10 Years Supporting Irish Businesses

Anseo chun gnó a fhorbairt
Corparáid Baincéireachta Straitéiseach na hÉireann

Here to build business
Strategic Banking Corporation of Ireland

Annual Report and Financial Statements 2024

Contents

Our Purpose

A Decade of Impact: Enabling Growth and Innovation of Irish Businesses

Founded in 2014, the Strategic Banking Corporation of Ireland (SBCI) embarked on a mission to enhance the Irish finance market by promoting the provision of flexible, low-cost, long-term credit to Small and Medium Enterprises (SMEs) and by operating the Credit Guarantee schemes on behalf of the Department of Enterprise, Tourism and Employment. Our primary objective is to foster competition and innovation in the Irish finance market, ensuring that SMEs can access the funding they need when private sector options fall short. By harnessing national and European funding and distributing it through a network of trusted lending partners, we empower SMEs to invest, innovate and thrive, ultimately enriching the entire economy.

Over the past decade, we have delivered more than €4bn in funding to over 60,000 SMEs. We have established partnerships with 43 lending institutions, fostering greater competition and broadening access for borrowers. Our work has paved the way for a more dynamic, innovative and resilient business landscape in Ireland. Together we are building a brighter future for Irish businesses and the Irish economy.

Our Impact in 2024

Year to 31 December 2024

€570.0m
Total funding provided

4,794
Total borrowers supported

€119,060
Average Loan Size

Schemes Launched in 2024

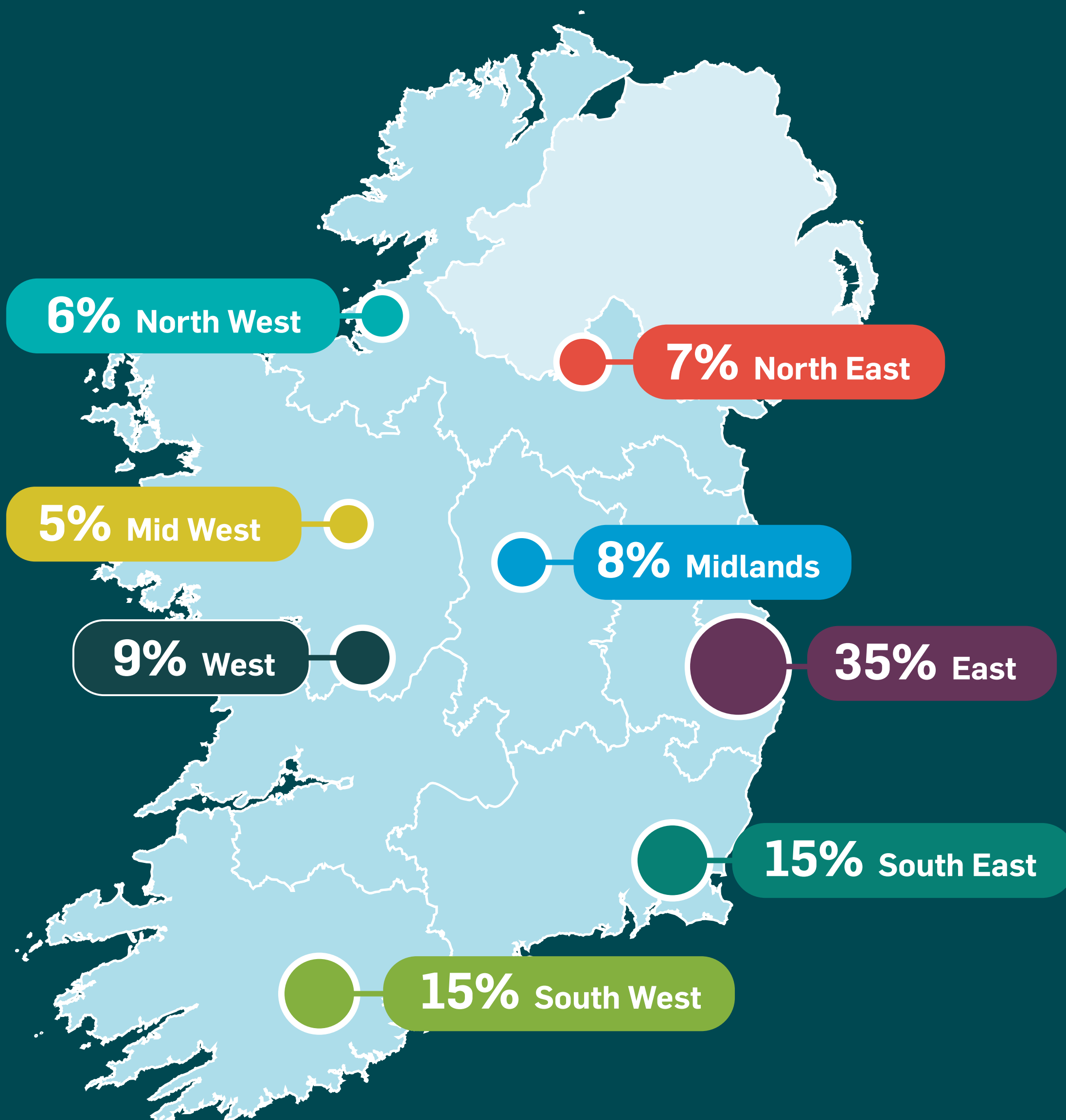
The €500m **Home Energy Upgrade Loan Scheme**, SBCI's first consumer product, which makes residential energy upgrades more accessible and affordable.

The €50m Business Venture Partners' **Green Transition Finance** product which supports the sustainable transition of Irish SMEs with loans available up to €5m.

The SBCI and Business Venture Partners (BVP) launch the new Green Transition Finance product. In attendance, the SBCI CEO, June Butler, Minister for Finance, Jack Chambers, the European Investment Bank Vice President, Ioannis Tsakiris, and BVP CEO, Elliott Griffin.

Geographical Spread

Number of Loans: % by Region
Year to 31 December 2024



Sectoral Spread

Year to 31 December 2024

18%
Wholesale & Retail

14%
Construction

14%
Agriculture

12%
Manufacturing

8%
Transport & Storage

6%
Professional & Technology

6%
Accommodation & Food

22%
Other

All-Ireland Business Summit 2024.

How We Work

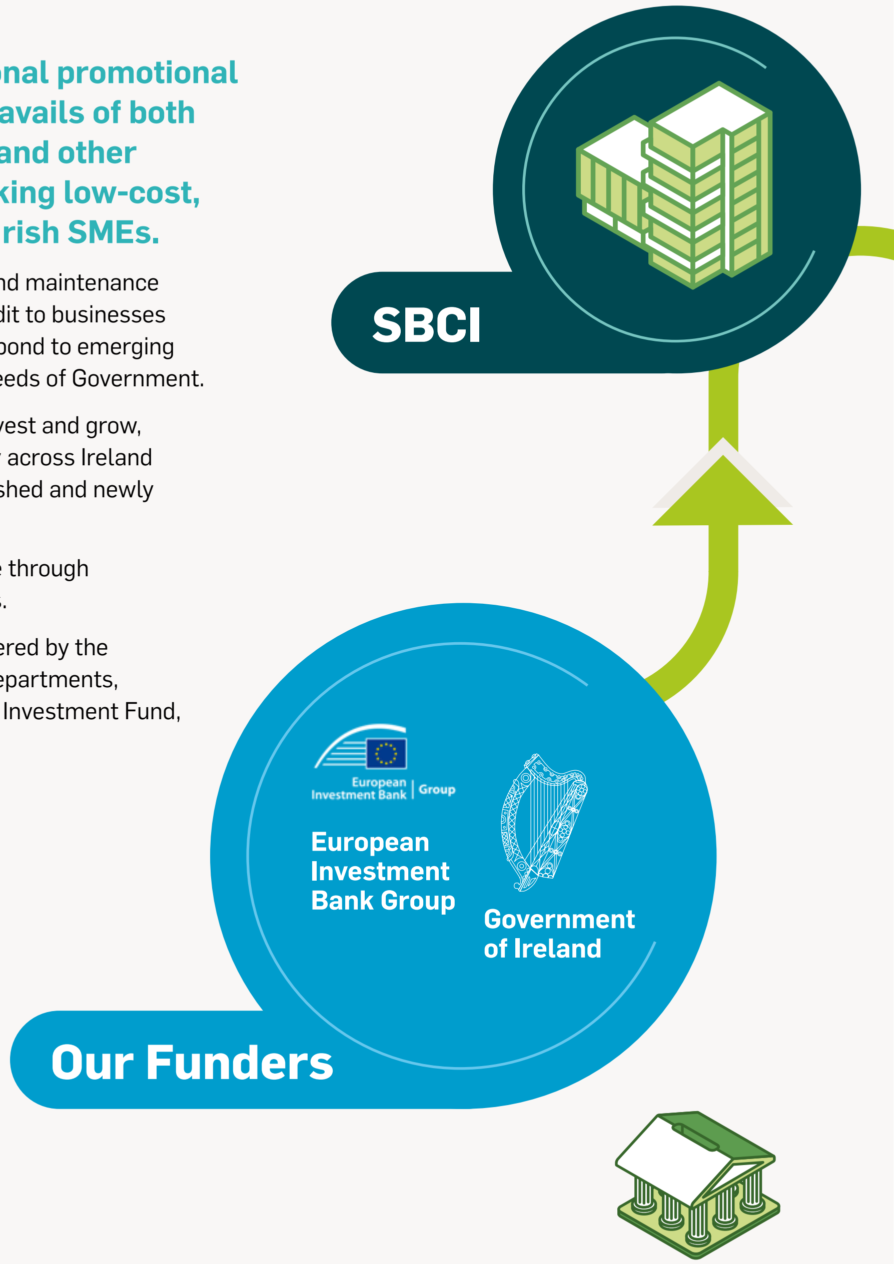
Established in 2014 as the national promotional institution for Ireland, the SBCI avails of both national and European funding and other supports for the purpose of making low-cost, longer-term credit available to Irish SMEs.

