Anseo chun gnó a fhorbairt
Corparáid Baincéireachta
Straitéiseach na hÉireann

Here to build business
Strategic Banking
Corporation of Ireland

Annual Report and Financial Statements 2025

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Our Purpose

Enabling the Growth and Innovation of Irish Businesses

Since 2014, the Strategic Banking Corporation of Ireland (SBCI) has worked to strengthen the Irish credit market by expanding the availability of flexible, low-cost, long-term finance for SMEs, and other borrowers, and by operating the State's Credit Guarantee Schemes[1] on behalf of the Department of Enterprise, Tourism and Employment. Our mission is clear: increase competition, support innovation, and ensure businesses can access the finance they need when private-sector supply is limited.

By leveraging national and European resources and partnering with a diverse network of lenders, we enable SMEs to invest, innovate and scale - contributing to a more resilient and dynamic Irish economy.

Since our establishment, we have delivered more than €4.7 billion in finance supporting almost 65,000 borrowers through an expanding network of lending partners. This work has helped shape a more competitive, innovative and sustainable business environment across Ireland. Together, we continue building a stronger future for Irish enterprises and the wider economy.

[1] State Credit Guarantee Schemes provide a partial Government guarantee to participating lenders on qualifying loans, which reduces lender risk and helps viable SMEs access finance they might otherwise be refused, secure lower interest rates, longer terms and reduced collateral requirements.

Our Impact in 2025

€377m
Total lending provided

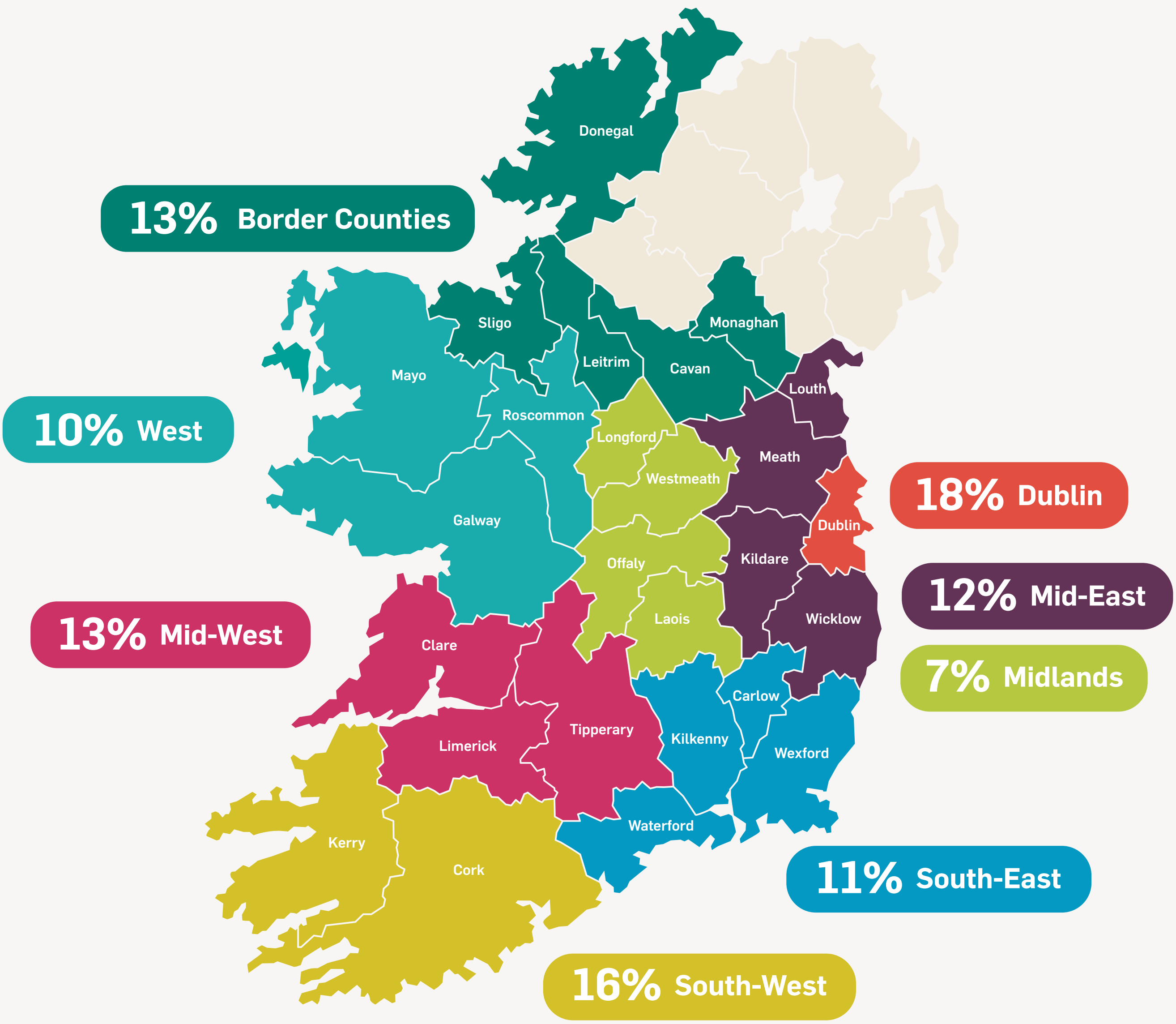
2,698
Total borrowers supported

€139,780
Average Loan Size

Avant Money joins the Home Energy Upgrade Loan Scheme. In attendance, Avant Money Head of Consumer Finance, Daniel Pelluz, SBCI CEO, June Butler, Minister for Climate, Energy, and the Environment, Darragh O'Brien, An Post Retail Managing Director, Debbie Byrne, Minister of State at the Department of Finance with responsibility for Financial Services, Credit Unions and Insurance, Robert Troy, and SEAI CEO, William Walsh.

Geographical Spread

Number of Loans: % by Region
Year to 31 December 2025



Sectoral Spread

Loan values: % by Sector
Year to 31 December 2025

17% Wholesale & Retail

14% Construction

13% Agriculture

9% Manufacturing

9% Consumer

7% Transport & Storage

5% Professional & Technology

5% Accommodation & Food

21% Other

SBCI and EIB sign a €200m funding agreement. In attendance, SBCI CEO, June Butler, EIF CEO, Marjut Falkstedt, and EIB Vice President, Ioannis Tsakiris.

How We Work

Established in 2014 as the national promotional institution for Ireland, the SBCI avails of both national and European funding and other supports for the purpose of making flexible, low-cost, longer-term credit available to Irish SMEs.

SBCI sponsor the Sustainability Award at the SFA National Small Business Awards.

Our strategy is to support the development and maintenance of an effective market for the provision of credit to businesses in Ireland while maintaining our ability to respond to emerging market dislocations and the policy delivery needs of Government.

We provide opportunities for businesses to invest and grow, creating additional jobs and economic activity across Ireland by providing low-cost finance through established and newly emerging lending partners.

In total, our SME credit supports are available through partnerships with 43 lending partners.

These credit supports are designed and delivered by the SBCI team in partnership with Government departments, the European Investment Bank, the European Investment Fund, and our lending partners.

"Without an SBCI backing I would have been unable to borrow for the past five years."

From the SBCI 2025 SME Outlook Survey


European Investment Bank Group
Government of Ireland
Our Funders
SBCI
Our Partners
Banks
Non-Bank Finance Providers
Credit Unions
SMEs
Accommodation & Food
Professional & Technology
Wholesale & Retail
Manufacturing
Construction
Transport & Storage
Agriculture
Other

Chairperson's Statement

"In 2025, the SBCI continued to build on its strong foundations, delivering meaningful progress and supporting Irish borrowers through a period shaped by both domestic opportunity and global uncertainty."

Despite the challenges presented by fluctuating international trading conditions and rising geopolitical tensions, Ireland's economy demonstrated considerable resilience, with strong fundamentals and sustained investment across key sectors.

Throughout the year, the Board worked closely with the SBCI Senior Leadership Team to guide delivery across the SBCI's mandate. Our focus remained on supporting access to affordable, longer term finance; strengthening the diversity of the lending market; and ensuring that our activities aligned with Government policy objectives. These priorities became even more important as global trade tensions, tariff developments and broader geopolitical shifts continued to influence the environment in which Irish businesses operate.

Representatives from Clonmel CU, Connect CU, First South CU, Listowel CU, Naomh Breandan CU, North Midlands CU and Progressive CU at the announcement of their participation in the Home Energy Upgrade Loan Scheme, with the Minister of State at the Department of Finance with responsibility for Financial Services, Credit Unions and Insurance, Robert Troy.

Ireland's position as a small, highly open economy means that global developments — including shifting trade policies, slower growth among key trading partners, and ongoing geopolitical realignment — carry notable implications for competitiveness and investment sentiment. While risks have increased, forecasts from national and international institutions consistently highlight the strength of Ireland's underlying economic performance, supported by robust domestic demand and continued Government investment. These dynamics reinforce the importance of ensuring that Irish SMEs and homeowners have reliable access to the finance they need to invest with confidence.

Against this backdrop, demand for the SBCI's schemes remained strong. The Growth and Sustainability Loan Scheme continued to underpin climate-related and productivity-enhancing investment, while the Home Energy Upgrade Loan Scheme expanded significantly with the participation of eight additional lending partners. The continued growth of our partner network supports greater choice and competition within the lending market, enabling more borrowers to access lower cost, flexible finance.

On behalf of the Board, I would like to thank our outgoing CEO, **June Butler**, for her leadership and important contribution to shaping the organisation's strategic direction. In early 2026, we welcomed **Colin Moran** as CEO and his deep experience as a member of the SBCI Senior Leadership Team brings strong continuity at an important time, and the Board looks forward to working with him as the organisation continues to evolve in response to both domestic needs and a changing global landscape.

I also wish to acknowledge the valuable work undertaken by my fellow Board members, who have shown a strong commitment to the SBCI throughout, and the continued engagement and support of the Tánaiste and Minister for Finance, and the Department of Finance. Their collaboration ensures that the SBCI's work delivers meaningful economic impact and remains closely aligned with national priorities.

Looking ahead, the Board is confident that the SBCI is well positioned to continue delivering strongly in 2026 — enhancing access to finance, supporting investment, and helping Irish businesses and homeowners adapt and thrive in a period of both opportunity and global uncertainty.

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

CEO's Statement

"2025 demonstrated the growing importance of the SBCI's mission, with strong demand for our schemes and expanding partner networks supporting investment across the Irish economy."

2025 highlighted once again the essential role of the SBCI in providing flexible, lower-cost, longer-term finance at a time when Irish businesses and homeowners face a combination of domestic pressures and global uncertainty. Rising operating costs, evolving technology requirements and the demands of the green transition were further compounded by shifting geopolitical conditions, global trade tensions and the realignment of international supply chains. These trends have increased the need for long-term, affordable finance that supports resilience, competitiveness and sustainable growth.

I would like to acknowledge the leadership of my predecessor, **June Butler**, and her contribution to the development of the SBCI's current strategic cycle. Her work has strengthened the organisation's foundations and positioned it well for the years ahead.

2025 was a strong year for the SBCI's deliverables. Demand for Series I of the Growth and Sustainability Loan Scheme (GSLS) remained exceptionally high, with the initial €500 million tranche expected to be fully utilised by mid-2026. Preparations for the launch of Series II of GSLS continued throughout the year, ensuring that Irish businesses will continue to benefit from long-term finance that supports climate action, productivity and expansion.

The Home Energy Upgrade Loan Scheme (HEULS) also continued to scale, with eight additional lending partners joining the scheme during 2025. This has broadened access to finance for homeowners and small landlords investing in energy-efficiency improvements — an increasingly important priority given global energy price volatility and the imperative to reduce operating costs and emissions.

The lending partner network across SBCI's legacy and current schemes expanded to 43 partners, improving choice for borrowers and strengthening competition within the credit market. Broader geopolitical developments in 2025 — including tariff uncertainties, evolving EU-UK trading conditions and shifts in global demand — contributed to a more complex operating environment for Irish enterprises. Forecasts from the Central Bank of Ireland and ESRI highlight that, while Ireland remains resilient, heightened geopolitical uncertainty continues to weigh on investment decisions and market sentiment. In this context, SBCI's role in supporting access to competitively priced finance is increasingly important.

As someone who served on SBCI's Senior Leadership Team prior to my appointment, it was a privilege to be **welcomed as CEO in early 2026**. I have seen first-hand the commitment and professionalism of the SBCI team, and I look forward to working with colleagues, partners and stakeholders as we deliver the next phase of our strategy.

Our priorities for 2026 include the rollout of Series II of the GSLS, the provision of increased liquidity funding to the non-bank sector, supporting the credit union sector's SME lending growth, the continued delivery and expansion of the HEULS, and further investment in our digital transformation. Enhancements to automation, data management and workflow processes will support a more efficient, transparent and customer-focused experience for our lending partners and borrowers.

We will also continue to align our work with national and EU policy priorities, including the green and digital transitions and efforts to enhance competitiveness and scale Irish enterprises. Additional guarantee capacity secured through InvestEU[2] will play an important role in enabling new initiatives and addressing emerging market gaps.

I would like to thank the Tánaiste and Minister for Finance, and the Department of Finance for their ongoing support, and to recognise the dedication of the SBCI team throughout 2025. Together, we will continue to strengthen access to finance for SMEs, homeowners and the wider Irish economy — supporting resilience, investment and sustainable growth in 2026 and beyond.

Colin Moran
Chief Executive Officer
Strategic Banking Corporation of Ireland

[2] InvestEU is the European Union's main investment support programme, which aims to mobilise private and public investment in support of policy priorities such as the green transition, digitalisation, innovation, SME finance and social investment.

Our Strategy: 2025 Review

In 2025, we introduced our new five-year **Strategic Plan 2025–2030**, informed by extensive market research and stakeholder engagement. The plan charts a forward-looking course that reflects emerging trends, evolving borrower needs, and the changing economic landscape. It emphasises sustainable growth, innovation, and strong alignment with national policy priorities, to ensure the SBCI continues to deliver meaningful support to Irish enterprises.

While the challenges facing businesses are significant, they also create substantial opportunities for future growth. Ireland's strong and internationally connected business environment continues to attract global partnerships, while the transition to a green economy is opening new markets and strengthening the long-term competitiveness of Irish firms. The accelerating adoption of digital tools provides pathways to enhanced productivity and innovation, and investment in workforce skills is reinforcing Ireland's human-capital advantage. Diversifying into new markets through expanded trade links offers an important route to reducing exposure to external shocks and building greater economic resilience.

These trends, though complex, present clear areas of focus where the SBCI can have meaningful impact — supporting enterprise investment, strengthening competitiveness, and enabling sustainable economic development through to 2030 and beyond.

Our core mandate is to:

- provide credit and design financial products that address funding gaps for Irish borrowers
- access and deploy funding made available through EU and Government sources
- promote competition within the credit market and encourage the entry of new providers of credit
- support investment projects that contribute to Ireland's economic growth

OUR MISSION

To facilitate Ireland's economic development by offering SMEs and other borrowers targeted financial solutions that drive sustainability, growth, and inovation.

OUR STRATEGIC PILLARS

- Develop, Deliver and Oversee Solutions to Fill Market Gaps
- Foster Competition to Provide More Choice

OUR STRATEGIC OBJECTIVES

- Deliver Innovative Financial Solutions
- Broaden Access for More Borrowers
- Provide Flexible, Lower-Cost, Longer-Term Credit
- Identify Market Gaps
- Facilitate New Lenders and Increase Competition from Existing Providers
- Collaborate through Strategic Partnerships

SBCI staff attending the PTSB Ideal Home Show in Dublin.

Our 2026 Priorities

In 2026, we will continue to strengthen access to long-term, affordable finance by focusing on key areas that support Ireland's transition, competitiveness, and growth. We will continue to:

Support SMEs investing in sustainability, expansion and scale through the continued deployment of the Green Transition Finance product and the rollout of Series II of the Growth and Sustainability Loan Scheme (GSLS), building on the strong performance and demand for Series I of the GSLS.

Enable homeowners and small landlords to improve the energy performance of their properties, through the ongoing rollout of the Home Energy Upgrade Loan Scheme (HEULS).

Strengthen competitiveness in Ireland's financial ecosystem by providing further liquidity support to non-bank lenders and deepening our engagement with credit unions, who, with their extensive nationwide footprint, have a vital role to play in widening access to finance, supporting local SMEs and fostering healthy competition within the lending market.

We will maintain a focused, nationwide marketing and communications campaign, using multiple channels to ensure businesses and consumers remain informed about available supports and can access them efficiently.

With €1.1bn under management across seven funding/guarantee schemes, the SBCI operates a diverse portfolio that necessarily absorbs considerable organisational resource and cost.

Our digital transformation programme will continue to evolve, sharpening our operational efficiency, enhancing customer experience, reinforcing our data foundations, and creating more streamlined, integrated reporting processes.

SBCI and Bibby Financial Services Ireland announce a new €30m facility in September 2025. In attendance, Bibby CFO, Theo Chatha, Bibby Managing Director, Mark O'Rourke, Bibby Head of Client Services, Aoife McGinley, Minister for Finance, Paschal Donohoe, Bibby Head of Risk, Julie-Anne Deere, SBCI Head of Lending, Colin Moran, and SBCI Lending Senior Manager, James O'Dwyer.

Future Initiatives and EU Alignment

Crucially, the SBCI remains closely aligned with evolving Irish Government and EU priorities focused on business competitiveness, scaling, enabling access to sustainable finance, and accelerating the green and digital transitions. Additional guarantee capacity secured through the InvestEU programme will underpin the development of further targeted initiatives designed to address emerging gaps in the Irish credit landscape.

Through continued collaboration with our European partners and stakeholders across the Irish financial system, we will expand our product suite, strengthen Ireland's financial infrastructure, and support SMEs' access to the capital they need to grow, innovate and contribute to a resilient Irish economy.

"We secured SBCI funding to expand our business. The overall experience was very efficient with a quick turnaround. The investment has already improved the strength of our business by widening our client base and reducing reliance on any single market segment, helping us build greater stability for the future."

