commitments	**17,799**	16,993

1. Contingent liabilities are off-balance sheet products and include guarantees, irrevocable letters of credit and other contingent liability products.
2. A commitment is an off-balance sheet product where there is an agreement to provide an undrawn credit facility.

For details of the geographic concentration of contingent liabilities and commitments and internal credit ratings, see pages 204 and 215 in the Risk management section of this report. Provisions for ECLs on loan commitments and financial guarantee contracts are set out in note 34.

Legal proceedings
The Group, in the course of its business, is frequently involved in litigation cases. However, it is not, nor has been involved in, nor are there, so far as the Group is aware, (other than as set out in the following paragraphs), pending or threatened by or against the Group any legal or arbitration proceedings, including governmental proceedings, which may have, or have had during the previous twelve months, a material effect on the financial position, profitability or cash flows of the Group.

Specifically, litigation has been served on the Group by customers that are pursuing claims in relation to tracker mortgages. Customers have also lodged complaints to the Financial Services and Pensions Ombudsman ('FSPO') in relation to tracker mortgages issues.

Further claims may also be served in the future in relation to tracker mortgages. The Group will also receive further rulings by the FSPO in relation to complaints concerning tracker mortgages.

Based on the facts currently known and the current stages that the litigation and the FSPO's complaints process is at, it is not practicable at this time to predict the final outcome of this litigation/FSPO complaints, nor the timing and possible impact on the Group.

TARGET-Ireland – Gross Settlement System
TARGET Services have been developed to ensure the free flow of cash, securities and collateral across Europe. The TARGET-Ireland system is a real time gross settlement system for large volume interbank payments in Euro. On 16 March 2023, as part of its participation in TARGET-Ireland, Allied Irish Banks, p.l.c. ('AIB') entered a deed of charge in favour of the Central Bank of Ireland ('CBI'). This charge gives the CBI a first floating charge security over all present and future credit balances in AIB's TARGET-Ireland Accounts to secure all liabilities of AIB to the CBI in connection with AIB's participation in TARGET-Ireland.

In addition, the CBI has provided AIB with a credit line facility for intra-day credit in TARGET2-Ireland (now TARGET-Ireland) in relation to Eurosystem Operations. In connection with this, AIB on 7 April 2014, provided the CBI with a fixed charge security over AIB's eligible assets (as identified by the CBI) which are held in a designated collateral account and also a floating charge security over other eligible assets of AIB.

AIB cannot, without the prior written consent of the CBI:
- Create or attempt to create or permit to arise or subsist any encumbrance on or over this charged property or any part of it; or
- Otherwise than in the ordinary course of business, sell, transfer, lend or otherwise dispose of or deal in the property or assets subject to the charges or any part of it.

The financial assets pledged as collateral, in relation to the first fixed charge, are included in the disclosure in note 28 for financial assets pledged.

Notes to the Consolidated Financial Statements *continued*

40 Subsidiaries and structured entities

The material Group subsidiary companies at 31 December 2024 and 2023 are:

Name of company	Principal activity	Place of incorporation	Registered Office
Allied Irish Banks, p.l.c.	A direct subsidiary of AIB Group plc and the principal operating company of the Group and holds the majority of the subsidiaries within the Group. Its activities include banking and financial services – a licensed bank	Ireland	10 Molesworth Street, Dublin 2, Ireland.
AIB Mortgage Bank Unlimited Company	Issue of Irish residential mortgages and mortgage covered securities – a licensed bank	Ireland	10 Molesworth Street, Dublin 2, Ireland.
EBS d.a.c.	Mortgages and savings – a licensed bank	Ireland	10 Molesworth Street, Dublin 2, Ireland.
AIB Group (UK) p.l.c. trading as Allied Irish Bank (GB) in Great Britain and AIB (NI) in Northern Ireland	Banking and financial services – a licensed bank	Northern Ireland	92 Ann Street, Belfast BT1 3HH.

The proportion of ownership interest and voting power held by AIB Group plc in Allied Irish Banks, p.l.c. is 100% of the ordinary share capital. All subsidiaries of Allied Irish Banks, p.l.c., being the immediate subsidiary of AIB Group plc, are wholly owned apart from Augmentum Limited ('Augmentum'), in which there are non-controlling interests. Practically all subsidiaries in the Group are involved in the provision of financial services or ancillary services.

Significant restrictions

Each of the subsidiaries listed above which is a licensed bank is required by its respective financial regulator to maintain capital ratios above a certain minimum level. These minimum ratios restrict the payment of dividend by the subsidiary and, where the ratios fall below the minimum requirement, will require the parent company to inject capital to make up the shortfall.

Consolidated structured entities

The Group considers itself a sponsor of a structured entity when it facilitates the establishment of the structured entity.

(i) Consolidated structured entities used for funding activities
The Group is a sponsor for a number of structured entities which were established in order to generate funding for the Group's lending activities. The following structured entities, which are used for this activity, are consolidated by the Group:

Burlington Mortgages No. 1 DAC
In 2020, the Group securitised € 4 billion of its residential mortgage portfolio held in two of its subsidiaries, EBS d.a.c. and Haven Mortgages Limited. These mortgages were transferred to a securitisation vehicle, Burlington Mortgages No. 1 DAC ('Burlington 1'). In order to fund the acquired mortgages, Burlington issued eleven classes of notes to EBS d.a.c. and Haven in the same proportion as the mortgages securitised. The transferred mortgages have not been derecognised as the Group retains substantially all the risks and rewards of ownership and continue to be reported in the Group's financial statements. Burlington 1 is consolidated into the Group's financial statements with all the notes being eliminated on consolidation. At 31 December 2024, the carrying amount of the transferred financial assets which the Group continues to recognise is € 2.2 billion (2023: € 2.4 billion) (fair value € 2.2 billion (2023: € 2.4 billion)) and the carrying amount of the associated liabilities is Nil (2023: Nil).

Burlington Mortgages No. 2 DAC
In 2023, the Group securitised c. € 5 billion of its residential mortgage portfolio held in two of its subsidiaries, EBS d.a.c. and Haven Mortgages Limited. These mortgages were transferred to a securitisation vehicle, Burlington Mortgages No. 2 DAC ('Burlington 2'). In order to fund the acquired mortgages, Burlington 2 issued seven classes of notes to EBS d.a.c. and Haven in the same proportion as the securitised mortgages. The transferred mortgages have not been derecognised as the Group retains substantially all the risks and rewards of ownership and continue to be reported in the Group's financial statements. Burlington 2 is consolidated into the Group's financial statements with all the notes being eliminated on consolidation. At 31 December 2024, the carrying amount of the transferred financial assets which the Group continues to recognise is € 5 billion (fair value € 4.9 billion) (2023: € 5 billion (fair value € 4.9 billion)) and the carrying amount of the associated liabilities is Nil (2023: Nil).

40 Subsidiaries and structured entities *continued*

(ii) Consolidated structured entity used for funding of the deficit in the UK pension scheme

The Group is a sponsor for AIB PFP Scottish Limited Partnership ('SLP') which was established to fund future deficit payments of the UK scheme.

In December 2013, the Group agreed with the Trustee of the AIB UK Defined Benefit Pension Scheme ('the UK scheme') a restructure of the funding of the deficit in the UK scheme. The Group established a pension funding partnership, AIB PFP Scottish Limited Partnership ('SLP') under which a portfolio of loans were transferred to the SLP from another Group entity, AIB UK Loan Management Limited ('UKLM') for the purpose of ring-fencing the repayments on these loans to fund future deficit payments of the UK scheme.

Assets ring–fenced for this purpose entitled the UK Scheme to expected annual payments in the range of £ 15 million to £ 35 million per annum from 2016 until 2032, with a potential termination payment in 2032 of up to £ 60 million. This funding plan was replaced in December 2019, as part of the de-risking of the UK scheme (note 27). Under the 2019 funding arrangement, the Group expects to make payments of £ 9.5 million in 2025, subject to change prior to finalisation. The 2019 funding arrangement also limited the potential liability of the SLP to the UK scheme and, when the cash held by the SLP exceeded the maximum potential liability limit in 2023, the ring-fenced loans were removed from the arrangement on 30 June 2023. UKLM has the right to cash flows on the loans from that date.

The general partner in the partnership, AIB PFP (General Partner) Limited which is an indirect subsidiary of Allied Irish Banks, p.l.c. has controlling power over the partnership. In addition, the pension scheme has a priority right to cash flows from the partnership, up to the SLP's maximum potential liability limit, and any risks and rewards thereafter are expected to be borne by the Group through UKLM's junior partnership interest.

(iii) Consolidated structured entity used for a credit risk transfer transaction

The Group has entered into a transaction to transfer a portion of credit risk on a reference portfolio of financial assets. The funded protection in respect of this transactions is held with Setanta Finance 2024 Designated Activity Company ('Setanta'). No assets or liabilities were transferred to Setanta under the terms of the transaction. The transaction has cash collateralised on the exposure through the issue of credit linked notes to third party investors. Further details on this transaction are set out in note 30. The protection provided by Setanta matures in 2032 and there are no contractual arrangements that require the Group to provide financial support.

There are no contractual arrangements that could require AIB Group plc or its subsidiaries to provide financial support to the consolidated structured entities listed above. During the year, neither AIB Group plc nor any of its subsidiaries provided financial support to a consolidated structured entity and there is no current intention to provide financial support.

Unconsolidated structured entities

The Group acts as a fund or investment manager for a number of unconsolidated structured entities for which it receives investment or fund management fees. The Group acts as sponsor of these entities. The Group has no units within these funds. Therefore the carrying amount of assets and liabilities in relation to these entities in the Group's statement of financial position is Nil (2023: Nil).

The Group's maximum exposure to loss is equal to the value of outstanding fees owed from these entities of Nil at 31 December 2024 (31 December 2023: Nil). These entities are financed by investors in the entities. 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.

Non-controlling interests in subsidiary undertaking

On 31 October 2019, Augmentum Limited of which 75% is owned by the Group and 25% by a non-controlling interest, First Data Global Services Limited (part of First Data Corporation which is owned by Fiserv Inc.), acquired 97.93% of the equity share capital and voting rights of Semeral Limited ('Semeral'), the holding company for Payzone Ireland Limited ('Payzone'). Semeral/Payzone place of business: 4 Heather Road, Sandyford Industrial Estate, Dublin 18.

Notes to the Consolidated Financial Statements *continued*

41 Off-balance sheet arrangements and transferred financial assets

Under IFRS, transactions and events are accounted for and presented in accordance with their substance and economic reality and not merely their legal form. As a result, the substance of transactions with structured entities forms the basis for their treatment in the Group's financial statements. A structured entity is consolidated in the financial statements when the substance of the relationship between the Group and the structured entity indicates that the structured entity is controlled by the entity and meets the criteria set out in IFRS 10. The principal forms of structured entity utilised by the Group are securitisations.

Securitisations

The Group utilises securitisations primarily to support the following business objectives:

- As an investor, the Group has primarily been an investor in securitisations issued by other credit institutions as part of the management of its interest rate and liquidity risks through the Treasury function;
- As an investor, securitisations have been utilised by the Group to invest in transactions that offered an appropriate risk-adjusted return opportunity; and
- As an originator of securitisations to support the funding activities of the Group.

The Group controls certain structured entities which were set up to support its funding activities and two structured entities set up in relation to the funding of the Group Pension Schemes. Details of these structured entities are set out in note 40 'Subsidiaries and Structured Entities'.

Securities borrowing and reverse repurchase agreements

Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, at which point the obligation to repurchase the securities is recorded as a trading liability at fair value and any subsequent gain or loss is included in trading income.

Transfer of financial assets

The Group enters into transactions in the normal course of business in which it transfers previously recognised financial assets. Transferred financial assets may, in accordance with IFRS 9:
(i) Continue to be recognised in their entirety; or
(ii) Be derecognised in their entirety but the Group retains some continuing involvement.

The most common transactions where the transferred assets are not derecognised in their entirety are securities sold under an agreement to repurchase and the issuance of covered bonds.

(i) Transferred financial assets not derecognised in their entirety

Securities sold under agreements to repurchase and securities lending

Sale and repurchase agreements are transactions in which the Group sells a financial asset to another party, with an obligation to repurchase it at a fixed price on a certain later date. The Group continues to recognise the financial assets in full in the statement of financial position as it retains substantially all the risks and rewards of ownership. The Group's sale and repurchase agreements are with banks and customers. The obligation to pay the repurchase price is recognised within 'Securities financing' (note 19). As the Group sells the contractual rights to the cash flows of the financial assets, it does not have the ability to use or pledge the transferred assets during the term of the sale and repurchase agreement. The Group remains exposed to credit risk and interest rate risk on the financial assets sold. The obligation arising as a result of sale and repurchase agreements together with the carrying value of the financial assets pledged are set out in the table below.

The Group enters into securities lending in the form of collateral swap agreements with other parties. The Group continues to recognise the financial assets in full in the statement of financial position as it retains substantially all the risks and rewards of ownership. As a result of these transactions, the Group is unable to use, sell or pledge the transferred assets for the duration of the transaction. A fee is generated for the Group under this transaction.

Issuance of covered bonds

Covered bonds, which the Group issues, are debt securities backed by cash flows from mortgages for the purpose of financing loans secured on residential property through its wholly owned subsidiary, AIB Mortgage Bank Unlimited Company. The Group retains all the risks and rewards of these mortgage loans, including credit risk and interest rate risk, and therefore, the loans continue to be recognised on the Group's statement of financial position with the related covered bonds held by external investors included within 'Debt securities in issue' (note 30). As the Group segregates the assets which back these debt securities into 'cover asset pools' it does not have the ability to otherwise use such segregated financial assets during the term of these debt securities. However, of the total debt securities of this type issued amounting to € 10.6 billion (2023: € 9.9 billion), AIB Group companies hold € 10.58 billion (2023: € 9.87 billion) which are eliminated on consolidation.

41 Off-balance sheet arrangements and transferred financial assets *continued*

The following table summarises as at 31 December 2024 and 2023, the carrying value and fair value of financial assets which did not qualify for derecognition together with their associated financial liabilities.

2024	**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**
Securities sold under agreements to repurchase/similar products	**2,822** [1,2]	**196** [1]	**2,821**	**196**	**2,625**
Covered bond programmes					
Residential mortgage backed	**36** [3]	**27** [4]	**35**	**28**	**7**

2023	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
Securities sold under agreements to repurchase/similar products	4,955 [1,2]	575 [1]	4,973	575	4,398
Covered bond programmes					
Residential mortgage backed	38 [3]	27 [4]	37	28	9

1. See note 19.
2. Includes € 2,630 million of assets pledged in relation to securities lending arrangements (2023: € 4,360 million).
3. The asset pools of € 15 billion (2023: € 15 billion) in the covered bond programme have been apportioned on a pro-rata basis in relation to the value of bonds held by external investors and those held by the Group companies. The € 36 million (2023: € 38 million) above refers to those assets apportioned to external investors.
4. Included in 'Bonds and other medium term notes' issued by subsidiaries (note 30).

(ii) Transferred financial assets derecognised in their entirety but the Group retains some continuing involvement
The Group has a continuing involvement in transferred financial assets where it retains any of the risks and rewards of ownership of the transferred financial assets. Set out below are transactions in which the Group has a continuing involvement in assets transferred.

Pension scheme
On 31 July 2012, the Group entered into a Contribution Deed with the Trustee of the AIB Group Irish Pension Scheme ('the Irish Scheme'), whereby it agreed to make contributions to the scheme to enable the Trustee ensure that the regulatory Minimum Funding Standard position of non-pensioner members of the pension scheme was not affected by the agreed early retirement scheme. These contributions amounting to € 594 million were settled through the transfer to the Irish Scheme of interests in a structured entity owning loans and advances previously transferred at fair value from the Group. The loans and advances were derecognised in the Group's financial statements as all of the risks and rewards of ownership had transferred.

A subsidiary company of the Group was appointed as a service provider for the loans and advances transferred. Under the servicing agreement, the Group subsidiary company collects the cash flows on the transferred loans and advances on behalf of the pension scheme in return for a fee. The fee is based on an annual rate of 0.125% of the principal balance outstanding of all transferred loans and advances on the last day of each calendar month. The Group has not recognised a servicing asset/liability in relation to this servicing arrangement as the fee is considered to be at market rate. Under the servicing agreement, the Irish Scheme has the right to replace the Group subsidiary company as the service provider with an external third party. In 2024, the Group recognised € 0.3 million (cumulative € 9.9 million) (2023: € 0.4 million (cumulative € 9.6 million)) in the income statement for the servicing of the loans and advances transferred.

NAMA
During 2010 and 2011, the Group transferred financial assets with a net carrying value of € 15,428 million to NAMA. All assets transferred were derecognised in their entirety. As part of this transaction, the Group has provided NAMA with a series of indemnities relating to the transferred assets.

The Group was appointed by NAMA as a service provider for the loans and advances transferred, for which it receives a fee. The fee is based on the lower of actual costs incurred or 0.1% of the value of the financial assets transferred. The Group has not recognised a servicing asset/liability in relation to this servicing arrangement as the fee is considered to be at market rate. In 2024, the Group recognised € 1 million (cumulative € 102 million) (2023: € 1 million (cumulative € 101 million)) in the income statement for the servicing of financial assets transferred to NAMA.

42 Classification and measurement of financial assets and financial liabilities

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The accounting policy for financial assets in note 1 (j) and financial liabilities in note 1 (k), describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the carrying amounts of the financial assets and financial liabilities by measurement category and by statement of financial position heading at 31 December 2024 and 2023.

					2024
	At fair value through profit or loss	At fair value through other comprehensive income		At amortised cost	Total
	Mandatorily	Debt investments	Hedging derivatives		
	€ m	€ m	€ m	€ m	€ m
Financial assets					
Cash and balances at central banks	—	—	—	37,315 [1]	37,315
Trading portfolio financial assets	136	—	—	—	136
Derivative financial instruments	1,480 [2]	—	664	—	2,144
Loans and advances to banks	—	—	—	1,321	1,321
Loans and advances to customers	64	—	—	69,825	69,889
Securities financing	—	—	—	6,643	6,643
Investment securities	297	13,568	—	4,803	18,668
Other financial assets	—	—	—	894	894
Total	1,977	13,568	664	120,801	137,010
Financial liabilities					
Deposits by central banks and banks	—	—	—	836	836
Customer accounts	—	—	—	109,883	109,883
Securities financing	—	—	—	196	196
Trading portfolio financial liabilities	262	—	—	—	262
Derivative financial instruments	824 [3]	—	983	—	1,807
Debt securities in issue	—	—	—	8,832	8,832
Subordinated liabilities and other capital instruments	—	—	—	1,627	1,627
Other financial liabilities	—	—	—	1,792	1,792
Total	1,086	—	983	123,166	125,235

1. Includes cash on hand € 664 million.
2. Held for trading € 425 million and fair value hedges € 1,055 million.
3. Held for trading € 461 million and fair value hedges € 363 million.