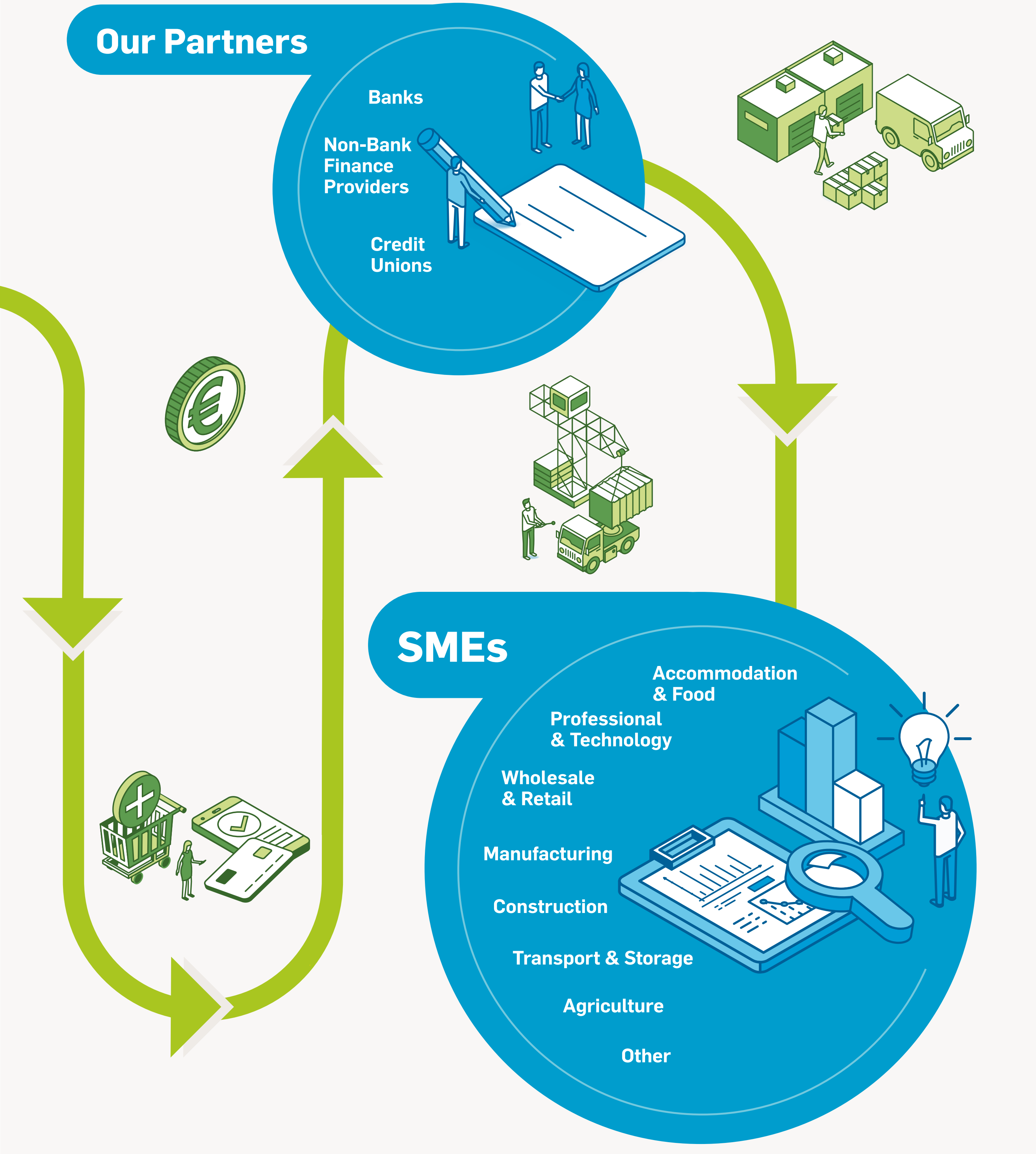
Our strategy is to support the development and maintenance of an effective market for the provision of credit to businesses in Ireland, while maintaining our ability to respond to emerging market dislocations and the policy delivery needs of Government.

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 thirty-nine finance 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.




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

As we mark the 10th anniversary of SBCI, it is a time to reflect on a decade of achievement and resilience. Over the past ten years, SBCI has played a pivotal role in supporting Irish SMEs as they navigate an ever-changing economic landscape.

Our journey began with a clear mandate: to address market gaps in SME financing by providing innovative and accessible funding solutions.

> **"Today, I am proud to report that over the last decade, we have delivered over €4bn in funding to more than 60,000 businesses countrywide. These businesses form the backbone of our economy, driving job creation, innovation, and regional development."**

This milestone year also provides an opportunity to acknowledge the challenges we have faced together, including the disruptions caused by the Covid-19 pandemic, Brexit, and the conflict in Ukraine. Each challenge has underscored the importance of flexible and sustainable financial support. In response, SBCI has consistently evolved, introducing initiatives such as the Covid-19 Credit Guarantee Scheme, the Brexit Impact Loan Scheme, and the Ukraine Credit Guarantee Scheme, which have empowered businesses to invest in their future and contribute to Ireland's economic resilience. SBCI has also introduced innovative products to the market that have facilitated the strategic investment and growth of Irish SMEs, including the €500m Growth and Sustainability Loan Scheme and the €50m Business Venture Partners' Green Transition Finance product.

The SBCI sponsored the Sustainability Award at the SFA National Small Business Awards 2024.

"Looking ahead, our commitment remains unwavering. As Ireland transitions to a more sustainable and digital economy, SBCI will continue to be a catalyst for growth for businesses. We will focus on fostering green innovation, supporting enterprises through digital transformation, ensuring that SMEs have an opportunity to thrive."

On behalf of the Board, I extend my gratitude to our partners, stakeholders, fellow Board members, particularly Barbara Cotter who completed her term in 2024, Eilis Quinlan and Richard Pelly, who completed their terms in 2025, and the dedicated SBCI team. Together, we will build on this strong foundation to meet the opportunities and challenges of the next decade.

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

CEO's Statement

As we celebrate 10 years of championing Irish businesses, SBCI is proud of the meaningful impact we have made to the Irish credit market.

We have adapted to the shifting challenges and opportunities facing Irish enterprises, consistently delivering against our three priorities: increasing access to finance, promoting sustainability and enabling SMEs to grow and prosper. Since 2014, SBCI funding has helped Irish businesses to thrive by facilitating lower interest rates, longer repayment terms and reduced collateral requirements. Our efforts have driven growth, spurred innovation, and built resilience for SMEs.

Our impact is evident in the stories of the diverse businesses we support, each contributing to Ireland's economic fabric. By filling market gaps and fostering competition within the financial ecosystem, we have helped to create an environment where SMEs have greater choice and flexibility in accessing funding. Examples include the €50m Green Transition Finance, which is an innovative new product launched by SBCI and Business Venture Partners in 2024. It offers flexible debt financing solutions of up to €5m to SMEs and Small Mid-Caps investing in green and sustainable projects and assets. The €500m Growth and Sustainability Loan Scheme, launched in 2023, continues to support the green and sustainable transition of SMEs and Small Mid-Cap companies.

> **"Our mission to support Irish businesses with accessible and affordable finance remains at the forefront of what we do. This year we expanded our range of financial supports ensuring SMEs and farmers across Ireland had access to funding to drive growth, innovation and sustainability."**

2024 Performance Overview

Through our lending partners we successfully delivered a range of schemes focussed on business expansion, resilience and climate action.

Our commitment to fostering a more competitive and sustainable lending market has remained at the core of our work. We partnered with three banks, nine non-bank financial institutions and twenty-seven credit unions in 2024 to support a wide choice of finance options for Irish SMEs and, in the case of the Home Energy Upgrade Loan Scheme, for Irish consumers. By continuing to collaborate with both traditional and alternative finance providers, we have enabled SMEs across a wide range of sectors to invest in their future with confidence.

Looking to the Future

As we look ahead to 2025, we remain focussed on our strategic priorities including enhancing access to finance, driving sustainability initiatives and supporting businesses in adapting to new economic challenges and opportunities.

Ireland's economic outlook is positive, with steady growth, decreasing inflation, and a robust labour market. However, challenges such as global geopolitical tensions, that could disrupt trade and economic stability, and high operational costs for businesses persist. Despite these, there are clear opportunities for growth, particularly through investment in digital infrastructure, technology and sustainable practices.

External financing is crucial for the growth and sustainability of Irish SMEs. By bridging the funding gap, we empower SMEs to expand their operations, enter new markets and invest in cutting-edge technologies.

Our strategic plan for 2025-2030 is crucial to fulfilling our mandate while building an organisation ready to meet future challenges and capitalise on opportunities. It unifies our vision, sharpens our focus and boosts collaboration, emphasising growth and innovation.

Our achievements over the past decade are a result of collaboration with our dedicated staff, the guidance of our Board, and the trust of our lending and policy partners. Most importantly, we are inspired by the determination and ingenuity of Ireland's SMEs.

As we celebrate our 10-year anniversary and set ambitious goals for the future, I am confident in SBCI's ability to continue driving meaningful impact for businesses and communities across Ireland. Together, we will build on this strong foundation of growth, sustainability, and innovation.

I would like to extend my sincere thanks to the Minister for Finance and our colleagues in the Department of Finance for their ongoing guidance and support. I also want to thank our partners in the Department of Enterprise, Tourism and Employment, the Department of Climate, Energy and the Environment, the Department of Agriculture, Food and the Marine, the European Investment Bank Group, and most importantly, the businesses that trust us to support their growth.

To our dedicated team and our Board at SBCI, your commitment and expertise have been instrumental in delivering on our mandate and I am grateful for your hard work and dedication throughout the year.

June Butler
Chief Executive Officer
Strategic Banking Corporation of Ireland

Our Strategy: 2024 Review

In 2024, we carried out the annual review of our Strategic Plan 2020-2025. This review involved an analysis of the current economic landscape and the Irish credit market, a review of Government policies and priorities, together with input from our key stakeholders. Based on this review, we prioritised the implementation of specific products and initiatives for 2024.

OUR VISION

Support economic development in Ireland by driving increased access to finance.

OUR MISSION

Support growth, prosperity and the transition to sustainability by driving competition, enabling innovation, and improving access to finance in the Irish credit market.