Roger Galligan, Managing Director, Kelly Bradshaw Dalton

Environmental, Social and Governance

The core of SBCI's ESG Strategy is to have a positive environmental impact and deliver a positive social impact for our stakeholders, which include our customers, staff, and the communities we serve. Incorporating ESG factors into our decision-making process is a fundamental aspect of our long-term strategy.

Our ESG Pillars

ENVIRONMENTAL

- Impact of our own operations
- Impact of our financing activity

SOCIAL

- Impact on our staff
- Impact on our customers
- Impact on our communities

GOVERNANCE

- Strong Board diversity and structure
- Transparent measurement and reporting
- Integrated risk management

SBCI staff participating in the NTMA Annual Charity Cycle.

Our Progress to Date

ENVIRONMENTAL

Lending Activities

SBCI plays an important role in supporting the Irish Government to meet its climate objectives by delivering increased access to flexible, low-cost, longer-term finance for businesses and homeowners in Ireland to help them invest in climate mitigation and adaptation measures. Our Board approved a refreshed ESG policy during 2025, ensuring full integration of ESG principles into our strategy and internal business decision-making processes.

Both the Irish Government and the European Union have set targets to reduce greenhouse gas emissions and transition towards a carbon-neutral and climate-resilient economy by 2050. SBCI's active schemes facilitate Irish businesses and consumers to invest in energy efficiency measures and drive the green transition:

- The €500m Home Energy Upgrade Loan Scheme (HEULS) supports homeowners and small landlords who wish to invest in energy efficiency upgrades to their residential properties. The delivery of this scheme is particularly important because of the close cooperation with the Sustainable Energy Authority of Ireland (SEAI) to align their retrofit grants with our HEULS loans. During 2025 we increased choice and broadened access to HEULS, with the addition of 8 new lending partners, including Avant Money and 7 credit unions, to bring the total number of HEULS lending partners to 11.

- The €50m Green Transition Finance product supports Irish businesses to achieve their sustainability objectives by providing competitive funding that increases access to capital for sustainable investments. Loans range from €500,000 to €5m and up to 10 years' tenor, with competitive interest rates and flexible repayment terms tailored to support business growth.

- Demand for the €500m Series I of the Growth and Sustainability Loan Scheme (GSLS) continued to grow during 2025, with €74.6m of funding drawn in 2025 used by SMEs, including farmers and fishers, to invest in green measures. Given this continuing strong demand SBCI issued an Open Call during 2025 for Series II of the GSLS, to increase the scheme by a further €500m. We plan to launch Series II of the GSLS to market during 2026, and, as with Series I, a minimum of 30% of this scheme is designated for climate action and environment stability investments by SMEs.

"We went for the Home Energy Upgrade Loan Scheme because we wanted to finish the house to the highest energy rating. We brought the BER rating from level F to level A1.

The biggest benefits of this loan scheme are affordability, speed, simplicity of the entire application process, and the interest rate savings compared to standard loans are just substantial.

I definitely recommend going for the Home Energy Upgrade Loan Scheme."

Marianna O'Neill, homeowner

SBCI's Climate Action Obligations

Public Bodies, including SBCI, are required to perform their functions in a manner consistent with the most recent national Climate Action Plan (CAP25), published on 15 April 2025. The role of public bodies is underpinned by the Public Sector Climate Action Mandate and a dedicated Public Sector Climate Action Strategy. The mandate requires that public sector bodies put in place a Climate Action Roadmap and update it annually. The National Treasury Management Agency (NTMA) and its affiliates, which include SBCI, operate from a single leased office building. SBCI has worked closely with the NTMA to put in place a Climate Action Roadmap that covers both the NTMA and its affiliates. The most recent roadmap was submitted in October 2025 and is available on the NTMA website: **https://www.ntma.ie/uploads/general/NTMA-Climate-Action-Roadmap-25.pdf**

SBCI staff attending a SME-focused event in Dublin.

SOCIAL

Equality, Diversity & Inclusion (EDI)

SBCI is committed to ensuring equality of opportunity in all employment-related matters and providing a workplace that is free from discrimination. We understand that fostering an equitable, diverse and inclusive workplace is essential for driving innovation, encouraging creative thinking, and making informed decisions; all crucial elements for building a successful business.

We are focused on developing and maintaining a culture where EDI is embedded in our processes, behaviours and values. We aim to ensure our workforce is representative of the community it serves and to attract and retain talented employees from a wide range of backgrounds with diverse skillsets and experience.

We are committed to fostering EDI through advancing knowledge, fostering learning and engaging with relevant external networks to create a work environment where all people can thrive. We recognise and support our EDI Employee Resource Groups (ERGs), which are run by communities of colleagues and are focused on accessibility, LGBT+ and gender matters, and international and multicultural awareness.

SBCI Commitment to Gender Balance

As at 31 December 2025, women made up 53%, while men made up 47%, of the overall workforce of the SBCI. SBCI staff are NTMA employees seconded to the SBCI, therefore SBCI Gender Pay Gap data is amalgamated with the NTMA data and published annually by the NTMA. The most recent NTMA Gender Pay Gap report is available on the NTMA website: **https://www.ntma.ie/uploads/publication-articles/NTMA-Gender-Pay-Gap-Report-2025.pdf**

SBCI gender profile as of 31 December 2025 is set out below:

Board	Female	Male	Govt. Target*
Board	44%	56%	40%
Senior Leadership Team	33%	67%	N/A
All Staff	53%	47%	N/A

** Min. representation of each gender per Code*

Irish Human Rights and Equality Commission Act 2014

As a public body, SBCI has regard to the need to eliminate discrimination, promote equality of opportunity and protect human rights of staff and service users, as set out in Section 42 of the Irish Human Rights and Equality Commission Act 2014. SBCI undertook an assessment of human rights and equality issues relevant to its functions and purposes which is available on SBCI's website: **www.sbci.gov.ie/about-us/governance**.

GOVERNANCE

As a wholly-owned State Body, we aim to ensure that we follow, promote and support positive governance practices.

We are committed to maintaining the highest standards of corporate governance in line with best practice and the Code of Practice for the Governance of State Bodies (2016), as amended. More information on how we do that is set out in our Governance and Corporate Information on pages 20 - 31.

Our Team

We are proud to reflect on the driving force behind our success — our exceptional team. Over the past decade, the SBCI team has empowered Irish businesses to thrive, built on an internal culture that inspires, supports, and celebrates its people.

Colin Moran
CEO

Ian Butler
Head of Finance

Paul Christie
Head of Lending

Margaret Concannon
Head of Risk and Governance

Shane McCullough
Head of Products, Strategy and Marketing

Suzanne Sweeney
Head of Digital Enablement, Operations and Data

Our people remain the foundation of SBCI's success. Over the past decade, our team has helped Irish businesses grow, supported by a culture that values trust, collaboration, and continuous development.

We are committed to creating an environment where colleagues can achieve their potential and contribute meaningfully to SBCI's mission. This commitment shapes how we work, learn, and support one another every day.

Investing in Our People

SBCI is a place where skills are strengthened, and careers are built. Through focused learning programmes, mentoring, and access to industry-leading resources, our team is equipped to stay ahead in financial innovation and policy delivery.

Volunteering and Community Impact

In 2025, SBCI and NTMA colleagues once again took part in the annual charity cycle — one of the highlights of our volunteering year — raising €17,222 for this year's chosen charities; Pieta House and the RNLI.

Beyond this event, staff regularly contribute their time and expertise to local initiatives, strengthening our connection with the communities we serve.

Employee Resource Groups

NTMA's Employee Resource Groups continue to foster an inclusive, supportive workplace. With 12 active groups, colleagues are engaged in initiatives that promote wellbeing, cultural awareness, gender equity, and more — ensuring every voice is represented and valued.

EXTERNAL ENGAGEMENT

Collaboration remains central to SBCI's role as Ireland's national promotional institution. Our work with national and European partners ensures that SMEs can access financial supports that respond to their evolving needs and to Ireland's wider economic priorities.

National Stakeholder Collaboration

We work closely with government departments, state agencies, SME representative bodies, and lending partners to deliver schemes tailored to Irish businesses.

Engagement with SMEs through research and consultation provides insights that shape SBCI's strategy and support the development of evidence-based Government policy.

Our relationships with banks, non-bank lenders, and credit unions extend our reach, helping SMEs nationwide access flexible, affordable finance to grow and innovate.

European Peer Engagement

SBCI actively contributes to European networks, including the European Long-Term Investors Association, the Network of European Financial Institutions for SMEs, and the European Association of Guarantee Institutions.

Partnerships with the European Investment Bank and the European Investment Fund continue to enable effective funding and guarantee schemes in Ireland, bringing international best practice to the domestic SME market.

This ongoing cycle of collaboration, insight, and delivery ensures SBCI remains responsive to Irish SMEs while aligned with leading European standards.

Governance and Corporate Information

SBCI staff speaking at the 2025 National Ploughing Championships in Co. Offaly.

Governance

Strategic Banking Corporation of Ireland (SBCI) was established in 2014 with a mission to provide borrowers with affordable, flexible finance solutions. SBCI aims to fill credit market gaps, particularly for Irish SMEs and operates the State's Credit Guarantee Schemes on behalf of the Department of Enterprise, Tourism and Employment. SBCI's sole shareholder is the Minister for Finance to whom the SBCI Board is accountable.

SBCI is committed to maintaining the highest standards of corporate governance, clear accountabilities, efficient decision-making and sound financial management.

SBCI complies with the Code of Practice for the Governance of State Bodies (2016), as amended, (the Code) and operates a robust governance framework appropriate for the organisation. In accordance with the Code as it applies to Commercial State bodies, the Minister for Finance provides a written oversight agreement in the form of a Shareholder Letter of Expectation which defines the terms of the Minister's relationship with, and expectations of, SBCI.

"Not being able to borrow means it takes me much longer to achieve my goals for my business."

From the SBCI 2025 SME Outlook Survey

SBCI staff attending the European Association of Long-Term Investors Board meeting in Rome.

Board Activity

The SBCI Board provides strategic direction and oversight to the organisation, ensuring an appropriate risk appetite and effective control environment is in place to support the strategy. The Board has a schedule of matters reserved for its decision, which is reviewed at least annually. The Board is supported by its committees who operate under robust Terms of Reference.

The Senior Leadership Team, under the stewardship of the Chief Executive Officer (CEO), has responsibility for the implementation of the Board's agreed strategy and for the day-to-day management of SBCI's operations, within defined authority levels.

The principal decisions taken by the Board during the period under review included:

- **Growth & Sustainability Loan Scheme** – approval of Series II of this scheme to provide up to an additional €500m funding to SMEs and support investment in growth and green initiatives.
- **Liquidity** – increase of €30m to a facility for one existing lending partner and amendments to a €54m facility for another existing lending partner.
- **Technology** – approval to the revision to a key Service Provider's contract supporting SBCI's digital "Hub" platform.
- **Strategy** – approval of SBCI's 2026 Strategy Implementation Plan
- **Customer Services** – approval of a Service Provider's contract[3] to provide customer services support.
- **Internal Audit** – approval of a Service Provider's contract[3] to provide internal audit services.
- **Operations** – approval of a Service Provider's contract[3] to provide business support services to meet ad hoc resource demands
- **Board Succession** – approval of Board and Committee appointments, including arrangements for the temporary delegation of CEO authority and Interim CEO arrangements pending conclusion of the public process to appoint a new CEO.

The Board also reviewed and approved key policies to support SBCI's internal governance and risk processes, including the Risk Management Framework, and the Risk Appetite Statement.

[3] Contract awarded following a public tender process undertaken in accordance with NTMA Procurement Policy and Procedures

Directors

as at 31 December 2025

PATRICK DELANEY

Roles - Chairperson of the Board of Directors & Member of the Remuneration Committee

Dates of appointment -
1 January 2024 (as Board member)
1 March 2024 (as Chairperson)

Term - 5 Years

Nationality - Irish

JUNE BUTLER

Roles - Chief Executive Officer (Ex officio Board member & Member of the Credit Committee)

Date of appointment - 1 September 2021

Term - Ceases upon resignation as CEO[4]

Nationality - Irish

MARGUERITE MCMAHON

Roles - Board member & Chairperson of the Remuneration Committee & Member of the Credit Committee

Date of reappointment - 17 July 2025

Term - 5 Years

Nationality - Irish

DECLAN MURRAY

Roles - Board member & Chairperson of the Credit Committee & Member of the Remuneration Committee

Date of appointment - 1 January 2024

Term - 5 Years

Nationality - Irish

ELAINE HANLY

Roles - Board member & Chairperson of the Audit and Risk Committee

Date of appointment - 1 March 2024

Term - 5 Years

Nationality - Irish

[4] June Butler's term as CEO ceased on 31 January 2026 - Colin Moran's terms commenced as Interim CEO on 1 February 2026 and as CEO on 5 March 2026

IAN BLACK
Roles - Board member & Member of the Credit Committee
Date of appointment - 4 July 2022
Term - 5 Years
Nationality - Irish

DEIRDRE DONAGHY
Roles - Board member & Member of the Audit and Risk Committee
Date of appointment - 12 May 2023
Term - 5 years
Nationality - Irish

BIRTHE BRUHN-LÉON
Roles - Board member & Member of the Credit Committee
Date of appointment - 1 August 2025
Term - 5 Years
Nationality - German & Luxembourgish

JOHN GLENNON
Roles - Board member & Member of the Audit and Risk Committee
Date of appointment - 1 August 2025
Term - 5 Years
Nationality - Irish

(For profiles of current Directors see **https://sbci.gov.ie/about-us/governance/board-members**)

BOARD RESPONSIBILITIES

The functions of SBCI are prescribed in Section 8 of the Strategic Banking Corporation of Ireland Act 2014 (the SBCI Act 2014). There is a formal schedule of matters reserved for decision by the Board, which includes the approval of the following matters:

- Annual Reports and Financial Statements
- Risk Management Framework
- Business strategies, including the five-year strategic plan
- Annual budgets and corporate plans
- Receipt and/or grant of financing facilities
- Entry into certain categories of agreements, including credit and risk-sharing arrangements
- Appointment and terms and conditions of the CEO (after consultation with the Minister for Finance and the NTMA Chief Executive)
- Overall remuneration policy
- Establishment of Board sub-committees.

SBCI is required by the Companies Act 2014 (as amended) to prepare financial statements in respect of its operations for each financial year. The financial statements are prepared in accordance with FRS 102, being the Financial Reporting Standard applicable in the UK and Ireland and in accordance with the Companies Act 2014 (as amended).

In preparing the financial statements, the SBCI Board is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it is inappropriate to do so

SBCI staff attending a SME-focused event in Co. Kildare.

- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards.

The Board is responsible for ensuring that SBCI keeps, or causes to be kept, adequate accounting records which correctly explain and record the transactions of SBCI, enable at any time the assets, liabilities, financial position and profit or loss of SBCI to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' Report comply with the requirements of the Companies Act 2014 (as amended) and enable the financial statements to be audited.

The Board is responsible for approving SBCI's income and expenditure budget and corporate strategy. Forecasts against budget and goals are reviewed by the Board during the year and out-turns are reviewed at year end.

The Board is also responsible for safeguarding SBCI's assets and so must take reasonable steps to prevent and detect fraud and other irregularities.

The Board is satisfied that the financial statements of SBCI give a true and fair view of the assets, liabilities, and financial position of SBCI as of 31 December 2025 and of the profit and loss of SBCI for the financial year ending 31 December 2025, and that they otherwise comply with the requirements of the Companies Act 2014 (as amended).

Board Structure

SBCI's Constitution provides that there shall be a minimum of two and a maximum of nine Directors, one of whom will be the CEO of SBCI as an ex-officio member of the Board. The first Directors were appointed by the Minister for Finance (the Minister) on the formation and incorporation of SBCI. Subsequent Directors must be nominated by the Minister and appointed by the Board, and the Board can only appoint Directors nominated by the Minister. The Chairperson of the Board of SBCI is also appointed by the Minister. Details of the Directors in place as of 31 December 2025 and the terms of their appointments are set out on pages 22-23.

The Board conducts an annual evaluation of its own performance and that of its committees. In 2024, 2021, and 2018, the evaluations were conducted by external service providers in accordance with the requirements set out in the Code of Practice for the Governance of State Bodies (2016), as amended. In 2025 and in all other years dating back to 2016 this performance evaluation was conducted internally by way of self-assessment.

The Board has established three committees to assist it in discharging its responsibilities, each with their own Terms of Reference:

- Audit and Risk Committee
- Credit Committee
- Remuneration Committee

For further information on the Board's Committees, see Committee Reports on pages 29-31.

The Board is supported in its functions by SBCI's Company Secretary who also co-ordinates the operations of the various Board Committees.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2025 is set out below and includes details of the fees and expenses received by each member in their capacity as a Board or Committee member. June Butler (SBCI CEO), Colin Moran (SBCI CEO Delegate), Ian Black (NTMA) and Deirdre Donaghy (Department of Finance) do not receive any remuneration in respect of their membership of the Board.

		Board	Audit and Risk Committee	Credit Committee	Remuneration Committee	Fees 2025 €	Expenses 2025 €
Member	**Number of Meetings**	**7**	**7**	**4**	**2**		
Patrick Delaney		7			2	31,500	-
June Butler (Ex officio)		6/6(p)		4		-	-
Marguerite McMahon		7		4	2	15,750	-
Elaine Hanly		7	7			15,750	-
Declan Murray		7	5/5(p)	4	2	15,750	-
Ian Black		7		4		-	-
Deirdre Donaghy		7	5/6(p)	3/3(p)		-	-
Birthe Bruhn-Léon		3/3(p)		1/1(p)		6,570	363
John Glennon		3/3(p)	1/2(p)			6,570	-
Colin Moran (Ex officio)		1/1(p)				-	-
Richard Pelly		1/1(p)				3,019	393
Eilis Quinlan		1/1(p)	1/1(p)			3,019	-

(p) refers to the number of meetings it was possible to attend relative to the dates of appointment

Key Personnel Changes

Birthe Bruhn-Léon and John Glennon were appointed to the Board on 1 August 2025 following Eilis Quinlan's and Richard Pelly's retirements on 11 March 2025. Colin Moran replaced June Butler as an "Ex officio" member effective from 25 October 2025 based on his role as CEO-Delegate prior to his appointment to the Board as Interim CEO effective from 1 February 2026.