42 Classification and measurement of financial assets and financial liabilities *continued*

	2023				
	At fair value through profit or loss	At fair value through other comprehensive income		At amortised cost	Total
	Mandatorily	Debt investments	Hedging derivatives		
	€ m	€ m	€ m	€ m	€ m
Financial assets					
Cash and balances at central banks	—	—	—	38,018 [1]	38,018
Trading portfolio financial assets	93	—	—	—	93
Derivative financial instruments	1,694 [2]	—	683	—	2,377
Loans and advances to banks	—	—	—	1,329	1,329
Loans and advances to customers	42	—	—	65,449	65,491
Securities financing	—	—	—	6,466	6,466
Investment securities	355	12,488	—	4,510	17,353
Other financial assets	—	—	—	688	688
Total	2,184	12,488	683	116,460	131,815
Financial liabilities					
Deposits by central banks and banks	—	—	—	1,780	1,780
Customer accounts	—	—	—	104,782	104,782
Securities financing	—	—	—	575	575
Trading portfolio financial liabilities	139	—	—	—	139
Derivative financial instruments	790 [3]	—	1,112	—	1,902
Debt securities in issue	—	—	—	8,423	8,423
Subordinated liabilities and other capital instruments	—	—	—	1,473	1,473
Other financial liabilities	—	—	—	1,571	1,571
Total	929	—	1,112	118,604	120,645

1. Includes cash on hand € 598 million.
2. Held for trading € 457 million and fair value hedges € 1,237 million.
3. Held for trading € 448 million and fair value hedges € 342 million.

43 Fair value of financial instruments

The term 'financial instruments' includes both financial assets and financial liabilities. The fair value of a financial instrument 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 market, or in its absence, the most advantageous market to which the Group has access at that date. The Group's accounting policy for the 'determination of fair value of financial instruments' is set out in note 1 accounting policy (m).

The valuation of financial instruments, including loans and advances, involves the application of judgement and estimation. Market and credit risks are key assumptions in the estimation of the fair value of loans and advances. The Group has estimated the fair value of its loans to customers taking into account market risk and the changes in credit quality of its borrowers.

Fair values are based on observable market prices where available, and on valuation models or techniques where the lack of market liquidity means that observable prices are unavailable. The fair values of financial instruments are classified according to the following fair value hierarchy that reflects the observability of significant market inputs:
Level 1 – financial assets and liabilities measured using quoted market prices from an active market (unadjusted);
Level 2 – financial assets and liabilities measured using valuation techniques which use quoted market prices from an active market or measured using quoted market prices unadjusted from an inactive market; and
Level 3 – financial assets and liabilities measured using valuation techniques which use unobservable market inputs.

All valuations are carried out within the Finance function and valuation methodologies are validated by the independent Risk function within the Group. Readers of these financial statements are advised to use caution when using the data in the following tables to evaluate the Group's financial position or to make comparisons with other institutions. Fair value information is not provided for items that do not meet the definition of a financial instrument.

Methodologies used for the calculation of fair value

The methods used for calculation of fair value in 2024 are as follows:

Financial instruments measured at fair value in the financial statements

(i) Trading portfolio financial instruments

The fair value of trading debt securities, together with quoted equity shares is based on quoted prices or bid/offer quotations sourced from external securities dealers, where these are available on an active market. Where securities and equities are traded on an exchange, the fair value is based on prices from the exchange.

(ii) Derivative financial instruments

Where derivatives are traded on an exchange, the fair value is based on prices from the exchange. The fair value of over-the-counter derivative financial instruments is estimated based on standard market discounting and valuation methodologies which use reliable observable inputs including yield curves and market rates. These methodologies are implemented by the Finance function and validated by the Risk function. Where there is uncertainty around the inputs to a derivative's valuation model, the fair value is estimated using inputs which provide the Group's view of the most likely outcome in a disposal transaction between willing counterparties in a functioning market. Where an unobservable input is material to the outcome of the valuation, a range of potential outcomes from favourable to unfavourable is estimated.

Counterparty valuation adjustment ('CVA') and Funding valuation adjustment ('FVA') are applied to all uncollateralised over-the-counter derivatives. The combination of CVA and FVA is referred to as XVA.

CVA is calculated as: Expected positive exposure ('EPE') multiplied by probability of default ('PD') multiplied by loss given default ('LGD'). EPE profiles are generated at a counterparty netting set through simulation. PDs are derived from market based credit default swaps ('CDS') information. As most counterparties do not have a quoted CDS, PDs are derived by mapping each counterparty to an index CDS credit grade. LGDs are based on the specific circumstances of the counterparty and take into account valuation of offsetting security, where applicable. For smaller exposures where security valuations are not individually assessed, an LGD of 60% is applied (2023: 60%).

FVA is calculated as: Expected exposure ('EE') multiplied by funding spread ('FS') multiplied by counterpart survival probability (1-PD). EE profiles (net of expected positive and negative exposures) are generated at a counterparty netting set through simulation. Funding spreads used are an average implied by CDSs for the Group's most active external derivative counterparties. The rationale in applying these spreads is to best estimate the FVA which a counterparty would apply in a transaction to close out the Group's existing positions.

Where XVA valuation adjustments have been applied to a derivative instrument, the entire instrument is classified as Level 3 in the fair value hierarchy where a not insignificant component of the XVA valuation is derived from unobservable inputs.

Within the range of estimates and fair value sensitivity measurements, a favourable and an adverse scenario have been selected for PDs and LGDs for CVA. The favourable/adverse scenario for customer PDs are (i) a single rating upgrade and (ii) a single rating downgrade, respectively. Customer LGDs are shifted according to estimates of improvement in value of security compared with potential derivatives market values. Within the combination of LGD and PD, both are shifted together yielding positive and negative valuations which are disclosed as potential alternative valuations. See 'Significant unobservable inputs' within this note. For FVA, an adverse scenario is the use of the bond yields of the Group's most active derivative counterparties while a favourable scenario is an upgrade in the CDS of the reference entities used to derive funding spreads.

43 Fair value of financial instruments *continued*

(iii) Investment securities

The fair value of investment securities has been estimated based on expected sale proceeds. The expected sale proceeds are based on bid prices which have been analysed and compared across multiple sources for reliability. Where bid prices are unavailable, fair values are estimated by valuation techniques using observable market data for similar instruments. Where there is no market data for a directly comparable instrument, management judgement on an appropriate credit spread to similar or related instruments with market data available is used within the valuation technique. This is supported by cross referencing other similar or related instruments.

(iv) Loans and advances to customers

The Group provides lending facilities of varying rates and maturities to corporate and personal customers. Valuation techniques are used in estimating the fair value of loans, primarily using discounted cash flows and applying market rates where practicable and taking credit risk into account.

The majority of loans and advances to customers are held at amortised cost, however, the Group has a small number of loans and advances which are required to be measured at FVTPL having failed the SPPI test. The valuation techniques used apply equally to those held at FVTPL and those held at amortised cost.

A key assumption for determining the fair value of loans and advances is that the carrying amount of variable rate loans (excluding mortgage products) approximates to market value. For fixed rate loans, the fair value is calculated by discounting expected cash flows using discount rates that reflect the interest rate risk in that portfolio.

The fair value of mortgage products, including tracker mortgages, is calculated by discounting expected cash flows using discount rates that reflect the interest rate/credit risk in the portfolio.

(v) Virtual corporate power purchase agreement

The fair value of the virtual corporate power purchase agreement is estimated using discounted cash flows applying market rates when available and rates offered by other data providers, in particular for forward Irish electricity solar pricing curves.

Financial instruments not measured at fair value but with fair value information presented separately in the notes to the financial statements

(i) Loans and advances to banks

The fair value of loans and advances to banks is estimated using discounted cash flows applying either market rates, where practicable, or rates currently offered by other financial institutions for placings with similar characteristics.

(ii) Loans and advances to customers at amortised cost

See methodology above under the heading 'Loans and advances to customers'.

(iii) Securities financing

The fair value of securities financing assets and liabilities approximate their carrying amount as these balances are generally short-dated and fully collateralised.

(iv) Deposits by central banks and banks and customer accounts

The fair value of current accounts and deposit liabilities which are repayable on demand, or which re-price frequently, approximates to their book value. The fair value of all other deposits and other borrowings is estimated using discounted cash flows and applying applicable market rates as appropriate.

(v) Subordinated liabilities and debt securities in issue

The estimated fair value of subordinated liabilities and other capital instruments and debt securities in issue, is based on quoted prices where available, or where these are unavailable, are estimated using valuation techniques using observable market data for similar instruments. Where there is no market data for a directly comparable instrument, management judgement, on an appropriate credit spread to similar or related instruments with market data available, is used within the valuation technique. This is supported by cross-referencing other similar or related instruments.

(vi) Other financial assets and other financial liabilities

This caption includes accrued interest receivable and payable and other receivables (including amounts awaiting settlement and accounts payable). The carrying amount is considered representative of fair value.

(vii) Commitments pertaining to credit-related instruments

Details of the various credit-related commitments and other off-balance sheet financial guarantees entered into by the Group are included in note 39. The ECL is considered a reasonable approximation of fair value of these credit-related financial instruments.

Notes to the Consolidated Financial Statements *continued*

43 Fair value of financial instruments *continued*

The table below sets out the carrying amount and fair value of financial instruments across the three levels of the fair value hierarchy at 31 December 2024 and 2023:

	2024					2023				
	Carrying amount	**Fair Value**				Carrying amount	Fair Value			
		Fair value hierarchy					Fair value hierarchy			
		Level 1	**Level 2**	**Level 3**	**Total**		Level 1	Level 2	Level 3	Total
	€ m	**€ m**	**€ m**	**€ m**	**€ m**	€ m	€ m	€ m	€ m	€ m
Financial assets measured at fair value										
Trading portfolio financial assets	**136**	**136**	**—**	**—**	**136**	93	93	—	—	93
Derivative financial instruments:										
Interest rate derivatives[1]	**2,109**	**—**	**2,020**	**89**	**2,109**	2,351	—	2,234	117	2,351
Exchange rate derivatives	**35**	**—**	**35**	**—**	**35**	14	—	14	—	14
Forward contract to acquire loans[2]	**—**	**—**	**—**	**—**	**—**	12	—	—	12	12
Loans and advances to customers at FVTPL	**64**	**—**	**—**	**64**	**64**	42	—	—	42	42
Investment debt securities at FVOCI	**13,568**	**13,468**	**100**	**—**	**13,568**	12,488	12,411	77	—	12,488
Equity investments at FVTPL	**297**	**1**	**—**	**296**	**297**	355	15	—	340	355
	16,209	**13,605**	**2,155**	**449**	**16,209**	15,355	12,519	2,325	511	15,355
Financial assets not measured at fair value										
Cash and balances at central banks	**37,315**	**664** [3]	**36,651**	**—**	**37,315**	38,018	598 [3]	37,420	—	38,018
Loans and advances to banks	**1,321**	**—**	**241**	**1,080**	**1,321**	1,329	—	259	1,070	1,329
Loans and advances to customers:										
Mortgages[4]	**36,722**	**—**	**—**	**35,832**	**35,832**	34,472	—	—	33,459	33,459
Non-mortgages	**33,103**	**—**	**—**	**33,043**	**33,043**	30,977	—	—	30,909	30,909
Securities financing	**6,643**	**—**	**—**	**6,643**	**6,643**	6,466	—	—	6,466	6,466
Investment debt securities measured at amortised cost	**4,803**	**2,633**	**—**	**2,168**	**4,801**	4,510	2,566	—	1,971	4,537
Other financial assets	**894**	**—**	**—**	**894**	**894**	688	—	—	688	688
	120,801	**3,297**	**36,892**	**79,660**	**119,849**	116,460	3,164	37,679	74,563	115,406
Financial liabilities measured at fair value										
Trading portfolio financial liabilities	**262**	**262**	**—**	**—**	**262**	139	139	—	—	139
Derivative financial instruments:										
Interest rate derivatives[1]	**1,689**	**—**	**1,391**	**298**	**1,689**	1,869	—	1,563	306	1,869
Exchange rate derivatives	**112**	**—**	**112**	**—**	**112**	29	—	28	1	29
Equity derivatives	**—**	**—**	**—**	**—**	**—**	1	—	1	—	1
Credit derivatives	**3**	**—**	**3**	**—**	**3**	3	—	3	—	3
Virtual corporate power purchase agreement	**3**	**—**	**—**	**3**	**3**	—	—	—	—	—
	2,069	**262**	**1,506**	**301**	**2,069**	2,041	139	1,595	307	2,041
Financial liabilities not measured at fair value										
Deposits by central banks and banks	**836**	**—**	**6**	**830**	**836**	1,780	—	740	1,040	1,780
Customer accounts:										
Current accounts	**62,657**	**—**	**—**	**62,657**	**62,657**	62,928	—	—	62,928	62,928
Demand deposits	**31,126**	**—**	**—**	**31,126**	**31,126**	32,083	—	—	32,083	32,083
Time deposits	**16,100**	**—**	**—**	**16,150**	**16,150**	9,771	—	—	9,755	9,755
Securities financing	**196**	**—**	**—**	**196**	**196**	575	—	—	575	575
Debt securities in issue	**8,832**	**8,074**	**—**	**957**	**9,031**	8,423	8,573	—	28	8,601
Subordinated liabilities and other capital instruments	**1,627**	**1,662**	**—**	**—**	**1,662**	1,473	1,497	—	13	1,510
Other financial liabilities[5]	**1,792**	**—**	**—**	**1,792**	**1,792**	1,571	—	—	1,571	1,571
Loan commitments and other credit related commitments	**44**	**—**	**—**	**44**	**44**	43	—	—	43	43
Financial guarantees	**13**	**—**	**—**	**13**	**13**	16	—	—	16	16
	123,223	**9,736**	**6**	**113,765**	**123,507**	118,663	10,070	740	108,052	118,862

1. Includes € 43 million (2023: € 84 million) derivative assets and € 257 million (2023: € 262 million) derivative liabilities categorised as level 3 where a not insignificant component of the XVA valuation is derived from unobservable inputs.
2. Relates to the forward contract to acquire Ulster Bank tracker (and linked) mortgages. See ‘Ulster Bank forward contract – tracker (and linked) mortgages’ below for further information.
3. Comprises cash on hand.
4. Includes residential and commercial mortgages.
5. Includes € 64 million of fair value changes of hedged items in portfolio hedges of interest rate risk.

43 Fair value of financial instruments *continued*

Significant transfers between Level 1 and Level 2 of the fair value hierarchy

There were no significant transfers between Level 1 and Level 2 of the fair value hierarchy for the years ended 31 December 2024 and 2023.

Reconciliation of balances in Level 3 of the fair value hierarchy

The following table shows (i) a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy and (ii) total unrealised gains or losses included in profit or loss that is attributable to the assets and liabilities categorised as Level 3 in the fair value hierarchy at the end of the year.

						2024
	Financial assets				Financial liabilities	
	Derivatives	Loans and advances at FVTPL	Equities at FVTPL	Total	Derivatives	Total
	€ m	€ m	€ m	€ m	€ m	€ m
Movement in level 3 assets and liabilities						
At 1 January 2024	129	42	340	511	307	307
Transfers into/out of level 3[1]	—	—	—	—	—	—
Total gains or (losses) in:						
Profit or loss:						
Net trading income – losses	(40)	—	—	(40)	(6)	(6)
Net change in FVTPL	—	11	76	87	—	—
	(40)	11	76	47	(6)	(6)
Other comprehensive income:						
Net change in fair value of investment securities	—	—	—	—	—	—
Net change in fair value of cash flow hedges	—	—	—	—	—	—
Purchases/additions	—	26	46	72	—	—
Sales/disposals/redemptions	—	—	(166)	(166)	—	—
Cash received:						
Principal	—	(15)	—	(15)	—	—
At 31 December 2024	89	64	296	449	301	301
Total unrealised gains or (losses) included in profit or loss for assets and liabilities classified as level 3 at the end of the year						
Net trading income – losses	(15)	—	—	(15)	(35)	(35)
Gains on equity investments at FVTPL	—	—	35	35	—	—
Losses on loans and advances at FVTPL	—	(3)	—	(3)	—	—
	(15)	(3)	35	17	(35)	(35)

1. Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

Notes to the Consolidated Financial Statements *continued*

43 Fair value of financial instruments *continued*

Reconciliation of balances in Level 3 of the fair value hierarchy

	Financial assets				Financial liabilities	
2023	Derivative € m	Loans and advances at FVTPL € m	Equities at FVTPL € m	Total € m	Derivative € m	Total € m
Movement in level 3 assets and liabilities						
At 1 January 2023	88	249	284	621	432	432
Transfers into/out of level 3[1]	—	—	—	—	—	—
Total gains or (losses) in:						
Profit or loss:						
Net trading income – gains/(losses)	41	—	—	41	(125)	(125)
Net change in FVTPL	—	3	30	33	—	—
	41	3	30	74	(125)	(125)
Other comprehensive income:						
Net change in fair value of investment securities	—	—	—	—	—	—
Net change in fair value of cash flow hedges	—	—	—	—	—	—
Purchases/additions	—	20	35	55	—	—
Sales/disposals	—	(135)	(9)	(144)	—	—
Cash received:						
Principal	—	(95)	—	(95)	—	—
At 31 December 2023	129	42	340	511	307	307
Total unrealised gains or losses included in profit or loss for assets and liabilities classified as level 3 at the end of the year						
Net trading income – gains	71	—	—	71	76	76
Gains on equity investments at FVTPL	—	—	27	27	—	—
Losses on loans and advances at FVTPL	—	(15)	—	(15)	—	—
	71	(15)	27	83	76	76

1. Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

43 Fair value of financial instruments *continued*

Significant unobservable inputs

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

		Fair value				Range of estimates	
Financial instrument		**2024 € m**	2023 € m	**Valuation technique**	**Significant unobservable input**	**31 December 2024**	31 December 2023
Uncollateralised customer derivatives	Asset	**89**	117	CVA	LGD	**38% - 56%**	41% - 59%
	Liability	**298**	307			**(Base 46%)**	(Base 49%)
					PD	**0.4% - 1.8%**	0.4% - 1.9%
						(Base 0.8% 1-year PD)	(Base 0.9% 1-year PD)
				FVA	Funding spreads	**(0.2%) - 0.3%**	(0.1%) - 0.3%
Forward contract to acquire loans	Asset	**—**	12	Discounted Expected Future Cash flows	PD	**n/a**	(0.25%) - 0.25%
					Discount Yield	**n/a**	(0.1%) - 0.1%
Virtual corporate power purchase agreement	Liability	**3**	—	Discounted Expected Future Cash flows	Irish electricity prices	**(10%) - 20%**	n/a
Visa Inc. Series B Preferred Stock[1]	Asset	**16**	41	Quoted market price (to which a discount has been applied)	Final conversion rate	**0% - 90%**	0% - 90%

1. Sensitivity information has not been provided for other equity investments as the portfolio comprises several investments, none of which is individually material.