Our Impact Themes

- Increase access to finance
- Promote sustainability
- Enable SMEs to grow and prosper

Our Enablers

- Harness digital and data
- Build brand, insights, and relationships
- Support our people to be the difference
- Manage taxpayers' money effectively
- Robust and effective risk management

Our Key Areas of Focus

SBCI identifies funding gaps in the Irish credit market and collaborates with key stakeholders and business partners to develop innovative solutions to bridge these gaps. This helps Irish SMEs secure the necessary finance to invest in and grow their operations.

We support sustainability and the Government's Climate Action Plan by financing green investments and assisting businesses in transitioning to net zero, enabling them to thrive in a sustainable future.

We ensure that Irish SMEs can access the supports provided at both national and European levels. Additionally, we continue to expand our network of lending partners to enhance competition in the Irish credit market.

SBCI delivered two new products to the market in 2024:

- The €500m Home Energy Upgrade Loan Scheme, launched in April 2024
- The €50m Business Venture Partners' Green Transition Finance product, launched in September 2024

Our Strategy for 2025-2030

The Board has set the SBCI strategy for the next five years (**https://sbci.gov.ie/reports**). This plan leverages insights gained from market research and our stakeholders, identifies emerging trends and issues, and addresses the needs of the borrowers we serve. It emphasises sustainable growth and targets innovation.

Irish businesses face a dynamic landscape with both challenges and opportunities. Geopolitical tensions, inflation, and potential shifts in global economic policies create an environment where managing costs and maintaining competitiveness are crucial. Infrastructure expansion and climate change impacts require strategic planning and investment. Keeping up with rapid technological changes, and investing in research and development to drive innovation, are essential for operational efficiency and market relevance.

BUSINESS STORY

COMPANY NAME	Adams of Tralee
SECTOR	Retail (Car Dealer)
LOCATION	Co. Kerry
PURPOSE	Long-term Sustainability

ABOUT THE BUSINESS CASE

Des Adams, owner of the family business Adams of Tralee in Co. Kerry, utilized SBCI's low-cost, long-term funding to install solar panels and enhance the sustainability of his business. This investment has enabled Adams of Tralee to reduce energy bills, offer free electric vehicle charging to customers, and positively impact the local community's environment.

CUSTOMER FEEDBACK

I highly recommend other businesses explore the Growth and Sustainability Loan Scheme. It offers significant benefits for your business.

Des Adams, owner

However, these challenges also bring opportunities. Ireland's strong business environment continues to attract global partnerships. The shift towards a green economy opens new markets and enhances brand reputation. Embracing digital tools can drive productivity and innovation, while investing in education and skills development boosts workforce capabilities. Exploring new markets through trade diversification can reduce dependency on traditional markets and increase resilience.

While complex, these factors provide tangible areas for SBCI to target - benefitting economic development through to 2030 and beyond.

Our core mandate is:

- to provide credit and design financial products that support funding gaps for Irish borrowers
- to access and deploy funding available from EU and Government sources
- to promote competition among lenders and encourage new lenders to enter the market
- to support projects that boost the economy

The SBCI staff attend the Ideal Home Show in Dublin.

OUR 2025 PRIORITIES

We will continue to provide funding support to:

- SMEs seeking to invest in sustainability and/or drive business growth and competitive advantage with the continued deployment of the Growth and Sustainability Loan Scheme (GSLS).
- Homeowners that wish to improve the energy efficiency of their homes with the deployment of the Home Energy Upgrade Loan Scheme.

We are investing heavily in raising awareness of these products, through nationwide marketing campaigns across multiple channels, aiming to reach businesses and consumers who can benefit from these schemes.

We are continuing our digital transformation, with a focus on increased operational efficiency and enhanced customer experience, strong data management and streamlined reporting.

FUTURE INITIATIVES

As the Irish Government and the EU prioritise economic growth by fostering competitive conditions for businesses to thrive, facilitating access to sustainable finance, supporting scaling businesses and leading the green and digital transitions, the SBCI will continue to develop products that align with these policy priorities and address gaps in the Irish credit market.

The SBCI has secured additional guarantee capacity through the Invest EU programme to help fund these initiatives and will continue collaborating with European partners to identify and secure further EU funding. This support will benefit Ireland and Irish SMEs, driving business growth and economic development.

Environmental, Social and Governance

The core of SBCI's ESG Strategy is to support our positive environmental and social impact on the planet and our stakeholders, which include our customers, employees, 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

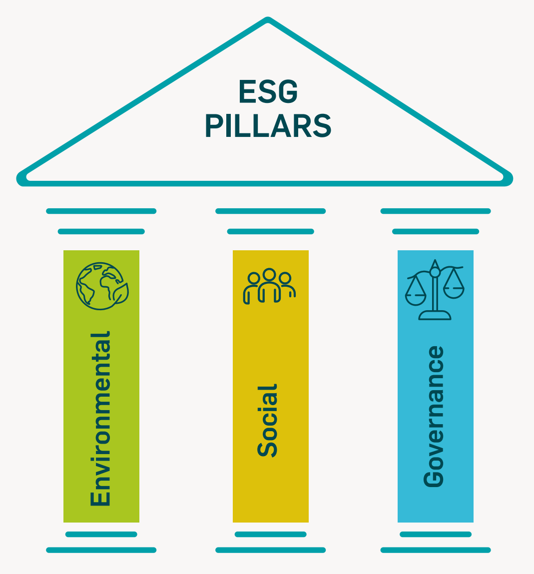
- Impact of our own operations
- Impact of our financing activity

Social

- Impact on our employees
- Impact on our customers
- Impact on our communities

Governance

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



Our Progress to Date

Environmental

Lending Activities

SBCI plays an important role in supporting the Irish Government in meeting its climate objectives, while also acting as a conduit between public and private sectors. We are actively integrating sustainability into our strategy and internal business decision-making processes.

Both the European Union and the Irish Government have set targets to reduce greenhouse gas emissions and transition towards a carbon-neutral and climate-resilient economy by 2050. SBCI launched two products to the market in 2024 that facilitate Irish businesses and consumers to invest in energy efficiency measures and drive the green transition:

- The €500m Home Energy Upgrade Loan Scheme supports homeowners and small landlords who wish to invest in the energy efficiency of their residential property. The delivery of this scheme is particularly important because of the close cooperation with the Sustainable Energy Authority of Ireland in terms of aligning available retrofit grants with HEULS loans.
- The €50m Green Transition Finance product supports Irish businesses to achieve their sustainability objectives as it provides competitive funding that increases access to capital for sustainable investments. Loans range from €500,000 to €5,000,000 for terms of up to 10 years, with competitive interest rates and flexible repayment terms tailored to support business growth.

The SBCI sponsors of the Sustainability Business of the Year Award at the 2024 National Digital Awards.

In addition to these new products, the Growth and Sustainability Loan Scheme, launched in 2023, has deployed €70m of funding used by SMEs to invest in green measures and continues to support eligible businesses, including farmers and fishers, to invest in their growth or environmental sustainability.

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 (CAP24), approved on 21 May 2024. 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 includes 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 June 2024 and is available on the NTMA website **https://www.ntma.ie/uploads/general/NTMA-Climate-Action-Roadmap-24.pdf**

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—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. As an employer, 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 gender profile as of 31 December 2024 is set out below:

Board	Female	Male	Govt. Target* (each gender)
Board	56%	44%	40%
Senior Leadership Team	60%	40%	N/A
All Employees	51%	49%	N/A

** Min. representation of each gender per Code*

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 corporate governance statement on page 20.

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.

Our journey has been guided by a steadfast commitment to fostering an environment where every individual can thrive personally and professionally. We have focused on making SBCI a great place to work—defined by collaboration, innovation, and purpose.

Investing in Our People

SBCI takes pride in being a workplace where ideas flourish, skills are cultivated, and careers are built. Through targeted professional development programs, mentorship initiatives, and access to industry-leading resources, we have empowered our team to stay at the forefront of financial innovation and policy implementation.

Volunteering and Community Impact

In 2024, team members from SBCI, along with their NTMA colleagues, completed the annual charity cycle, a highlight of our volunteering calendar. This event is a powerful reminder of our collective ability to make a difference—not just in the business community, but in society at large. The team raised €15,700 for Irish Therapy Dogs, a registered voluntary charity whose approved volunteers and their dogs visit the residents of an assigned Care Centre to bring them the therapeutic benefits of canine companionship.

In addition to the charity cycle, SBCI employees regularly volunteer their time and expertise to support local initiatives, further reinforcing our connection to the communities we serve.

Employee Resource Groups

Our ERGs are key to fostering an inclusive workplace. These groups provide a platform for employees to connect, share experiences, and advocate for positive change. Whether supporting mental health, celebrating cultural diversity, or promoting gender equity, our ERGs help ensure that every voice at SBCI is heard and valued. Team members are participating in 12 ERGs focused on a variety of topics.

EXTERNAL ENGAGEMENT

Collaboration lies at the heart of SBCI's mission. Over the past decade, our engagement with stakeholders at both national and European levels has been instrumental in shaping initiatives that support Irish businesses and advance Ireland's economic priorities. By fostering strong partnerships, sharing insights, and working toward common goals, SBCI has positioned itself as a trusted intermediary and thought leader in the SME finance ecosystem.

National Stakeholder Collaboration

In Ireland, our partnerships with key stakeholders - including government departments, SME representative bodies, government agencies, and lending partners - are foundational to the success of our work. Through close collaboration with stakeholders such as the Department of Finance, the Department of Enterprise, Tourism and Employment, the Department of Agriculture, Food and the Marine, the Department of Climate, Energy and the Environment, Enterprise Ireland, the SEAI, the Small Firms Association and other industry bodies, we develop and deliver schemes tailored to the needs of SMEs.

We actively engage with SMEs and their advisors, gathering insights and data through research, surveys, and market development reviews. This direct engagement provides us with a deep understanding of the challenges and opportunities facing Irish businesses, enabling SBCI to refine its offerings and inform strategic decision-making. Crucially, this data also supports the development of evidence-based Government policies that respond to the evolving needs of the market.