Remuneration

The SBCI Act 2014 provides that the NTMA shall assign so many of its staff to SBCI, from time-to-time, as necessary for the performance of its functions. Therefore, all staff assigned to SBCI are employees of the NTMA.

The NTMA's remuneration model is based on confidential, individually negotiated employment contracts, with competitive, market-aligned remuneration. The typical remuneration package comprises a fixed-base salary, pension entitlement and provision for discretionary performance related pay.

Discretionary performance-related payments are intended to reward exceptional performance having regard to the employee's own performance, the performance of the employee's area of responsibility, and the overall performance of SBCI. Performance-related payments are made in accordance with parameters approved by the Board on the recommendation of the Remuneration Committee. The overall amount of performance-related payments made in respect of any year is also subject to the approval of the Board. SBCI made €194k of performance-related payments for 2025.

Employee Short-Term Benefits Breakdown

NTMA Employees assigned to SBCI who received short-term benefits in excess of €50,000 in 2025 are categorised into the following bands:

Range	No. of Employees
€50,001 to €75,000	16
€75,001 to €100,000	10
€100,001 to €125,000	7
€125,001 to €150,000	4
€150,001 to €175,000	1
€175,001 to €200,000	1
€200,001 to €225,000	2
€225,001 to €250,000	0
€250,001 to €275,000	1
€275,001 to €300,000	0
€300,001 to €325,000	0
Total	**42**

Note: *For the purposes of this disclosure, short-term employee benefits rendered during 2025 include salary, other taxable benefits paid to employees (including performance related payments), and other payments made on behalf of employees, but exclude employer's PRSI.*

DISCLOSURES REQUIRED BY THE CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES (2016), AS AMENDED

The Board is responsible for ensuring that SBCI has complied with the requirements of the Code, as amended, subject to certain variations that have been agreed with the Department of Finance as set out below. The following disclosures are required by the Code:

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2025 €000	2024 €000
Legal advice	217	754
Financial advice	533	509
Marketing	546	979
Human resources	0	48
Other	193	224
Total consultancy costs	**1,489**	**2,514**

Consultancy costs capitalised	0	0
Consultancy costs charged to the Statement of Comprehensive Income	1,489	2,514
Total consultancy costs	**1,489**	**2,514**

Legal Costs and Settlements

Expenditure incurred in 2025 in relation to legal costs and settlements amounted to €Nil (2024 €Nil).

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows.

	2025 €000	2024 €000
Domestic		
Board	0	0
Staff	10	14
International		
Board	1	3
Staff	**19**	19
Total	**29**	**36**

Hospitality Expenditure

The Statement of Comprehensive Income includes €15.2k in respect of staff hospitality expenditure in 2025 (2024 €15.8k).

Public Sector Climate Action Mandate

The current 2025 Public Sector Climate Action Mandate was published by Government in June 2025 and SBCI is required to report on compliance with the mandate annually. (See "Environmental, Social and Governance" on page 16)

Statement of Compliance

SBCI has complied with the Code, subject to a limited number of variations which have been agreed with the Department of Finance as summarised below:

Matters Reserved for Decision by the Board

The Code sets out a formal schedule of matters specifically reserved for decision by the Board. Other than "significant amendments to the pension benefits of the CEO and staff" which is a matter for the NTMA Board (as all staff assigned to SBCI are employees of the NTMA and are members of the NTMA superannuation scheme), the Schedule of Reserved Matters includes the items set out in the Code.

There are some wording differences regarding the items on significant acquisition and disposal of assets and major investments and capital projects to reflect the nature of SBCI's business (obtaining and granting financing facilities).

Non-Compliance with Statutory Obligations

In view of the wide range of relevant statutory obligations to which SBCI is subject to, SBCI, as a matter of ongoing practice, addresses the requirements set out in the Code whereby the Chairperson is obliged to bring "incidents of non-compliance with any statutory obligations to the attention of the Minister", by notifying the Minister of material instances of non-compliance only.

SBCI staff engaging with homeowners at the PTSB Ideal Home Show in Dublin.

Relations with the Oireachtas, Minister and Parent Department

Those provisions of Section 8 of the Code dealing with the acquisition or disposal of assets, capital investment appraisal, establishment or acquisition of subsidiaries, participation in joint ventures and the acquisition of shares do not apply to the business activities of SBCI as set out in the SBCI Act 2014 and SBCI's Constitution. The SBCI Constitution sets out specific activities in respect of which ministerial consent is required.

Infrastructure Guidelines

The Infrastructure Guidelines (formerly the Public Spending Code) are limited in their application to SBCI as its principal activities are the sourcing of funding, and the provision of long-term, low-cost finance to lending partners for distribution through the supply of credit to borrowers and the extension of risk-sharing facilities. If, and when, SBCI engages in capital projects or new current expenditure programmes it will comply with the relevant provisions of the Infrastructure Guidelines.

Remuneration and Superannuation

The SBCI Act 2014 provides that the NTMA shall assign so many of its staff to SBCI as SBCI determines, from time-to-time, to be necessary for the performance of its functions. Therefore, all staff assigned to SBCI are employees of the NTMA.

Remuneration matters regarding NTMA employees assigned to SBCI are approved by the NTMA Chief Executive, representing the NTMA as employer, in accordance with criteria and oversight arrangements agreed with SBCI. Regarding these criteria and oversight arrangements, the SBCI Board has established a Remuneration Committee and put in place a Remuneration Policy. In complying with the Code's provisions in respect of remuneration, SBCI has adopted the provisions applying to Commercial State bodies, adapted considering its governance and reporting structures and remuneration model.

OFFICIAL LANGUAGES ACT 2003 & OFFICIAL LANGUAGES (AMENDMENT) ACT 2021

In compliance with the Official Languages Act 2003 and the Official Languages (Amendment) Act 2021, this Annual Report is published simultaneously in each of the official languages. SBCI has obligations pursuant to Section 10 of the Official Languages (Amendment) Act 2021 to undertake certain minimum advertising activities in the Irish language and to report details of such activities to the Office of An Coimisinéir Teanga.

SBCI has complied during 2025 via an overall 9.43% Irish language channel marketing spend and 23% of advertising delivered in the Irish language, details of which have been reported in accordance with this statutory obligation.

Committee Reports

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee's role is to assist the Board in the oversight of:

- the quality and integrity of the financial statements; the review and monitoring of the effectiveness of the systems of internal control; the internal audit process and the compliance function; and the review of the outputs from SBCI's external auditor, the Comptroller and Auditor General.
- SBCI's risk management framework includes setting risk appetite; the monitoring of adherence to risk governance and ensuring risks are properly identified, assessed, managed, and reported.

The Committee is comprised of three non-executive members appointed by the Board. During 2025, the members of the Committee were:

- Eilis Quinlan (Committee Chairperson and Board member – retired 11 March 2025)
- Elaine Hanly (Board member – appointed as Committee Chairperson from 12 March 2025)
- Deirdre Donaghy (Board member – appointed as Committee member from 12 March 2025)
- Declan Murray (Board member – Committee member until 31 July 2025)
- John Glennon (Board member – appointed as Committee member from 1 August 2025)

The Committee met on seven occasions in 2025.

Financial Reporting

The Committee reviewed the draft financial statements and recommended them to the Board. The review focused on the accounting methods, the relevant requirements of the Companies Act 2014 (as amended) and the clarity and completeness of disclosures in line with applicable accounting standards, together with the relevant provisions of the Code.

The Committee also reviewed the statements on Governance and Risk (including the Committee's Report), and Risk Management and Internal Control, for inclusion in this Annual Report.

Internal Controls

The Committee reviewed the effectiveness of the system of internal control. It also reviewed the Statement on Internal Control to be included in the 2025 Financial Statements and recommended it to the Board. The review was informed by a report from management in relation to the assertions contained in the Statement on Internal Control and the Committee's detailed Work Programme, including regular internal audit and risk reports.

Internal Audit

The Committee received regular reports from the internal auditor. It reviewed the key findings from the outcome of individual internal audit reviews completed under the 2025 risk-based internal audit plan and monitored the implementation of audit recommendations. It approved the 2026 internal audit plan and the NTMA Internal Audit Charter, as adapted for use in SBCI. The Committee reviewed the effectiveness of the internal auditor and met with the NTMA Head of Internal Audit without management present.

External Audit

SBCI's external auditor is the Comptroller and Auditor General. The Committee reviewed the external audit plan, the key areas of focus and the audit terms of engagement. It also monitored management's responses to the external auditor's findings arising from the audit of the 2024 Financial Statements. The Committee met with the external auditor without management present.

Risk

The Committee reviewed and approved updates to several specific risk policies, and recommended updates to the Board, as provided for under the Risk Management Framework. It discussed the Annual Review of the Risk Function, approved the Risk Management Plan for 2026 and monitored progress against the 2025 plan. It received regular reports on SBCI's risks and the controls in place to mitigate risks. The Committee met with the SBCI Head of Risk and Governance without management present.

Compliance and Protected Disclosures

The Committee reviewed the adequacy and security of SBCI's arrangements for its staff and contractors to raise concerns and approved the annual review of the Protected Disclosures Policy. The Committee also reviewed and approved the Data Protection Policy and Privacy Statement and reviewed and recommended to the Board the Business Risk Assessment and the Anti-Money Laundering/Counter Financing of Terrorism Policy. It received the annual Compliance and Data Protection Officer reports and reviewed the services performed by NTMA Compliance. The Committee met with the NTMA Head of Compliance without management present.

Lending Partner Reviews

The Committee received regular reports from the external service provider, PricewaterhouseCoopers (PwC), in respect of lending partners' reviews. It reviewed the key findings from the outcomes of individual lending partners' reviews completed under the 2025 plan and monitored the implementation of PwC's recommendations by the lending partners.

Other

The Committee approved Third Party Service Provider reviews from key service providers, and reviewed and recommended amendments to its Terms of Reference to the Board. The Committee's priorities in respect of 2026 were approved as part of its Work Programme.

CREDIT COMMITTEE

The Credit Committee's role is to assist the Board in its review and approval of credit decisions, and the oversight and monitoring of credit risk. The Committee comprises four non-executive members of the Board, together with the SBCI CEO.

During 2025, the members of the Committee were:

- Richard Pelly (Chairperson and Board member – retired 11 March 2025)
- Declan Murray (Chairperson and Board member – appointed to the Committee on 12 March 2025)
- June Butler (CEO and Ex officio Board member – Committee member until 24 October 2025)
- Deirdre Donaghy (Board member)
- Marguerite McMahon (Board member)
- Ian Black (Board member)
- Birthe Bruhn-Léon (Board member – appointed to the Committee on 1 August 2025)
- Colin Moran (CEO-Delegate and Ex officio Board member – appointed to the Committee on 25 October 2025)

The Committee met on four occasions in 2025.

The Committee's main activity involved the review of detailed credit proposals from management. It reviewed the annual credit reviews of lending partners performed by management. It approved SBCI scheme allocations to lending partners under delegated authority from the Board. It also reviewed the Credit Risk Policy and the Committee's Terms of Reference and recommended minor amendments to both items to the Board.

REMUNERATION COMMITTEE

The Remuneration Committee assists the Board on remuneration matters in respect of the NTMA employees assigned to SBCI in accordance with the criteria and oversight arrangements agreed with the NTMA. The Board is responsible for SBCI's overall remuneration policy and is guided in its responsibilities by the advice and recommendations of the Remuneration Committee.

The Committee is comprised of three non-executive members appointed by the Board. During 2025, the members of the Committee were:

- Marguerite McMahon (Chairperson and Board member)
- Declan Murray (Board member)
- Patrick Delaney (Board member)

The Committee met on two occasions in 2025. It reviewed and recommended the total amount of performance-related payments for 2025.

It also reviewed the Remuneration Policy and the Committee's Terms of Reference and recommended minor amendments to both to the Board for approval.

SBCI staff meeting the National Enterprise Hub representatives at Enterprise Ireland's Start-Up Day in Dublin.

Risk Management and Internal Control

RISK MANAGEMENT

A key objective of SBCI is to manage taxpayers' money efficiently within a robust risk management framework. Our risk management strategy is designed to support the business in meeting its objectives in a risk-based manner, to ensure it understands and manages the key risks it faces and has a view of emerging risks which need to be considered in the future.

Our risk management framework has been designed to align with the size, scale, and complexity of SBCI. Our risk appetite outlines how much risk we are prepared to accept to deliver our strategic goals and is reviewed and approved by the Board on at least an annual basis. SBCI complies with the risk management provisions of the Code.

SBCI's risk culture is championed by a strong tone from the top and supported by clear roles and responsibilities embedded throughout the business and formalised through colleagues' performance objectives.

We have in place organisation-wide policies and procedures covering the major parts of our business. They outline how we intend to function, taking account of regulatory or legal requirements and industry best practice. Policies are approved by the appropriate committees and communicated to staff. Colleagues are also subject to the Code of Conduct for NTMA Employees and annual compliance declarations.

RISK GOVERNANCE

SBCI is committed to promoting a culture of integrity, high ethical standards, and strong risk awareness and is led in this by the Board of Directors and the Board's Committees.

Board

The Board is responsible for setting risk appetite and overseeing and guiding risk management activity across SBCI. The Board has mandated that risk management be integrated and embedded into the tone and culture of SBCI and this has been adopted across SBCI. All members of the SBCI team are expected to contribute to and promote a sound risk culture, to maintain a strong internal control environment and facilitate the operation of SBCI's risk management framework.

Audit and Risk Committee

The Audit and Risk Committee assists the Board in fostering sound risk governance across SBCI's operations, ensuring that SBCI's risk management governance model provides appropriate levels of independence and challenge.

THREE LINES OF DEFENCE

SBCI applies the financial services industry standard three lines of defence model which is designed to support the delivery of its mandate by proactively managing the risks that arise in the course of SBCI pursuing its objectives.

- **First Line**
  Business functions have direct accountability for identifying, measuring, monitoring, controlling and reporting risks on a day-to-day basis. Function heads have primary responsibility for ensuring business activities are within SBCI's risk appetite and compliant with risk management policies.

- **Second Line**
  Risk and Compliance functions provide independent oversight and challenge to the first line of defence. They also develop risk management policies, monitor adherence to exposure limits and report on risk matters to the Board and relevant Committees.

- **Third Line**
  Internal Audit provides independent, reasonable, risk-based assurance on the robustness of SBCI risk management system, governance, and the design and operating effectiveness of the internal control environment.

Audit

In accordance with statutory requirements, SBCI is audited by the Comptroller and Auditor General.

SBCI's internal audit process is managed by the NTMA Internal Audit function and includes an external service provider, KPMG, appointed to carry out internal audit work reporting to the NTMA Head of Internal Audit.

PRINCIPAL RISKS

SBCI is exposed to a wide variety of risks which have the potential to affect its financial and operational performance. Risk assessment processes are designed to ensure that material risks are identified, that SBCI manages its risk within its agreed risk appetite, and that the management of risk is monitored within clearly defined and delineated roles and responsibilities.

SBCI maintains a Risk Register in which our key risks and controls are recorded, and responsibility for the operation of controls is assigned. A detailed review of the risk register is completed semi-annually, and the controls therein are attested to by the control owners. The SBCI Risk function completes assurance testing of a sample of the controls listed in the risk register at least annually.

SBCI has identified the following principal risks which may adversely affect the achievement of its objectives. Reputational risk may also occur as a consequence of these risks.

Risk	Risk Description	Risk Mitigation Measure
Capital Risk	The risk that SBCI is not adequately capitalised on absorbing any unexpected credit losses.	This risk is mitigated through ongoing monitoring of SBCI's capital adequacy and through ensuring SBCI has appropriate funding lines and share capital in place. Stress testing of SBCI's balance sheet is completed at least annually to ensure we have sufficient capital on a look-forward basis under various adverse scenarios.
Credit Risk	The risk that a counterparty or final borrower defaults on its obligations and fails to repay its debt in full, resulting in financial losses to SBCI. SBCI is exposed to credit risk (i) through its loans to lending partners which are concentrated on a small number of counterparties and (ii) through its risk-sharing schemes where loans made to final borrowers have been guaranteed by SBCI.	Mitigation measures in place in respect of this risk include thorough due diligence in advance of any lending decisions, ongoing monitoring, and review of on-lending facilities, and underlying loan portfolios, as well as regular review of compliance with the respective covenants and undertakings, in addition to counter-guarantee agreements with EIF and funding received from the relevant Government Department referred to as First Loss Provision. Other measures include Board approved risk appetite limits, quarterly reporting which monitors the overall risk levels in the portfolio including analysis of the key risk indicators detailed in the risk appetite statement and assessment of credit risk by the Credit Committee and Board.
Compliance, Regulatory & Legal Risk	The risk of failing to comply with new or existing legislative and regulatory requirements or deadlines, or to embed requirements into processes, resulting in regulatory sanctions and/or reputational damage.	This risk is mitigated by engaging internal and external legal and compliance advice, to ensure adherence to relevant laws and regulations, and adherence to relevant policies and procedures.
Operational Risk	The risk of loss, customer detriment or reputational damage from suboptimal or failed internal processes, systems, human factors, or from external events,	This risk is mitigated by appropriate operational and compliance policies, supported by guidance documents, procedures, and staff training. There is an operational events reporting process in place with key actions identified and monitored. Events are subject to second line review by SBCI Risk as well as Audit and Risk Committee oversight and challenge.
Strategic Risk	The risk of failing to achieve SBCI's agreed strategic objectives and goals, due to internal or external factors, that could impact SBCI's reputation and/or revenue.	This risk is mitigated by active engagement with stakeholder groups, and diversity of SBCI products to ensure that our strategy is aligned to market needs. There are regular reviews of SBCI's progress against our strategic plan by the Senior Leadership Team and the SBCI Board.
Liquidity & Funding Risk	The risk of SBCI being unable to fund its assets and meet its contractual payment obligations as they fall due, without incurring unacceptable losses, while also maintaining a diversified, stable, and cost-effective funding base.	This risk is mitigated by regular reviews of our funding position and future funding requirements. Variable interest funding is matched against variable loans issued. In addition, liquidity targets are set out in relevant policies, and adherence is monitored and reported.