Uncollateralised customer derivatives

Derivatives (assets and liabilities) include negative XVA valuation adjustments amounting to net € 8 million (2023: € 12 million). The sensitivity to unobservable inputs for this XVA valuation adjustment at 31 December 2024 ranges from (i) negative € 5 million to positive € 3 million for CVA (2023: negative € 9 million to positive € 4 million) and (ii) negative € 1 million to positive € 1 million for FVA (2023: negative € 2 million to positive € 1 million).

A number of derivatives are subject to valuation methodologies which use unobservable inputs. As the variability of the valuation is not greater than € 1 million in any individual case or collectively, the detail is not disclosed here.

Forward contract to acquire loans

In 2023, the Group recognised a forward contract to acquire Ulster Bank tracker (and linked) mortgages. The transfer of the loans completed in September 2024. At 31 December 2023 the fair value sensitivity to unobservable inputs ranged from negative € 4.8 million to positive € 5.4 million for PDs and negative € 3.2 million to positive € 3.2 million for discount yield.

Virtual corporate power purchase agreement

During 2024 the Group entered into a virtual corporate power purchase agreement with NTR to construct two solar farms in Co. Wexford to supply electricity to the Group. This agreement meets the definition of a derivative and had a negative fair value of € 3 million at 31 December 2024 (31 December 2023: Nil). Its valuation is subject to valuation methodologies which use unobservable inputs. The most significant unobservable input is forward Irish electricity solar capture prices. The fair value sensitivity to this input ranges from negative € 4 million to positive € 2 million (31 December 2023: Nil).

43 Fair value of financial instruments *continued*

Visa Inc. Series B Preferred Stock

In June 2016, the Group received Series B Preferred Stock in Visa Inc. with a fair value of € 65 million as part consideration for its holding of shares in Visa Europe. The preferred stock will be convertible into Class A Common Stock of Visa Inc. over time, with partial conversions having occurred in 2020, 2022 and 2024. The remaining conversion is subject to certain Visa Europe litigation risks that may affect the ultimate conversion rate. In addition, the stock, being denominated in US Dollars, is subject to foreign exchange risk.

– **Valuation technique:** Quoted market price of Visa Inc. Class A Common Stock to which a discount has been applied for the illiquidity and the conversion rate variability of the preferred stock of Visa Inc. 62% haircut (2023: 56%). This was converted at the year end exchange rate.

– **Unobservable input:** Final conversion rate of Visa Inc. Series B Preferred Stock into Visa Inc. Class A Common Stock.

– **Range of estimates:** Estimates range from (a) no discount for conversion rate variability with a discount for illiquidity only; to (b) 90% discount for conversion rate variability.

The fair value measurement sensitivity to unobservable discount rates ranges from negative € 16 million to positive € 21 million at 31 December 2024 (2023: negative € 31 million to positive of € 23 million).

Loans and advances to customers measured at FVTPL

For loans and advances to customers measured at FVTPL of € 64 million (2023: € 42 million), categorised within Level 3 of the fair value hierarchy in 2024 and 2023, the Group does not believe that a reasonably possible change to alternative assumptions would change fair value significantly and therefore has not disclosed those amounts in the table above or provided the related disclosures.

Fair value is applied in respect of secondary facilities arising on restructured loans subject to forbearance measures, on the likelihood that additional cash flows, in excess of their primary facilitates, will be received from customers. Given the significant uncertainty with regard to such cash flows, the Group does not attribute a fair value unless it is reasonably certain that this value will be realised.

Day 1 gain or loss

No difference existed between the fair value at initial recognition of financial instruments and the amount that was determined at that date using a valuation technique incorporating significant unobservable data.

44 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition:

	2024 € m	2023 € m
Cash and balances at central banks	**37,315**	38,018
Loans and advances to banks[1]	**1,012**	1,023
Total cash and cash equivalents	**38,327**	39,041
Additional information:		
Restricted cash held to meet certain requirements under the Asset Covered Securities Act 2001	**121**	80
Restricted cash held in trust in respect of certain payables *(note 32)*	**6**	5
Restricted cash held to meet certain requirements arising from the Group's issuance of credit linked notes	**98**	—

1. Included in 'Loans and advances to banks' total of € 1,321 million (2023: € 1,329 million) set out in note 17.

Cash and balances at central banks (net of ECL allowance of Nil) comprises:

	2024 € m	2023 € m
Central Bank of Ireland	**31,526**	33,282
Bank of England	**4,931**	3,869
Federal Reserve Bank of New York	**194**	269
Other (cash on hand)	**664**	598
Total cash and balances at central banks	**37,315**	38,018

There are certain regulatory restrictions on the ability of subsidiaries to transfer funds to the parent company in the form of cash dividends, loans or advances. The impact of such restrictions is not expected to have a material effect on the Group's ability to meet its cash obligations.

45 Statement of cash flows

Non-cash and other items included in profit before taxation

Non-cash items	2024 € m	2023 € m
Profit on disposal of property	—	(2)
Loss on disposal of business	2	26
Net (gain)/loss on derecognition of financial assets measured at amortised cost	(2)	9
Dividends received from equity investments	(1)	(2)
Investments accounted for using the equity method	(26)	(12)
Net credit impairment charge	87	199
Change in other provisions	56	68
Retirement benefits – defined benefit expense	3	5
Depreciation, amortisation and impairment	301	295
Interest on subordinated liabilities and other capital instruments	55	42
Interest on debt securities[1]	352	274
Interest on commercial paper	22	—
Loss on disposal of investment securities	77	22
Gain on termination of hedging swaps	(41)	(14)
Amortisation of premiums and discounts	22	35
Net gain on equity investments at FVTPL	(70)	(27)
Net loss on loans and advances to customers at FVTPL	3	14
Change in prepayments and accrued income	23	(115)
Change in accruals and deferred income	101	162
Effect of exchange translation and other adjustments[2]	82	27
Total non-cash items	**1,046**	1,006
Contributions to defined benefit pension schemes	(24)	(24)
Dividends received on equity investments	1	2
Total other items	**(23)**	(22)
Non-cash and other items for the year ended 31 December	**1,023**	984

Change in operating assets[2]	2024 € m	2023 € m
Change in trading portfolio financial assets	(43)	(85)
Change in net derivative financial instruments	49	(32)
Change in loans and advances to banks	12	26
Change in loans and advances to customers	(4,034)	(6,023)
Change in securities financing	(137)	(213)
Change in other assets	(23)	36
	(4,176)	(6,291)

Change in operating liabilities[2]	2024 € m	2023 € m
Change in deposits by central banks and banks	(988)	1,260
Change in customer accounts	4,558	2,276
Change in securities financing	(406)	(306)
Change in trading portfolio liabilities	123	135
Change in debt securities in issue	777	(1,000)
Change in notes in circulation	(1)	(6)
Change in other liabilities	(125)	(213)
	3,938	2,146

1. Relates to debt securities classified at origination as MREL.
2. The impact of foreign exchange translation for each line of the statement of financial position is removed in order to show the underlying cash impact.

Notes to the Consolidated Financial Statements *continued*

46 Related party transactions

Related parties in the Group include the parent company, AIB Group plc, subsidiary undertakings, associated undertakings, joint arrangements, post-employment benefits, Key Management Personnel and connected parties. The Irish Government is also considered a related party by virtue of its significant influence over the Group. The immediate holding company and controlling party is AIB Group plc with its registered office at 10 Molesworth Street, Dublin 2.

(a) Transactions with subsidiary undertakings

AIB Group plc is the ultimate parent company of the Group. Banking transactions between the parent company and its subsidiaries and between subsidiaries are entered into in the normal course of business. These include loans, deposits, provision of derivative contracts, foreign currency contracts and the provision of guarantees on an ‘arm’s length basis’. Furthermore, pricing arrangements between Allied Irish Banks, p.l.c. and certain Irish subsidiaries, and between certain Irish subsidiaries reflect revised OECD guidelines on transfer pricing, which are the internationally accepted principles in this area, and take account of the functions, risks and assets involved. In accordance with IFRS 10 transactions between the parent company and its subsidiaries and between subsidiaries have been eliminated on consolidation.

(b) Associated undertakings and joint ventures

From time to time, the Group provides certain banking and financial services for associated undertakings. These transactions 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 comparable transactions with other persons and do not involve more than the normal risk of collectability or present other unfavourable features. Details of loans to associates and joint venture are set out in notes 18 and 29 to the consolidated financial statements.

(c) Provision of banking and related services and funding to Group Pension schemes

The Group provides certain banking and financial services including money transmission services for the AIB Group Pension schemes. Such services are provided in the ordinary course of business, on substantially the same terms, including interest rates, as those prevailing at the time for comparable transactions with other persons.

During 2013, the Group established a pension funding partnership, AIB PFP Scottish Limited Partnership ('SLP') in the UK. Following this, a subsidiary of Allied Irish Banks, p.l.c. transferred loans to the SLP for the purpose of ring-fencing the repayments of these loans to fund future deficit payments of the AIB UK Defined Benefit Pension Scheme. The ring-fenced loans were removed from the arrangement in 2023 (note 41).

During 2012, the Group agreed to make certain contributions to the pension scheme which were settled through the transfer to the AIB Group Irish Pension Scheme of interests in a special purpose entity owning loans and advances previously transferred at fair value from the Group. A subsidiary of the Group was appointed as a service provider for the loans and advances transferred in return for a servicing fee at a market rate (note 41).

46 Related party transactions *continued*

(d) Companies Act 2014 disclosures

(i) Loans to Directors

The following information is presented in accordance with the Companies Act 2014. For the purposes of the Companies Act disclosures, any Director means a current Member of the Board of Directors and individual who was a Director during the relevant period.

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. 'Balances' and 'repayments' include principal and interest.

Details of transactions with Directors for the year ended 31 December 2024 and 31 December 2023 are as follows:

				2024				2023
	Balance at 1 January 2024	Amounts advanced during 2024	Amounts repaid during 2024	Balance at 31 December 2024	Balance at 1 January 2023	Amounts advanced during 2023	Amounts repaid during 2023	Balance at 31 December 2023
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Tanya Horgan								
Loans	43	—	(2)	41	47	—	(4)	43
Overdraft/credit card[1]	—	—	—	—	—	—	—	—
Total	43	—	(2)	41	47	—	(4)	43
Interest charged during the year				3				3
Maximum debit balance during the year[2]				43				47
Colin Hunt								
Loans	597	—	(47)	550	642	—	(45)	597
Overdraft/credit card[1]	15	—	—	16	16	—	—	15
Total	612	—	(47)	566	658	—	(45)	612
Interest charged during the year				15				17
Maximum debit balance during the year[2]				620				666
Ann O' Brien								
Loans	—	—	—	—	—	—	—	—
Overdraft/Credit Card[1]	—	—	—	1	—	—	—	—
Total	—	—	—	1	—	—	—	—
Interest charged during the year				—				—
Maximum debit balance during the year[2]				2				—
Helen Normoyle								
Loans	—	264	(264)	—	—	—	—	—
Overdraft/Credit Card[1]	—	—	—	—	—	—	—	—
Total	—	264	(264)	—	—	—	—	—
Interest charged during the year				2				—
Maximum debit balance during the year[2]				267				—
Basil Geoghegan								
Loans	—	663	(37)	627	—	—	—	—
Overdraft/credit card[1]	—	—	—	—	—	—	—	—
Total	—	663	(37)	627	—	—	—	—
Interest charged during the year				13				—
Maximum debit balance during the year[2]				669				—

1. Amounts advanced and repaid are not shown for overdraft/credit card facilities as these are revolving in nature (i.e. they may be drawn, repaid and redrawn up to their limit over the course of the year).
2. The maximum debit balance is calculated by aggregating the maximum debit balance drawn on each facility during the year.

Notes to the Consolidated Financial Statements *continued*

46 Related party transactions *continued*

(d) Companies Act 2014 disclosures *continued*

(i) Loans to Directors *continued*

Helen Normoyle held an overdraft facility which was not used during the year. Ann O'Brien held a credit card facility with the Group which had an opening and closing balance of less than €1,000 at the beginning and end of the reporting period. However, the maximum debit balance exceeded € 1,000 in the period, and has been reported in the preceding table. Anik Chaumartin, Donal Galvin, Sandy Kinney Pritchard, Andy Maguire, Elaine MacLean, Brendan McDonagh, Jim Pettigrew, Jan Sijbrand, Fergal O'Dwyer and Raj Singh had no credit facilities with the Group in 2024.

All facilities are performing to their terms and conditions. All loans to Directors and their connected persons 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.

An expected credit loss allowance is held for all loans and advances. Accordingly, a total expected credit loss allowance of under € 500 was held on the above facilities at 31 December 2024 (2023: under € 500).

(ii) Connected persons

The aggregate of loans to connected persons of Directors in office during the year ended 31 December 2024 and 2023 are set out in the table below. Loans to connected persons of Directors in office during the year have not been disclosed if their balance did not exceed € 7,500 in the year.

				2024				2023
	Balance at 31 December 2024 € 000	Maximum amount outstanding during the year € 000	Number of persons at 31 December 2024	Maximum number of persons during the year	Balance at 31 December 2023 € 000	Maximum amount outstanding during the year € 000	Number of persons at 31 December 2023	Maximum number of persons during the year
Tanya Horgan	407	428	2	4	426	445	3	4
Brendan McDonagh	9	11	1	1	9	9	1	1
Helen Normoyle	48	53	2	3	52	57	3	3
Ann O'Brien	68	73	1	1	73	161	1	1
Fergal O'Dwyer[1]	1	27	1	3	25	245	3	3
Basil Geoghegan	1	9	2	2	—	—	—	—
Andy Maguire	23	25	1	1	—	—	—	—
Donal Galvin	140	165	1	1	—	—	—	—

1. As at 31 December 2024, a guarantee entered into by a connected person of Fergal O'Dwyer in favour of the Group amounted to €20,000. No amounts were paid or liability incurred in fulfilling the guarantee.

An expected credit loss allowance is held for all loans and advances. Accordingly, a total expected credit loss allowance of less than € 20,000 was held on the above facilities at 31 December 2024 (2023: less than € 1,000).

The value of arrangements at the beginning and end of the financial year as stated above 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%.

(e) IAS 24 Related Party Disclosures

The following disclosures are made in accordance with the provisions of IAS 24 *Related Party Disclosures* ('IAS 24'). Under IAS 24, Key Management Personnel ('KMP') are defined as comprising Executive and Non-Executive Directors together with Senior Executive Officers, namely, the members of the Executive Committee. As at 31 December 2024, the Group had 27 KMP (2023: 25 KMP).

(i) Transactions with Key Management Personnel

Loans to KMP and their close family members ('CFM') 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 comparable transactions with other persons of similar standing not connected with the Group, and do not involve more than the normal risk of collectability or present other unfavourable features. Loans to Directors and Senior Executive Officers are made on terms available to other employees in the Group generally, in accordance with established policy, within limits set on a case-by-case basis.

				2024				2023
	Balance at 1 January 2024 € 000	Balance at 31 December 2024 € 000	Total number of relevant KMP/CFM at 1 January 2024	Total number of relevant KMP/CFM at 31 December 2024	Balance at 1 January 2023 € 000	Balance at 31 December 2023 € 000	Total number of relevant KMP/CFM at 1 January 2023	Total number of relevant KMP/CFM at 31 December 2023
Loans	1,975	2,281	13	15	1,563	1,975	13	13
Deposits	2,084	2,211	29	33	2,048	2,084	32	29

Total commitments outstanding refers to the total of any undrawn amounts on credit cards and/or overdraft facilities provided to KMP and their CFM. Total commitments outstanding as at 31 December 2024 were € 0.09 million (2023: € 0.12 million). An expected credit loss allowance is held for all loans and advances. Accordingly, a total expected credit loss allowance of less than € 1,000 was held on the above facilities at 31 December 2024 (2023: € 1,000).

46 Related party transactions *continued*

(e) IAS 24 Related Party Disclosures *continued*

(ii) Compensation of Key Management Personnel

Details of compensation paid to KMP are provided below. The figures shown include the figures separately reported in respect of Directors' remuneration on pages 163 and 165.

	2024 **€ m**	2023 € m
Short term benefits (salaries, fees and other short-term benefits)	**8.4**	7.5
Post-employment benefits[1]	**1.1**	1.0
Termination benefits	**—**	0.4
Total compensation of key management personnel	**9.5**	8.9

1. Comprises payments to defined benefit or defined contribution pension schemes, in accordance with actuarial advice, to provide post-retirement pensions. The Group's defined benefit pension schemes closed to future accrual with effect from 31 December 2013 and all employee pension benefits have accrued on the basis of defined contributions since that date.

(f) Summary of relationship with the Irish Government

The Irish Government is recognised as a related party under IAS 24 as it is in a position to exercise significant influence over the Group.

Relationship Framework

In order to comply with contractual commitments imposed on the Group in connection with its recapitalisation by the Irish State and with the requirements of EU state aid applicable in respect of that recapitalisation, a Relationship Framework was entered into between the Minister and the Group in March 2012. This provides the framework under which the relationship between the Minister and the Group is governed. The Relationship Framework was amended and restated on 12 June 2017. Furthermore, the AIB Group plc Relationship Framework was put in place on 8 December 2017 in substitution for the Relationship Framework dated 12 June 2017. Under the relationship framework, the authority and responsibility for strategy and commercial policies (including business plans and budgets) and conducting the Group's day-to-day operations rest with the Board and the Group's management team, however the Group remains subject to certain obligations which require advance consultation with or approval by the State.