Our relationships with lending partners - including banks, non-bank financial institutions, and credit unions - further extend our reach. By partnering with diverse financial service providers, SBCI ensures SMEs across the country have access to affordable, flexible funding solutions that drive growth and innovation.

European Peer Engagement

At a European level, SBCI collaborates with leading institutions and networks to share expertise, enhance our capabilities, and align with best practices. As a member of key associations such as the European Long-Term Investors Association, the Network of European Financial Institutions for SMEs, and the European Association of Guarantee Institutions, SBCI contributes to discussions on SME financing and policy development at a European level.

Our engagement with European guarantors and funders, including the European Investment Bank (EIB) and the European Investment Fund, has been pivotal in delivering impactful guarantee and funding schemes in Ireland. These partnerships allow us to leverage international best practices and funding mechanisms, ensuring that Irish SMEs benefit from world-class financial supports.

This continuous cycle of collaboration - working with stakeholders, gathering insights, and implementing informed solutions - ensures that SBCI remains responsive to the needs of Irish SMEs while aligning with European standards and innovations.

BUSINESS STORY

COMPANY NAME	MedCode Healthcare Services
SECTOR	IT & Health Services
LOCATION	Limerick
PURPOSE	Working Capital and Business Expansion

ABOUT THE BUSINESS CASE

MedCode Healthcare Services is the first Irish outsourced clinical coding company of its kind, with 90% of its clients based in the US. When Covid-19 hit in March 2020, their market collapsed, and their staff was reduced from nearly 50 employees to just under 10. MedCode utilised the government's Covid-19 Credit Guarantee Scheme, which supported their working capital, enabled them to increase their market share in the US, and allowed them to expand and upskill their staff.

CUSTOMER FEEDBACK

My advice to other SMEs is to consider state-backed funding. It can be a game changer and a lifesaver for your business.

Dennis Barry, CEO

Governance and Corporate Information

Governance

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 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.

Linked Finance joins the Ukraine Credit Guarantee Scheme.

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:

- **Home Energy Upgrade Loan Scheme -** approval of guarantee allocations to lending partners.
- **Liquidity -** amendments to a €35m facility for a new lending partner and a €30m increase to an existing lending partner's facility.
- **Technology -** investment in SBCI's digital Hub platform.
- **Funding -** renewal of SBCI's existing funding facility, with €165m capacity available, from the Ireland Strategic Investment Fund, and approval of a new €200m funding facility from the EIB.
- **Strategy -** approval of SBCI's Strategic Plan 2025-2030.

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

BUSINESS STORY

COMPANY NAME	Dean Dairies Limited
SECTOR	Agriculture
LOCATION	Co. Cork
PURPOSE	Business Expansion

ABOUT THE BUSINESS CASE

Joe Dean, a dairy farmer in the Cork area, sought funding to secure the future growth of his business. The simple application process for SBCI funding made the entire process fast and easy. The favourable repayment terms and competitive interest rates suited his cash flow, allowing Joe to obtain the necessary funding to expand his business.

CUSTOMER FEEDBACK

I'd recommend the SBCI funding to other businesses. The process is very simple, and the unsecured element makes it highly attainable.

Joe Deane, owner

Directors

as at 31 December 2024

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
Nationality - Irish

MARGUERITE MCMAHON

Roles - Board member & Chairperson of the Remuneration Committee & Member of the Credit Committee
Date of appointment - 17 July 2020
Term - 5 Years
Nationality - Irish

RICHARD PELLY

Roles - Board member & Chairperson of the Credit Committee
Date of reappointment - 12 March 2020
Term - 5 Years
Nationality - British

EILIS QUINLAN

Roles - Board member & Chairperson of the Audit and Risk Committee
Date of reappointment - 12 March 2020
Term - 5 Years
Nationality - Irish

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 Credit Committee
Date of appointment - 12 May 2023
Term - 5 years
Nationality - Irish

DECLAN MURRAY

Roles - Board member & Member of the Audit and Risk Committee & Member of the Remuneration Committee
Date of appointment - 1 January 2024
Term - 5 Years
Nationality - Irish

ELAINE HANLY

Roles - Board member & Member of the Audit and Risk Committee
Date of appointment - 1 March 2024
Term - 5 Years
Nationality - Irish

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

BUSINESS STORY

COMPANY NAME	SustainabilityWorks
SECTOR	Professional Services
LOCATION	Dublin
PURPOSE	Business Expansion & Hire Staff

ABOUT THE BUSINESS CASE

SustainabilityWorks is an independent, mission-driven sustainability and ESG consultancy with a mission to accelerate Ireland's shift to a sustainable future. SustainabilityWorks has expertise across strategy`inance, innovation, communications and reporting and believes in connecting the dots for clients to make sustainability simple, to make it actionable and to make it work.

CUSTOMER FEEDBACK

We were delighted that the SCBI Growth and Sustainability Loan was available for our business. The loan has enabled us to grow our team and enhance our ability to support clients in navigating and managing increasing sustainability and ESG demands, whether stemming from regulatory, market, or customer pressures.

Laura Heuston, Co-Founder

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 Policy
- 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, 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 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 2024 and of the profit and loss of SBCI for the financial year ending 31 December 2024, and that they otherwise comply with the requirements of the Companies Act 2014 (as amended).

Launch of the Home Energy Upgrade Loan Scheme. In attendance, the SEAI CEO, William Walsh, Minister of State, Neale Richmond, Minister for the Environment, Eamon Ryan, Minister for Finance, Michael McGrath, SBCI CEO, June Butler, Head of the EIB Group Representation in Ireland, Kevin McKeon, Secretary General of the Department of the Environment, Oonagh Buckley, and PTSB Retail Banking Director, Patrick Farrell.

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 SBCI is also appointed by the Minister. Details of the Directors in place as of 31 December 2024 and 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 Board's performance evaluation was conducted by an external service provider in accordance with the requirements set out in the Code. In all other years dating back to 2016 this performance evaluation was conducted 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 32-35.

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 2024 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), Ian Black (NTMA) and Deirdre Donaghy (being the Department of Finance's representative on the Board) did not receive any remuneration in respect of their membership of the Board.

	Board	Audit and Risk Committee	Credit Committee	Remuneration Committee	Fees 2024 €	Expenses 2024 €
Number of Meetings	**8**	**5**	**5**	**2**		
June Butler	8		5		-	-
Patrick Delaney	8			1/1(p)	28,875	223
Marguerite McMahon	7/8		5	2	15,750	-
Richard Pelly	8		5		15,750	1,751
Eilis Quinlan	8	5			15,750	-
Ian Black	6/8		4/5		-	-
Deirdre Donaghy	8		5		-	-
Elaine Hanly	6/6(p)	4/4(p)			13,147	-
Declan Murray	8	5		2	15,750	-
Barbara Cotter	2/2(p)			1/1(p)	5,164	-

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

Key Personnel Changes

In 2024 Patrick Delaney, Declan Murray and Elaine Hanly were appointed to the Board while Barbara Cotter retired from the Board. Patrick Delaney took over the role of Board Chairperson on 1 March 2024 following Barbara Cotter's retirement.

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 €192k of performance-related payments for 2024.

BUSINESS STORY

COMPANY NAME	Azpiral
SECTOR	IT
LOCATION	Limerick
PURPOSE	Business Expansion

ABOUT THE BUSINESS CASE

Azpiral, a cloud-based customer engagement software platform based in Limerick, recognized the risks of relying solely on the UK market following Brexit. SBCI funding has enabled Azpiral to expand into new markets across Europe, reducing its dependence on the UK.

CUSTOMER FEEDBACK

The Brexit Loan Scheme has been very helpful to our business. It allowed us to fast-track our transition to a fully cloud-based service and scale up much quicker, enabling us to address multiple markets simultaneously.

John Ryan, Financial Director

BUSINESS STORY

COMPANY NAME	Tuscany Bistro
SECTOR	Hospitality
LOCATION	Co. Limerick & Co. Tipperary
PURPOSE	Business Expansion & Hiring New Staff

ABOUT THE BUSINESS CASE

Sabrina Amodeo started her business in 2003 by opening the first "Tuscany Bistro" in Castletroy, Co. Limerick. She followed this with a second restaurant in Ballina, Co. Tipperary, in 2012. SBCI funding has been critical for her business growth and further expansion.

CUSTOMER FEEDBACK

Applying for the SBCI loan was a seamless experience. It was one of the easiest processes I've ever gone through. Securing excellent funding for a business makes a huge difference; it helps you move forward and grow.

Sabrina Amodeo, owner

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €50,000 in 2024 are categorised into the following bands.

Range	No. of Employees
€50,001 to €75,000	13
€75,001 to €100,000	8
€100,001 to €125,000	9
€125,001 to €150,000	2
€150,001 to €175,000	1
€175,001 to €200,000	2
€200,001 to €225,000	0
€225,001 to €250,000	0
€250,001 to €275,000	0
€275,001 to €300,000	0
€300,001 to €325,000	1
€325,001 to €350,000	0
Total	**36**

Note: *For the purposes of this disclosure, short-term employee benefits rendered during 2024 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)

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.

	2024 €000	2023 €000
Legal advice	754	598
Financial advice	509	707
Marketing	979	543
Human resources	48	0
Other	224	7
Total consultancy costs	**2,514**	**1,855**

Consultancy costs capitalised	0	0
Consultancy costs charged to the Statement of Comprehensive Income	2,514	1,855
Total consultancy costs	**2,514**	**1,855**

Legal Costs and Settlements

Expenditure incurred in 2024 in relation to legal costs and settlements amounted to €Nil (2023 €Nil).

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows.

	2024 €000	2023 €000
Domestic		
Board	0	0
Employees	14	11
International		
Board	3	1
Employees	19	14
Total	**36**	**25**

Hospitality Expenditure

The Statement of Comprehensive Income includes €15.8k in respect of staff hospitality expenditure in 2024 (2023 €18.8k).

Public Sector Climate Action Mandate

The current 2024 Public Sector Climate Action Mandate was approved by Government in December 2023 and SBCI is required to report on compliance with the mandate annually. (See "Environmental, Social and Governance" on page 16)

The SBCI staff attend the Women in Agriculture Roadshow.