Financial Statements

2025

Directors’ Report and Financial Statements of the Strategic Banking Corporation of Ireland

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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Company and Other Information

Directors

Ian Black

Birthe Bruhn-Léon

Patrick Delaney

Deirdre Donaghy

John Glennon

Elaine Hanly

Marguerite McMahon

Colin Moran

Declan Murray

Company Secretary

Desmond O'Connor

Registered Office

Treasury Dock

North Wall Quay

Dublin 1

D01 A9T8

Bankers

Citibank

1 North Wall Quay

Dublin 1

D01 T8Y1

Central Bank of Ireland

New Wapping Street

North Wall Quay

Dublin 1

D01 F7X3

Danske Bank

3 Harbourmaster Place

International Financial Services Centre

Dublin 1

D01 K8F1

Auditor

Comptroller and Auditor General

3A Mayor Street Upper

Dublin 1

D01 PF72

Directors' Report

The Directors of the Strategic Banking Corporation of Ireland (the "Company" or "SBCI") present their report and audited financial statements for the financial year ended 31 December 2025 (the "financial year").

SBCI was established pursuant to the Strategic Banking Corporation of Ireland Act 2014 and incorporated under the Companies Act 1963 to 2013 on 12 September 2014 and then converted to a designated activity company under the Companies Act 2014 on 28 July 2016.

Principal activities

The principal activity of SBCI is to support the provision of lower cost loans to businesses and consumers in Ireland using (i) Irish and international sources of funding and (ii) operating the Credit Guarantee schemes on behalf of the Department of Enterprise, Tourism and Employment. This is achieved by providing third party lending partners with liquidity and risk-sharing products. These lending partners are then required to pass on the benefit of more favourable interest rates and credit terms to borrowers in Ireland.

SBCI's principal activities during the financial year were focused on the delivery of liquidity and risk-sharing schemes to facilitate the provision of credit to borrowers in Ireland to support investment in (i) the growth and sustainability of their businesses and (ii) the energy efficiency of their residential properties.

Business review

During the financial year, SBCI focused on developing each of its three lines of business, namely lending, risk-sharing and service provision. SBCI continued to progress its lending business by advancing additional credit to lending partners, and new risk-sharing products continue to be developed and deployed. During the financial year, the following represents the key outcomes:

- The €500m Home Energy Upgrade Loan Scheme continued to deploy throughout 2025 with 8 additional lending partners joining the scheme during the year adding to the 3 existing participating lending partners.
- The €50m Green Transition Finance product continued to provide innovative, flexible debt financing solutions from €0.5m up to €5m to SMEs and Small Mid-Caps investing in sustainable green projects and assets.
- SBCI partnered with 3 banks, 7 non-banks and 7 credit unions in 2025 to support a wide choice of finance providers for Irish SMEs.
- Across all SBCI-supported loan products, €377m of lower-cost loans (2024: €570m) were advanced by our lending partners to borrowers.
- €30m of liquidity facilities were approved by SBCI to an existing lending partner (2024: €30m) to provide lower-cost loans to Irish businesses.
- €89m of liquidity facilities were drawn by lending partners (2024: €32m) and €44m of loan principal repayments were made by lending partners to SBCI (2024: €52m).

Diversity and inclusion

SBCI wants to reflect the diversity of its customers and the economy in which it operates by making sure our workforce is representative of all members of society. In line with NTMA's workplace equality policy, SBCI is committed to attracting and developing people from a wide range of backgrounds and ensuring there are equal opportunities in SBCI for everyone, without any form of discrimination.

When recruiting for all roles within SBCI, it looks to promote positions in a way which reaches the broadest range of candidates and most diverse talent pools. SBCI maintains a skills matrix in respect of the SBCI Board membership (the "Board") to identify the members' levels of relevant experience in key areas. As at 31 December 2025 the Board comprised of five females (56%) and four males (44%), while the wider SBCI team consisted of 27 females (53%) and 24 males (47%).

Sustainability

SBCI is committed to promoting sustainability across its business. Concern for the environment and promoting a broader sustainability agenda are integral to SBCI's professional activities and the management of the organisation. SBCI aims to follow and to promote good sustainability practice, to reduce the environmental impacts of all our activities and to help its partners to do the same.

Recognising the importance of sustainable development and transitioning toward a low-carbon economy, SBCI prioritised initiatives that support environmental sustainability in 2025. SBCI continued the deployment of the Home Energy Upgrade Loan Scheme to support long-term loans to borrowers to finance energy efficient upgrades of their residential properties which in turn will support the reduction of carbon emissions in Ireland.

Principal risks and uncertainties

Principal risks and uncertainties could impact our ability to deliver our strategic objectives. SBCI considers risks that arise from the impact of uncertainties such as external market shocks, geopolitical events or emerging risks that could materially affect our financial or operational outcomes or the reputation of SBCI.

The principal risks and uncertainties facing SBCI are summarised below and are set out in further detail in the Risk Management and Internal Control section of the Annual Report (see Page 32):

Capital Risk

- The risk that SBCI is not adequately capitalised to absorb credit losses should unexpected events occur. This risk is mitigated through ongoing monitoring of SBCI's capital adequacy and through ensuring that SBCI has appropriate funding lines and share capital in place.

Credit Risk

- SBCI is exposed to the risk that a counterparty or final borrower defaults on its obligations and fails to repay its debt in full, resulting in losses to SBCI. SBCI is exposed to credit risk (i) through its loans to lending partners which are concentrated to a small number of counterparties, and (ii) through its risk-sharing schemes, where loans made to final borrowers have been guaranteed by SBCI. This risk is mitigated through detailed due diligence in advance of any credit decision and ongoing monitoring thereafter, in addition to counter-guarantee agreements with the European Investment Fund (EIF) and funding received from the relevant Government Department referred to as First Loss Provision ("FLP"). The credit quality of SBCI's counterparties remains robust against a backdrop of moderating inflation and an easing of interest rates in 2025. In line with IAS39 there is no impairment charge for the year under review (2024: Nil).

Compliance, Regulatory and Legal Risk

- SBCI's activities are subject to EU State Aid rules and other regulations. There is a risk that SBCI fails to comply with those rules and regulations, resulting in reputational or financial damage. This risk is mitigated by engaging internal and external legal and compliance advice, to ensure adherence to relevant laws and regulations.

Operational Risk

- SBCI is exposed to operational risk arising from its internal processes, people and systems or from external events, including weather events or pandemics. Key operational risks include system failures (due to cyber-attack or otherwise), reporting errors, data protection breaches and inadequate or failed internal processes. SBCI regularly monitors its exposure to operational risk and provides ongoing training to staff to reduce this risk.

Strategic Risk

- Strategic risk is the risk of failing to achieve SBCI's agreed strategic objectives and goals, due to internal or external factors that could impact SBCI's reputation and/or financial position. One such risk would be SBCI failing to structure and deploy its loan products appropriately, resulting in reputational damage or financial loss. This risk is mitigated through the alignment of our strategy with market needs, active engagement with stakeholder groups, and delivery of a robust and diverse range of products.

Liquidity and Funding Risk

- SBCI relies on Government Departments and the European Investment Bank (EIB) Group to fund both its liquidity and risk-sharing schemes. There is a risk that SBCI is unable to fund its assets or meet payment obligations. To counter this, SBCI manages its funding lines to ensure it is well-funded with a cost-effective funding base. This risk is further mitigated by SBCI regularly reviewing its liquidity position and future funding requirements.

In addition to the principal risks outlined above, SBCI is exposed to the following uncertainties and emerging risks which could have a material impact on SBCI's operations and the delivery of SBCI's strategy.

Macro-economic and Geopolitical Risk

- Macro-economic and geopolitical tensions could impact external market conditions through inflation, fluctuating interest rates or increased tariffs which could negatively impact SBCI's ability to achieve its objectives. The possible consequences of this could be increased borrower defaults leading to higher claims on SBCI schemes or the ability of our liquidity lending partners to repay their facilities to the SBCI as scheduled.

Cyber Security Risk

- The risk of SBCI or its third-party service provider(s) or its lending partners being the subject of a cyber-attack/social engineering attack. The possible consequences include a failure to execute critical processes, leakage of sensitive information or systems outages which could impact SBCI's operational capacity resulting in reputational damage and/or financial loss.

Non-Bank Lending Market Dynamics

- The Irish lending market is highly concentrated on a small number of larger banks. To promote competition SBCI partners with both bank and non-bank lenders. Market uncertainty has led to funding challenges for some non-bank lenders. Should non-bank lenders be unable to source funding at a viable price, this could impact SBCI's ability to achieve one of its core objectives, i.e., to promote competition for borrowers in the Irish lending market.

Further details on SBCI's risk management policy and how it manages these risks are given in Note 16 to the financial statements.

Directors

The current Directors* are listed on page 39

The following are the names of the persons who, at any time during the financial year, were Directors of SBCI:

Ian Black

Birthe Bruhn-Léon *(appointed 1 August 2025)*

June Butler *(resigned 31 January 2026)*

Patrick Delaney

Deirdre Donaghy

John Glennon *(appointed 1 August 2025)*

Elaine Hanly

Marguerite McMahon

Declan Murray

Richard Pelly *(retired 11 March 2025)*

Eilis Quinlan *(retired 11 March 2025)*

* Colin Moran appointed as CEO on 5 March 2026

Directors' interests

The Directors had no beneficial interests in SBCI during or at the financial year end. The issued share capital of SBCI is owned solely by the Minister for Finance (see Note 23).

Adequate accounting records

The Directors ensure compliance with SBCI's obligations with regard to keeping accounting records required under sections 281 to 285 of the Companies Act 2014, using qualified accounting personnel and appropriate systems and procedures, as set out in the Statement on Internal Control on page 46. The accounting records are kept at SBCI's registered office at Treasury Dock, North Wall Quay, Dublin 1, D01 A9T8.

Results and dividends

The results for the financial year and the state of affairs of SBCI are set out in the Statement of Comprehensive Income and the Statement of Financial Position on pages 55 and 56 respectively.

SBCI did not pay any dividends during the financial year to its sole shareholder, the Minister for Finance, and does not propose to pay any dividends for this financial year.

Events after the reporting period

See Note 29.

Auditor

The Comptroller and Auditor General (C&AG) is SBCI's statutory auditor by virtue of section 19 of the SBCI Act 2014. So far as each of the Directors is aware.

- there is no relevant audit information of which the C&AG is unaware pursuant to section 330(1)(a) of the Companies Act 2014.
- the Directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that SBCI's statutory auditor is aware of that information.

Approved and authorised for issue by the Board of Directors and signed on its behalf:

Colin Moran
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18 June 2026

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and SBCI financial statements for each financial year. The Directors have prepared the financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("relevant financial reporting framework") and in accordance with the Companies Act 2014.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities, and financial position of SBCI as at the end of the financial year and of the profit or loss of SBCI for the financial year, and that they otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on a going concern basis unless it is inappropriate to do so, and
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards.

The Directors are responsible for ensuring that SBCI keeps, or causes to be kept, adequate accounting records which correctly explain and record the transactions of SBCI, enable at any time the assets, liabilities, financial position and profit or loss of SBCI to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the requirements of the Companies Act 2014 and enable the financial statements to be audited.

The Directors are also responsible for safeguarding the assets of SBCI and to take reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the financial and other information on SBCI's website (**www.sbci.gov.ie**). Legislation in Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and authorised for issue by the Board of Directors and signed on its behalf:

Colin Moran
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18 June 2026

Statement on Internal Control

Scope of Responsibility

On behalf of the Board of Directors of SBCI (the "Board"), we acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016), as amended.

SBCI is committed to ensuring high standards of corporate governance and is supported in this by the Board and Board Committees.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation has been in place in SBCI for the year ended 31 December 2025 and up to the date of approval of the financial statements (noting the events detailed in the Internal Control Issues section below).

Capacity to Handle Risk

SBCI has a formal risk management and governance framework in place, designed to support the proactive management of risk. SBCI's Risk Management Framework and Risk Appetite Statement together set out SBCI's risk appetite and the risk management processes that support SBCI in identifying, assessing, monitoring, and mitigating the risks it faces in the delivery of its strategic objectives.

The Board of SBCI has an Audit and Risk Committee ("ARC") comprising of non-executive members of the Board with financial and/or accountancy experience. The ARC met seven times in 2025.

The ARC oversees the internal audit activities of SBCI, which are based on a programme of work approved by the ARC and performed by the National Treasury Management Agency's ("NTMA") internal audit function.

The NTMA provides certain finance, human resources, legal, internal audit, risk, compliance, and procurement services to SBCI, as provided for under section 10 of the SBCI Act 2014, and as agreed in the service level agreement between the NTMA and SBCI. SBCI therefore depends to a significant degree on the controls operated by the NTMA. The NTMA has developed a comprehensive system of internal control, and any services provided to SBCI under the service level agreement are provided in accordance with the NTMA's system of internal control. SBCI has received written confirmation from the NTMA that its system of internal control in respect of the services provided to SBCI operated effectively for the financial year ended 31 December 2025.

Risk and Control Framework

SBCI has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, mitigate those risks.

A risk register is in place, which identifies the key risks facing SBCI, and these have been evaluated and graded according to their significance. All risks are assessed for their potential reputational and/or financial impact on SBCI. Where risks have been identified, controls are implemented to manage and mitigate those risks.

High level risks and trends are reviewed by the ARC at least semi-annually and by the Board at least once every financial year. The outcome of these reviews is used to plan and allocate resources to ensure risks are managed to an acceptable level. The Senior Leadership Team ("SLT") and control owners are required to attest on a semi-annual basis that, to the best of their knowledge, the controls noted in the risk register are in place and effective.

The risk register (i) details the controls and actions needed to mitigate risks and (ii) assigns responsibility for the operation of those controls and actions to specific SBCI staff. We confirm that the control environment contains the following elements:

- Documented procedures for key business processes.
- Systems ensuring the security of the information and communication technology systems.
- Regular review and assessment of financial assets.
- A comprehensive budgeting system including an annual budget which is reviewed and approved by the Board.
- Regular reviews of periodic financial reports which detail financial performance against forecasts.
- Formal project management disciplines.
- Adherence to the reporting requirements of the SBCI Protected Disclosures policy and the SBCI Anti-Fraud policy.

SBCI encourages a strong culture of risk awareness and transparency through robust risk governance, clear accountabilities, regular updates, and in-house, in-person and computer-based training. Policies form an integral part of managing risk within SBCI. We have in place an organisation-wide set of policies, frameworks and procedures covering the major parts of our business. They outline how we intend to function, taking account of regulatory or legal requirements and industry best practice. Policies are approved by the appropriate committees or Board, and communicated to staff. Colleagues are also subject to the NTMA Code of Conduct and annual compliance declarations.

Third Party Risk

SBCI relies on a number of critical outsourced service providers, including the NTMA, for the operational delivery of its services. There are third-party risk management policies and procedures in place to monitor and control the risks associated with this. Additionally, the loans provided to borrowers are through a lending partner model where a number of banks, non-banks, and credit unions grant those loans. Formal policies and procedures are in place to monitor and control any risks associated with the delivery of SBCI supports through its lending partners.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes. Any control deficiencies are communicated to those responsible for taking corrective action and to the management and the Board, where relevant, in a timely manner. We confirm that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified, and processes have been put in place to monitor the operation of those controls and report any identified deficiencies.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- There are regular reviews by the SLT and the Board of periodic/annual performance and financial reports which indicate performance against budgets/ forecasts.

Procurement

Procurement support is provided to SBCI by the NTMA. SBCI adheres to the NTMA Procurement Policy (published on the NTMA website) and associated procedures, which are consistent with the current Office of Government Procurement (OGP) guidelines.

In certain instances, it is deemed appropriate to obtain duly authorised exceptions from the policy and procedure (e.g., not run a competitive tender process); for example, in respect of services, supplies or works valued below the EU thresholds, for reasons of confidentiality, conflicts of interest, urgency, protection of intellectual property rights, sole source of supply etc. Such exceptions are approved by the Chief Executive Officer, in compliance with NTMA Procurement Policy. During 2025 there were no reportable exceptions.

Review of Effectiveness

We confirm that SBCI has procedures in place to monitor the effectiveness of its risk management and control procedures. SBCI's monitoring and review of the effectiveness of the system of internal control is informed by the work of the NTMA's internal audit function, the ARC which oversees its work, the senior management within SBCI responsible for the development and maintenance of the internal control framework and the Office of the Comptroller & Auditor General (C&AG).

We confirm that the Board conducted an annual review of the system of internal control for the year ended 31 December 2025.

Internal Control Issues

Credit Guarantee Schemes – Guarantee Premia

SBCI operates the Credit Guarantee Scheme 2012, the Credit Guarantee Scheme 2015 and the Credit Guarantee Scheme 2017 (together the "CGS") on behalf of the Minister for Enterprise, Tourism and Employment (the "Minister"). The guarantee agreements are between the Minister (as guarantor) and each of the three lending partners participating in the CGS (as beneficiaries). SBCI was appointed as Operator of the CGS by the Minister in October 2016, prior to which the CGS was administered by a third-party operator. Under the CGS, guarantee premia are collected by SBCI, (acting on behalf of the Minister), from the underlying borrowers and are then paid over to the Department of Enterprise, Tourism and Employment ("DETE").

Discussions are ongoing with DETE in respect of guarantee premia discrepancies identified during the 2024 fiscal period. These discussions, which commenced in 2025, concern i). borrower overpayments of €87k, and ii). under collected premia linked to defaulted loans with claims to the value of €1.071m.

HEULS

SBCI launched the Home Energy Upgrade Loan Scheme (HEULS) in 2024. In 2025, our Internal Auditors identified certain deficiencies in loan-eligibility data for a small number of HEULS loans. A review of these loans is currently in progress, and SBCI is engaging with key stakeholders to rectify the issue. No claims have been submitted to date in respect of any loans issued under the Scheme.

No further weaknesses in the system of internal control were identified in relation to the year ended 31 December 2025 that require disclosure in the financial statements.

Colin Moran
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18 June 2026

Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General Report
for presentation to the Houses of the Oireachtas

Strategic Banking Corporation of Ireland

Opinion on the Financial Statements

I have audited the financial statements of the Strategic Banking Corporation of Ireland (the company) for the year ended 31 December 2025 as required under the provisions of the Strategic Banking Corporation of Ireland Act 2014. The financial statements comprise

- the statement of comprehensive income
- the statement of financial position
- the statement of changes in equity
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the company at 31 December 2025 and of its income and expenditure for 2025
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the company and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions related to going concern

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going-concern basis of accounting by the directors and
- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

I have nothing to report in that regard.