These obligations relate to, inter alia:
– The composition of the board;
– Declaration and payment of dividends;
– Restrictions on various types of remuneration;
– Buy-backs or redemptions by the Group of its shares; and
– Material acquisitions/disposals.

The relationship of the Irish Government with the Group is outlined under the following headings:

– Ordinary shares

At 31 December 2024, the State's shareholding in the Company has reduced to 442,373,123 ordinary shares (18.99%) following a directed share buyback, the sell down of shares, the placing of shares, and disposals as part of a pre-arranged trading plan. At 31 December 2023, the State held 1,067,638,190 ordinary shares (40.77%).

– Issue of warrants to the Minister for Finance

In 2017, the Group issued warrants to the Minister to subscribe for 271,166,685 ordinary shares. Following the reduction in issued share capital during the year, these warrants equate to 11.65% of the issued share capital at 31 December 2024. For further details see note 35.

– Guarantee schemes

European Communities (Deposit Guarantee Scheme) Regulations 2015

Eligible deposits (including credit balances in current accounts, demand deposit accounts and term deposit accounts) of up to € 100,000 per depositor per credit institution are covered under this scheme. The scheme is administered by the CBI and is funded by the credit institutions covered by the scheme.

Strategic Banking Corporation of Ireland Scheme

The Group through its participation in the Strategic Banking Corporation of Ireland ('SBCI') Support loan Schemes (the 'Schemes') benefits from a Government guarantee against losses on qualifying finance agreements on amounts advanced under the Schemes. At 31 December 2024, € 481 million (2023: € 548 million) is outstanding across individual schemes of which the Future Growth Loan Scheme; Brexit/COVID-19 Working Capital Loan Schemes, Growth & Sustainability Loan Schemes, Covid-19 and Ukraine Credit Guarantee Scheme benefit from up to 80% Government guarantee.

Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009

The Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009 was one of various stabilisation measures implemented by the State to support the Irish banking system including the Group. The Group no longer has any guaranteed liabilities under the scheme however, certain of the covenants in the scheme continue to apply to the Group including reporting covenants, until the scheme is terminated by the Minister for Finance.

Notes to the Consolidated Financial Statements *continued*

46 Related party transactions *continued*

(f) Summary of relationship with the Irish Government *continued*

– NAMA

The Group has provided NAMA with a series of indemnities relating to transferred assets. Any indemnity payment would result in an outflow of economic benefit for the Group.

The General Scheme of the Conclusion of IBRC Special Liquidation and Dissolution of NAMA Bill 2024 (the Bill) was approved by Government on 2 July 2024 and has not been enacted to date. Its purpose is to effect the conclusion of the IBRC Special Liquidation and the dissolution of NAMA. It also makes provision for the implementation of appropriate arrangements to manage any remaining residual activity of IBRC and NAMA following the conclusion of their work mandates, including through the creation of a new Resolution Unit within the National Treasury Management Agency (NTMA) to manage any remaining residual activity.

– Irish bank levy

The bank levy was calculated based on each financial institution's deposits at December 2022 which were either covered under the Deposit Guarantee Scheme or were not so covered but had preferential status under Article 108 of the BRRD. The annual levy paid by the Group for 2024 and reflected in operating expenses (note 10) in the income statement amounted to € 94 million (2023: € 37 million). In 2023 the bank levy was calculated based on each financial institution's Deposit Interest Retention Tax ('DIRT') payment in a base year with 2019 being the base year for 2023.

– Other transactions with the Irish Government and entities under its control

In addition to the above matters, the Group also enters into other normal banking transactions with the Irish Government, its agencies and entities under its control. This includes transactions with (i) Government related entities, (ii) local government and commercial semi-state bodies and (iii) financial institutions under Irish Government control/significant influence. Other transactions include the payment of taxes, pay related social insurance, local authority rates, and the payment of regulatory fees, as appropriate.

(i) Irish Government and related entities

The following table outlines the amounts outstanding at 31 December 2024 and 2023 with Irish Government and related entities which are considered individually significant (excluding accrued interest). Related entities includes departments of the Irish Government located in the State and embassies, consulates and other institutions of the Irish Government located outside the State. The Post Office Savings Bank ('POSB') and the National Treasury Management Agency ('NTMA') are also included.

	2024 Balance € m	2023 Balance € m
Assets		
Cash and balances at central banks[1]	**31,525**	33,282
Trading portfolio financial assets	**71**	54
Investment securities[2]	**4,088**	4,356
Liabilities		
Trading portfolio financial liabilities	**257**	134
Customer accounts	**402**	466

1. Cash and balances at central banks represent the placements which the Group holds with the Central Bank.
2. Investment securities at 31 December 2024 comprise € 4,088 million (2023: € 4,356 million) in Irish Government securities held in the normal course of business.

The Group has disclosed details of the share buyback and the Irish bank levy separately in these financial statements. All other banking transactions are entered into in the ordinary course of business under normal business terms.

(ii) Local government[1] and Commercial semi-state bodies[2]

During 2024 and 2023, the Group entered into banking transactions in the normal course of business with local government bodies and semi-state bodies. These transactions include the granting of loans and the acceptance of deposits, as well as derivative and clearing transactions.

1. This category includes local authorities, borough corporations, county borough councils, county councils, boards of town commissioners, urban district councils, non-commercial public sector entities, public voluntary hospitals and schools.
2. Semi-state bodies is the name given to organisations within the public sector operating with some autonomy. They include commercial organisations or companies in which the State is the sole or main shareholder.

46 Related party transactions *continued*

(f) Summary of relationship with the Irish Government *continued*

(iii) Financial institutions under Irish Government control/significant influence

The Irish Government has a controlling interest in Permanent tsb plc and controls the Irish Bank Resolution Corporation Limited (In Special Liquidation). Due to the Group's related party relationship with the Irish Government, balances between these financial institutions and the Group are considered related party transactions in accordance with IAS 24. Transactions with these institutions are normal banking transactions entered into in the ordinary course of cash management business under normal business terms. The transactions constitute the short-term placing and acceptance of deposits, derivative transactions, investment debt securities and repurchase agreements.

The following balances were outstanding in total to these financial institutions at 31 December 2024 and 2023:

	2024 € m	2023 € m
Assets		
Trading portfolio financial assets	**5**	—

(g) Indemnities

The Group has indemnified the Directors of Allied Irish Banks Pensions Limited and AIB DC Pensions (Ireland) Limited, the trustees of the Group's Ireland defined benefit pension scheme and defined contribution pension scheme, respectively, against any actions, claims or demands arising out of their actions as Directors of the trustee companies, other than by reason of wilful default.

47 Employees

The following table shows the geographical analysis of the average number of employees for 2024 and 2023:

Average number of staff (Full time equivalents)	2024	2023
Ireland	**9,902**	9,485
United Kingdom	**718**	681
United States of America	**35**	34
Total	**10,655**	10,200

The following table shows the segmental analysis of the average number of employees for 2024 and 2023:

	2024	2023
Retail Banking	**4,084**	4,484
Capital Markets	**1,676**	1,139
Climate Capital[1]	**76**	46
AIB UK	**625**	604
Group[2]	**4,194**	3,927
Total	**10,655**	10,200

1. Refer to note 1(c) for further information about the change in presentation for certain notes to the financial statements.
2. Group comprises wholesale treasury activities and Group control and support functions. Treasury manages the Group's liquidity and funding positions and provides customer treasury services and economic research. The Group control and support functions in the period included Technology, Operations, Finance, Risk, Legal, Corporate Governance and Customer Care, Human Resources, Sustainability and Corporate Affairs, Enterprise Development and Group Internal Audit.

The average number of employees for 2024 and 2023 set out above excludes employees on career breaks and other unpaid long-term leaves. Actual full time equivalent numbers at 31 December 2024 were 10,469 (2023: 10,551).

48 Regulatory compliance

The Group's policy is that the Group and its regulated subsidiaries must comply at all times with their externally imposed capital ratios.

Notes to the Consolidated Financial Statements *continued*

49 Financial and other information

	2024 %	2023 %
Operating ratios		
Operating expenses/operating income	**44.5**	45.4
Other income/operating income	**16.2**	18.7

Rates of exchange	2024	2023
€/$*		
Closing	**1.0389**	1.1050
Average	**1.0823**	1.0811
€/£*		
Closing	**0.8292**	0.8691
Average	**0.8466**	0.8698

*Throughout this report, US Dollar is denoted by $ and Pound Sterling is denoted by £.

	Assets		Liabilities and equity	
Currency Information	2024 € m	2023 € m	2024 € m	2023 € m
Euro	**117,994**	116,450	**120,574**	116,560
Other	**23,272**	19,899	**20,692**	19,789
Total	**141,266**	136,349	**141,266**	136,349

50 Dividends

A final dividend for the year ended 31 December 2023 of 26.568 cent per ordinary share, amounting to € 696 million (for the year ended 31 December 2022: € 166 million), was approved at the Annual General Meeting on 2 May 2024 and subsequently paid on 10 May 2024. Final dividends are not accounted for until they have been approved at the Annual General Meeting of shareholders.

51 Non-adjusting events after the reporting period

No significant non-adjusting events have taken place since 31 December 2024.

52 Approval of the Financial Statements

The financial statements were approved by the Board of Directors on 4 March 2025.

AIB Group plc Company Statement of Financial Position

as at 31 December 2024

	Note	2024 € m	2023 € m
Assets			
Loans and advances to banks – subsidiary	d	**9,554**	9,993
Investment in subsidiary undertaking	e	**13,883**	13,758
Prepayments and accrued income		**186**	164
Total assets		**23,623**	23,915
Liabilities			
Debt securities in issue	f	**7,894**	8,486
Subordinated liabilities and other capital instruments	g	**1,650**	1,500
Accruals and deferred income		**178**	158
Total liabilities		**9,722**	10,144
Equity			
Share capital	h	**1,455**	1,637
Merger reserve	i	**6,234**	6,234
Reserves		**4,962**	4,775
Total shareholders' equity		**12,651**	12,646
Other equity interests	j	**1,250**	1,125
Total equity		**13,901**	13,771
Total liabilities and equity		**23,623**	23,915

The Company recorded a profit after taxation of € 2,283 million for the year ended 31 December 2024 (2023: profit € 822 million).

Jim Pettigrew
Chair

Colin Hunt
Chief Executive Officer

Donal Galvin
Chief Financial Officer

Conor Gouldson
Group Company Secretary

AIB Group plc Company Statement of Changes in Equity

for the financial year ended 31 December 2024

2024

	Note	Share capital	Other equity interests	Merger reserve	Revenue reserves	Capital redemption reserves	Total
		Attributable to equity holders of the parent					
		€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2024		1,637	1,125	6,234	4,716	59	13,771
Total comprehensive income for the year							
Profit after tax		—	—	—	2,283	—	2,283
Other comprehensive income		—	—	—	—	—	—
Total comprehensive income for the year		—	—	—	2,283	—	2,283
Transactions with owners, recorded directly in equity							
Issuance of Additional Tier 1 securities	j	—	625	—	—	—	625
Buyback of Additional Tier 1 securities	j	—	(500)	—	—	—	(500)
Dividends paid on ordinary shares	k	—	—	—	(696)	—	(696)
Distributions paid to other equity interests	j	—	—	—	(80)	—	(80)
Buyback of ordinary shares	h	(182)	—	—	(1,502)	182	(1,502)
Transfer between merger and revenue reserves	i	—	—	—	—	—	—
Total contributions by and distribution to owners		(182)	125	—	(2,278)	182	(2,153)
At 31 December 2024		1,455	1,250	6,234	4,721	241	13,901

2023

	Note	Share capital	Other equity interests	Merger reserve	Revenue reserves	Capital redemption reserves	Total
		Attributable to equity holders of the parent					
		€ m	€ m	€ m	€ m	€ m	€ m
At 1 January 2023		1,671	1,125	5,646	4,928	25	13,395
Total comprehensive income for the year							
Profit after tax		—	—	—	822	—	822
Other comprehensive income		—	—	—	—	—	—
Total comprehensive income for the year		—	—	—	822	—	822
Transactions with owners, recorded directly in equity							
Issuance of Additional Tier 1 securities		—	—	—	—	—	—
Buyback of Additional Tier 1 securities		—	—	—	—	—	—
Dividends paid on ordinary shares	k	—	—	—	(166)	—	(166)
Distributions paid to other equity interests	j	—	—	—	(65)	—	(65)
Buyback of ordinary shares	h	(34)	—	—	(215)	34	(215)
Transfer between merger and revenue reserves	i	—	—	588	(588)	—	—
Total contributions by and distributions to owners		(34)	—	588	(1,034)	34	(446)
At 31 December 2023		1,637	1,125	6,234	4,716	59	13,771

Notes to AIB Group plc Company Financial Statements

Background

AIB Group plc (‘the parent company’ or ‘the Company’) is a company domiciled in Ireland with its registered office address at 10 Molesworth Street, Dublin 2, Ireland. AIB Group plc is registered under the Companies Act 2014 as a public limited company under the company number 594283 and is the holding company of the Group.

a Accounting policies

Transition to FRS 101

For periods up to and including the year ended 31 December 2023, the Company prepared its financial statements in accordance with International financial Reporting Standards (collectively ‘IFRSs’) as adopted by the European Union ('EU'). These financial statements, for the year ended 31 December 2024, are the first the Company has prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101'). In preparing these financial statements the Company has started from an opening statement of financial position at 1 January 2023, the Company’s date of transition to FRS 101. There were no differences between the recognition and measurement basis applied under previous IFRS as adopted by the EU at 1 January 2023 and FRS 101.

Statement of Compliance

The parent company financial statements and related notes have been prepared in accordance with FRS 101 and comply with those parts of the Companies Act 2014 and with the European Union (Credit Institutions: Financial Statements) Regulations 2015 applicable to companies reporting under FRS 101.

In preparing these financial statements, the Company 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 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:
- A statement of cash flows and related notes;
- The effects of new but not yet effective IFRS;
- Disclosures in respect of transactions with wholly owned subsidiaries of the Group; and
- An additional statement of financial position for the beginning of the earliest comparative period following the transition to FRS 101.

Material accounting policies

Where applicable, the accounting policies adopted by the Company are the same as those of the Group as set out in note 1 to the consolidated financial statements.

Investment in subsidiary

The Company accounts for its investment in subsidiary at cost less provisions for impairment. The Company reviews its investment for impairment at the end of each reporting period if there are indications that impairment may have occurred.

The testing for possible impairment involves comparing the estimated recoverable amount of an investment with its carrying amount. Where the recoverable amount is less than the carrying amount, the difference is recognised as an impairment provision in the Company’s financial statements. The recoverable amount is the higher of fair value less costs to sell and value-in-use ('VIU').

Dividends from a subsidiary are recognised in the income statement when the Company’s right to receive the dividend is established.

Merger reserve

Impairment losses which arise from the Company’s investment in Allied Irish Banks, p.l.c. will be charged to the profit or loss account and transferred to the merger reserve in so far as a credit balance remains in the merger reserve. Reversal of impairments will be credited to the profit or loss account and transferred to the merger reserve in so far as it does not exceed the impairment charged.

Parent Company Income statement

In accordance with Section 304(2) of the Companies Act 2014, the parent company is availing of the exemption to omit the income statement, statement of comprehensive income and related notes from its financial statements; from presenting them to the Annual General Meeting and from filing them with the Registrar of Companies.

b Critical accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Since management’s judgement may involve making estimates concerning the likelihood of future events, the actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. The estimate with a significant risk of material adjustment in the next year relate to the investment in subsidiary.

Investment in subsidiary

The key estimates and assumptions that the Group have used in assessing the value-in-use (‘VIU’) of its investment in subsidiary are as follows:
- The estimation of expected cash flows based on the financial plan for 2025-2027;
- The assumption of an appropriate growth rate; and
- The estimation of an appropriate discount rate.

The investment in subsidiary in the separate financial statements of the Company is reviewed for impairment when there are indications that impairment losses may have occurred. If any such indications exist, the Company undertakes an impairment review by comparing the carrying value of the investment in the subsidiary with its estimated recoverable amount with any shortfall being reported as an impairment charge in the Company’s financial statements. The estimated recoverable amount is based on VIU calculations.

Given the uncertainties and the high level of subjectivity involved in the estimation process, it is possible that the outcomes in the next financial year could differ from the expectations on which the Company’s estimates are based resulting in the recognition and measurement of materially different amounts from those estimated in these financial statements.

Details of the Company’s investment in subsidiary, including the VIU calculation and the sensitivity of the carrying amount of the investment to possible changes in key variables are set out in note e.

Notes to AIB Group plc Company Financial Statements *continued*

c Auditor's remuneration

Section 322 of the Companies Act 2014 mandates disclosure of remuneration paid/payable to the Group Auditor only (PricewaterhouseCoopers) for services relating to the audit of the Group and relevant subsidiary financial statements. € 5,000 was paid to the Group Auditor for services relating to the audit of the financial statements of AIB Group plc during the year to 31 December 2024 (2023: € 5,000). No fees were paid/payable to overseas auditors (2023: Nil).

d Loans and advances to banks

	2024 € m	2023 € m
At amortised cost		
Funds placed with subsidiary, Allied Irish Banks, p.l.c.	**9,557**	9,996
ECL allowance	**(3)**	(3)
Total loans and advances to banks	**9,554**	9,993

In March 2024, AIB Group plc, as the lender, entered into a loan agreement with Allied Irish Banks, p.l.c. ('the subsidiary'), as the borrower, whereby the obligation was unsecured and subordinated. The $ 1 billion loan is repayable on 28 March 2035 with an optional redemption date of 28 March 2034 at a fixed interest rate of 5.996% up to the maturity date.

e Investment in subsidiary undertaking

	2024 € m	2023 € m
At 1 January	**13,758**	13,385
Additions – Additional Tier 1 Securities	**625**	—
Buyback – Additional Tier 1 Securities	**(500)**	—
Reversal of impairment of equity shares	**—**	588
Buyback of equity shares	**—**	(215)
At 31 December	**13,883**	13,758

AIB Group plc ('the Company') holds the entire ordinary share capital of Allied Irish Banks, p.l.c. ('the subsidiary') which it acquired in 2017 (2,714,381,237 ordinary shares of nominal value € 0.625 each) and which had a book value at acquisition of € 12,940 million and has a carrying value at 31 December 2024 of € 12,633 million (2023: € 12,633 million). Separately, the Company invested € 1,250 million in Additional Tier 1 Securities (AT1) issued by the subsidiary. These investments follow the Company's own issuance of AT1 securities as detailed in note j.