BUSINESS STORY

COMPANY NAME	Action24
SECTOR	Facilities Services
LOCATION	Dublin
PURPOSE	Business Expansion & Hiring New Staff

ABOUT THE BUSINESS CASE

Action24 started as a family-run business in Dundrum in 1991. SBCI funding has enabled them to expand their fleet of vehicles, grow their business, and hire more staff.

CUSTOMER FEEDBACK

I'd highly recommend the SBCI funding. The process was simple and very straightforward from my perspective.

Aaron Mooney, CEO

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.

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.

PTSB joins the Growth and Sustainability Loan Scheme.

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 AND THE 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 Oifig an Choimisinéara Teanga.

SBCI has complied with this obligation via an overall 5.34% Irish language channel marketing spend and 20% of advertising delivered in the Irish language during 2024, 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 2024, the members of the Committee were:

- Eilis Quinlan (Chairperson and Board member)
- Declan Murray (Board member)
- Elaine Hanly (Board member – appointed 1 March 2024)

The Committee met on five occasions in 2024.

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 Corporate Governance (including the Committee's Report), and Risk Management and Internal Control, for inclusion in the Annual Report.

Close Brothers joins the Growth and Sustainability Loan Scheme.

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 2024 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

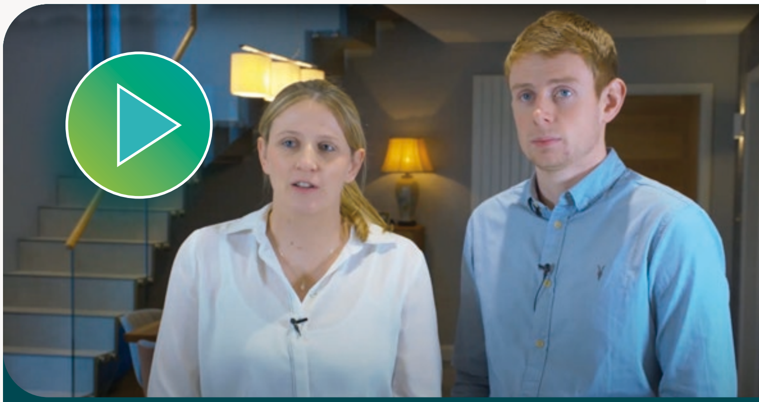
The Committee received regular reports from the internal auditor. It reviewed the key findings from the outcome of individual internal audit reviews completed under the 2024 risk-based internal audit plan and monitored the implementation of audit recommendations. It approved the 2025 internal audit plan and the NTMA Internal Audit Charter, as adapted for use in SBCI. The Committee reviewed the effectiveness of the internal auditor. The Committee 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 Policy and Framework. It discussed the Annual Review of the Risk Function, approved the Risk Management Plan for 2025 and monitored progress against the 2024 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.



BUSINESS STORY

COMPANY NAME	Wright Quarry Products
SECTOR	Construction
LOCATION	Co. Monaghan
PURPOSE	Research & Development

ABOUT THE BUSINESS CASE

Wright Quarry Products is a family-run business based in Rockcorry, Co. Monaghan. Since 1949, they have been supplying concrete materials to the agricultural and construction sectors. As a border business, they were significantly impacted by Brexit, with over 40% of their sales in Northern Ireland and mainland UK, and most of their raw materials sourced from Northern Ireland.

CUSTOMER FEEDBACK

I believe we were one of the first businesses to apply for the SBCI Brexit Loan Scheme. The purpose of the loan was to fund the transition from the R&D phase to revenue generation. We are targeting year-on-year growth.

Susanne Wright, Business Support Manager, & Stephen Wright, Business Development Executive

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 minor updates to 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, PwC, in respect of lending partners' reviews. It reviewed the key findings from the outcomes of individual lending partners' reviews completed under the 2024 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 2025 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 of four non-executive members of the Board, together with the SBCI CEO.

During 2024, the members of the Committee were:

- Richard Pelly (Chairperson and Board member)
- June Butler (CEO and Ex officio Board member)
- Deirdre Donaghy (Board member)
- Marguerite McMahon (Board member)
- Ian Black (Board member)

The Committee met on five occasions in 2024.

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 also reviewed the Credit Risk Policy and the Committee's Terms of Reference and recommended amendments to both items to the Board.

The SBCI staff meeting with Irish businesses.

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 2024, the members of the Committee were:

- Marguerite McMahon (Chairperson and Board member)
- Declan Murray (Board member)
- Barbara Cotter (Board member – resigned 29 February 2024)
- Patrick Delaney (Board member – appointed 1 March 2024)

The Committee met on two occasions in 2024. It reviewed and recommended the total amount of performance-related payments for 2024. It also reviewed the Remuneration Policy and the Committee's Terms of Reference and recommended minor amendments to both to the Board.

BUSINESS STORY

COMPANY NAME	Happy Days
SECTOR	Retail (Fashion)
LOCATION	Dublin
PURPOSE	Business Growth

ABOUT THE BUSINESS CASE

Founded by Rachel Hennessy in 2021, Happy Days is a Dublin-based fashion rental company. The company is committed to inclusivity and sustainability, aiming to provide an innovative, circular approach to accessing fashionable items for special occasions.

CUSTOMER FEEDBACK

I highly recommend looking into an SBCI scheme. It's a straightforward way to secure funding and grow your business.

Rachel Hennessy, owner

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 the 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 function 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, currently 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.

BUSINESS STORY

COMPANY NAME	Dromad Hire
SECTOR	Rental (Equipment Hire Company)
LOCATION	Co. Louth
PURPOSE	Investment in Machinery & Equipment

ABOUT THE BUSINESS CASE

Dromad Hire is a family-owned company founded in 1988 in Dundalk, Co. Louth. Operating nationwide across Ireland, Dromad Hire offers multiple services, with their core activity being rentals. They have a workforce of over 30 people at their headquarters in Dundalk. From humble beginnings, Dromad Hire has grown to become one of the largest independent rental companies in Ireland. They availed of SBCI funding to upgrade their fleet of vehicles and machinery.

CUSTOMER FEEDBACK

With the SBCI funding, the process is incredibly easy. It offers competitive rates, fast decisions, and, most importantly, they treat you like a valued customer. In Ireland, it can be challenging for small businesses, as we operate in highly competitive markets.

Seamus Byrne, Managing Director

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	Description Of The Risk	Risk Mitigation Measure
Capital Risk	The risk that SBCI is not adequately capitalised to absorb 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. 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 reporting process in place with key actions identified and monitored. Events are subject to second line review and 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 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.

2014
SBCI 10TH ANNIVERSARY
2024

SBCI 10 Year Anniversary

OUR HISTORY

Established in 2014, SBCI plays a pivotal role in addressing the critical need for accessible, affordable, and sustainable financial support for Irish SMEs. Its mission is to advance Ireland's economic development by providing long-term, low-cost, and targeted financial solutions that drive sustainability, growth, and innovation.

Through its innovative schemes and strategic use of European guarantees, SBCI has been instrumental in helping businesses overcome significant challenges, including Brexit, the Covid-19 pandemic, and the Ukraine conflict. By lowering barriers to finance, reducing borrowing costs, and promoting sustainability and innovation, SBCI fosters resilience and growth within Ireland's SME sector.

Over the past decade, SBCI has facilitated over €4bn lending to more than 60,000 SMEs across diverse sectors, such as agriculture and fisheries, in partnership with 43 lending institutions, including banks, non-bank finance providers, and credit unions.

This financial support ensures that Irish SMEs remain competitive in an ever evolving and dynamic market, strengthening their capacity to drive Ireland's economic progress.

Our Funding Evolution

The SBCI 10th Anniversary celebrations. In attendance, the SFA Director, David Broderick, NTMA Head of Public Affairs & Communications, Martin Whelan, SBCI CEO, June Butler, Secretary General of the Department of Finance, John Hogan, SustainabilityWorks Co-Founder, Laura Heuston, and IFA President, Francie Gorman.

2020

- €500m Expansion of the Future Growth Loan Scheme
- Launch of €125m Covid-19 Working Capital Loan Scheme
- Launch of €2bn Covid-19 Credit Guarantee Scheme

2021

- Launch of €330m Brexit Impact Loan Scheme

2022

- Launch of €150m Energy Efficiency Loan Scheme
- Launch of €1.2bn Ukraine Credit Guarantee Scheme

2023

- Launch of €500m Growth and Sustainability Loan Scheme
- Launch of €500m Home Energy Upgrade Loan Scheme

2024

- Launch of €50m BVP's Green Transition Finance product

Our Partners

(2014-2024)

Institutional Partners:

Banks:

Non-Bank Finance Providers:

Credit Unions:

Sectoral Spread

(Based on cumulative figures to December 2024)

21%
Agriculture

17%
Wholesale & Retail

12%
Manufacturing

11%
Construction

7%
Accommodation & Food

6%
Admin & Support

6%
Professional & Technology

20%
Other

Our Impact

(2014-2024)