Opinion on matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

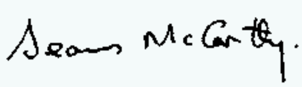
In my opinion, the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

Report on information other than the financial statements, and on other matters

The directors have presented certain other information with the financial statements. This comprises the annual report including the governance statement and Board members' report, the directors' report, the directors' responsibilities statement and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



Seamus McCarthy
Comptroller and Auditor General

22 June 2026

Appendix to the report

Responsibilities of the Directors

As detailed in the governance statement and Board members' report, the directors are responsible for

- the preparation of financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- 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.

Responsibilities of the Comptroller and Auditor General

I am required under section 19 of the Strategic Banking Corporation of Ireland Act 2014 to audit the financial statements of the company and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

Statement of Comprehensive Income

For the year ended 31 December 2025	**Note**	**2025 €000**	**2024 €000**
Interest income	5	6,557	9,528
Interest expense	6	(1,748)	(4,323)
Net interest income		**4,809**	**5,205**
Guarantee fee income	7	4,229	3,268
Guarantee fee expense	7	(3,974)	(2,993)
Other income	8	7,606	6,767
Operating expenses	9	(13,347)	(12,778)
Operating loss		**(677)**	**(531)**
Loss for the year		**(677)**	**(531)**
Realised and unrealised gain on investments	13	356	361
Other comprehensive income		**356**	**361**
Total comprehensive loss for the financial year		**(321)**	**(170)**

The accompanying notes form an integral part of the financial statements.

Approved and authorised for issue by the Board of Directors and signed on its behalf:

Colin Moran
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18 June 2026

Statement of Financial Position

As at 31 December 2025	Note	2025 €000	2024 €000
Non-current assets			
Intangible assets	12	2,099	1,870
Investments	13	6,921	6,565
Financial assets – loans and receivables	14	125,847	126,800
Other receivables	18	–	13
		134,867	135,248
Current assets			
Financial assets – loans and receivables	14	47,160	1,294
Other receivables	18	12,629	13,147
Cash and cash equivalents	15	44,851	104,947
		104,640	119,388
Creditors: amounts falling due within 1 year			
Funding and borrowings	19	–	(13,825)
Other liabilities	20	(161,466)	(162,449)
		(161,466)	(176,274)
Net current liabilities		**(56,826)**	**(56,886)**
Total assets less current liabilities		**78,041**	**78,362**
Net assets		**78,041**	**78,362**

Statement of Financial Position (continued)

As at 31 December 2025	Note	2025 €000	2024 €000
Capital and reserves			
Called up share capital presented as equity	23	85,000	85,000
Retained losses		(6,959)	(6,638)
Total equity		**78,041**	**78,362**

The accompanying notes form an integral part of the financial statements.

Approved and authorised for issue by the Board of Directors and signed on its behalf:

Colin Moran
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18 June 2026

Statement of Changes in Equity

For the Financial year ended 31 December 2025	**Share capital €000**	**Retained losses €000**	**Total equity €000**
Balance as at 1 January 2024	85,000	(6,468)	**78,532**
Total comprehensive loss for the year		(170)	**(170)**
Balance at 31 December 2024	**85,000**	**(6,638)**	**78,362**
Total comprehensive loss for the year		(321)	**(321)**
Balance at 31 December 2025	**85,000**	**(6,959)**	**78,041**

Approved and authorised for issue by the Board of Directors and signed on its behalf:

Colin Moran
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18 June 2026

Statement of Cash Flows

For the year ended 31 December 2025	**Note**	**2025 €000**	**2024 €000**
Cash flows from operating activities:			
Loans and receivables principal advances		(88,847)	(32,000)
Loans and receivables principal repayments received		44,000	51,500
Interest receipts		7,044	10,090
Interest payments		(257)	(1,363)
Scheme Income		4,014	4,435
Other income received		3,732	2,986
Counter guarantee claims		7,527	3,341
Scheme recoveries		610	1,065
Guarantee payments		(11,251)	(11,831)
Covid-19 Credit Guarantee Scheme/Ukraine Credit Guarantee Scheme repayments from DETE		5,675	3,698
Subsidy payments		(351)	(16)
Operating expenses paid		(16,520)	(17,672)
Management Fees Paid[5]		(996)	(996)
Net cash from operating activities		**(45,620)**	**13,237**
Cash flows from investing activities			
Purchase of intangible assets		(702)	(558)
Dividend income		36	31
Net cash used in investing activities		**(666)**	**(527)**

5 SBCI paid management fees of €996k (2024: €996k) to the European Investment Fund ("EIF") on behalf of the DAFM. The fees were costs of the DAFM and were paid from cash held on reserve by SBCI from the Agricultural Cashflow Support Loan Scheme.

Statement of Cash Flows (continued)

For the year ended 31 December 2025	Note	2025 €000	2024 €000
Cash flows from financing activities			
Funding loans repaid		(13,810)	(23,810)
Minister for Climate, Energy and the Environment funding		–	47,000
Net cash used in financing activities		**(13,810)**	**23,190**
Net increase in cash and cash equivalents		**(60,096)**	**35,900**
Cash and cash equivalents at 1 January		104,947	69,047
Cash and cash equivalents at 31 December	**15**	**44,851**	**104,947**

Notes to the Financial Statements

1. Reporting entity

SBCI is a company registered and domiciled in Ireland. SBCI was established pursuant to the SBCI Act 2014 and was incorporated under the Companies Acts 1963 to 2013 with registered number 549539 on 12 September 2014. SBCI avails of national and international sources of funding to support the provision of credit to enterprises and persons in Ireland through its lending partners.

SBCI was converted to a designated activity company under the Companies Act 2014 on 28 July 2016. The issued share capital of SBCI is owned solely by the Minister for Finance. SBCI's registered office is at Treasury Dock, North Wall Quay, Dublin 1, D01 A9T8.

2. Statement of compliance

SBCI's financial statements for the financial year ended 31 December 2025 have been prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland January 2022 with relevant amendments*, issued by the Financial Reporting Council in the UK, having elected to apply the recognition and measurement rules of IAS 39 Financial Instruments: Recognition and Measurement and in accordance with the Companies Act 2014.

3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 requires the use of estimates and judgements that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on a number of factors, including expectations of future events believed to be reasonable under the circumstances.

Management believes the underlying assumptions used are appropriate and SBCI's financial statements, therefore, present the financial position and results fairly.

The areas involving (i) a higher degree of judgement or complexity and (ii) areas where assumptions and estimates are significant to the financial statements are described below:

3.1. Key sources of estimates

The following are the key assumptions concerning future events and uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1.1. Loan impairment assessment

In line with the requirements of IAS 39 as permitted by FRS 102, SBCI reviews its portfolio of loans for evidence of impairment at the statement of financial position date. In determining whether an impairment loss should be recorded in the Statement of Comprehensive Income at the reporting date, SBCI uses internal and external sources of information to assess whether there is any evidence that an asset may be impaired (in line with IAS 39.59). Evidence may include the following:

- significant financial difficulty of the borrower.
- a breach of contract, such as a default in interest payments or principal repayments.
- the granting of a concession to the borrower for economic or legal reasons relating to the borrower's financial difficulty that would not otherwise be considered.
- where it is probable that the borrower will enter bankruptcy or another financial reorganisation.

If any objective evidence of impairment exists, SBCI performs a detailed impairment calculation on each loan individually to determine when an impairment loss should be recognised. The amount of the impairment loss is measured as the difference between the loan's carrying amount and the present value of the estimated cash flows discounted at the loan's original effective interest rate in line with IAS 39. The assessment is reviewed and approved by the SLT, including the Head of Risk and Governance, Head of Lending, Head of Finance and the CEO. See Note 14 for the carrying amount of the loans. An impairment charge of €Nil (2024: €Nil) has been incurred for the financial year.

3.1.2. Financial guarantee assessment

At each reporting date for the financial guarantees it has issued, SBCI considers whether payments under each guarantee are probable for a financial liability to be recognised in line with FRS 102.21. In order to assess the probability of a payment under a guarantee contract, SBCI reviews any relevant data to assess the amount of the loans which are at risk of defaulting and being subject to a claim by a lending partner.

A financial liability for any probable claims, which can be reliably measured, is recognised in the accounting records of SBCI. If a financial liability is recognised, and the financial liability amount is greater than the existing carrying amount, an adjustment is required to reflect the financial liability and recognise the difference in the Statement of Comprehensive Income. Where a financial liability cannot be reliably measured, a contingent liability is disclosed in the financial statements for the total amount payable under SBCI's financial guarantee contracts. See Notes 24 and 25.

3.1.3. Intangible asset useful life

The charge in respect of periodic amortisation is derived after determining an estimate of an asset's expected useful life. Changing an asset's expected life would result in a change in the amortisation charge. The useful lives of SBCI's assets are determined by management and reviewed at least annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives. See Note 12 for the carrying amount of intangible assets.

3.1.4. Recognition and measurement of investments

Investments in unquoted equity investments are measured at fair value which is the latest available audited share price of the underlying shareholdings. Where audited financial statements are not available, the latest available valuation from unaudited financial statements is used.

3.2. Significant accounting judgements in applying accounting policies

As management judgement involves an estimate of the likelihood of future events, actual results could differ from those estimates, which could affect the future reported amounts of assets and liabilities.

Apart from the estimates (see Note 3.1), SBCI was not required to make any additional significant judgements when applying its accounting policies.

4. Significant accounting policies

4.1. Basis of preparation

The financial statements are prepared on a going concern basis, and the Board is satisfied that SBCI will continue as a going concern for the foreseeable future.

In its consideration of whether accounting on a going concern basis is appropriate, the Board has had regard to the functions of SBCI as set out in the SBCI Act 2014 and in the Constitution of SBCI, and believes it is reasonable to assume that, given the purpose of the legislation, the State will take appropriate steps to ensure that SBCI is put in a position to discharge its mandate.

In this regard, at the end of the financial year, SBCI had €615.0m (2024: €615.0m) in undrawn funding facilities from three providers: the EIB, the Irish Strategic Investment Fund, and the NTMA.

The functions of SBCI are, inter alia, to provide, and promote the provision of, additional credit in a prudent manner to enterprises or other persons in the State, particularly SMEs, and to provide finance to projects which promote the economic development of the State. SBCI's activities are subject to risk factors including capital, credit, compliance, regulatory, legal, operational, strategic, liquidity and funding risk. The Board has reviewed these risk factors and all relevant information to assess SBCI's ability to continue as a going concern. Both the Board and ARC review key aspects of SBCI's activities on an on-going basis and review, whenever appropriate, the critical assumptions underpinning its long-term strategies.

The financial statements are presented in euro (€), which is SBCI's functional and presentational currency. The figures shown in the financial statements are stated in € thousands unless otherwise indicated. Where used, '000' or 'k' denotes thousand, and 'm' denotes millions. As permitted by paragraph 4 in Schedule 3 of the Companies Act 2014, the Directors have adapted the arrangements, headings and subheadings otherwise required by Profit and Loss Account Format 1 and Balance Sheet Statement Format 1 as the special nature of SBCI's business requires such adaptation.

4.2. Basis of measurement

The financial statements have been prepared on the historical cost basis modified by the inclusion at fair value of investments designated at fair value through other comprehensive income.

4.3. Interest income and expense

Interest income and expense for all financial instruments is recognised in the Statement of Comprehensive Income using the Effective Interest Rate ("EIR") method.

The EIR method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant financial period. The EIR is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument to the net carrying amount of the financial asset or liability. When calculating the EIR, SBCI estimates cash flows considering all contractual terms of the financial instrument.

Once a financial asset has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest income received on loans to lending partners is accounted for within operating activities in the Statement of Cash Flows as on-lending is a core operation of SBCI.

Interest income received on loan notes issued by SBCI is accounted for within operating activities in the Statement of Cash Flows and is classed as interest on loans and receivables in Note 5.

Interest expense paid on loans from funders is presented within operating activities in the Statement of Cash Flows. Interest expense paid on cash deposits and cash management products is presented within operating activities in the Statement of Cash Flows and is classed as other interest expense in Note 6.

4.4. Guarantee fee income and expense

Guarantee fee income relates to fees payable by participating lending partners in the Energy Efficiency Loan Scheme, the Future Growth Loan Scheme, Growth and Sustainability Loan Scheme, Home Energy Upgrade Loan Scheme, and the recognition of income from the relevant Government Departments relating to the Brexit Loan and COVID-19 Working Capital Loan Scheme and the Brexit Impact Loan and COVID-19 Loan Scheme. Guarantee fee income is recognised on an accruals basis and is presented within operating activities in the Statement of Comprehensive Income. The Guarantee fee income is calculated based on the agreed guarantee fee percentage of the outstanding loan balances for the quarter (or part thereof) covered by the guarantee in place.

Guarantee fee expense relates to fees incurred for counter guarantees for the Brexit Loan and COVID-19 Working Capital Loan Scheme, the Brexit Impact Loan and COVID-19 Loan Scheme, the Future Growth Loan Scheme, the Growth and Sustainability Loan Scheme, and the Home Energy Upgrade Loan Scheme that are paid to the EIF. The Guarantee fee expense is calculated based on the agreed guarantee fee percentage of the outstanding loan balances for the quarter (or part thereof) covered by the guarantee in place.

Financial guarantee contracts are contracts that require SBCI to make specified payments to reimburse the beneficiary for a loss the beneficiary incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt obligation. SBCI has issued financial guarantees to lending partners in respect of each of the:

(i) Brexit Loan and COVID-19 Working Capital Loan Scheme

(ii) Brexit Impact Loan and COVID-19 Loan Scheme

(iii) Future Growth Loan Scheme

(iv) Energy Efficiency Loan Scheme

(v) Growth and Sustainability Loan Scheme

(vi) Home Energy Upgrade Loan Scheme

These financial guarantees are initially recognised at fair value on the date that the financial guarantee is given. Subsequent to initial recognition, SBCI's liabilities under such guarantees are measured at the higher of the amount initially recognised less, where appropriate, cumulative amortisation and the best estimate of the expenditure required to settle any financial obligation arising pursuant to the guarantees at financial year end.

The best estimate of expenditure is determined in accordance with FRS 102.21. Financial guarantee liabilities correspond to the cost of settling the obligation, which is the expected loss, estimated on the basis of all relevant factors and information available to SBCI at financial year end. A financial liability arising from a financial guarantee contract is presented as provisions for liabilities in the Statement of Financial Position.

Any increase or decrease in the financial liability relating to financial guarantees, other than the payment of guarantee calls, is recognised in the Statement of Comprehensive Income. In circumstances where a financial liability is not required to be recognised, a contingent liability is disclosed in the financial statements for the total amount payable under SBCI's financial guarantee contracts (Note 24).

Counter-guarantees

Where some or all the expenditure required to settle a financial guarantee, liability is expected to be reimbursed pursuant to a counter-guarantee agreement, the reimbursement shall be recognised when it is certain that reimbursement will be received if SBCI settles the obligation. The counter-guarantee expense is recognised on an accruals basis and is presented within operating activities in the Statement of Comprehensive Income. The counter-guarantee expense is calculated on a total scheme basis and is based on the agreed counter-guarantee fee percentage on the outstanding scheme loan balances for the quarter (or part thereof) covered by the counter-guarantee in place.

SBCI recognises a reimbursement as a separate asset. SBCI nets off the impairment loss charge for the guarantee liability with the recoverable portion in the Statement of Comprehensive Income. Should a recovery not be recognised, then the financial statements disclose a contingent asset for the total amount recoverable under SBCI's counter-guarantee contracts (Note 25). SBCI has entered counter-guarantees with the EIF in respect of each of the following schemes:

(i) Agriculture Cashflow Support Loan Scheme

(ii) Brexit Impact Loan and COVID-19 Loan Scheme

(iii) Brexit Loan and COVID-19 Working Capital Loan Scheme

(iv) Energy Efficiency Loan Scheme

(v) Future Growth Loan Scheme

(vi) Growth and Sustainability Loan Scheme

(vii) Home Energy Upgrade Loan Scheme

4.5. Other income

SBCI recovers costs it incurs from the Minister for Enterprise, Tourism and Employment ("Minister for ETE") and/or the Minister for Agriculture, Food and the Marine ("Minister for AFM"), and/or the Minister for Climate, Energy and the Environment ("Minister for CEE") as operator for each of the below schemes:

(i) Agriculture Cashflow Support Loan Scheme

(ii) Brexit Impact Loan and COVID-19 Loan Scheme

(iii) Brexit Loan and COVID-19 Working Capital Loan Scheme

(iv) Credit Guarantee Scheme, COVID-19 Credit Guarantee Scheme and Ukraine Credit Guarantee Scheme

(v) Future Growth Loan Scheme

(vi) Growth and Sustainability Loan Scheme

(vii) Home Energy Upgrade Loan Scheme

Funding provided by the Minister for AFM and/or the Minister for ETE to SBCI are released to the Statement of Comprehensive Income as costs relating to the schemes are incurred. The Home Energy Upgrade Loan Scheme administrative costs are paid directly from the Minister for CEE to SBCI with no funds being held by SBCI in relation to these costs.

Pursuant to guarantee agreements granted by SBCI to those lending partners participating in the Energy Efficiency Loan Scheme, SBCI recognises income from those participating lending partners in the form of a guarantee fee income. The guarantee fee is charged so as to (i) partially cover the credit risk and (ii) partially recover the costs incurred by SBCI in granting the guarantee agreements under the Energy Efficiency Loan Scheme (Note 16.4). The Energy Efficiency Loan Scheme guarantee fee income is recognised on an accruals basis and is presented within operating activities in the Statement of Comprehensive Income. The guarantee fee income is calculated for each lending partner participating in the scheme based on the agreed fee percentage of their Energy Efficiency Loan Scheme average loan balances for the quarter (or part thereof).