Allied Irish Banks, p.l.c. is a financial services company incorporated and registered in Ireland with a registered office at 10 Molesworth Street, Dublin 2. It is the parent company of a number of subsidiaries, both credit institutions and others, all of which are 100% owned apart from Augmentum Limited in which there are non-controlling interests. It operates predominantly in Ireland, providing a comprehensive range of services to retail customers, as well as business and corporate customers. Allied Irish Banks, p.l.c. and its subsidiaries offer a full suite of products for retail customers, including mortgages, personal loans, credit cards, current accounts, insurance, pensions, financial planning, investments, savings and deposits. Its products for business and corporate customers include finance and loans, business current accounts, deposits, foreign exchange and interest rate risk management products, trade finance products, invoice discounting, leasing, credit cards, merchant services, payments and corporate finance.

Allied Irish Banks, p.l.c. together with its principal subsidiaries in Ireland, AIB Mortgage Bank Unlimited Company and EBS d.a.c. are regulated by the Central Bank of Ireland/Single Supervisory Mechanism. Its principal subsidiary outside the Republic of Ireland, AIB Group (UK) p.l.c., is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Impairment of investment in subsidiary

The Company reviews its investment in the subsidiary for impairment at the end of each reporting period if there are indications that impairment may have occurred.

The testing for possible impairment involves comparing the estimated recoverable amount of an investment with its carrying amount. Where the recoverable amount is less than the carrying amount, the difference is recognised as an impairment provision in the Company's financial statements. The recoverable amount is the higher of fair value less costs to sell and VIU.

The subsidiary's fair value is largely that of the Company since the net assets of the subsidiary are, in effect, the same as those of the Company. Accordingly, AIB Group plc's market capitalisation is a proxy for the fair value of Allied Irish Banks, p.l.c.

At 31 December 2024, the market capitalisation of AIB Group plc was € 12.4 billion (2023: € 10.2 billion). This was lower than the carrying amount of its investment in the subsidiary of € 13,883 million. AIB Group plc tested its investment for impairment and reviewed the recoverable amount as determined by a VIU calculation compared with the carrying amount.

The Company uses a discounted cash flow to equity model to derive a VIU, in line with industry practice. Under this approach, recoverable value is determined by the present value of future distributable items which takes into consideration the requirement to retain earnings in line with relevant target capital ratios and risk-weighted assets. Accordingly, the principal inputs to the model are (a) future profitability; (b) risk-weighted asset levels; (c) the discount rate used; and (d) target capital ratios.

e Investment in subsidiary undertaking *continued*

Impairment of investment in subsidiary continued

The VIU was determined at € 16,914 million which was higher than the carrying amount (i.e. € 13,883 million) due to the impact of the improvement in the economic environment on the Group's three year plan and accordingly, the VIU is higher than the market capitalisation noted previously. In 2023 the Company recognised an impairment reversal amounting to € 588 million, as the VIU at 31 December 2023 amounted to € 14,385 million, which was higher than the carrying value, prior to the reversal of impairment, of € 13,170 million.

Basis used to calculate recoverable amount

In determining VIU, the Company used discounted cash flow projections attributable to equity and AT1 holders. These projections were the output arising from the recent three year Strategic Plan (2025 to 2027) approved by the Board. This output from the Plan will be used by the Company on an on-going basis during the three year planning cycle. The Strategic Plan involved significant judgements which were subject to review and validation at a number of levels of governance and is the current best estimate of the expected cash flows over the planning period. For cash flows beyond the planning period, the Company extrapolated into perpetuity the year 3 expected cash flows as a base, using a long term growth rate to derive a terminal value. Risk weighted assets are assumed to grow at the same rate as that for long-term profit growth.

The Company used the following principal assumptions in the VIU calculation:
- Long term profit/risk-weighted asset growth rate after 2027 of 2% (2023: 2%);
- Discount rate of 11.5% (2023: 12.1%); and
- Common equity Tier 1 trending to 14% (Target >14.0%) (2023: 14.5% (Target > 14.0%)).

Future profitability and growth rates are dependent on several factors, including the economic environment both local and international, and the impact of regulatory requirements on the banking industry and the continuing developments in the financial services sector. Profitability and growth were reassessed in the annual planning exercise covering the period 2025 to 2027 undertaken by the Group in the second half of 2024. The discount rate to be used in future periods may increase/decrease due to changes to the risk free rate or to the risk premium. Changes to these inputs may increase or decrease an impairment loss allowance/reversal in future periods.

The following sensitivities of the carrying value of the investment in the subsidiary to key input variables reflect the impact of the variables individually and not any interrelationships. It is possible that more than one favourable and/or unfavourable change will occur at the same time:
- If the long term profit/risk-weighted asset growth was assumed to be 100 bps higher (or lower), the carrying value at December 2024 would not increase or decrease (2023: No increase or decrease).
- If the discount rate was assumed to be 100 bps higher (or lower) the carrying value at December 2024 would not increase or decrease (2023: Decrease of € 636 million or no increase).
- If year 3 expected cash flows that are used as a base to derive the terminal value were increased/decreased by € 100 million, the carrying value would not increase or decrease (2023: No increase or decrease).

f Debt securities in issue

	2024 € m	2023 € m
Euro Medium Term Note Programme	5,250	6,000
Global Medium Term Note Programme	2,644	2,486
Total debt securities in issue	**7,894**	8,486

Analysis of movements in debt securities in issue	2024 € m	2023 € m
At 1 January	**8,486**	6,520
Issued during the year	923	2,431
Matured	(1,680)	(382)
Exchange translation adjustments	165	(83)
At 31 December	**7,894**	8,486

For details of debt securities issued by the Company during 2024, refer to note 30 to the consolidated financial statements. The instruments issued by AIB Group plc were issued for the purpose of meeting Group MREL requirements.

Notes to AIB Group plc Company Financial Statements *continued*

g Subordinated liabilities and other capital instruments

	2024 € m	2023 € m
Dated loan capital – European Medium Term Note Programme:		
€ 500 million Subordinated Tier 2 Notes due 2029, Callable 2024	—	500
€ 1 billion Subordinated Tier 2 Notes due 2031, Callable 2026	1,000	1,000
€ 650 billion Subordinated Tier 2 Notes due 2035, Callable 2030	650	—
Total subordinated liabilities and other capital instruments	1,650	1,500

The dated loan capital above issued under the European Medium Term Note Programme, is subordinated in right of payment to the ordinary creditors, including depositors, of the Group.

For details on the movements of subordinated liabilities and other capital instruments issued by the Company during 2024, refer to note 33 to the consolidated financial statements.

h Share capital

The ordinary share capital of AIB Group plc is detailed in note 35 to the consolidated financial statements.

i Merger reserve

	2024 € m	2023 € m
At 1 January	6,234	5,646
Transfer from revenue reserves	—	588
At 31 December	6,234	6,234

Under the Scheme of Arrangement ('the Scheme') approved by the Irish High Court on 6 December 2017 which became effective on 8 December 2017, a new company, AIB Group plc ('the Company'), was introduced as the holding company of AIB Group. The share capital of Allied Irish Banks, p.l.c., other than a single share owned by AIB Group plc, was cancelled and an equal number of new shares were issued by the Company to the shareholders of Allied Irish Banks, p.l.c. The difference between the carrying value of the net assets of Allied Irish Banks, p.l.c. entity on acquisition by the Company and the nominal value of the shares issued on implementation of the Scheme was accounted for as a merger reserve.

In 2023 an impairment reversal was recognised of € 588 million which resulted in a transfer from revenue reserves leaving a balance of € 6,234 million in merger reserves.

j Other equity interests

	2024 € m	2023 € m
Issued by AIB Group plc		
€ 500 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued 2019	—	500
€ 625 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued 2020	625	625
€ 625 million Additional Tier 1 Perpetual Contingent Temporary Write-Down Securities issued 2024	625	—
Total other equity interests	1,250	1,125

Additional Tier 1 Perpetual Contingent Temporary Write-down Securities
For further details in relation to AT1s issued by the Company, see note 36 to the consolidated financial statements.

k Dividends

The dividends of AIB Group plc are detailed in note 50 to the consolidated financial statements.

l Credit risk information

The following table sets out the maximum exposure to credit risk for financial assets all of which are carried at amortised cost[1] at 31 December 2024 and 2023:

Maximum exposure to credit risk	2024 Total € m	2023 Total € m
Loans and advances to banks	9,554	9,993
Included elsewhere:		
Accrued interest	186	164
Total	9,740	10,157

1. All amortised cost items are loans and advances which are in a 'held to collect' business model.

m Liquidity and funding risk

Financial assets and financial liabilities by contractual residual maturity

The following table analyses financial assets and financial liabilities by contractual residual maturity at 31 December 2024 and 2023:

2024	On demand € m	<3 months but not on demand € m	3 months to 1 year € m	1–5 years € m	Over 5 years € m	Total € m
Financial assets						
Loans and advances to banks[1]	10	—	500	5,684	3,363	9,557
Other financial assets	—	186	—	—	—	186
	10	186	500	5,684	3,363	9,743
Financial liabilities						
Debt securities in issue[2]	—	—	500	5,684	1,713	7,897
Subordinated liabilities and other capital instruments	—	—	—	—	1,650	1,650
Other financial liabilities	178	—	—	—	—	178
	178	—	500	5,684	3,363	9,725

2023	On demand € m	<3 months but not on demand € m	3 months to 1 year € m	1–5 years € m	Over 5 years € m	Total € m
Financial assets						
Loans and advances to banks[1]	7	—	750	4,584	4,655	9,996
Other financial assets	—	164	—	—	—	164
	7	164	750	4,584	4,655	10,160
Financial liabilities						
Debt securities in issue[2]	—	—	750	4,584	3,155	8,489
Subordinated liabilities and other capital instruments	—	—	—	—	1,500	1,500
Other financial liabilities	158	—	—	—	—	158
	158	—	750	4,584	4,655	10,147

1. Shown gross of expected credit losses.
2. Shown gross of transaction costs.

General Information

In this section

1. The pages from 356 to 386 are subject to limited assurance, other than the tables with a disclosure reference date of 31/12/23.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

(Pages 355 – 386 are subject to limited assurance)

		Total environmentally sustainable assets (€m)	KPI[1]	KPI[2]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	4,150	4.27 %	4.27 %	68.16 %	23.83 %	31.84 %

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	**GAR (flow)**	379	2.07 %	2.07 %	99.97 %	61.09 %	0.03 %
	Trading book[4]	N/A	N/A	N/A			
	Financial guarantees	—	— %	— %			
	Assets under management	—	— %	— %			
	Fees and commissions income[4]	N/A	N/A	N/A			

1. Based on the Turnover KPI that the underlying counterparty has disclosed for each environmental objective in accordance with this Regulation.
2. Based on the CapEx KPI that the underlying counterparty has disclosed for each environmental objective in accordance with this Regulation.
3. % of assets covered by the KPI over banks´ total asset.
4. Fees and Commissions and Trading Book KPIs shall only apply starting 2026.
5. Due to rounding, numbers presented in template 1 may not add up precisely to the totals provided.

1. Assets for the calculation of GAR (revenue)

Disclosure reference date 31/12/24

	Key Of which use of proceeds Of which transitional Of which enabling Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	63,206	39,280	4,150	4,132	—	18	6	—	—	—	—	—	—	—	0	—	—	—	35	—	—	—	6	—	—	—	39,328	4,150	4,132	—	18
2	**Financial undertakings**	19,953	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	13,399	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	5,928	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	7,471	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
7	Other financial corporations	6,554	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	370	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	370	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
12	of which management companies	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
16	of which insurance undertakings	25	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	25	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
20	**Non-financial undertakings**	882	200	18	—	—	18	6	—	—	—	—	—	—	—	0	—	—	—	35	—	—	—	6	—	—	—	248	18	—	—	18
21	Loans and advances	882	200	18	—	—	18	6	—	—	—	—	—	—	—	0	—	—	—	35	—	—	—	6	—	—	—	248	18	—	—	18

1. Assets for the calculation of GAR (revenue) Disclosure reference date 31/12/24 *continued*

Key
- Of which use of proceeds
- Of which transitional
- Of which enabling

	Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
24	**Households**	42,342	39,080	4,132	4,132	—	—	—	—	—	—					—	—	—	—									39,080	4,132	4,132	—	—
25	of which loans collateralised by residential immovable property	36,369	36,331	4,132	4,132	—	—	—	—	—	—					—	—	—	—									36,331	4,132	4,132	—	—
26	of which building renovation loans	4	4	—	—	—	—	—	—	—	—					—	—	—	—									4	—	—	—	—
27	of which motor vehicle loans	827	827		—	—	—																					827	—	—	—	—
28	**Local governments financing**	30	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	30	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	33,990	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
33	**Financial and Non-financial undertakings**	26,445																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	15,178																														
35	Loans and advances	14,537																														
36	of which loans collateralised by commercial immovable property	5,078																														
37	of which building renovation loans	—																														

Key: ■ Of which use of proceeds ■ Of which transitional ■ Of which enabling

	Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM) - Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCM - Of which environmentally sustainable (Taxonomy-aligned)	CCM - Of which use of proceeds	CCM - Of which transitional	CCM - Of which enabling	Climate Change Adaptation (CCA) - Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCA - Of which environmentally sustainable (Taxonomy-aligned)	CCA - Of which use of proceeds	CCA - Of which enabling	Water and marine resources (WTR) - Of which towards taxonomy relevant sectors (Taxonomy-eligible)	WTR - Of which environmentally sustainable (Taxonomy-aligned)	WTR - Of which use of proceeds	WTR - Of which enabling	Circular economy (CE) - Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CE - Of which environmentally sustainable (Taxonomy-aligned)	CE - Of which use of proceeds	CE - Of which enabling	Pollution (PPC) - Of which towards taxonomy relevant sectors (Taxonomy-eligible)	PPC - Of which environmentally sustainable (Taxonomy-aligned)	PPC - Of which use of proceeds	PPC - Of which enabling	Biodiversity and Ecosystems (BIO) - Of which towards taxonomy relevant sectors (Taxonomy-eligible)	BIO - Of which environmentally sustainable (Taxonomy-aligned)	BIO - Of which use of proceeds	BIO - Of which enabling	TOTAL (CCM + CCA + WTR + CE + PPC + BIO) - Of which towards taxonomy relevant sectors (Taxonomy-eligible)	TOTAL - Of which environmentally sustainable (Taxonomy-aligned)	TOTAL - Of which use of proceeds	TOTAL - Of which transitional	TOTAL - Of which enabling
38	Debt securities	640																														
39	Equity instruments	1																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	11,267																														
41	Loans and advances	11,034																														
42	Debt securities	232																														
43	Equity instruments	—																														
44	**Derivatives**	1,719																														
45	**On demand interbank loans**	401																														
46	**Cash and cash-related assets**	664																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	4,762																														
48	**Total GAR assets**	97,199	39,280	4,150	4,132	—	18	6	—	—	—	—	—	—	—	0	—	—	—	35	—	—	—	6	—	—	—	39,328	4,150	4,132	—	18
49	**Assets not covered for GAR calculation**	45,410																														
50	Central governments and Supranational issuers	7,945																														
51	Central banks exposure	36,904																														
52	Trading book	561																														
53	Total assets	142,608	39,280	4,150	4,132	—	18	6	—	—	—	—	—	—	—	0	—	—	—	35	—	—	—	6	—	—	—	39,328	4,150	4,132	—	18
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	978	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management	8,395	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
56	Of which debt securities	2,526	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	3,675	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

1. Assets for the calculation of GAR (revenue)

Disclosure reference date 31/12/23

(December 2023 has been restated)

Key: Of which use of proceeds; Of which transitional; Of which enabling. Million EUR		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)	Of which environmentally sustainable (Taxonomy-aligned)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	58,943	36,822	4,026	4,026	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	36,822	4,026	4,026	0	—
2	**Financial undertakings**	17,990	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	12,623	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	5,937	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	6,686	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
7	Other financial corporations	5,367	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	215	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	189	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	26	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
12	of which management companies	15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—			—	—		—	—
16	of which insurance undertakings	30	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	30	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
20	**Non-financial undertakings**	900	62	0	—	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	62	0	—	0	—

	Key: ■ Of which use of proceeds (UoP); ■ Of which transitional; ■ Of which enabling — Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling			Use of proceeds	Enabling			Use of proceeds	Enabling			Use of proceeds	Enabling			Use of proceeds	Enabling			Use of proceeds	Transitional	Enabling
21	Loans and advances	900	62	0	—	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	62	0	—	0	—
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
24	**Households**	40,028	36,760	4,026	4,026	—	—	—	—	—	—					—	—	—	—									36,760	4,026	4,026	—	—
25	of which loans collateralised by residential immovable property	33,992	33,947	4,026	4,026	—	—	—	—	—	—					—	—	—	—									33,947	4,026	4,026	—	—
26	of which building renovation loans	—	—	—	—	—	—	—	—	—	—					—	—	—	—									—	—	—	—	—
27	of which motor vehicle loans	711	711	—	—	—	—																					711	—	—	—	—
28	**Local governments financing**	22	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	22	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	33,466	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
33	**Financial and Non-financial undertakings**	25,811																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	16,540																														
35	Loans and advances	15,956																														
36	of which loans collateralised by commercial immovable property	5,620																														

1. Assets for the calculation of GAR (revenue) Disclosure reference date 31/12/23 *continued*

Key
- Of which use of proceeds
- Of which transitional
- Of which enabling

	Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling
37	of which building renovation loans	—																														
38	Debt securities	569																														
39	Equity instruments	15																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	9,271																														
41	Loans and advances	9,072																														
42	Debt securities	198																														
43	Equity instruments	—																														
44	**Derivatives**	1,920																														
45	**On demand interbank loans**	328																														
46	**Cash and cash-related assets**	598																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	4,809																														
48	**Total GAR assets**	92,409	36,822	4,026	4,026	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	36,822	4,026	4,026	0	—
49	**Assets not covered for GAR calculation**	45,451																														
50	Central governments and Supranational issuers	7,199																														
51	Central banks exposure	37,701																														
52	Trading book	550																														
53	Total assets	137,860	36,822	4,026	4,026	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	36,822	4,026	4,026	0	—
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	858	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management	6,969	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
56	Of which debt securities	2,029	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	2,950	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