€4bn
Total SBCI funding

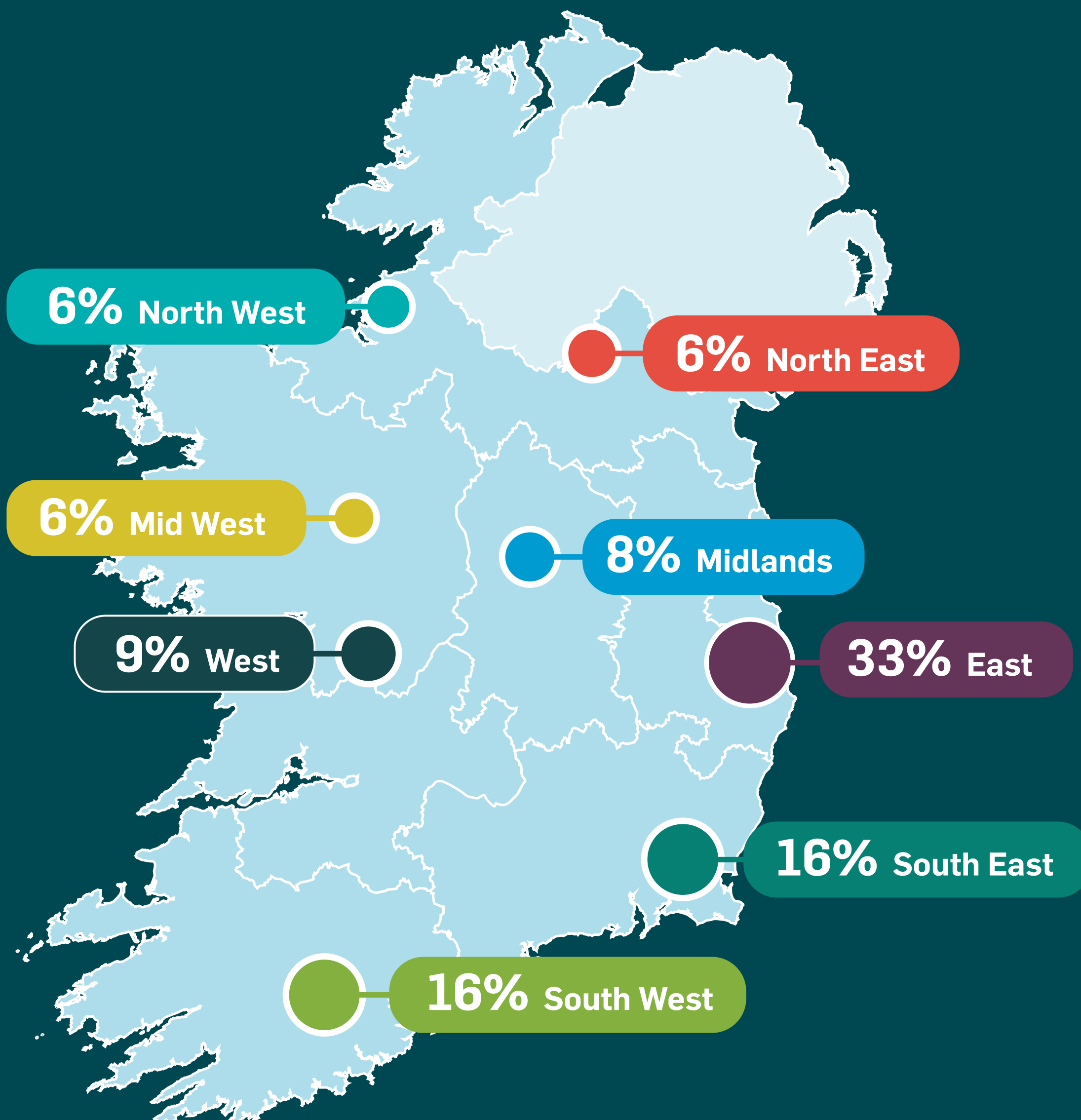
+60,000
SMEs supported in Ireland

43
Lending partners

9
Schemes delivered

Geographical Spread

Cumulative loan volumes to December 2024: % by Region



SBCI Financial Statements 2024

DIRECTORS' REPORT AND FINANCIAL STATEMENTS OF THE STRATEGIC BANKING CORPORATION OF IRELAND

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Contents

Company and Other Information

Directors

Barbara Cotter
(resigned 29 February 2024)

Patrick Delaney
(appointed 1 January 2024)

June Butler

Ian Black

Deirdre Donaghy

Elaine Hanly
(appointed 1 March 2024)

Marguerite McMahon

Declan Murray
(appointed 1 January 2024)

Richard Pelly

Eilis Quinlan

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 2024 (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 Irish and international sources of funding and 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

The Chairperson's Statement and Chief Executive Officer's Statement in the Annual Report outline the development and performance of SBCI during the Financial Year and significant events that occurred during that period. Further information on SBCI's strategy, business model and operations is set out in the "Our Strategy" section of the Annual Report.

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 were both developed and deployed. During the Financial Year, the following represents the key outcomes:

- The €500.0m Home Energy Upgrade Loan Scheme launched to the market in 2024. By year-end, 3 lending partners were participating in this scheme including AIB, Bank of Ireland, and PTSB with 8 additional lending partners scheduled to join the scheme in 2025.
- The €50.0m Green Transition Finance product was launched by SBCI and Business Venture Partners in 2024 which is an innovative new product that offers flexible debt financing solutions of up to €5.0m to SMEs and Small Mid-Caps investing in sustainable green projects and assets.
- SBCI partnered with 3 banks, 9 non-banks and 27 credit unions in 2024 to support a wide choice of finance providers for Irish SMEs.
- Across all SBCI supported loan products, €570.0m of lower cost loans (2023: €356.0m) were advanced by our lending partners to borrowers.
- €30.0m of liquidity facilities were approved by SBCI to its lending partners (2023: €67.1m) to provide lower-cost loans to Irish businesses.
- €32.0m of liquidity facilities were drawn by lending partners (2023: €31.8m) and €52.0m of loan principal repayments were made by lending partners to SBCI (2023: €104.8m).

- SBCI continued to provide services managing the Credit Guarantee Scheme, the Covid-19 Credit Guarantee Scheme and the Ukraine Credit Guarantee Scheme on behalf of the Minister for Enterprise, Tourism and Employment.
- (€0.5m) Operating loss for the year (2023: Operating profit €1.8m) which was primarily due to:
    - lower guarantee scheme income earned compared to 2023 where scheme income included once off scheme set up costs.
    - an increase in operating costs as the business expanded to manage its growing number of loan schemes.

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 SBCI'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 (the "Board") to identify the level of relevant experience in key areas. As at 31 December 2024 the Board was composed of five females (56%) and four males (44%), while the wider SBCI team consisted of 24 females (51%) and 23 males (49%).

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 2024. SBCI developed and launched the Home Energy Upgrade Loan Scheme to support long-term loans to borrowers to finance energy efficiency upgrades of their properties which in turn will support the reduction of carbon emissions in Ireland. SBCI is providing funding to one lending partner who launched a €50.0m Green Transition Finance product to support the sustainable transition of SMEs.

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:

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. The credit quality of SBCI's counterparties remains robust against a backdrop of stable inflation and reducing interest rates in 2024. In line with IAS39 there is no impairment charge for the year under review (2023: 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 a broad range of operational risks as a result of suboptimal or failed internal processes, human factors, systems, or external events which could result in operating losses and/or have reputational implications. 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 revenue. 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 funds its assets or meet its payment obligations. SBCI manages its funding lines to ensure it is well funded with a cost-effective funding base. This risk is mitigated by SBCI regularly reviewing our 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, high 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.

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 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 to promote competition for borrowers in the Irish lending market.

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

Directors

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

Barbara Cotter *(resigned 29 February 2024)*

Patrick Delaney *(appointed 1 January 2024)*

June Butler

Ian Black

Deirdre Donaghy

Elaine Hanly *(appointed 1 March 2024)*

Marguerite McMahon

Declan Murray *(appointed 1 January 2024)*

Richard Pelly

Eilis Quinlan

Directors' interests

The Directors had no beneficial interest 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 24).

Adequate accounting records

The Directors ensure compliance with SBCI's obligations with regards 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 56. 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 64 and 65 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

Refer to Note 30 of the financial statements.

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:

June Butler

June Butler
Chief Executive Officer
Strategic Banking Corporation of Ireland

Pat Delaney

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18th July 2025

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:

June Butler

June Butler
Chief Executive Officer
Strategic Banking Corporation of Ireland

Pat Delaney

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18th July 2025

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, NDP Delivery and Reform, has been in place in SBCI for the year ended 31 December 2024 and up to the date of approval of the financial statements (noting the events detailed in the Operational Events 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.

SBCI has an Audit and Risk Committee ("ARC") comprising of non-executive members of the Board with financial and/or accountancy experience, one of whom acts as the Chairperson of the ARC. The ARC met five times in 2024.

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 2024.

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") is required to attest on a semi-annual basis that, to the best of its 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 live 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 practise. Policies are approved by the appropriate committees and communicated to staff. Colleagues are also subject to the NTMA Code of Conduct and annual compliance declarations.

Operational Events

Credit Guarantee Scheme Guarantee Premia

SBCI operates several schemes on behalf of the Department of Enterprise, Tourism and Employment (DETE). The scheme agreements are between DETE and the lending partners, and SBCI acts as administrator of the schemes on behalf of DETE. Under the 2012, 2015 and 2017 schemes, guarantee premia were collected by SBCI from borrowers and paid over to DETE. Prior to 2017, the schemes were operated by a third-party operator.

During 2024, SBCI management identified discrepancies in the collection of the guarantee premia for the CGS 2012, 2015 and 2017 schemes that SBCI operates on behalf of DETE as its agent. A review of the historic premia collected on the CGS portfolio was completed covering the period 2012 to April 2025.

The findings indicate instances of over collection of €0.1m and under collection of €0.5m of guarantee premia. SBCI estimates that c.€0.3m of the under collected guarantee premia may not be collectable. SBCI is engaging with DETE to agree a treatment strategy for the over and under collected premia. As at April 2025 there has been €2.9m of premia collected on these schemes versus €2.4m of claims made on the schemes (including €1.6m in claims on which premia had been under collected).

Ukraine Credit Guarantee Scheme (UCGS) Eligibility

SBCI operates UCGS on behalf of the Department of Enterprise, Tourism and Employment (DETE).

One of the eligibility criteria for the scheme required businesses to declare that “costs incurred by it have increased by a minimum of 10% (ten per cent.) over its costs for 2020 due to the economic difficulties resulting from the aggression against Ukraine by Russia”,

During 2024, SBCI identified 206 loans totalling €12.6m (4.4% of total scheme value) where the borrowers had declared that their business was established after 2020, and, therefore, may not have met the scheme eligibility. In May 2024, SBCI informed DETE of the finding, and they agreed with SBCI’s recommendation to update the eligibility application process to reduce any potential misinterpretation by scheme applicants. This update was completed in May 2024, and the scheme closed in December 2024. To date, there have been claims made on eleven of these loans to the value of €0.3m.

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.

The 2021, 2022 and 2023 financial statements noted that in 2021 SBCI had been notified of eleven loans with a total value of €1.25m that had been approved by a lending partner on the basis of fraudulent financial information and identification presented by certain borrowers.