4.6. Costs reimbursable to the NTMA

In accordance with section 10 of the SBCI Act 2014, the NTMA provides business and support services and systems to SBCI in addition to assigning staff to SBCI. Costs reimbursable to the NTMA are recognised on an accruals basis. These expenses are recovered from SBCI by the NTMA at cost. Further information on costs reimbursable to the NTMA is included in Note 9.1.

4.7. Financial instruments

SBCI recognises and measures its financial assets and financial liabilities in accordance with IAS 39 as permitted by FRS 102. SBCI determines the classification of its financial instruments at initial recognition.

4.8. Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, the loans are measured at fair value plus incremental direct transaction costs that are directly attributable to the issue of the loan. They are then subsequently measured at amortised cost using the EIR method as described in Note 4.3.

Investments

Investments in unquoted equity instruments are measured at fair value, which is based on the most recent audited share price of the investments. Where audited financial statements are not available, the latest available valuation from unaudited financial statements is used.

Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The Statement of Cash Flows shows the changes in cash and cash equivalents arising during the financial year from operating activities, investing activities and financing activities. The cash flows from operating activities are reported using the direct method, whereby major classes of gross cash receipts and gross payments are disclosed.

4.9. Financial liabilities

Funding and borrowings

Funding and borrowings are those loans drawn down by SBCI from its funders in order to support its on-lending activities. SBCI recognises these loans in its Statement of Financial Position on the date the loan is drawn down. These loans are measured initially at fair value plus incremental direct transaction costs that are directly attributable to the issue of the financial liability. They are subsequently measured at amortised cost using the EIR method as described in Note 4.3.

4.10. De-recognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets have also been transferred. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

4.11. Impairment of financial assets

SBCI assesses at the end of each financial period whether there is objective evidence that a financial asset or group of financial assets, measured at amortised cost, is impaired.

For loans and receivables, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original EIR. The amount of the impairment loss is recognised in the Statement of Comprehensive Income.

The loans to each lending partner are objectively assessed for evidence of impairment at the end of the financial period.

Objective evidence that a financial asset is impaired includes:

- significant financial difficulty of the lending partner.
- non-compliance by the lending partner with its respective loan covenants and undertakings, and any other terms and conditions imposed by SBCI.
- breaches of contract, such as default or delinquency in interest payments or principal repayments.
- signs that the lending partner will enter bankruptcy or other financial reorganisation.
- adverse changes in the status of the lending partner due to adverse national or local economic conditions or adverse changes in industrial conditions.

SBCI recognises interest income following impairment using the rate of interest used to discount the future cash flows in measuring that impairment. If, in a subsequent financial period, the amount of the impairment loss decreases due to an event occurring after the impairment was recognised, the previously recognised impairment loss will only be increased up to the amount that it would have been had the original impairment not been recognised. The amount of the reversal is recognised in the Statement of Comprehensive Income.

Where there is no further prospect of recovering the carrying value of a loan, or a portion of a loan, SBCI writes the amount that is not recoverable off against the related impairment loss (i.e. in this circumstance, there is no additional charge to the Statement of Comprehensive Income). Write-off of loan amounts must be approved by the SBCI Board (or relevant authorised Board Committee). Subsequent recoveries of amounts previously written off proportionately decrease the amount of the allowance for loan impairment in the Statement of Comprehensive Income.

4.12. Intangible assets

Intangible assets comprise software acquired by SBCI. They are measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised in the Statement of Comprehensive Income on a straight-line basis over its estimated useful life, from the date on which it is available for use. The estimated useful life of SBCI's current software is five years. This is the estimated period intangible assets will be used to generate economic benefits to SBCI and not be impacted by technological obsolescence.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. SBCI assumes that the residual value of its intangible assets is zero unless:

- there is a commitment by a third party to purchase the asset at the end of its useful life.
- there is an active market for the asset.
- residual value can be determined by reference to that market.
- it is probable that such a market will exist at the end of the asset's useful life.

At each reporting date, SBCI reviews the carrying amount of its software to determine whether there is any indication of impairment. If any such indication exists, these assets are subject to an impairment review.

The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount. The recoverable amount is determined as the higher of the fair value less costs of disposal of the asset and its value in use.

Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis. This discount rate reflects the current market assessment of the time value of money and the risks specific to the asset for which future cash flow estimates have not been adjusted.

The carrying value of the software is written down by the amount of any impairment and this loss is recognised in the Statement of Comprehensive Income in the financial period in which it occurs. A previously recognised impairment loss may be reversed in part or in full if the reasons for the impairment loss have ceased to apply. An assessment is carried out each period on whether there are any indications that an impairment loss may have ceased to exist or decreased. The carrying amount of the asset will only be increased up to the amount that it would have been had the original impairment not been recognised.

4.13. Other receivables

Other receivables which are due within one year are measured at the undiscounted amount of the cash or other consideration expected to be received.

4.14. Other Liabilities

Other liabilities are recognised when SBCI has a present legal or constructive obligation as a result of past events and it is probable that settlement will require an outflow of economic benefits. Other liabilities are measured at the amount expected to be settled.

Where other liabilities fall within the scope of Section 11 or Section 12 of FRS 102, they are classified as financial liabilities and are initially recognised at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

Short-term liabilities that are due within one year are presented as current liabilities. Longer-term obligations are presented as non-current liabilities.

4.15. Scheme Funding

Scheme funding represents amounts advanced by Government departments to compensate participating lending partners for eligible claims at agreed reimbursement percentages. Scheme funding is adjusted as claims and recoveries arise.

Where lending partners submit valid claims, the scheme funding balance is reduced to reflect the amounts payable. Conversely, where lending partners recover amounts previously claimed, the scheme funding balance is increased to reflect the recoveries due back to the Scheme.

Scheme funding is recognised as a financial liability in accordance with Section 11 of FRS 102, measured at the amount of funding received or repayable, adjusted for claims and recoveries incurred.

4.16. Provisions

A provision is recognised if, as a result of a past event, SBCI has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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.

4.17. Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably estimated. Contingent liabilities are not recognised but disclosed in the notes to the financial statements unless the probability of the transfer of economic benefit is remote. See Note 24.

4.18. Contingent assets

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. If the realisation of income becomes virtually certain then the related asset is recognised. See Note 25.

4.19. Leasing

Rentals under operating leases are charged on a straight-line basis over the lease term, to the Statement of Comprehensive Income in line with FRS 102 Section 27 Commitments.

5. Interest income

	2025 €000	2024 €000
Interest on loans and receivables	5,051	6,419
Other interest income	1,506	3,109
Interest income	**6,557**	**9,528**

Interest on loans and receivables relates to interest income from loans provided to lending partners.

Other interest income relates to bank interest earned on cash held on deposit during the financial year.

6. Interest expense

	2025 €000	2024 €000
Interest on funding and borrowings	242	1,222
Other interest expense	1,506	3,101
Interest expense	**1,748**	**4,323**

Other interest expense relates to interest earned on cash held on deposit during the financial year, which is paid to the relevant Government Department on whose behalf the funding is held.

7. Guarantee fee income and expense

Guarantee fee income

	2025 €000	2024 €000
Future Growth Loan Scheme	2,038	2,605
Growth and Sustainability Loan Scheme	1,508	426
Brexit Impact Loan and COVID-19 Loan Scheme	501	222
Home Energy Upgrade Loan Scheme	182	13
Brexit Loan and COVID-19 Working Capital Loan Scheme	–	2
Guarantee fee income	**4,229**	**3,268**

Guarantee fee income relates to fees payable by participating lending partners in the Future Growth Loan Scheme, the Growth and Sustainability Loan Scheme, the Home Energy Upgrade Loan Scheme and the recognition of income from the relevant Government Departments relating to the Brexit Impact Loan and COVID-19 Loan Scheme and the Brexit Loan and COVID-19 Working Capital Loan Scheme.

Guarantee fee expense

	2025 €000	2024 €000
Future Growth Loan Scheme	2,197	2,385
Growth and Sustainability Loan Scheme	1,105	385
Brexit Impact Loan and COVID-19 Loan Scheme	501	222
Home Energy Upgrade Loan Scheme	125	9
Brexit Loan and COVID-19 Working Capital Loan Scheme	–	(39)
Guarantee fee expense	**3,928**	**2,962**
Financial Counter-guarantee expense	46	31
Total Guarantee Fee expense	**3,974**	**2,993**

Guarantee fee expense relates to fees incurred for counter guarantees for the Brexit Impact Loan and COVID-19 Loan Scheme, the Brexit Loan and COVID-19 Working Capital Loan Scheme, the Future Growth Loan Scheme, the Growth and Sustainability Loan Scheme, and the Home Energy Upgrade Loan Scheme that are paid to the EIF.

Financial counter-guarantee income and expense

	2025 €000	2024 €000
Counter guarantee income		
Agriculture Cashflow Support Loan Scheme	(18)	7
Brexit Impact Loan and COVID-19 Loan Scheme	1,726	3,210
Brexit Loan and COVID-19 Working Capital Loan Scheme	(81)	594
COVID-19 Credit Guarantee Scheme/Ukraine Credit Guarantee Scheme	8,269	5,430
Energy Efficiency Loan Scheme	46	32
Future Growth Loan Scheme	3,498	5,097
Growth and Sustainability Loan Scheme	612	–
Counter guarantee expense		
Agriculture Cashflow Support Loan Scheme	18	(7)
Brexit Impact Loan and COVID-19 Loan Scheme	(1,726)	(3,210)
Brexit Loan and COVID-19 Working Capital Loan Scheme	81	(594)
COVID-19 Credit Guarantee Scheme/Ukraine Credit Guarantee Scheme	(8,269)	(5,430)
Energy Efficiency Loan Scheme	(92)	(63)
Future Growth Loan Scheme	(3,498)	(5,097)
Growth and Sustainability Loan Scheme	(612)	–
Financial counter-guarantee expense	**(46)**	**(31)**

Counter guarantee income relates to income due on claims which are recovered from the relevant Government Departments as well as EIF. Counter-guarantee expense relates to claims paid to lending partners under the guarantee schemes. For the Energy Efficiency Loan Scheme, the counter guarantee is supported by EIF and SBCI.

In 2024, SBCI and DETE agreed that SBCI would process the payment of all lending partner claims for each of the COVID-19 Credit Guarantee Scheme and the Ukraine Credit Guarantee Scheme. All payments are processed through SBCI's bank account and DETE reimburses SBCI for all claims paid.

On 31 December 2025, SBCI has considered whether payments under its financial guarantees are probable and whether receipts under its financial counter guarantees are recognisable. SBCI recognises €14.1m (2024: €14.4m) of counter guarantee expenses in the period.

This is offset by €14.1m (2024: €14.4m) of counter guarantee income of which €1.3m (2024: €2.3m) derives from pre-funding from the relevant Government Departments, €4.5m (2024: €6.6m) derives from income from the EIF counter guarantee and €8.3m (2024: €5.5m) which is reimbursed from DETE for guarantee claim payments made on the COVID-19 Credit Guarantee Scheme and the Ukraine Credit Guarantee Scheme.

8. Other income

	Note	2025 €000	2024 €000
Scheme Income	8.1	6,928	6,363
Miscellaneous income	8.2	211	249
Energy Efficiency Loan Scheme income	8.3	116	143
Interest subsidy recovered		351	12
Other income		**7,606**	**6,767**

Other income relates to costs recovered in relation to the various schemes operated on behalf of the various Government Departments and other income outlined further below in 8.1, 8.2 and 8.3.

8.1. Scheme Income

SBCI operates schemes on behalf of the DAFM, DETE and the Department of Climate, Energy and the Environment (DCEE). SBCI recovers all costs for its role in operating the below schemes. Further details on each scheme are included below:

Scheme Name	Agreement Date	Government Department	Admin Costs Recovered 2025 €000	Admin Costs Recovered 2024 €000
Agriculture Cashflow Support Loan Scheme	20 December 2016 (amended 20 August 2020)	DAFM	–	35
Brexit Impact Loan and COVID-19 Loan Scheme	7 September 2021	DAFM & DETE	412	368
Brexit Loan and COVID-19 Working Capital Loan Scheme	15 December 2017 (amended 27 November 2020)	DAFM & DETE	164	57
Credit Guarantee Scheme / COVID-19 Credit Guarantee Scheme	Credit Guarantee Scheme: 13 October 2016 (amended 14 May 2019) COVID-19 Credit Guarantee Scheme: 28 September 2020	DETE	986	924
Future Growth Loan Scheme	21 December 2018 (amended 24 July 2020)	DAFM & DETE	649	744
Growth and Sustainability Loan Scheme	15 December 2022 (amended 14 September 2023)	DAFM & DETE	1,017	1,295
Growth and Sustainability Loan Scheme – Series 2	Agreement not yet signed	DAFM & DETE	995	–
Home Energy Upgrade Loan Scheme	11 June 2024	DCEE	1,895	2,315
Ukraine Credit Guarantee Scheme	4 August 2023 (amended 1 August 2024)	DETE	810	625
	TOTAL		**6,928**	**6,363**

8.2. Miscellaneous Income

	2025 €000	2024 €000
Lending partners loan arrangement fees	139	162
Reimbursement of third-party costs incurred by SBCI	36	56
EIF dividend income	36	31
Miscellaneous income	**211**	**249**

8.3. Energy Efficiency Loan Scheme Income

Under guarantee agreements granted by SBCI to those lending partners participating in the Energy Efficiency Loan Scheme, SBCI recognises income from those lending partners in the form of a guarantee fee. The guarantee fee is charged so as to (i) partially cover the credit risk and (ii) partially recover the costs incurred by SBCI in granting the guarantee agreements under the Energy Efficiency Loan Scheme. SBCI did not receive any funding from any Government Minister to support the development, establishment, and/or ongoing operation of the Energy Efficiency Loan Scheme.

9. Operating expenses

	Note	2025 €000	2024 €000
Costs reimbursable to the NTMA	9.1	10,633	9,455
Other expenses	9.2	1,775	2,880
Amortisation	12	489	318
Board fees	10	99	113
Scheme interest subsidy expenses	9.3	351	12
Operating expenses		**13,347**	**12,778**

9.1. Costs reimbursable to the NTMA

	Note	2025 €000	2024 €000
NTMA staff costs	9.3.1	5,992	5,436
Business services	9.3.2	4,407	3,849
Professional fees		234	170
Cost reimbursable to the NTMA		**10,633**	**9,455**

9.2. Other expenses

Other expenses are comprised of all other expenses paid directly by SBCI. These primarily comprise marketing costs €0.6m (2024: €1.0m) and legal and professional fees €0.8m (2024: €1.6m).

9.3. Agriculture Cashflow Support Loan Scheme and Home Energy Upgrade Loan Scheme interest subsidy expenses

The Agriculture Cashflow Support Loan Scheme and the Home Energy Upgrade Loan Scheme interest subsidy is comprised of expenses incurred by SBCI in providing an interest rate subsidy to participating lending partners in the Agriculture Cashflow Support Loan Scheme and the Home Energy Upgrade Loan Scheme.

9.3.1. NTMA staff costs

NTMA staff costs include the remuneration (inclusive of pension costs), and other staff related costs, such as temporary staff costs, recruitment costs and staff training costs, of the NTMA staff directly assigned to SBCI. All employee benefits costs have been expensed during the financial year and accordingly no costs were capitalised.

9.3.2. Business services

Business services costs are comprised of costs incurred during the financial year in relation to the premises occupied by SBCI and the cost of support services provided by the NTMA.

9.4. Remuneration

The following remuneration disclosures are required under the Code of Practice for the Governance of State Bodies (2016), as amended:

9.4.1. Aggregate employee benefits

	Note	2025 €000	2024 €000
Staff short-term benefits	9.4.2	4,567	4,182
Employer's contribution to social insurance costs		485	452
Aggregate employee benefits		**5,052**	**4,634**

The total number of whole-time equivalent staff employed at year end was 51 (2024: 47). The average number of whole-time equivalent staff assigned to SBCI during the year was 49 (2024: 46). Pension costs incurred by SBCI during the financial year of €0.71m (2024: €0.63m) are included in NTMA staff costs in Note 9.1. Pension costs charged to the Statement of Comprehensive Income represent contributions made by SBCI to the NTMA scheme in accordance with actuarial recommendations. No amounts are included in these financial statements in relation to pension liabilities. The relevant assets and liabilities are recognised in the NTMA Administration Account.

9.4.2. Staff short-term benefits

	2025 €000	2024 €000
Basic pay	4,303	3,924
Performance related pay	195	192
Allowances	69	66
Staff short-term benefits	**4,567**	**4,182**

9.4.3. Key management personnel

	2025 €000	2024 €000
Board fees and management short-term benefits	1,092	1,010
Performance related pay	80	70
Allowances	53	48
Health insurance	5	4
Key management personnel	**1,230**	**1,132**

Key management personnel in SBCI consists of the members of the Board, the CEO and the SLT reporting directly to the CEO. The total value of staff benefits for key management personnel is set out above (excluding employer's contribution to social insurance costs).

This does not include the value of retirement benefits earned in the period. The key management personnel (excluding the Board) are members of the NTMA pension scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

9.4.4. Chief Executive Officer (CEO) salary and benefits

	2025 €000	2024 €000
June Butler (CEO, resigned 31 January 2026)		
Salary	250	250
Performance related pay	–	38
Annual taxable benefits	24	24
Contributions to the defined benefit retirement schemes	41	41
CEO salary and benefits	**315**	**353**

The amounts paid to the CEO are included in the costs reimbursable to the NTMA. The CEO is a member of the NTMA's pension scheme and their entitlements in that regard do not extend beyond the standard terms of the model public service pension scheme. June Butler resigned as CEO effective 31 January 2026.

Gardening leave is a contractual arrangement where the employee is not required to attend the workplace but continues to receive full salary and benefits until the contractual/agreed termination date. From the 24 October 2025 to the 31 January 2026 the CEO was placed on gardening leave, the costs of €59k are included in salary and benefits.

10. Board fees and expenses

An annual fee of €15,750 (2024: €15,750) is paid to certain Directors as specified by the Minister for Finance in accordance with the Constitution of SBCI. An annual fee of €31,500 (2024: €31,500) is paid to the Chairperson. The Directors received no other benefits or remuneration, including retirement benefits, as a result of their services to SBCI.