1. Assets for the calculation of GAR (capex)

Disclosure reference date 31/12/24

Key
■ Of which use of proceeds
■ Of which transitional
■ Of which enabling

Million EUR		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	63,206	39,279	4,146	4,132	—	14	27	—	—	—	—	—	—	—	0	—	—	—	20	—	—	—	4	—	—	—	39,329	4,146	4,132	—	14
2	**Financial undertakings**	19,953	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	13,399	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	5,928	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	7,471	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
7	Other financial corporations	6,554	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	370	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	370	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
12	of which management companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
16	of which insurance undertakings	25	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	25	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
20	**Non-financial undertakings**	882	199	14	—	—	14	27	—	—	—	—	—	—	—	0	—	—	—	20	—	—	—	4	—	—	—	249	14	—	—	14

1. Assets for the calculation of GAR (capex) Disclosure reference date 31/12/24 *continued*

Key: ■ Of which use of proceeds; ■ Of which transitional; ■ Of which enabling. Million EUR		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)	Of which environmentally sustainable (Taxonomy-aligned)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
21	Loans and advances	882	199	14	—	—	14	27	—	—	—	—	—	—	—	0	—	—	—	20	—	—	—	4	—	—	—	249	14	—	—	14
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
24	**Households**	42,342	39,080	4,132	4,132	—	—	—	—	—	—																	39,080	4,132	4,132	—	—
25	of which loans collateralised by residential immovable property	36,369	36,331	4,132	4,132	—	—	—	—	—	—																	36,331	4,132	4,132	—	—
26	of which building renovation loans	4	4	—	—	—	—	—	—	—	—																	4	—	—	—	—
27	of which motor vehicle loans	827	827		—	—	—																					827	—	—	—	—
28	**Local governments financing**	30	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	30	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	33,990	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
33	**Financial and Non-financial undertakings**	26,445																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	15,178																														
35	Loans and advances	14,537																														
36	of which loans collateralised by commercial immovable property	5,078																														

	Key: ■ Of which use of proceeds ■ Of which transitional ■ Of which enabling Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
37	of which building renovation loans	—																														
38	Debt securities	640																														
39	Equity instruments	1																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	11,267																														
41	Loans and advances	11,034																														
42	Debt securities	232																														
43	Equity instruments	—																														
44	**Derivatives**	1,719																														
45	**On demand interbank loans**	401																														
46	**Cash and cash-related assets**	664																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	4,762																														
48	**Total GAR assets**	97,199	39,279	4,146	4,132	—	14	27	—	—	—	—	—	—	—	0	—	—	—	20	—	—	—	4	—	—	—	39,329	4,146	4,132	—	14
49	**Assets not covered for GAR calculation**	45,410																														
50	Central governments and Supranational issuers	7,945																														
51	Central banks exposure	36,904																														
52	Trading book	561																														
53	Total assets	142,608	39,279	4,146	4,132	—	14	27	—	—	—	—	—	—	—	0	—	—	—	20	—	—	—	4	—	—	—	39,329	4,146	4,132	—	14
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	978	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management	8,395	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
56	Of which debt securities	2,526	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	3,675	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

1. Assets for the calculation of GAR (capex)
Disclosure reference date 31/12/23

	Key: Of which use of proceeds (green); Of which transitional (purple); Of which enabling (pink) — Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	58,943	36,926	4,026	4,026	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	36,926	4,026	4,026	0	—
2	**Financial undertakings**	17,990	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3	Credit institutions	12,623	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	Loans and advances	5,937	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Debt securities, including UoP	6,686	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
7	Other financial corporations	5,367	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	of which investment firms	215	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	189	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	26	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
12	of which management companies	15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	15	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
16	of which insurance undertakings	30	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	30	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
20	**Non-financial undertakings**	900	166	0	—	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	166	0	—	0	—

Key: ■ Of which use of proceeds ■ Of which transitional ■ Of which enabling — Million EUR		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Use of proceeds	Transitional	Enabling			Use of proceeds	Enabling			Use of proceeds	Enabling			Use of proceeds	Enabling			Use of proceeds	Enabling			Use of proceeds	Enabling			Use of proceeds	Transitional	Enabling
21	Loans and advances	900	166	0	—	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	166	0	—	0	—
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—	—		—	—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—	—		—	—
24	**Households**	40,028	36,760	4,026	4,026	—	—	—	—	—	—					—	—	—	—									36,760	4,026	4,026	—	—
25	of which loans collateralised by residential immovable property	33,992	33,947	4,026	4,026	—	—	—	—	—	—					—	—	—	—									33,947	4,026	4,026	—	—
26	of which building renovation loans	—		—	—	—	—	—	—	—	—					—	—	—	—									—	—	—	—	—
27	of which motor vehicle loans	711	711	—	—	—	—																					711	—	—	—	—
28	**Local governments financing**	22	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local government financing	22	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	33,466	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
33	**Financial and Non-financial undertakings**	25,811																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	16,540																														
35	Loans and advances	15,956																														
36	of which loans collateralised by commercial immovable property	5,620																														

1. Assets for the calculation of GAR (capex)
Disclosure reference date 31/12/23 *continued*

Key
■ Of which use of proceeds
■ Of which transitional
■ Of which enabling

	Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
37	of which building renovation loans	—																														
38	Debt securities	569																														
39	Equity instruments	15																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	9,271																														
41	Loans and advances	9,072																														
42	Debt securities	198																														
43	Equity instruments	—																														
44	**Derivatives**	1,920																														
45	**On demand interbank loans**	328																														
46	**Cash and cash-related assets**	598																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	4,809																														
48	**Total GAR assets**	92,409	36,926	4,026	4,026	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	36,926	4,026	4,026	0	—
49	**Assets not covered for GAR calculation**	45,451																														
50	Central governments and Supranational issuers	7,199																														
51	Central banks exposure	37,701																														
52	Trading book	550																														
53	Total assets	137,860	36,926	4,026	4,026	0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	36,926	4,026	4,026	0	—
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																																
54	Financial guarantees	858	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
55	Assets under management	6,969	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
56	Of which debt securities	2,029	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
57	Of which equity instruments	2,950	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

2. GAR sector information (revenue)

	Breakdown by sector – NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		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		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)
1	A1.6.2 - Support activities for animal production	74.45	—			—	—		
2	C17.1.2 - Manufacture of paper and paperboard	0.00	0.00			—	—		
3	C21.1.0 - Manufacture of basic pharmaceutical products	129.53	—			—	—		
4	C26.1.1 - Manufacture of electronic components	45.43	—			—	—		
5	C28.2.9 - Manufacture of other general-purpose machinery	44.05	—			—	—		
6	C32.9.9 - Other manufacturing	105.11	—			—	—		
7	F41.1.0 - Development of building projects	11.28	—			—	—		
8	F41.2.0 - Construction of residential and non-residential buildings	92.17	—			—	—		
9	F42.9.9 - Construction of other civil engineering projects	0.22	—			—	—		
10	G46.9.0 - Non-specialised wholesale trade	0.01	—			—	—		
11	G47.7.3 - Dispensing chemist in specialised stores	0.03	—			—	—		
12	H51.1.0 - Passenger air transport	37.81	—			—	—		
13	H52.2.9 - Other transportation support activities	0.39	—			—	—		
14	I55.1.0 - Hotels and similar accommodation	91.60	—			—	—		
15	J61.9.0 - Other telecommunications activities	48.15	—			—	—		
16	M72.1.9 - Other research and experimental development on natural sciences	7.52	—			—	—		
17	Q86.1.0 - Hospital activities	0.02	—			—	—		
18	R92.0.0 - Gambling and betting activities	167.28	—			—	—		
19	S94.9.9 - Activities of other membership organisations	27.18	17.94			—	—		

	Breakdown by sector – NACE 4 digits level (code and label)	Water and marine resources (WTR)				Circular economy (CE)			
		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		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
1	A1.6.2 - Support activities for animal production	—	—			—	—		
2	C17.1.2 - Manufacture of paper and paperboard	—	—			—	—		
3	C21.1.0 - Manufacture of basic pharmaceutical products	—	—			—	—		
4	C26.1.1 - Manufacture of electronic components	—	—			—	—		
5	C28.2.9 - Manufacture of other general-purpose machinery	—	—			—	—		
6	C32.9.9 - Other manufacturing	—	—			—	—		
7	F41.1.0 - Development of building projects	—	—			—	—		
8	F41.2.0 - Construction of residential and non-residential buildings	—	—			—	—		
9	F42.9.9 - Construction of other civil engineering projects	—	—			—	—		
10	G46.9.0 - Non-specialised wholesale trade	—	—			—	—		
11	G47.7.3 - Dispensing chemist in specialised stores	—	—			—	—		
12	H51.1.0 - Passenger air transport	—	—			—	—		
13	H52.2.9 - Other transportation support activities	—	—			—	—		
14	I55.1.0 - Hotels and similar accommodation	—	—			—	—		
15	J61.9.0 - Other telecommunications activities	—	—			—	—		
16	M72.1.9 - Other research and experimental development on natural sciences	—	—			—	—		
17	Q86.1.0 - Hospital activities	—	—			—	—		
18	R92.0.0 - Gambling and betting activities	—	—			—	—		
19	S94.9.9 - Activities of other membership organisations	—	—			—	—		

2. GAR sector information (revenue) *continued*

	Breakdown by sector – NACE 4 digits level (code and label)	Pollution (PPC)				Biodiversity and Ecosystems (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	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)
1	A1.6.2 - Support activities for animal production	—	—			—	—		
2	C17.1.2 - Manufacture of paper and paperboard	—	—			—	—		
3	C21.1.0 - Manufacture of basic pharmaceutical products	—	—			—	—		
4	C26.1.1 - Manufacture of electronic components	—	—			—	—		
5	C28.2.9 - Manufacture of other general-purpose machinery	—	—			—	—		
6	C32.9.9 - Other manufacturing	—	—			—	—		
7	F41.1.0 - Development of building projects	—	—			—	—		
8	F41.2.0 - Construction of residential and non-residential buildings	—	—			—	—		
9	F42.9.9 - Construction of other civil engineering projects	—	—			—	—		
10	G46.9.0 - Non-specialised wholesale trade	—	—			—	—		
11	G47.7.3 - Dispensing chemist in specialised stores	—	—			—	—		
12	H51.1.0 - Passenger air transport	—	—			—	—		
13	H52.2.9 - Other transportation support activities	—	—			—	—		
14	I55.1.0 - Hotels and similar accommodation	—	—			—	—		
15	J61.9.0 - Other telecommunications activities	—	—			—	—		
16	M72.1.9 - Other research and experimental development on natural sciences and engineering	—	—			—	—		
17	Q86.1.0 - Hospital activities	—	—			—	—		
18	R92.0.0 - Gambling and betting activities	—	—			—	—		
19	S94.9.9 - Activities of other membership organisations	—	—			—	—		

	Breakdown by sector – NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	A1.6.2 - Support activities for animal production	74.45	—		
2	C17.1.2 - Manufacture of paper and paperboard	0.00	0.00		
3	C21.1.0 - Manufacture of basic pharmaceutical products	129.53	—		
4	C26.1.1 - Manufacture of electronic components	45.43	—		
5	C28.2.9 - Manufacture of other general-purpose machinery	44.05	—		
6	C32.9.9 - Other manufacturing	105.11	—		
7	F41.1.0 - Development of building projects	11.28	—		
8	F41.2.0 - Construction of residential and non-residential buildings	92.17	—		
9	F42.9.9 - Construction of other civil engineering projects	0.22	—		
10	G46.9.0 - Non-specialised wholesale trade	0.01	—		
11	G47.7.3 - Dispensing chemist in specialised stores	0.03	—		
12	H51.1.0 - Passenger air transport	37.81	—		
13	H52.2.9 - Other transportation support activities	0.39	—		
14	I55.1.0 - Hotels and similar accommodation	91.60	—		
15	J61.9.0 - Other telecommunications activities	48.15	—		
17	M72.1.9 - Other research and experimental development on natural sciences and engineering	7.52	—		
18	Q86.1.0 - Hospital activities	0.02	—		
19	R92.0.0 - Gambling and betting activities	167.28	—		
	S94.9.9 - Activities of other membership organisations	27.18	17.94		

2. GAR sector information (capex)

	Breakdown by sector – NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		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		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)
1	A1.6.2 - Support activities for animal production	74.45	—			—	—		
2	C17.1.2 - Manufacture of paper and paperboard	0.00	0.00			—	—		
3	C21.1.0 - Manufacture of basic pharmaceutical products	129.53	—			—	—		
4	C26.1.1 - Manufacture of electronic components	45.43	0.18			—	—		
5	C28.2.9 - Manufacture of other general-purpose machinery	44.05	—			—	—		
6	C32.9.9 - Other manufacturing	105.11	0.00			—	—		
7	F41.1.0 - Development of building projects	11.28	—			—	—		
8	F41.2.0 - Construction of residential and non-residential buildings	92.17	—			—	—		
9	F42.9.9 - Construction of other civil engineering projects	0.22	—			—	—		
10	G46.9.0 - Non-specialised wholesale trade	0.01	—			—	—		
11	G47.7.3 - Dispensing chemist in specialised stores	0.03	—			—	—		
12	H51.1.0 - Passenger air transport	37.81	—			—	—		
13	H52.2.9 - Other transportation support activities	0.39	—			—	—		
14	I55.1.0 - Hotels and similar accommodation	91.60	—			—	—		
15	J61.9.0 - Other telecommunications activities	48.15	—			—	—		
16	M72.1.9 - Other research and experimental development on natural sciences	7.52	—			—	—		
17	Q86.1.0 - Hospital activities	0.02	—			—	—		
18	R92.0.0 - Gambling and betting activities	167.28	—			—	—		
19	S94.9.9 - Activities of other membership organisations	27.18	13.59			—	—		

	Breakdown by sector – NACE 4 digits level (code and label)	Water and marine resources (WTR)				Circular economy (CE)			
		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		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)
1	A1.6.2 - Support activities for animal production	—	—			—	—		
2	C17.1.2 - Manufacture of paper and paperboard	—	—			—	—		
3	C21.1.0 - Manufacture of basic pharmaceutical products	—	—			—	—		
4	C26.1.1 - Manufacture of electronic components	—	—			—	—		
5	C28.2.9 - Manufacture of other general-purpose machinery	—	—			—	—		
6	C32.9.9 - Other manufacturing	—	—			—	—		
7	F41.1.0 - Development of building projects	—	—			—	—		
8	F41.2.0 - Construction of residential and non-residential buildings	—	—			—	—		
9	F42.9.9 - Construction of other civil engineering projects	—	—			—	—		
10	G46.9.0 - Non-specialised wholesale trade	—	—			—	—		
11	G47.7.3 - Dispensing chemist in specialised stores	—	—			—	—		
12	H51.1.0 - Passenger air transport	—	—			—	—		
13	H52.2.9 - Other transportation support activities	—	—			—	—		
14	I55.1.0 - Hotels and similar accommodation	—	—			—	—		
15	J61.9.0 - Other telecommunications activities	—	—			—	—		
16	M72.1.9 - Other research and experimental development on natural sciences and engineering	—	—			—	—		
17	Q86.1.0 - Hospital activities	—	—			—	—		
18	R92.0.0 - Gambling and betting activities	—	—			—	—		
19	S94.9.9 - Activities of other membership organisations	—	—			—	—		

2. GAR sector information (capex) *continued*

	Breakdown by sector – NACE 4 digits level (code and label)	Pollution (PPC)				Biodiversity and Ecosystems (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	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)
1	A1.6.2 - Support activities for animal production	—	—			—	—		
2	C17.1.2 - Manufacture of paper and paperboard	—	—			—	—		
3	C21.1.0 - Manufacture of basic pharmaceutical products	—	—			—	—		
4	C26.1.1 - Manufacture of electronic components	—	—			—	—		
5	C28.2.9 - Manufacture of other general-purpose machinery	—	—			—	—		
6	C32.9.9 - Other manufacturing	—	—			—	—		
7	F41.1.0 - Development of building projects	—	—			—	—		
8	F41.2.0 - Construction of residential and non-residential buildings	—	—			—	—		
9	F42.9.9 - Construction of other civil engineering projects	—	—			—	—		
10	G46.9.0 - Non-specialised wholesale trade	—	—			—	—		
11	G47.7.3 - Dispensing chemist in specialised stores	—	—			—	—		
12	H51.1.0 - Passenger air transport	—	—			—	—		
13	H52.2.9 - Other transportation support activities	—	—			—	—		
14	I55.1.0 - Hotels and similar accommodation	—	—			—	—		
15	J61.9.0 - Other telecommunications activities	—	—			—	—		
16	M72.1.9 - Other research and experimental development on natural sciences and engineering	—	—			—	—		
17	Q86.1.0 - Hospital activities	—	—			—	—		
18	R92.0.0 - Gambling and betting activities	—	—			—	—		
19	S94.9.9 - Activities of other membership organisations	—	—			—	—		

	Breakdown by sector – NACE 4 digits level (code and label)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	A1.6.2 - Support activities for animal production	74.45	—		
2	C17.1.2 - Manufacture of paper and paperboard	0.00	0.00		
3	C21.1.0 - Manufacture of basic pharmaceutical products	129.53	—		
4	C26.1.1 - Manufacture of electronic components	45.43	0.18		
5	C28.2.9 - Manufacture of other general-purpose machinery	44.05	—		
6	C32.9.9 - Other manufacturing	105.11	0.00		
7	F41.1.0 - Development of building projects	11.28	—		
8	F41.2.0 - Construction of residential and non-residential buildings	92.17	—		
9	F42.9.9 - Construction of other civil engineering projects	0.22	—		
10	G46.9.0 - Non-specialised wholesale trade	0.01	—		
11	G47.7.3 - Dispensing chemist in specialised stores	0.03	—		
12	H51.1.0 - Passenger air transport	37.81	—		
13	H52.2.9 - Other transportation support activities	0.39	—		
14	I55.1.0 - Hotels and similar accommodation	91.60	—		
15	J61.9.0 - Other telecommunications activities	48.15	—		
16	M72.1.9 - Other research and experimental development on natural sciences and engineering	7.52	—		
17	Q86.1.0 - Hospital activities	0.02	—		
18	R92.0.0 - Gambling and betting activities	167.28	—		
19	S94.9.9 - Activities of other membership organisations	27.18	13.59		