Three of the loans to the value of €0.25m were obtained under the Brexit Loan and COVID-19 Working Capital Loan Scheme. The lending partner was liable for €0.05m of the losses, the EIF counter guarantee covered €0.10m and the balance of €0.10m was borne by the DETE and the Department of Agriculture, Food and the Marine (DAFM) pro-rated to their respective contributions to the Brexit Loan Scheme and COVID-19 Working Capital Loan Scheme. These claims were paid to the lending partner in 2022.

Eight of the loans to the value of €1.0m were obtained under the COVID-19 Credit Guarantee Scheme. The lending partner was liable for €0.2m of the losses and the balance of €0.8m was borne by the DETE on whose behalf SBCI operates this scheme. These claims were paid to the lending partner in 2024. The details of all claims paid by SBCI to lending partners in 2024 and the counter guarantee covering those claims are in Note 7. SBCI did not incur any loss on any of the claims paid to lending partners in 2024.

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 (i.e., 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 2024 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 and 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 2024.

Internal Control Issues

Two operational events as reported above were identified. No further weaknesses in the system of internal control were identified in relation to the year ended 31 December 2024 that require disclosure in the financial statements.

June Butler
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18th July 2025

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 2024 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 2024 and of its income and expenditure for 2024
- 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.

Lapses in internal control

The statement on internal control discloses that, during 2024, the company identified issues relating to its administration of certain credit guarantee schemes it operates on an agency basis on behalf of the Department of Enterprise, Tourism and Employment.

Errors in collection of credit guarantee premium payments

A review of the operation of the 2012, 2015 and 2017 credit guarantee schemes identified errors that had occurred in the collection of premium payments from borrowers, which are payable directly to the Department. Over the period 2012 to 2024, amounts due totalling €0.5 million had not been collected from some borrowers, while €0.1 million had been over-collected from other borrowers. The company estimates that premium payments totalling €0.3 million may not be recoverable. The company is engaging with the Department to agree a strategy in relation to the premium payment errors.

Misapplication of scheme eligibility

The company also administers the Ukraine credit guarantee scheme on behalf of the Department. One of the eligibility criteria for the guarantee scheme set by the Department required borrowers to declare that their business costs had increased by a minimum of 10% over their costs for 2020 due to economic difficulties resulting from the aggression against Ukraine by Russia. The scheme closed to new loans in December 2024.

A review carried out by the company of its operation of the Ukraine credit guarantee scheme identified 206 guaranteed loans totalling €12.6 million (representing 4.4% of the total value of loans guaranteed) where the borrowers had declared that their businesses were established after 2020, and therefore may not have met the stated cost increase criterion. To date, claims to the value of €0.3 million have been paid on guarantees on 11 of these loans.

Seamus McCarthy

Seamus McCarthy
Comptroller and Auditor General

24 July 2025

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 2024	Note	2024 €000	2023 €000
Interest income	5	9,528	9,250
Interest expense	6	(4,323)	(4,648)
Net interest income		**5,205**	**4,602**
Guarantee fee income	7	3,268	4,988
Guarantee fee expense	7	(2,993)	(4,988)
Other income	8	6,767	9,003
Operating expenses	9	(12,778)	(11,779)
Operating (loss)/profit		**(531)**	**1,826**
(Loss)/profit for the year		**(531)**	**1,826**
Realised and unrealised gain on investments	13	361	1,794
Other comprehensive income		**361**	**1,794**
Total comprehensive income for the Financial Year		**(170)**	**3,620**

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:

June Butler
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18th July 2025

Statement of Financial Position

As at 31 December 2024	Note	2024 €000	2023 €000
Non-current assets			
Intangible assets	12	1,870	1,488
Investments	13	6,565	6,204
Financial assets – loans and receivables	14	126,800	90,050
Other receivables	18	13	–
		135,248	97,742
Current assets			
Financial assets – loans and receivables	14	1,294	58,235
Other receivables	18	13,147	9,241
Cash and cash equivalents	15	104,947	69,047
		119,388	136,523
Creditors: amounts falling due within 1 year			
Funding and borrowings	19	(13,825)	(23,966)
Other liabilities	20	(162,449)	(117,958)
		(176,274)	(141,924)
Net current liabilities		**(56,886)**	**(5,401)**
Total assets less current liabilities		**78,362**	**92,341**
Creditors: amounts falling due after 1 year			
Funding and borrowings	19	–	(13,809)
Net assets		**78,362**	**78,532**

Statement of Financial Position (continued)

As at 31 December 2024	Note	2024 €000	2023 €000
Capital and reserves			
Called up share capital presented as equity	24	85,000	85,000
Retained losses		(6,638)	(6,468)
Total equity		**78,362**	**78,532**

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:

June Butler

June Butler
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18th July 2025

Statement of Changes in Equity

For the year ended 31 December 2024	Share capital €000	Retained losses €000	Total equity €000
Balance as at 1 January 2023	85,000	(10,088)	**74,912**
Total comprehensive income for the year		3,620	**3,620**
Balance at 31 December 2023	**85,000**	**(6,468)**	**78,532**
Total comprehensive income for the year		(170)	**(170)**
Balance at 31 December 2024	**85,000**	**(6,638)**	**78,362**

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

June Butler
Chief Executive Officer
Strategic Banking Corporation of Ireland

Patrick Delaney
Chairperson
Strategic Banking Corporation of Ireland

18th July 2025

Statement of Cash Flows

For the year ended 31 December 2024	Note	2024 €000	2023 €000
Cash flows from operating activities:			
Loans and receivables principal advances		(32,000)	(31,800)
Loans and receivables principal repayments received		51,500	104,750
Interest receipts		10,090	8,162
Interest payments		(1,363)	(2,782)
Scheme Income		4,435	4,344
Other income received		2,986	3,368
Counter guarantee claims		3,341	834
Scheme recoveries		1,065	1,053
Guarantee payments		(11,831)	(3,752)
Covid-19 Credit Guarantee Scheme/Ukraine Credit Guarantee Scheme repayments from DETE		3,698	20
Subsidy payments		(16)	(4)
Operating expenses paid		(17,672)	(14,006)
Management Fees Paid[1]		(996)	–
Net cash from operating activities		**13,237**	**70,187**
Cash flows from investing activities			
Purchase of intangible assets		(558)	(485)
Dividend income		31	–
Net cash used in investing activities		**(527)**	**(485)**

1 During the year, SBCI paid management fees 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 2024	Note	2024 €000	2023 €000
Cash flows from financing activities			
Funding loans repaid		(23,810)	(73,809)
Minister for Agriculture, Food and the Marine funding		–	3,847
Minister for Enterprise, Tourism and Employment funding		–	5,584
Minister for Climate, Energy and the Environment funding		47,000	–
Net cash used in financing activities		**23,190**	**(64,378)**
Net increase in cash and cash equivalents		**35,900**	**5,324**
Cash and cash equivalents at 1 January		69,047	63,723
Cash and cash equivalents at 31 December	**15**	**104,947**	**69,047**

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 2024 have been prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* 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 and the CEO. See Note 14 for the carrying amount of the loans. An impairment charge of €Nil (2023: €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 25 and 26.

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 above), 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 (2023: €405.0m) 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 Energy Efficiency 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 25).

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 26). SBCI has entered counter-guarantees with the EIF in respect of each of the following schemes:

(i) Brexit Impact Loan and COVID-19 Loan Scheme
(ii) Brexit Loan and COVID-19 Working Capital Loan Scheme
(iii) Energy Efficiency Loan Scheme
(iv) Future Growth Loan Scheme
(v) Growth and Sustainability Loan Scheme
(vi) 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) Brexit Impact Loan and COVID-19 Loan Scheme
(ii) Brexit Loan and COVID-19 Working Capital Loan Scheme
(iii) Credit Guarantee Scheme, COVID-19 Credit Guarantee Scheme and Ukraine Credit Guarantee Scheme
(iv) Future Growth Loan Scheme
(v) Growth and Sustainability Loan Scheme
(vi) 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.

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 is reversed proportionately. 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. 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.

4.13. 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.

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; or
- there is an active market for the asset; and:
    - residual value can be determined by reference to that market; and
    - 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.

4.14. 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.

4.15. 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.

4.16. 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 25.

4.17. 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 26.

4.18. 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 20 Leases.

5. Interest income

	2024 €000	2023 €000
Interest on loans and receivables	6,419	7,132
Other interest income	3,109	2,118
Interest income	**9,528**	**9,250**

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

	2024 €000	2023 €000
Interest on funding and borrowings	1,222	2,566
Other interest expense	3,101	2,082
Interest expense	**4,323**	**4,648**

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

	2024 €000	2023 €000
Brexit Impact Loan and COVID-19 Loan Scheme	222	1,780
Brexit Loan and COVID-19 Working Capital Loan Scheme	2	58
Future Growth Loan Scheme	2,605	3,145
Growth and Sustainability Loan Scheme	426	5
Home Energy Upgrade Loan Scheme	13	–
Guarantee fee income	**3,268**	**4,988**

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

	2024 €000	2023 €000
Brexit Impact Loan and COVID-19 Loan Scheme	222	1,780
Brexit Loan and COVID-19 Working Capital Loan Scheme	(39)	58
Future Growth Loan Scheme	2,385	3,145
Growth and Sustainability Loan Scheme	385	5
Home Energy Upgrade Loan Scheme	9	–
Guarantee fee expense	**2,962**	**4,988**

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

	2024 €000	2023 €000
Counter guarantee income		
Agriculture Cashflow Support Loan Scheme	7	(128)
Brexit Impact Loan and COVID-19 Loan Scheme	3,210	755
Brexit Loan and COVID-19 Working Capital Loan Scheme	594	557
COVID-19 Credit Guarantee Scheme/Ukraine Credit Guarantee Scheme	5,430	–
Energy Efficiency Loan Scheme	32	–
Future Growth Loan Scheme	5,097	1,450
Counter guarantee expense		
Agriculture Cashflow Support Loan Scheme	(7)	128
Brexit Impact Loan and COVID-19 Loan Scheme	(3,210)	(755)
Brexit Loan and COVID-19 Working Capital Loan Scheme	(594)	(557)
COVID-19 Credit Guarantee Scheme/Ukraine Credit Guarantee Scheme	(5,430)	–
Energy Efficiency Loan Scheme	(63)	–
Future Growth Loan Scheme	(5,097)	(1,450)
Financial counter-guarantee expense	**(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 2024, SBCI has considered whether payments under its financial guarantees are probable and whether receipts under its financial counter guarantees are recognisable. SBCI recognises €14.4m (2023: €2.6m) of counter guarantee expenses in the period.