	2025 €	2024 €
Board member		
Birthe Bruhn-Leon	6,933	–
Barbara Cotter	–	5,164
Patrick Delaney	31,500	28,875
John Glennon	6,570	–
Elaine Hanly	15,750	13,147
Marguerite McMahon	15,750	15,750
Declan Murray	15,750	15,750
Richard Pelly	3,412	18,224
Eilis Quinlan	3,019	15,750
Board fees and expenses	**98,684**	**112,660**

The Chief Executive Officer, NTMA staff (Ian Black) and the Department of Finance official (Deirdre Donaghy), did not receive any remuneration in respect of their membership of the Board. Directors are reimbursed approved expenses on a vouched basis. Expenses relate to travel to attend meetings in SBCI's offices in Dublin. The expenses paid to Directors relate to travel and are included in operating expenses in Note 9.

11. Tax charge

SBCI is exempt from corporation tax by virtue of section 23(1)(b) of the SBCI Act 2014.

12. Intangible assets

	Cost €000	Accumulated amortisation €000	Carrying value €000
2025			
Balance as at 1 January 2025	**2,447**	**(577)**	**1,870**
Acquisitions	718		718
Disposals			
Amortisation		(489)	(489)
Balance at 31 December 2025	**3,165**	**(1,066)**	**2,099**
2024			
Balance as at 1 January 2024	**3,798**	**(2,310)**	**1,488**
Acquisitions	700	–	700
Disposals	(2,051)	2,051	–
Amortisation	–	(318)	(318)
Balance at 31 December 2024	**2,447**	**(577)**	**1,870**

There were no impairment losses incurred on the software assets during the current or prior financial year.

Intangible assets relate to IT software. Amortisation charged during the financial year is included in operating expenses in the Statement of Comprehensive Income. IT software of €718k (2024: €559k) continued to be under development at the financial year end in respect SBCI's customer management system ("SBCI Hub"). Phase one of the software development of the SBCI Hub became operational on 31 August 2022, phase two became operational in May 2024 and phase three became operational in January 2025. Amortisation of €489k (2024: €318k) was recognised on these assets during the financial year.

13. Investments

Shareholding in EIF

	2025 €000	2024 €000
Carrying amount at start of year	6,565	6,204
Unrealised gain on shareholding	356	361
Carrying amount at end of year	**6,921**	**6,565**

Investments comprise a shareholding in EIF which is intended to be held on an ongoing basis, but in accordance with the rules of IAS 39, has been classified for accounting purposes as "available for sale". SBCI holds a total of 10 shares (2024: 10 shares) at fair value of €6.9m (2024: €6.6m).

14. Financial Assets – loans and receivables

	2025 €000	2024 €000
Loans to lending partners – interest receivable	1,360	1,294
Loans to lending partners – current	45,800	–
	47,160	1,294
Loans to lending partners – non-current	125,847	126,800
Financial Assets – loans and receivables	**173,007**	**128,094**

The split of the loans to lending partners between secured and unsecured loans is as below:

	2025 €000	2024 €000
Secured	173,007	128,094
Unsecured	–	–
Financial Assets – loans and receivables	**173,007**	**128,094**

At the end of the financial year, SBCI had loans in issue to four lending partners (2024: three). None of these lending partners is a bank (2024: zero), all four lending partners are non-bank finance providers (2024: three). The remaining term of the lending partner loans in issue range from two years to five years and interest is charged by SBCI at 6-month Euribor plus a margin.

SBCI assesses at the end of each financial year whether there is objective evidence that the lending partner loans are impaired (see Note 4.11). Following the impairment assessment of the loans as at 31 December 2025, SBCI concluded that an impairment charge of €Nil (2024: €Nil) had been incurred. At the end of the financial year SBCI had €81.4m (2024: €112.2m) in undrawn loan commitments.

15. Cash and cash equivalents

	2025 €000	2024 €000
Cash and cash equivalents	**44,851**	**104,947**

The cash held by SBCI includes cash for operating activities and funding provided to SBCI to cover the costs of operating the

(i) Agriculture Cashflow Support Loan Scheme

(ii) Brexit Loan and COVID-19 Working Capital Loan Scheme

(iii) Brexit Impact Loan and COVID-19 Loan Scheme

(iv) Credit Guarantee Scheme, COVID-19 Credit Guarantee Scheme and the Ukraine Credit Guarantee Scheme

(v) Future Growth Loan Scheme

(vi) Growth and Sustainability Loan Scheme

(vii) Home Energy Upgrade Loan Scheme

See Note 16 for further information on these schemes (with the exception of (iv) above).

16. Risk management

SBCI aims to be risk aware and to actively manage its risks. The critical activities performed by SBCI, and the reliance placed on its good reputation means that there is a strong emphasis on implementing an appropriate range of risk controls.

SBCI aims to manage risks in an informed and proactive manner, in accordance with its risk appetite, such that the level of risk is consistent with the underlying business activity. Any new risks that materialise will be reviewed by SBCI and a decision will be made on the acceptance and management of those risks.

The risk categories identified and managed by SBCI in its day-to-day activities, and which potentially have the greatest impact on its financial statements, are credit risk and liquidity & funding risk (including market risk).

Risk management framework

The Board is responsible for setting SBCI's Risk Appetite and for overseeing and guiding risk management across SBCI. To this end, the Board has mandated that risk management be integrated and embedded into the tone and culture of SBCI.

The ARC is responsible for overseeing the implementation of the SBCI Risk Management Framework and seeks to ensure that SBCI's risk management governance model enables appropriate levels of independence and challenge. The ARC therefore reports to the Board independently.

SBCI's Risk Management Framework aligns with the principles of the Code of Practice for the Governance of State Bodies 2016.

SBCI relies on the services provided by the NTMA for certain elements of risk management, namely:

- business continuity management.
- compliance and legal services.
- internal audit services.

First line of defence:

The SLT is responsible for SBCI's day-to-day management and for ensuring that adequate controls are both in place and operating effectively. The SLT reports on this to the ARC. The key steps in the risk management process are:

- Identify risks that may affect or prevent SBCI from achieving its established objectives.
- For each risk identified, determine its impact and its probability of materialising.
- For each risk identified, determine whether the risk can be accepted in full or should be mitigated or avoided.
- For each risk identified, regardless of its impact or probability of occurrence, consider mitigating actions to reduce risk.
- Following the implementation of mitigating actions review the residual impact and probability of occurrence, as well as the criticality status of each risk identified.
- Review and monitor risk and mitigating actions on an on-going basis.

Second line of defence:

The SBCI Risk function and the NTMA Compliance function, in respect of specific areas of responsibility, provide independent challenge and oversight to ensure the effective implementation of the SBCI Risk Management Framework.

Third line of defence:

The third line of defence comprises of an internal audit function which provides independent, reasonable, risk-based assurance to key stakeholders on the robustness of SBCI's risk management system, its governance and the design and operating effectiveness of the internal control environment.

16.1. Capital Risk

SBCI is not subject to externally imposed capital requirements. SBCI is committed to ensuring it is adequately capitalised as there is a risk that inappropriate management of its capital could result in the inability to absorb any potential credit losses. SBCI's paid-up share capital as at 31 December 2025 is €85.0m (2024 €85.0m). In addition, SBCI has available callable capital of €165.0m (2024: €165.0m) which it may call on at its discretion from the Minister for Finance, as provided for in Section 11(6) of the SBCI Act 2014.

SBCI's capital management process includes adhering to the capital adequacy requirements of SBCI Risk Appetite Statement to ensure that it remains adequately capitalised to absorb any potential losses. The Board reviews the capital adequacy as part of its regular review of risk reporting at each scheduled Board meeting.

16.2. Credit Risk

Credit risk is the most significant risk to SBCI's business. Credit risk is the risk that one party to a financial instrument will cause loss for the other party by failing to pay its obligation. In other words, credit risk primarily arises from the potential failure of a lending partner to repay in full its borrowings to SBCI. SBCI is also exposed to credit risk in respect of guarantees issued to lending partners, counter guarantees obtained from the EIF, and cash balances held with deposit banks.

To achieve its key objectives and fulfil its mandate, SBCI must assume a certain level of credit risk.

As a fundamental principle, and in line with its Risk Appetite Statement, SBCI seeks to assume credit risk in a prudent manner that accepts the minimum level of credit risk required to achieve its objectives. SBCI, therefore, carefully manages its exposure to credit risk and this risk is measured, assessed, and controlled for all transactions.

SBCI endeavours to minimise its credit risk exposure by undertaking an extensive due diligence process in advance of any decisions to lend or provide guarantees. SBCI's credit risk management process includes:

- thorough assessment of each prospective lending partner, its management, operational capability, credit underwriting experience, financial performance, risk management, systems, product offering and repayment capacity.
- meetings with management.
- assessment of the financial performance of each prospective lending partner utilising available information, including audited accounts, management accounts and financial projections.
- independent commercial due diligence in respect of non-bank finance providers.
- independent legal due diligence.
- analysis of the lending partner's repayment capacity, including clear and reasonable demonstration of the lending partner's ability to meet its obligations and discharge SBCI debt in full.
- review and recommendation by the SBCI Credit Committee of each potential counterparty.
- obtaining adequate collateral in respect of loans (where appropriate), including fixed or floating charge security over assets of the lending partner.
- all credit decisions reserved to the Board, or appropriate committees of, or delegations by the Board.
- on-going monitoring and review of credit facilities.
- regular review of compliance with the respective covenants and undertakings and any terms and conditions imposed by SBCI.
- formal lending partner review process, which is carried out, at a minimum, on an annual basis on each approved counterparty.

- assessment of collateral requirements in the context of several factors including the financial strength of the lending partner.
- obtaining counter-guarantees and/or cash for loss reserves to cover, or partially cover, SBCI's guarantee liabilities.

The maximum exposure to credit risk for loans, cash and guarantees at 31 December 2025 is €375.7m (2024: €417.1m). This maximum exposure to credit risk is presented below per class of financial instrument, and includes the loan commitments of SBCI at financial year end:

	Note	2025 €000	2024 €000
Financial Assets – loans and receivables	14	173,007	128,094
Cash and cash equivalents	15	44,851	104,947
		217,858	**233,041**
Loan commitments		87,353	112,200
Guarantees[6]		70,442	71,834
Maximum exposure to credit risk for loans, cash and guarantees		**375,653**	**417,075**

SBCI issues credit guarantees to participating lending partners in respect of loans to qualifying businesses. SBCI's guarantees cover 80% of credit losses on a loan-by-loan basis.

The below table sets out the credit quality of SBCI's financial assets, some of which have been rated by Standard & Poor's. Non-rated relates to non-bank entities.

	2025 €000	2024 €000
AA	25,496	91,458
A+ to A-	19,355	13,489
BBB	–	–
Non-rated	173,007	128,094
Total	**217,858**	**233,041**

An important part of SBCI's mandate is to support competition in the SME credit market, which is achieved through providing low-cost, long-term funding to a range of SME credit providers, thereby providing more options for SMEs to access funding in the market. SBCI completes a thorough and detailed analysis on each lending partner before providing funding and regular reviews are completed on each lending partner throughout the lifetime of the funding.

There are times when the repayment profile of the funds that we provide to lending partners' may require to be amended to align with changes in the lending partners' business e.g., providing additional funding and/or extending funding terms to facilitate the growth in the lending partners' SME loan portfolio. Such amendments are a typical feature of wholesale funding, and SBCI completes a thorough and detailed analysis of the lending partners' business before agreeing to such amendments.

6 Guarantees exposures are calculated on the guarantee schemes SBCI operate and includes the first loss provision cash received from the relevant Government Department(s) which reduces SBCI's net exposure. In Note 24 and Note 25, the net contingent exposure is a liability of €138.7m (2024: €136.1m), this does not include the first loss provision cash received.

16.2.1. Concentration Risk (Credit Risk)

Concentration risk is the risk that SBCI is exposed to any single exposure or group of exposures that has the potential to produce losses large enough to threaten the ability of SBCI to continue operating as a going concern.

SBCI manages this risk by adhering to the limits set out in the Risk Appetite Statement which has been approved, and is regularly reviewed, by the Board. The Risk Appetite Statement defines the maximum amounts of credit facilities to be committed to certain categories of borrower, both in absolute terms and relative to SBCI's overall committed credit facilities. The Risk Appetite Statement also addresses the concentration risk among SBCI's funders by defining the maximum concentration permitted in terms of exposure to any one funder.

These measures are intended to ensure that the risk profile of the overall portfolio is appropriately diversified and not unduly exposed to excessive concentration of risk.

SBCI's key geographic concentration of risk assets is in Ireland and the key sectorial concentration of risk is to its lending partners, arising from its statutory mandate to make credit available to enterprises in the State, as set out in the SBCI Act 2014. SBCI's geographic concentration risk exposure from its loans and receivables in Ireland is €173.0m (2024: €128.1m).

SBCI's key concentrations of liabilities are to Irish and European funders.

16.3. Liquidity and Funding Risk

Liquidity risk is the risk that SBCI cannot meet its debt obligations. It is the risk of loss arising from a situation where there will not be enough cash to fund day-to-day operations and that SBCI will be unable to convert assets into cash in a timely manner. SBCI's liquidity risk management process includes:

- Adherence to SBCI's treasury policy and associated limits.
- Effective management of day-to-day funding requirements, including the monitoring of future expected cash flows, e.g. future lending commitments, to ensure that requirements can be met as they fall due.
- Asset and liability management by monitoring the maturity profile outlined in SBCI's Statement of Financial Position to ensure that sufficient cash resources are retained and/or funding established where mismatches are likely to occur, thereby minimising the impact of liquidity outflows.
- Managing liquidity risk by aligning, to the greatest extent possible, the maturity profile of SBCI's assets and liabilities thereby eliminating refinancing risk where possible. SBCI sources long-term floating rate funding from its funders, and where possible, it structures the tenor and repayment schedule of its loans to reflect that funding maturity profile.
- Maintaining a cash liquidity buffer to address any short-term liquidity needs that may arise.

The timing of the contractual repayments due by SBCI are summarised in the below table. The amounts presented are undiscounted. Other liabilities of €161.4m (2024: €162.4m) (see Note 20) are also included. Amounts due "within 1 year" consist of accrued interest, other liabilities, and principal loan repayments to funders. Amounts due after 1 year consist of principal loan repayments to funders.

	Within 1 year €000	1 to 5 years €000	After 5 years €000	Total €000
2025 repayments due	161,466	–	–	**161,466**
2024 repayments due	176,274	–	–	**176,274**

16.3.1. Market Risk (Liquidity and Funding)

Market risk is the risk that changes in market prices will cause the fair value or future cash flows of a financial instrument to fluctuate. SBCI's primary market risk comprises interest rate risk. Market risks may arise from open positions in interest rate products which are exposed to general and specific market movements, as well as changes in the volatility of interest rates. SBCI manages its market risk in accordance with SBCI's Treasury Policy and associated limits.

16.3.2. Interest Rate Risk (Liquidity and Funding)

SBCI is exposed to interest rate risk on its loans and receivables and cash and cash equivalents. Where possible, SBCI's lending facilities reflect the interest rate risk profile of the underlying funding agreements in order to minimise incidents of material interest rate mismatches. Any residual risk will be identified, monitored, and managed by SBCI.

Given that SBCI's current risk profile for both funding and on-lending is on a six-month floating rate basis, its interest rate risk exposure is closely monitored. Any mismatches that arise are largely offset as interest rates are re-fixed. In the event of a large re-fixing mismatch or where the bases of the fixings do not match, SBCI will seek to hedge these positions.

The amounts exposed to interest rate risk as at 31 December 2025 are detailed below:

	Note	2025 €000	2024 €000
Financial assets			
Cash and cash equivalents	15	44,851	104,947
Loans and receivables	14	173,007	128,094
Amounts exposed to interest rate risk		**217,858**	**233,041**
Financial liabilities			
Funding and borrowings		–	13,825

Interest rate risk sensitivity

Information provided by the sensitivity analysis below does not necessarily represent the actual change in fair value that SBCI would incur under normal market conditions because, due to practical limitations for calculation purposes, all variables other than the specific market risk factor are held constant.

The following table represents the interest rate sensitivity arising from a 50-basis point increase or decrease in the interest rate (6-month Euribor). The risk is measured as the net present value (NPV) impact on the cash flows of the loans receivable and payable because of that change in interest rates. The interest rates are set as at 31 December 2025. Management has determined that a fluctuation in interest rates of 50 basis points is reasonably possible based on the current interest rate environment.

Interest Rate Sensitivity Analysis – a 50bp move:

	+50bp €000	-50bp €000
2025		
Change in NPV of cash flows	(300)	303
2024		
Change in NPV of cash flows	(150)	150

The interest rate sensitivities may not be symmetric due to several factors including the maturity profile of the portfolio and the interest payment dates of the loans. The maturity profile of the portfolio is actively managed and will vary over time.

16.3.3. Currency risk (Liquidity & Funding)

SBCI is not directly exposed to currency risk, as all its funding and lending activities are denominated in euro.