3. GAR KPI stock (revenue)
Disclosure reference date 31/12/24

Key		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
Of which use of proceeds / Of which transitional / Of which enabling		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)					
% (compared to total covered assets in the denominator)			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 use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	62 %	7 %	7 %	— %	0 %	0 %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	62 %	7 %	7 %	— %	0 %	44 %
2	**Financial undertakings**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	14 %
3	Credit institutions	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	9 %
4	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	4 %
5	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	5 %
6	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
7	Other financial corporations	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	5 %
8	of which investment firms	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
9	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
10	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11	Equity instruments	— %	— %	— %	— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
12	of which management companies	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
13	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
14	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
15	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
16	of which insurance undertakings	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
17	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
18	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
19	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
20	**Non-financial undertakings**	23 %	2 %	— %	— %	2 %	1 %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	4 %	— %	— %	— %	1 %	— %	— %	— %	28 %	2 %	— %	— %	2 %	1 %

3. GAR KPI stock (revenue)
Disclosure reference date 31/12/24 continued

Key ■ Of which use of proceeds ■ Of which transitional ■ Of which enabling		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		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)					
% (compared to total covered assets in the denominator)			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)			
				■ Use of proceeds	■ Transitional	■ Enabling			■ Use of proceeds	■ Enabling			■ Use of proceeds	■ Enabling			■ Use of proceeds	■ Enabling			■ Use of proceeds	■ Enabling			■ Use of proceeds	■ Enabling			■ Use of proceeds	■ Transitional	■ Enabling	
21	Loans and advances	23 %	2 %	— %	— %	2 %	1 %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	4 %	— %	— %	— %	1 %	— %	— %	— %	28 %	2 %	— %	— %	2 %	1 %
22	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
23	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
24	**Households**	92 %	10 %	10 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									92 %	10 %	10 %	— %	— %	30 %
25	of which loans collateralised by residential immovable property	100 %	11 %	11 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	11 %	11 %	— %	— %	26 %
26	of which building renovation loans	100 %	— %	— %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	— %	— %	— %	— %	— %
27	of which motor vehicle loans	100 %	— %	— %	— %	— %																										
28	**Local governments financing**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
29	Housing financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
30	Other local government financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
32	**Total GAR assets**	40 %	4 %	4 %	— %	0 %	0 %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	40 %	4 %	4 %	— %	0 %	68 %

3. GAR KPI stock (revenue)
Disclosure reference date 31/12/23

	Key: Of which use of proceeds; Of which transitional; Of which enabling. % (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		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)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	62 %	7 %	7 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	62 %	7 %	7 %	— %	— %	43 %
2	**Financial undertakings**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	13 %
3	Credit institutions	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	9 %
4	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	4 %
5	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	5 %
6	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
7	Other financial corporations	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	4 %
8	of which investment firms	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
9	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
10	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
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**	7 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	7 %	— %	— %	— %	— %	1 %
21	Loans and advances	7 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	7 %	— %	— %	— %	— %	1 %
22	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
23	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
24	**Households**	92 %	10 %	10 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									92 %	10 %	10 %	— %	— %	29 %

3. GAR KPI stock (revenue)
Disclosure reference date 31/12/23 *continued*

		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					**Proportion of total assets covered**
Key ■ Of which use of proceeds ■ Of which transitional ■ Of which enabling		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)					
% (compared to total covered assets in the denominator)			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 use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
25	of which loans collateralised by residential immovable property	100 %	12 %	12 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	12 %	12 %	— %	— %	25 %
26	of which building renovation loans	— %	— %	— %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									— %	— %	— %	— %	— %	— %
27	of which motor vehicle loans	100 %																														
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**	40 %	4 %	4 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	40 %	4 %	4 %	— %	— %	67 %

3. GAR KPI stock (capex)
Disclosure reference date 31/12/24

Key: ■ Of which use of proceeds ■ Of which transitional ■ Of which enabling — % (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
	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)			
			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	62 %	7 %	7 %	— %	0 %	0 %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	62 %	7 %	7 %	— %	0 %	44 %
2 **Financial undertakings**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	14 %
3 Credit institutions	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	9 %
4 Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	4 %
5 Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	5 %
6 Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
7 Other financial corporations	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	5 %
8 of which investment firms	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
9 Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
10 Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11 Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
12 of which management companies	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
13 Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
14 Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
15 Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
16 of which insurance undertakings	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
17 Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
18 Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
19 Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
20 **Non-financial undertakings**	23 %	2 %	— %	— %	2 %	3 %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	2 %	— %	— %	— %	0 %	— %	— %	— %	28 %	2 %	— %	— %	2 %	1 %

3. GAR KPI stock (capex)
Disclosure reference date 31/12/24 *continued*

Key
Of which use of proceeds
Of which transitional
Of which enabling

% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		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)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
21	Loans and advances	23 %	2 %	— %	— %	2 %	3 %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	2 %	— %	— %	— %	0 %	— %	— %	— %	28 %	2 %	— %	— %	2 %	1 %
22	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
23	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
24	**Households**	92 %	10 %	10 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									92 %	10 %	10 %	— %	— %	30 %
25	of which loans collateralised by residential immovable property	100 %	11 %	11 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	11 %	11 %	— %	— %	26 %
26	of which building renovation loans	100 %	— %	— %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	— %	— %	— %	— %	— %
27	of which motor vehicle loans	100 %																														
28	**Local governments financing**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
29	Housing financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
30	Other local government financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
32	**Total GAR assets**	40 %	4 %	4 %	— %	0 %	0 %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	40 %	4 %	4 %	— %	0 %	68 %

3. GAR KPI stock (capex)
Disclosure reference date 31/12/23

	Key: Of which use of proceeds; Of which transitional; Of which enabling	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		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)					
	% (compared to total covered assets in the denominator)		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 use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	63 %	7 %	7 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	63 %	7 %	7 %	— %	— %	43 %
2	**Financial undertakings**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	13 %
3	Credit institutions	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	9 %
4	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	4 %
5	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	5 %
6	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
7	Other financial corporations	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	4 %
8	of which investment firms	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
9	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
10	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
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**	18 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	18 %	— %	— %	— %	— %	1 %

3. GAR KPI stock (capex)
Disclosure reference date 31/12/24 *continued*

Key Of which use of proceeds; Of which transitional; Of which enabling		**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					**Proportion of total assets covered**
% (compared to total covered assets in the denominator)		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)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
21	Loans and advances	18 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	18 %	— %	— %	— %	— %	1 %
22	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
23	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
24	**Households**	92 %	10 %	10 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									92 %	10 %	10 %	— %	— %	29 %
25	of which loans collateralised by residential immovable property	100 %	12 %	12 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	12 %	12 %	— %	— %	25 %
26	of which building renovation loans	— %	— %	— %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									— %	— %	— %	— %	— %	— %
27	of which motor vehicle loans	100 %	— %	— %	— %	— %																										
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**	40 %	4 %	4 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	40 %	4 %	4 %	— %	— %	67 %

4. GAR KPI flow (revenue)
Disclosure reference date 31/12/24

	Key: Of which use of proceeds; Of which transitional; Of which enabling. % (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		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)				
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	72 %	5 %	5 %	— %	— %	0 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	72 %	5 %	5 %	— %	— %	39 %
2	**Financial undertakings**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	7 %
3	Credit institutions	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
4	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
5	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
6	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
7	Other financial corporations	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	7 %
8	of which investment firms	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	1 %
9	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	1 %
10	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
12	of which management companies	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
13	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
14	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
15	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
16	of which insurance undertakings	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
17	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
18	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
19	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
20	**Non-financial undertakings**	34 %	— %	— %	— %	— %	0 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	3 %	— %	— %	— %	2 %	— %	— %	— %	39 %	— %	— %	— %	— %	1 %

4. GAR KPI flow (revenue)
Disclosure reference date 31/12/24 *continued*

Key: Of which use of proceeds (green); Of which transitional (purple); Of which enabling (pink)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling	
21	Loans and advances	34 %	— %	— %	— %	— %	0 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	3 %	— %	— %	— %	2 %	— %	— %	— %	39 %	— %	— %	— %	— %	1 %
22	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
23	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
24	**Households**	89 %	7 %	7 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									89 %	7 %	7 %	— %	— %	31 %
25	of which loans collateralised by residential immovable property	100 %	9 %	9 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	9 %	9 %	— %	— %	24 %
26	of which building renovation loans	100 %	— %	— %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	— %	— %	— %	— %	0 %
27	of which motor vehicle loans	100 %	— %	— %	— %	— %																					100 %	— %	— %	— %	— %	2 %
28	**Local governments financing**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
29	Housing financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
30	Other local government financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
32	**Total GAR assets**	28 %	2 %	2 %	— %	— %	0 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	28 %	2 %	2 %	— %	— %	100 %

4. GAR KPI flow (capex)

Disclosure reference date 31/12/24

Key
- Of which use of proceeds
- Of which transitional
- Of which enabling

% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		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)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	72 %	5 %	5 %	— %	— %	0 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	73 %	5 %	5 %	— %	— %	39 %
2	**Financial undertakings**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	7 %
3	Credit institutions	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
4	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
5	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
6	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
7	Other financial corporations	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	7 %
8	of which investment firms	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	1 %
9	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	1 %
10	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
12	of which management companies	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
13	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
14	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
15	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
16	of which insurance undertakings	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
17	Loans and advances	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
18	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
19	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
20	**Non-financial undertakings**	35 %	— %	— %	— %	— %	8 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	1 %	— %	— %	— %	44 %	— %	— %	— %	— %	1 %

4. GAR KPI flow (capex)
Disclosure reference date 31/12/24 *continued*

Key: ■ Of which use of proceeds ■ Of which transitional ■ Of which enabling		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling	
21	Loans and advances	35 %	— %	— %	— %	— %	8 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	1 %	— %	— %	— %	44 %	— %	— %	— %	— %	1 %
22	Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
23	Equity instruments	— %	— %		— %	— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %		— %	— %	— %
24	**Households**	89 %	7 %	7 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									89 %	7 %	7 %	— %	— %	31 %
25	of which loans collateralised by residential immovable property	100 %	9 %	9 %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	9 %	9 %	— %	— %	24 %
26	of which building renovation loans	100 %	— %	— %	— %	— %	— %	— %	— %	— %					— %	— %	— %	— %									100 %	— %	— %	— %	— %	0 %
27	of which motor vehicle loans	100 %	— %	— %	— %	— %																					100 %	— %	— %	— %	— %	2 %
28	**Local governments financing**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
29	Housing financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
30	Other local government financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
32	**Total GAR assets**	28 %	2 %	2 %	— %	— %	0 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	0 %	— %	— %	— %	0 %	— %	— %	— %	28 %	2 %	2 %	— %	— %	100 %

5. KPI off-balance sheet exposures (stock)
Disclosure reference date 31/12/24

Key
- Of which use of proceeds
- Of which transitional
- Of which enabling

% (compared to total eligible off-balance sheet assets)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and 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-aligned)	Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
2	Assets under management (AuM KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %

Notes:
- As at 31 December 2024 no taxonomy eligible or aligned exposure has been identified within financial guarantees or assets under management.

5. KPI off-balance sheet exposures (flow)
Disclosure reference date 31/12/24

Key: Of which use of proceeds; Of which transitional; Of which enabling		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
% (compared to total eligible off-balance sheet assets)		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)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
2	Assets under management (AuM KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %

Notes:
- As at 31 December 2024 no taxonomy eligible or aligned exposure has been identified within financial guarantees or assets under management.

Template 1 Nuclear and fossil gas related activities

Row	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.	NO
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.	NO
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.	NO
	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.	NO
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.	NO
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.	NO

Notes:
- AIB does not lend to nuclear energy related activities in accordance with the Group exclusion policy and as such there is no exposure to activities outlined under sections 4.26, 4.27 and 4.28 of Annexes I and II to Delegated Regulation 2021/2139.
- As at 31 December 2024 no lending to activities outlined under sections 4.29, 4.30 and 4.31 of Annexes I and II to Delegated Regulation 2021/2139 has been identified.
- Therefore Templates 2 to 5 of Annex III of the Complementary Climate Delegated Act (EU) 2022/1214 are not applicable and accordingly have not been included.

Shareholder Information

Stock Exchange Listings
AIB Group plc is an Irish registered company. Its ordinary shares are traded on the main securities market of Euronext Dublin and the main market of the London Stock Exchange.

Registrar & Shareholder Enquiries
The Company's Registrar is:

Computershare Investor Services (Ireland) Limited,
3100 Lake Drive, Citywest Business Campus,
Dublin 24, D24 AK82
Telephone: +353-1-247 5414
Facsimile: +353-1-447 5571
Website: www.computershare.com

All enquiries concerning shareholdings should be addressed to the Company's Registrar.

Shareholder services
Shareholders may view their shareholding at any time by logging into Computershare's investor platform via www.investorcentre.com/ie. Shareholders can access the above platform by registering their details using their Shareholder Reference Number (SRN). Once registered, shareholders can check their balance or download a Statement of Holding (as required), and view and amend their account details, including changing their address, adding their bank account details for the electronic payment of dividends, and registering for electronic communications.

Shareholders who are unable to access Investor Centre can contact Computershare to obtain a confirmation of their up-to-date balance of their shareholding, and update their details as required.

Amalgamating your shareholdings
If you receive more than one copy of a shareholder mailing with similar details on your accounts, it may be because the Company has more than one record of shareholdings in your name. To ensure that you do not receive duplicate mailings in future, please have all your shareholdings amalgamated into one account by contacting the Company's Registrar (joint accounts cannot be merged with sole accounts or vice versa).

Communication
It is the policy of the Company to communicate with shareholders by electronic means or through the Group's website www.aib.ie. In the interest of protecting the environment, we encourage shareholders receiving communications in paper form to register for electronic communications on Computershare's website, using the above link.

Major shareholdings
The issued share capital of the AIB Group plc is 2,328,438,575 ordinary shares of € 0.625 each.

As of 27 February 2025, the Minister for Finance of Ireland holds 288,480,694 ordinary shares representing 12.39% of the total voting rights attached to issued share capital.

Financial calendar
Annual General Meeting:
1 May 2025, at 10 Molesworth Street, Dublin 2.

Interim results
The unaudited Half-Yearly Financial Report 2025 will be announced on 1 August 2025 and will be available on the Company's website – www.aib.ie.

Forward Looking Statement

This document contains certain forward looking statements with respect to the financial condition, results of operations and business of AIB Group and certain of the plans and objectives of the Group. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward looking statements sometimes use words such as ‘aim’, ‘anticipate’, ‘target’, ‘expect’, ‘estimate’, ‘intend’, ‘plan’, ‘goal’, ‘believe’, ‘may’, ‘could’, ‘will’, ‘seek’, ‘continue’, ‘should’, ‘assume’, or other words of similar meaning. Examples of forward looking statements include, among others, statements regarding the Group’s future financial position, capital structure, Government shareholding in the Group, income growth, loan losses, business strategy, projected costs, capital ratios, estimates of capital expenditures, and plans and objectives for future operations. Because such statements are inherently subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward looking information. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward looking statements. These are set out in the Principal risks on pages 17 to 20 in the 2024 Annual Financial Report. In addition to matters relating to the Group’s business, future performance will be impacted by the Group’s ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively. Future performance could also be impacted by geopolitical tensions and global conflict. Any forward looking statements made by or on behalf of the Group speak only as of the date they are made. The Group cautions that the list of important factors on pages 17 to 20 of the 2024 Annual Financial Report is not exhaustive. Investors and others should carefully consider the foregoing factors and other uncertainties and events when making an investment decision based on any forward looking statement.

Glossary of Terms

Additional Tier 1 Capital	Additional Tier 1 Capital ('AT1') are securities issued by AIB and included in its capital base as fully CRD IV compliant additional tier 1 capital on a fully loaded basis.
Arrears	Arrears relates to interest or principal on a loan which was due for payment, but where payment has not been received. Customers are said to be in arrears when they are behind in fulfilling their obligations with the result that an outstanding loan is unpaid or overdue.
Bank Recovery and Resolution Directive	The Bank Recovery and Resolution Directive ('BRRD') is a European legislative package issued by the European Commission and adopted by EU Member States. The BRRD introduces a common EU framework for how authorities should intervene to address banks which are failing or are likely to fail. The framework includes early intervention and measures designed to prevent failure and in the event of bank failure for authorities to ensure an orderly resolution.
Banking book	A regulatory classification to support the regulatory capital treatment that applies to all exposures which are not in the trading book. Banking book positions tend to be structural in nature and, typically, arise as a consequence of the size and composition of a bank's balance sheet. Examples include the need to manage the interest rate risk on fixed rate mortgages or rate insensitive current account balances. The banking book portfolio will also include all transactions/positions which are accounted for on an interest accruals basis or, in the case of financial instruments, on a hold to collect and sell basis.
Basel III	Basel III is a global, voluntary regulatory framework on bank capital adequacy, stress testing and market liquidity risk.
Basel IV	Basel IV represents the next generation of risk-weighted assets regulations, addressing critical aspects of banking stability and risk management in the post-crisis era.
Basis point	One hundredth of a per cent (0.01%), so 100 basis points is 1%. Used in quoting movements in interest rates or yields on securities.
Basis risk	A type of market risk that refers to the possibility that the change in the price of an instrument (e.g. asset, liability, derivative) may not match the change in price of the associated hedge, resulting in losses arising in the Group's portfolio of financial instruments.
Buy-to-let mortgage	A residential mortgage loan approved for the purpose of purchasing a residential investment property.
Capital Requirements Directive	Capital Requirements Directive ('CRD'): Capital adequacy legislation implemented by the European Union and adopted by Member States designed to ensure the financial soundness of credit institutions and certain investment firms and give effect in the EU to the Basel II proposals which came into force on 20 July 2006.
Capital Requirements Directive IV	Capital Requirements Directive IV ('CRD IV'), which came into force on 1 January 2014, comprises a Capital Requirements Directive and a Capital Requirements Regulation which implements the Basel III capital proposals together with transitional arrangements for some of its requirements. The Regulation contains the detailed prudential requirements for credit institutions and investment firms. Requirements Regulation (No. 575/2013) ('CRR') and the Capital Requirements Directive (2013/36/EU).
Collateralised bond obligation/ collateralised debt obligation	A collateralised bond obligation ('CBO')/collateralised debt obligation ('CDO') is an investment vehicle (generally an SPE) which allows third party investors to make debt and/or equity investments in a vehicle containing a portfolio of loans and bonds with certain common features. In the case of synthetic CBOs/CDOs, the risk is backed by credit derivatives instead of the sale of assets (cash CBOs/CDOs).
Commercial paper	Commercial paper is similar to a deposit and is a relatively low-risk, short term, unsecured promissory note traded on money markets and issued by companies or other entities to finance their short-term expenses. In the USA, commercial paper matures within 270 days maximum, while in Europe, it may have a maturity period of up to 365 days; although maturity is commonly 30 days in the USA and 90 days in Europe.
Commercial property	Commercial property lending focuses primarily on the following property segments: a) Apartment complexes; b) Office projects; c) Retail projects; d) Hotels; and e) Selective mixed-use projects and special purpose properties.
Common equity tier 1 capital ('CET 1')	The highest quality form of regulatory capital under Basel III that comprises ordinary shares issued and related share premium, retained earnings and other reserves excluding cash flow hedging reserves, and deducting specified regulatory adjustments.
Common equity tier 1 ratio	Common equity tier 1 ratio – A measurement of a bank's common equity tier 1 capital expressed as a percentage of its total risk weighted assets.