16.4. Scheme Details

Under its risk-sharing schemes, SBCI has issued guarantees to participating lending partners in respect of loans made by those participating lending partners. As a result, SBCI is exposed to varying levels of credit risk depending on the particulars of the guarantee agreements in place. For all schemes the credit risk is offset by counter-guarantee agreements with the EIF and funding received from the relevant Government Department referred to below as First Loss Provision ("FLP"). Further details on the scheme status and current credit risk of each scheme are outlined below:

Scheme	Govt Dept	Status	Funding Received from Minister(s)	SBCI Guarantee	EIF Counter Guarantee %	Contingent Asset 2025 €000s	FLP Balance 2025 €000s	Contingent Liability 2025 €000s	Net Exposure 2025 €000s	Contingent Asset 2024 €000s	FLP Balance 2024 €000s	Contingent Liability 2024 €000s	Net Exposure 2024 €000s
Brexit Loan/ COVID-19 Working Capital Loan Scheme	DAFM/ DETE	Closed	€29.8m	80% of credit losses on a loan-by-loan basis subject to a maximum portfolio of €337.5m	50%	–	–	–	**Nil**	8	8,427	(17)	Nil
Brexit Impact Loan/ COVID-19 Loan Scheme	DAFM/ DETE	Closed	€27m	80% of credit losses on a loan-by-loan basis subject to a maximum portfolio of €315.0m	70%	53,984	15,661	(77,120)	**(7,475)**	80,939	16,297	(115,628)	(18,392)
Future Growth Loan Scheme	DAFM/ DETE	Closed	€42.5m	80% of credit losses on a loan-by-loan basis subject to a maximum portfolio of €800.0m	80%	196,992	27,421	(246,240)	**(21,827)**	255,598	27,731	(319,498)	(36,169)

Scheme	Govt Dept	Status	Funding Received from Minister(s)	SBCI Guarantee	EIF Counter Guarantee %	Contingent Asset 2025 €000s	FLP Balance 2025 €000s	Contingent Liability 2025 €000s	Net Exposure 2025 €000s	Contingent Asset 2024 €000s	FLP Balance 2024 €000s	Contingent Liability 2024 €000s	Net Exposure 2024 €000s
Growth and Sustainability Loan Scheme (See note 29)	DAFM/ DETE	Open	€28m	80% of credit losses on a loan-by-loan basis subject to a maximum portfolio of €500.0m	80%	230,080	18,300	(287,600)	**(39,220)**	131,533	18,300	(164,416)	(14,583)
Home Energy Upgrade Loan Scheme	DCEE	Open	€47m	80% of credit losses on a loan-by-loan basis subject to a maximum portfolio of €500.0m	80%	27,328	12,000	(34,160)	**Nil**	8,048	12,000	(10,060)	**Nil**
Energy Efficiency Loan Scheme	N/A	Closed	N/A*	80% of credit losses on a loan-by-loan basis subject to an overall portfolio cap of 15% and a maximum portfolio of €150.0m	50% subject to an overall portfolio cap of 15%	1,920	Nil	(3,840)	**(1,920)**	2,690	Nil	(5,380)	(2,690)
				Total		510,304	73,382	(648,960)	**(70,442)**	478,816	82,755	(614,999)	(71,834)

* SBCI did not receive any funding from any Government Minister to support the development, establishment, and/or ongoing operation of the Energy Efficiency Loan Scheme. SBCI is utilising its own funds in conjunction with the guarantee fees received from the lending partners participating in The Energy Efficiency Loan Scheme. The guarantee fee is charged so as to (i) partially cover the credit risk and (ii) partially recover the costs incurred by SBCI in granting the guarantee agreements under the Energy Efficiency Loan Scheme.

Government Department Index:

DAFM – Department of Agriculture, Fisheries and the Marine

DCEE – Department of Climate, Energy and the Environment

DETE – Department of Enterprise, Tourism and Employment

17. Fair value of financial assets and liabilities

17.1. Comparison of carrying value to fair value

The table below summarises the carrying amounts and fair values of the financial assets and liabilities on SBCI's Statement of Financial Position.

Level 1 – financial assets and liabilities measured using quoted market prices (unadjusted).

Level 2 – financial assets and liabilities measured using valuation techniques which use observable market data.

Level 3 – financial assets and liabilities measured using valuation techniques which use unobservable market data.

The fair values of these financial instruments are measured according to the following fair value hierarchy:

Financial assets	Carrying value €000	Level 1 €000	Level 2 €000	Level 3 €000	Fair value €000
2025					
Cash and cash equivalents	**44,851**	44,851	–	–	**44,851**
Other receivables	**12,629**	–	–	12,629	**12,629**
Financial Assets – loans and receivables	**173,007**	–	–	173,007	**173,007**
Shareholding in EIF	**6,921**	–	–	6,921	**6,921**
2024					
Cash and cash equivalents	**104,947**	104,947	–	–	**104,947**
Other receivables	**13,160**	–	–	13,160	**13,160**
Financial Assets – loans and receivables	**128,094**	–	–	128,094	**128,094**
Shareholding in EIF	**6,565**	–	–	6,565	**6,565**

Financial liabilities	Carrying value €000	Level 1 €000	Level 2 €000	Level 3 €000	Fair value €000
2025					
Other liabilities	**161,466**	–	–	161,466	161,466
Funding and borrowings	**–**	–	–	–	–
2024					
Other liabilities	**162,449**	–	–	162,449	162,449
Funding and borrowings	**13,825**	–	–	13,825	13,825

17.2. Fair value measurement principles

Loans and receivables, other receivables and funding and borrowings

The fair value of these financial instruments is equal to their carrying value due to the defined nature/purpose of these facilities. Carrying value is at amortised cost.

Shareholding in EIF

The fair value of this investment is determined using the latest available independent audited share price of the underlying shareholdings. Where audited financial statements are not available, the latest available valuation from unaudited financial statements is used.

18. Other receivables

	2025 €000	2024 €000
Scheme administration costs recovery due	2,530	2,088
Energy Efficiency Loan Scheme income receivable	29	71
DETE claims receivable	4,559	2,132
Guarantee fee income	2,334	2,207
Financial counter guarantee	2,943	5,866
Bank interest receivable	193	749
Prepayments within one year	41	34
Prepayments over one year	–	13
Other receivables	**12,629**	**13,160**

Bank interest receivable relates to the interest receivable on cash held on deposit during the year.

19. Funding and borrowings

	2025 €000	2024 €000
Funding and borrowings due within one year	–	13,825
Funding and borrowings	**–**	**13,825**

These funding liabilities have been guaranteed by the Minister for Finance, as is permitted under section 18 of the SBCI Act 2014.

At the end of the financial year, SBCI had loans outstanding with no funders (2024: one).

At the end of the financial year, SBCI had €615.0m (2024: €615.0m) in undrawn funding facilities from three providers the EIB, the Irish Strategic Investment Fund and the NTMA.

19.1. Reconciliation of movement in net debt position

	2025 €000
Net debt at 31 December 2025	
Cash and cash equivalents	44,851
Fundings and borrowings due within one year	–
Fundings and borrowings due after one year	–
Net debt at 31 December 2025	**44,851**

	2025 €000
Reconciliation of net cash flow to movement in net debt	
Net debt at 1 January 2025	91,122
Decrease in cash and bank overdrafts	(60,096)
Funding loans repaid	13,810
Movement in accrued interest payable	15
Net debt at 31 December 2025	**44,851**

20. Other liabilities

	2025 €000	2024 €000
Minister for AFM Scheme Funds		
Agriculture Cashflow Support Loan Scheme	6,231	11,042
Brexit Loan and COVID-19 Working Capital Loan Scheme	3,993	3,977
Brexit Impact Loan and COVID-19 Loan Scheme	8,519	9,105
Future Growth Loan Scheme	14,115	12,088
Growth and Sustainability Loan Scheme	11,663	7,727
	44,521	**43,939**
Minister for ETE Scheme Funds		
Brexit Loan and COVID-19 Working Capital Loan Scheme	5,989	5,966
Brexit Impact Loan and COVID-19 Loan Scheme	12,778	13,657
Future Growth Loan Scheme	21,173	24,095
Growth and Sustainability Loan Scheme	17,494	18,687
	57,434	**62,405**
Minister for CEE Scheme Funds		
Home Energy Upgrade Loan Scheme	47,679	47,473
	47,679	**47,473**
Amounts due to the NTMA	1,666	1,943
Counter guarantee fee payable	2,063	2,021
Claim accruals payable	7,186	3,728
Other miscellaneous liabilities	917	940
Other liabilities	**161,466**	**162,449**

The Agriculture Cashflow Support Loan Scheme closed on 31 December 2023, SBCI continues to retain these funds on behalf of the Minister for AFM.

The Brexit Loan and COVID-19 Working Capital Loan Scheme closed on 31 December 2024, SBCI continues to retain these funds on behalf of the Minister for AFM and Minister for ETE.

Other miscellaneous liabilities are comprised of Government Department payables, supplier payables, VAT payable and Deferred Income from lending partner management fees.

Note 16.4 sets out amounts advanced to SBCI by the Minister for AFM, the Minister for ETE and the Minister for CEE to support each scheme. SBCI uses the advances to cover scheme costs and recognises this as other income in Note 8. Funds that remain unutilised during the life of all ministerial schemes are repayable to the relevant Ministers. The Home Energy Upgrade Loan Scheme administrative costs are paid directly by the Minister for CEE to SBCI.

21. Maturity analysis of assets and liabilities

The below table presents the breakdown of those assets and liabilities which contain a non-current element which has a contractual right to be recovered or settled more than 12 months after the reporting date. Current amounts represent those to be settled within 12 months for each asset and liability.

	Current €000	Non-Current €000	Total €000
2025			
Financial assets			
Loans and receivables	47,160	125,847	173,007
Financial liabilities			
Funding and borrowings	–	–	–
2024			
Financial assets			
Loans and receivables	1,294	126,800	128,094
Financial liabilities			
Funding and borrowings	13,825	–	13,825

Note 16.3 provides further detail on the expected timescale of the settlement of those funding and borrowings which are due for repayment more than 12 months after the reporting date.

22. Auditor's remuneration

	2025 €000	2024 €000
Audit of financial statements	44	40

The C&AG (as external auditor) does not provide any other assurance, tax advisory or other non-audit services to SBCI.

23. Equity

The authorised share capital of SBCI is €250,000,000 divided into 250,000,000 shares of €1.00 each. In accordance with section 11 of the SBCI Act 2014, SBCI's authorised share capital may be increased to such other amount, up to a maximum of €1,000,000,000, as may be determined by the Minister for Finance by order from time to time.

As at 31 December 2025, the Minister for Finance had subscribed for, and holds, 85,000,000 (2024: 85,000,000) of SBCI's authorised shares. There is no other issued share capital.

24. Contingent liabilities

At the financial year end, SBCI has total contingent liability of €649.0m (2024: €615.0m) related to financial guarantee covering any credit losses covered under its schemes.

The table below provides a breakdown of the contingent liability under each scheme.

	2025 €000	2024 €000
Brexit Loan/COVID-19 Working Capital Loan Scheme	–	17
Brexit Impact Loan/COVID-19 Loan Scheme	77,120	115,628
Future Growth Loan Scheme	246,240	319,498
Growth and Sustainability Loan Scheme	287,600	164,416
Home Energy Upgrade Loan Scheme	34,160	10,060
Energy Efficiency Loan Scheme	3,840	5,380
Contingent liabilities	**648,960**	**614,999**

Under the terms of the various agreements, SBCI has issued guarantees to participating lending partners to cover a portion of credit losses as detailed below:

Scheme	Guarantee Type	Original Portfolio
Brexit Loan/COVID-19 Working Capital Loan Scheme	Partial Guarantees to cover 80% of credit losses	Max €337.50m
Brexit Impact Loan/COVID-19 Loan Scheme	Partial Guarantees to cover 80% of credit losses	Max €315.0m
Future Growth Loan Scheme	Partial Guarantees to cover 80% of credit losses	Max €800.0m
Growth and Sustainability Loan Scheme	Partial Guarantees to cover 80% of credit losses	Max €500.0m
Home Energy Upgrade Loan Scheme	Partial Guarantees to cover 80% of credit losses	Max €500.0m
Energy Efficiency Loan Scheme	Capped Partial Guarantees to cover 80% of credit losses	Max €150.0m

25. Contingent assets

SBCI has entered into counter-guarantee agreements with the EIF to partially offset guarantees granted by SBCI in respect of each of its schemes. At the financial year end, SBCI has a total contingent asset of €510.3m (2024: €478.8m). Recognition of contingent assets in respect of EIF counter guarantee arrangements is based on the enforceability at the reporting date. At 31 December 2025 exposures under the Growth and Sustainability Loan Scheme exceeded contractual portfolio limits under the relevant counter-guarantee arrangement.

The table below provides a breakdown of the contingent asset under each scheme:

	2025 €000	2024 €000
Brexit Loan/COVID-19 Working Capital Loan Scheme	–	8
Brexit Impact Loan/COVID-19 Loan Scheme	53,984	80,939
Future Growth Loan Scheme	196,992	255,598
Growth and Sustainability Loan Scheme (See note 29)	230,080	131,533
Home Energy Upgrade Loan Scheme	27,328	8,048
Energy Efficiency Loan Scheme	1,920	2,690
Contingent assets	**510,304**	**478,816**

26. Related parties disclosures

26.1 Related parties

Minister for Finance

The issued share capital of SBCI is owned solely by the Minister for Finance. The authorised share capital of SBCI may be increased from its current level of €250,000,000 to such other amount, up to a maximum of €1,000,000,000, as may be determined by the Minister for Finance by order from time to time pursuant to of section 11(1) of the SBCI Act 2014.

NTMA

The NTMA provides staff and business support services to SBCI. The costs incurred by the NTMA are charged to SBCI, in accordance with the terms of the Service Level Agreement between SBCI and the NTMA. In addition, the NTMA provides funding to SBCI.

Other Government controlled entities

The Ireland Strategic Investment Fund (ISIF) is a related party of SBCI as they are under the control of the Minister for Finance.

The Permanent TSB is a related party of SBCI as the Minister for Finance has influence over the entity. Permanent TSB acts as a participating partner in a range of SBCI supported loan schemes.

Government Ministers and Departments

The DAFM, the DETE and the DCEE together with their respective Ministers, are related parties of SBCI. The Irish State has control of each of the Departments and the Minister for Finance is the ultimate owner of SBCI.

Key management personnel

Key management personnel in SBCI are disclosed in Note 9.4.3.

Minister for Finance and ISIF Loan Facility

On incorporation of SBCI, the Minister for Finance was issued with 10 million ordinary shares of €1.00 each in the capital of SBCI for cash. Subsequently, the Minister for Finance was issued with the following additional ordinary shares of €1.00 each in the capital of SBCI:

- in February 2017 25 million; and
- in October 2020 50 million.

Both of the above share issuances were funded through the conversion to equity of €75.0m of loans advanced by the NTMA (as controller and manager of the ISIF) to SBCI (the ISIF Loan Facility). There is currently a €Nil balance on the ISIF Loan Facility (2024: €Nil), and the committed funding available under the ISIF Loan Facility is €165.0m.

26.2. Transactions and balances with related parties

NTMA recharge

The NTMA incurs costs for the running of SBCI, which it recharges to SBCI. The total of these costs for the financial year was €10.6m (2024: €9.5m). Further details in respect of these costs are disclosed in Note 9. Operating lease commitments are disclosed in Note 27. There is an amount of €1.7m payable (2024: €1.9m) to the NTMA at the end of the financial year.

Growth and Sustainability Loan Scheme

SBCI received a total of €nil (2024: nil) during the financial year from the Minister for AFM and from the Minister for ETE to be used in the Growth and Sustainability Loan Scheme. During the year, an intra-scheme transfer of €3.9m was made from the Agriculture Cashflow Support Loan Scheme to the Growth and Sustainability Loan Scheme. See Note 20 for further details on the Growth and Sustainability Loan Scheme and the funding received during the financial year.

Credit Guarantee Scheme//COVID-19 Credit Guarantee Scheme/Ukraine Credit Guarantee Scheme

During the financial year, SBCI recognised €1.8m (2024: €1.5m) of income for the recovery of its administration costs in its role as operator of schemes created under the Credit Guarantee Acts 2012 to 2022 on behalf of the Minister for ETE. €0.5m (2024: €0.5m) of this income was receivable by SBCI at financial year end.

Home Energy Upgrade Loan Scheme

During the financial year, SBCI received a total of €nil (2024: €47.0m) from the Minister for CEE to cover costs of the Home Energy Upgrade Loan Scheme which was launched in 2024 to support borrowers in Ireland that require funding to finance energy efficiency upgrades of their properties.

Microfinance Ireland

SBCI has issued loans of €nil (2024: €nil) to Microfinance Ireland (MFI) for the purpose of lending to Irish SMEs. MFI is a not-for-profit lender, established to deliver the Government's Microenterprise Loan Fund, reporting to the DETE. MFI has a €10m liquidity facility which is undrawn.

Key management personnel

Transactions with key management personnel are disclosed in Note 9.

27. Commitments

In February 2019, SBCI entered a lease for office accommodation located at 1 Treasury Dock, North Wall Quay, Dublin, D01 A9T8, until May 2033. Rental charges incurred in the period were €461k (2024: €292k). The nominal future minimum rentals payable under non-cancellable operating lease are as follow:

	2025 €000	2024 €000
Within one year	456	456
In two to five years	1,822	1,822
Over five years	1,089	1,544
Lease commitments	**3,367**	**3,822**

Effective 1 January 2025, SBCI relocated within Treasury Dock and acquired additional floor space as part of this relocation.

28. Disclosures of interest

SBCI is a prescribed public body for the purposes of the Ethics in Public Office Acts 1995 and 2001. There are also disclosures of interest requirements on Directors under the Companies Act 2014, SBCI's Constitution and the Code of Practice for the Governance of State Bodies (2016), as amended. SBCI has put in place procedures to assist Directors and members of staff in meeting their disclosure of interest obligations during the period under review.

29. Events after the end of the reporting period

The disclosures in the financial statements and related notes reflect events occurring after the balance sheet date.

Subsequent to year end, it became apparent that certain portfolio value notifications required in Q4 2025 under the terms and conditions of counter-guarantee contracts with the EIB had not been submitted. Accordingly, had on-lenders incurred losses on up to €33m of customer loans covered by the Growth and Sustainability Loan Scheme prior to the issue of the EIB Extension Notice in May 2026, associated claims for recompense could have fallen outside the scope of the counter-guarantee contract. While this gave rise to potential reputational risk for SBCI, SBCI would not have been legally exposed to loss under the contractual arrangements. No loss arose for any party, including SBCI, during the relevant period. Appropriate remedial actions have been implemented to ensure timely compliance with future EIB notification requirements.

June Butler resigned as CEO of SBCI effective 31 January 2026. Colin Moran was appointed as CEO effective 5 March 2026.

30. Comparative information

Certain comparative information has been reclassified for consistency with the current year disclosures.

In the prior year, the interest rate sensitivity disclosure within Note 16 was prepared using an incorrect interest rate shock assumption. The analysis was presented using a 1 basis point shock rather than the disclosed 50 basis point shock.

The comparative disclosure has been corrected in these financial statements to reflect the appropriate 50 basis point shock.

This correction relates to disclosure only and has no impact on the amounts recognised in the primary financial statements for either the current or prior periods.

31. Approval of the financial statements

The financial statements were approved by the Directors on 18 June 2026.

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SBCI

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