Glossary of Terms *continued*

Concentration risk	Concentration risk is the risk of loss from lack of diversification, investing too heavily in one industry, one geographic area or one type of security.
Contractual maturity	The period when a scheduled payment is due and payable in accordance with the terms of a financial instrument.
Contractual residual maturity	The time remaining until the expiration or repayment of a financial instrument in accordance with its contractual terms.
Credit default swaps	An agreement between two parties whereby one party pays the other a fixed coupon over a specified term. The other party makes no payment unless a specified credit event, such as a default, occurs, at which time a payment is made and the swap terminates. Credit default swaps are typically used by the purchaser to provide credit protection in the event of default by a counterparty.
Credit derivatives	Financial instruments where credit risk connected with loans, bonds or other risk weighted assets or market risk positions is transferred to counterparties providing credit protection. The credit risk might be inherent in a financial asset such as a loan or might be a generic credit risk such as the bankruptcy risk of an entity.
Credit impaired	Under IFRS 9, these include Stage 3 financial assets where there is objective evidence of impairment and, therefore, considered to be in default. A lifetime ECL is recognised for such assets. Also credit impaired are POCI financial assets which are credit-impaired on initial recognition.
Credit rating	An evaluation of the creditworthiness of an entity seeking to enter into a credit agreement.
Credit risk	The risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.
Credit risk mitigation	Techniques used by lenders to reduce the credit risk associated with an exposure by the application of credit risk mitigants. Examples include: collateral; guarantee; and credit protection.
Credit spread	Credit spread can be defined as the difference in yield between a given security and a comparable benchmark government security, or the difference in value of two securities with comparable maturity and yield but different credit qualities. It gives an indication of the issuer's or borrower's credit quality.
Credit support annex	Credit support annex ('CSA') provides credit protection by setting out the rules governing the mutual posting of collateral. CSAs are used in documenting collateral arrangements between two parties that trade over-the-counter derivative securities. The trade is documented under a standard contract called a master agreement, developed by the International Swaps and Derivatives Association ('ISDA'). The two parties must sign the ISDA master agreement and execute a credit support annex before they trade derivatives with each other.
Credit valuation adjustment	Credit valuation adjustment ('CVA') is an adjustment to the valuation of OTC derivative contracts to reflect the creditworthiness of derivative counterparties.
Criticised	Accounts of lower quality and considered as less than satisfactory are referred to as criticised and include criticised watch and criticised recovery below:
Customer accounts	A liability of the Group where the counterparty to the financial contract is typically a personal customer, a corporation (other than a financial institution) or the government. This caption includes various types of deposits and credit current accounts, all of which are unsecured.
Debt restructuring	This is the process whereby customers in arrears, facing cash flow or financial distress, renegotiate the terms of their loan agreements in order to improve the likelihood of repayment. Restructuring may involve altering the terms of a loan agreement including a partial write down of the balance. In certain circumstances, the loan balance may be swapped for an equity stake in the counterparty.
Debt securities	Assets on the Group's balance sheet representing certificates of indebtedness of credit institutions, public bodies and other undertakings.
Debt securities in issue	Liabilities of the Group which are represented by transferable certificates of indebtedness of the Group to the bearer of the certificates.

Default	When a customer breaches a term and/or condition of a loan agreement, a loan is deemed to be in default for case management purposes. Depending on the materiality of the default, if left unmanaged it can lead to loan impairment. Default is also used in a CRD IV context when a loan is greater than 90 days past due and/or the borrower is unlikely to pay his credit obligations. This may require additional capital to be set aside.
Derecognition	The removal of a previously recognised financial asset or financial liability from the Group's statement of financial position.
ECB refinancing rate	The main refinancing rate or minimum bid rate is the interest rate which banks have to pay when they borrow from the ECB under its main refinancing operations.
ECLs	Expected credit loss ('ECLs') – The weighted average of credit losses (of a loan, lease or other financial asset) based on changes in the expected credit loss either over a 12-month period or its lifetime.
Eurozone	The eurozone consists of the following nineteen European Union countries that have adopted the euro as their common currency: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia and Spain.
Exposure at default	The expected or actual amount of exposure to the borrower at the time of default.
Exposure value	For on balance sheet exposures, it is the amount outstanding less provisions and collateral held taking into account relevant netting agreements. For off-balance sheet exposures, including commitments and guarantees, it is the amount outstanding less provisions and collateral held taking into account relevant netting agreements and credit conversion factors.
Forbearance	Forbearance is the term used when repayment terms of a loan contract have been renegotiated in order to make these terms more manageable for borrowers. Standard forbearance techniques have the common characteristic of rescheduling principal or interest repayments, rather than reducing them. Standard forbearance techniques employed by the Group include: – interest only; a reduction in the payment amount; a temporary deferral of payment (a moratorium); extending the term of the mortgage; and capitalising arrears amounts and related interest.
Funding value adjustment	Funding value adjustment ('FVA') is an adjustment to the valuation of OTC derivative contracts due to a bank's funding rate exceeding the risk-free rate.
GDP	Gross Domestic Product ('GDP') is a monetary measure of the value of all final goods and services produced in a period of time (quarterly or yearly). GDP estimates are commonly used to determine the economic performance and standard of living of a whole country or region, and to make international comparisons.
Green lending/products	Any form of financial product or lending to fund activities defined in the SLF as Green activities, including for example purchase and renovation of energy efficient properties, the development, construction, operation and distribution of renewable energy, zero direct emission transport and the related technologies and infrastructure, material re-use and recycling, and water collection, treatment and supply.
Guarantee	An undertaking by the Group/other party to pay a creditor should a debtor fail to do so.
Home loan	A loan secured by a mortgage on the primary residence or second home of a borrower.
Interest rate risk in the banking book (IRRBB)	The current or prospective risk to both the earnings and capital of the Group as a result of adverse movements in interest rates that affect the banking book positions.
Internal Capital Adequacy Assessment Process	Internal Capital Adequacy Assessment Process ('ICAAP'): The Group's own assessment, through an examination of its risk profile from regulatory and economic capital perspectives, of the levels of capital that it needs to hold.
Internal liquidity adequacy assessment process	The Internal Liquidity Adequacy Assessment Processes ('ILAAP') is a key element of the risk management framework for credit institutions. ILAAP is defined in the EBA's SREP Guidelines as "the processes for the identification, measurement, management and monitoring of liquidity implemented by the institution pursuant to Article 86 of Directive 2013/36/EU". It thus contains all the qualitative and quantitative information necessary to underpin the risk appetite, including the description of the systems, processes and methodology to measure and manage liquidity and funding risks.
Internal Ratings Based Approach	The Internal Ratings Based Approach ('IRBA') allows banks, subject to regulatory approval, to use their own estimates of certain risk components to derive regulatory capital requirements for credit risk across different asset classes. The relevant risk components are: Probability of Default ('PD'); Loss Given Default ('LGD'); and Exposure at Default ('EAD').
ISDA Master Agreements	Standardised contracts, developed by the International Swaps and Derivatives Association ('ISDA'), used as an umbrella under which bilateral derivatives contracts are entered into.

Glossary of Terms *continued*

Leverage ratio	To prevent an excessive build-up of leverage on institutions' balance sheets, Basel III introduces a non-risk-based leverage ratio to supplement the risk-based capital framework of Basel II. It is defined as the ratio of tier 1 capital to total exposures. Total exposures include on-balance sheet items, off-balance sheet items and derivatives, and should generally follow the accounting measure of exposure.
Liquidity Coverage Ratio	Liquidity Coverage Ratio ('LCR'): The ratio of the stock of high quality liquid assets to expected net cash outflows over the next 30 days under a stress scenario. CRD IV requires that this ratio exceeds 100% on 1 January 2018.
Liquidity risk	The risk that Group does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows.
Loan to deposit ratio	This is the ratio of loans and advances expressed as a percentage of customer accounts, as presented in the statement of financial position.
Loan to value	Loan to value ('LTV') is an arithmetic calculation that expresses the amount of the loan as a percentage of the value of security/collateral. A high LTV indicates that there is less of a cushion to protect the lender against collateral price decreases or increases in the loan carrying amount if repayments are not made and interest is capitalised onto the outstanding loan balance.
Loans past due	When a borrower fails to make a contractually due payment, a loan is deemed to be past due. 'Past due days' is a term used to describe the cumulative number of days that a missed payment is overdue. Past due days commence from the close of business on the day on which a payment is due but not received. In the case of overdrafts, past due days are counted once a borrower: • has breached an advised limit; • has been advised of a limit lower than the then current amount outstanding; or • has drawn credit without authorisation. When a borrower is past due, the entire exposure is reported as past due, rather than the amount of any excess or arrears.
Loss Given Default	Loss Given Default ('LGD') is the expected or actual loss in the event of default, expressed as a percentage of 'exposure at default'.
Medium term notes	Medium term notes ('MTNs') are notes issued by the Group across a range of maturities under the European Medium Term Notes ('EMTN') and the Global Medium Term Notes ('GMTN') programmes.
Minimum requirements for own funds and eligible liabilities (MREL)	A European Union wide requirement under the Bank Recovery and Resolution Directive for all European banks and investment banks to hold a minimum level of equity and/or loss absorbing eligible liabilities to ensure the operation of the bail-in tool to absorb losses and recapitalise an institution in resolution.
National Asset Management Agency	National Asset Management Agency ('NAMA') was established in 2009 as one of a number of initiatives taken by the Irish Government to address the serious problems which arose in Ireland's banking sector as the result of excessive property lending.
Net interest income	The amount of interest received or receivable on assets net of interest paid or payable on liabilities.
Net interest margin	Net interest margin ('NIM') is a measure of the difference between the interest income generated on average interest earning financial assets (lendings) and the amount of interest paid on average interest bearing financial liabilities (borrowings) relative to the amount of interest-earning assets.
Net Stable Funding Ratio	Net Stable Funding Ratio ('NSFR'): The ratio of available stable funding to required stable funding over a 1 year time horizon.
New transaction lendings	New transaction lending is defined as incremental increase in drawn balances against facilities granted for a specific period of time whereby the borrower can draw down or repay amounts as required to manage cash flow. It includes revolving credit facilities, overdrafts and invoice discounting facilities.
Non-performing exposures	Non-performing exposures are defined by the European Banking Authority to include material exposures which are more than 90 days past due (regardless of whether they are credit impaired) and/or exposures in respect of which the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past due amount or the number of days the exposure is past due.
Off-balance sheet items	Off-balance sheet items include undrawn commitments to lend, guarantees, letters of credit, acceptances and other items as listed in Annex I of the CRR.

Offsetting	Offsetting, or ‘netting’, is the presentation of the net amounts of financial assets and financial liabilities in the statement of financial position as a result of Group’s rights of set-off.
Operational risk	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk, but excludes strategic and business risk. In essence, operational risk is a broad canvas of individual risk types which include product and change risk, outsourcing, information security, cyber, business continuity, health and safety risks, people risk and legal risk.
Private equity investments	Equity securities in operating companies not quoted on a public exchange, often involving the investment of capital in private companies.
Probability of Default	Probability of Default (‘PD’) is the likelihood that a borrower will default on an obligation to repay.
Regulatory capital	Regulatory capital is determined in accordance with rules established by the SSM/ECB for the consolidated Group and by local regulators for individual Group companies.
Re-pricing risk	Re-pricing risk is a form of interest rate risk (i.e. a type of market risk) that occurs when asset and liability positions are mismatched in terms of re-pricing (as opposed to final contractual) maturity. Where these interest rate gaps are left unhedged, it can result in losses arising in the Group’s portfolio of financial instruments.
Repurchase agreement	Repurchase agreement (‘Repo’) is a short-term funding agreement that allows a borrower to create a collateralised loan by selling a financial asset to a lender. As part of the agreement, the borrower commits to repurchase the security at a date in the future repaying the proceeds of the loan. For the counterparty to the transaction, it is termed a reverse repurchase agreement or a reverse repo.
Residential mortgage-backed securities	Residential mortgage-backed securities (‘RMBS’) are debt obligations that represent claims to the cash flows from pools of mortgage loans, most commonly on residential property.
Risk weighted assets	Risk weighted assets (‘RWAs’) are a measure of assets (including off-balance sheet items converted into asset equivalents e.g.credit lines) which are weighted in accordance with prescribed rules and formulas as defined in the Basel Accord to reflect the risks inherent in those assets.
Securities financing transactions	Securities financing transactions allow investors and firms to use assets, such as the shares or bonds they own, to secure funding for their activities.
Securitisation	Securitisation is the process of aggregation and repackaging of non-tradable financial instruments such as loans and advances, or company cash flows into securities that can be issued and traded in the capital markets.
Single Resolution Fund	The Single Resolution Fund (‘SRF’) is an emergency fund that can be called upon in times of crisis.
Single Supervisory Mechanism	The Single Supervisory Mechanism (‘SSM’) is a system of financial supervision comprising the European Central Bank (‘ECB’) and the national competent authorities of participating EU countries. The main aims of the SSM are to ensure the safety and soundness of the European banking system and to increase financial integration and stability in Europe.
Special purpose entity	Special purpose entity (‘SPE’) is a legal entity which can be a limited company or a limited partnership created to fulfil narrow or specific objectives. A company will transfer assets to the SPE for management or use by the SPE to finance a large project thereby achieving a narrow set of goals without putting the entire firm at risk. This term is used interchangeably with SPV (‘special purpose vehicle’).
Stage allocation:	Under IFRS 9, loans and advances to customers, other than POCIs are classified into one of three stages:
Stage 1	Includes newly originated loans and loans that have not had a significant increase in credit risk since initial recognition.
Stage 2	Includes loans that have had a significant increase in credit risk since initial recognition but do not have objective evidence of being credit impaired.
Stage 3	Includes loans that are defaulted or are otherwise considered to be credit impaired.
POCI	POCIs are assets purchased or originated credit impaired and that have a discount to the contractual value when measured at fair value.

Glossary of Terms *continued*

Stress testing	Stress testing is a technique used to evaluate the potential effects on an institution's financial condition of an exceptional but plausible event and/or movement in a set of financial variables.
Structured securities	This involves non-standard lending arrangements through the structuring of assets or debt issues in accordance with customer and/or market requirements. The requirements may be concerned with funding, liquidity, risk transfer or other needs that cannot be met by an existing off the shelf product or instrument. To meet this requirement, existing products and techniques must be engineered into a tailor-made product or process.
Subordinated liabilities	Liabilities which, in the event of insolvency or liquidation of the issuer, are subordinated to the claims of depositors and other creditors of the issuer.
Sustainable choices	Choices and behaviours that actively minimise environmental degradation (use of natural resources, CO2 emissions, waste and pollution) while supporting equitable socio-economic development and better quality of life for all. This also includes references to green lifestyles.
Sustainable development	The development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
Sustainable future	Creating and delivering long-term economic, social and environmental development through responsible banking practices.
Syndicated and international lending	Syndicated and international lending involves lending to entities by leveraging off their equity structures having considered the cash generating capacity of the business and its capacity to repay any associated debt. Leveraging structures are typically used in management and private equity buy-outs, mergers and acquisitions. Syndicated and international lending is extended typically to non-investment grade borrowers and carries commensurate rates of return.
Tier 1 capital	A measure of a bank's financial strength defined by the Basel Accord. It captures common equity tier 1 capital and other instruments in issue that meet the criteria for inclusion as additional tier 1 capital. These are subject to certain regulatory deductions.
Tier 2 capital	Broadly includes qualifying subordinated debt and other tier 2 securities in issue. It is subject to adjustments relating to the excess of expected loss on the IRBA portfolios over the accounting expected credit losses on the IRBA portfolios, securitisation positions and material holdings in financial companies.
Tracker mortgage	A mortgage with a variable interest rate which tracks the European Central Bank ('ECB') rate, at an agreed margin above the ECB rate and will increase or decrease within five days of an ECB rate movement.
Trade date and settlement date accounting	1. Trade date accounting records the transaction on the date on which an agreement has been entered (the trade date), instead of on the date the transaction has been finalised (the settlement date). 2. Under the settlement date accounting approach, the asset is recognised on the date on which it is received by the Group, on disposal, the asset is not derecognised until the asset is delivered to the buyer.
Transition lending	Any form of financial product or lending to fund activities defined in the SLF as Transition activities, including for example pollution control, energy efficiency improvement measures for buildings and businesses and measures at improving emissions and waste reductions.
Value at Risk	The Group's core risk measurement methodology is based on an historical simulation application of the industry standard Value at Risk ('VaR') technique. The methodology incorporates the portfolio diversification effect within each standard risk factor (interest rate, credit spread, foreign exchange, equity, as applicable). The resulting VaR figures, calculated at the close of business each day, are an estimate of the probable maximum loss in fair value over a one day holding period that would arise from an adverse movement in market rates. This VaR metric is derived from an observation of historical prices over a period of one year and assessed at a 95% statistical confidence level (i.e. the VaR metric may be exceeded at least 5% of the time).
Wholesale funding	Wholesale funding refers to funds raised from wholesale market sources. Examples of wholesale funding include senior unsecured bonds, covered bonds, securitisations, repurchase transactions, interbank deposits and deposits raised from non-bank financial institutions.
Yield curve risk	A type of market risk that refers to the possibility that an interest rate yield curve changes its shape unexpectedly (e.g. flattening, steepening, non-parallel shift), resulting in losses arising in the Group's portfolio of interest rate instruments.

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All numbers are listed with international codes. To dial a location from within the same jurisdiction, drop the country code after the + sign and place a 0 before the area code.

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