This is offset by €14.4m (2023: €2.6m) of counter guarantee income of which €2.3m (2023: €0.7m) derives from deferred income from the relevant Government Departments, €6.6m (2023: €1.9m) derives from income from the EIF counter guarantee and €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	2024 €000	2023 €000
Scheme Income	8.1	6,363	8,429
Miscellaneous income	8.2	249	444
Energy Efficiency Loan Scheme income	8.3	143	117
Interest subsidy recovered		12	13
Other income		**6,767**	**9,003**

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	Gov Department	Admin Costs Recovered 2024 €000	Admin Costs Recovered 2023 €000
Agriculture Cashflow Support Loan Scheme	20 December 2016 (amended 20 August 2020)	DAFM	35	166
Brexit Impact Loan and COVID-19 Loan Scheme	7 September 2021	DAFM & DETE	368	809
Brexit Impact Loan and COVID-19 Loan Scheme	15 December 2017 (amended 27 November 2020)	DAFM & DETE	57	162
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	924	1,065
Future Growth Loan Scheme	21 December 2018 (amended 24 July 2020)	DAFM & DETE	744	940
Growth and Sustainability Loan Scheme	15 December 2022 (amended 14 September 2023)	DAFM & DETE	1,295	1,380
Home Energy Upgrade Loan Scheme	11 June 2024	DCEE	2,315	1,626
Ukraine Credit Guarantee Scheme	4 August 2023 (amended 1 August 2024)	DETE	625	2,281
	Total		**6,363**	**8,429**

8.2. Miscellaneous Income

	2024 €000	2023 €000
Lending partners loan arrangement fees	162	216
Reimbursement of third-party costs incurred by SBCI	56	210
EIF dividend income	31	18
Miscellaneous income	**249**	**444**

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	2024 €000	2023 €000
Costs reimbursable to the NTMA	9.1	9,455	8,912
Other expenses	9.2	2,880	2,545
Amortisation	12	318	199
Board fees	10	113	111
Scheme interest subsidy expenses	9.3	12	12
Operating expenses		**12,778**	**11,779**

9.1. Costs reimbursable to the NTMA

	Note	2024 €000	2023 €000
NTMA staff costs	9.3.1	5,436	4,963
Business services	9.3.2	3,849	3,658
Professional fees		170	290
Other operating costs		–	1
Cost reimbursable to the NTMA		**9,455**	**8,912**

9.2. Other expenses

Other expenses are comprised of all other expenses paid directly by SBCI. These primarily comprise marketing costs €1.0m (2023: €0.5m) and legal and professional fees €1.6m (2023: €1.3m).

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:

9.4.1. Aggregate employee benefits

	Note	2024 €000	2023 €000
Staff short-term benefits	9.4.2	4,182	3,836
Employer's contribution to social insurance costs		452	416
Aggregate employee benefits		**4,634**	**4,252**

The total number of whole-time equivalent staff employed at year end was 47 (2023: 44). The average number of whole-time equivalent staff employed during the year was 46 (2023: 41). Pension costs incurred by SBCI during the Financial Year of €0.63m (2023: €0.59m) are included in NTMA staff costs in Note 9.2. 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

	2024 €000	2023 €000
Basic pay	3,924	3,616
Performance related pay	192	151
Allowances	66	69
Staff short-term benefits	**4,182**	**3,836**

9.4.3. Key management personnel

	2024 €000	2023 €000
Board fees and management short-term benefits	1,010	918
Performance related pay	70	61
Allowances	48	59
Health insurance	4	4
Key management personnel	**1,132**	**1,042**

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 employee 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

	2024 €000	2023 €000
June Butler (CEO, appointed 1 September 2021)		
Salary	250	250
Performance related pay	38	30
Annual taxable benefits	24	23
Contributions to the defined benefit retirement schemes	41	41
CEO salary and benefits	**353**	**344**

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.

10. Board fees and expenses

An annual fee of €31,500 (2023: €31,500) is paid to the Chairperson, and an annual fee of €15,750 (2023: €15,750) is paid to certain Directors, as specified by the Minister for Finance in accordance with the Constitution of SBCI. The Directors received no other benefits or remuneration, including retirement benefits, as a result of their services to SBCI.

	2024 €	2023 €
Board member		
Barbara Cotter	5,164	31,500
Patrick Delaney	28,875	–
Elaine Hanly	13,147	–
Declan Murray	15,750	–
Tom McAleese	–	15,750
AJ Noonan	–	15,750
Richard Pelly	18,224	16,160
Marguerite McMahon	15,750	15,750
Eilis Quinlan	15,750	15,750
Board fees and expenses	**112,660**	**110,660**

The Chief Executive Officer, NTMA staff member (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
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**
2023			
Balance as at 1 January 2023	**3,271**	**(2,111)**	**1,160**
Acquisitions	527	–	527
Amortisation	–	(199)	(199)
Balance at 31 December 2023	**3,798**	**(2,310)**	**1,488**

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 €559k (2023: €781k) 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 and phase two became operational in May 2024. Amortisation of €318k (2023: €199k) was recognised on this asset during the Financial Year.

13. Investments

Shareholding in EIF

	2024 €000	2023 €000
Carrying amount at start of year	6,204	4,410
Unrealised gain on shareholding	361	1,794
Carrying amount at end of year	**6,565**	**6,204**

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 (2023: 10 shares) at fair value of €6.6m (2023: €6.2m).

14. Financial Assets – loans and receivables

	2024 €000	2023 €000
Loans to lending partners – current	1,294	58,235
Loans to lending partners – non-current	126,800	90,050
Financial Assets – loans and receivables	**128,094**	**148,285**

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

	2024 €000	2023 €000
Secured	128,094	110,113
Unsecured	–	38,172
Financial Assets – loans and receivables	**128,094**	**148,285**

At the end of the Financial Year, SBCI had loans in issue to three lending partners (2023: four). None of these lending partners is a bank (2023: one), all three lending partners are non-bank finance providers (2023: 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 2024, SBCI concluded that an impairment charge of €Nil (2023: €Nil) had been incurred. At the end of the Financial Year, SBCI had €112.2m (2023: €35.0m) in undrawn loan commitments.

15. Cash and cash equivalents

	2024 €000	2023 €000
Cash and cash equivalents	**104,947**	**69,047**

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 principal 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, liquidity risk and market risk.

Risk management policy and 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 Policy and 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 Policy and 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 Policy and 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 management

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 2024 is €85.0m (2023: €85.0m). In addition, SBCI has available callable capital of €165.0m (2023: €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 2024 is €417.1m (2023: €337.3m). 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:

	2024 €000	2023 €000
Financial Assets – loans and receivables	128,094	148,285
Cash and cash equivalents	104,947	69,047
	233,041	**217,332**
Loan commitments	112,200	35,000
Guarantees[2]	71,834	84,961
Maximum exposure to credit risk for loans, cash and guarantees	**417,075**	**337,293**

2 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 25 and Note 26, the net contingent exposure is a liability of €136.1m (2023: €132.2m), this does not include the first loss provision cash received.

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.

	2024 €000	2023 €000
AA	91,458	60,807
A+ to A-	13,489	8,240
BBB	–	38,172
Non-rated	128,094	110,113
Total	**233,041**	**217,332**

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.

In 2023, SBCI agreed a revised capital structure with one of its lending partners' and provided additional funding to that on lending partner in 2024. The facility has performed as expected and within its terms and conditions, and SBCI is now in discussion with that lending partner to adjust the structure of its loan facility to facilitate the expansion of its capital structure to fund the continued growth of its SME loan book.

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 €128.1m (2023: €148.2m).

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 €162.4m (2023: €118.0m) (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
2024 repayments due	176,274	–	–	**176,274**
2023 repayments due	141,924	13,809	–	**155,733**

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 2024 are detailed below:

	2024 €000	2023 €000
Financial assets		
Cash and cash equivalents	104,947	69,047
Loans and receivables	128,094	148,285
Amounts exposed to interest rate risk	**233,041**	**217,332**
Financial liabilities		
Funding and borrowings	13,825	37,775

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 2024. 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
2024		
Net profit impact	(3)	3
2023		
Net profit impact	(2)	2

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 and 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 2024 €000s	FLP Balance 2024 €000s	Contingent Liability 2024 €000s	Net Exposure 2024 €000s	Contingent Asset 2023 €000s	FLP Balance 2023 €000s	Contingent Liability 2023 €000s	Net Exposure 2023 €000s
Agriculture Cashflow Support Loan Scheme	DAFM	Closed	€25m	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%	–	–	–	**Nil**	8	8,440	(17)	Nil
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%	8	8,427	(17)	**Nil**	651	7,927	(1,302)	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%	80,939	16,297	(115,628)	**(18,392)**	112,978	16,916	(161,397)	(31,503)
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%	255,598	27,731	(319,498)	**(36,169)**	314,367	28,511	(392,959)	(50,080)
Growth and Sustainability Loan Scheme	DAFM/ DETE	Open	€28m	80% of credit losses on a loan-by-loan basis subject to a maximum portfolio of €500.0m	80%	131,533	18,300	(164,416)	**(14,583)**	1,188	18,300	(2,375)	Nil

Scheme	Govt Dept	Status	Funding Received from Minister(s)	SBCI Guarantee	EIF Counter Guarantee %	Contingent Asset 2024 €000s	FLP Balance 2024 €000s	Contingent Liability 2024 €000s	Net Exposure 2024 €000s	Contingent Asset 2023 €000s	FLP Balance 2023 €000s	Contingent Liability 2023 €000s	Net Exposure 2023 €000s
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%	8,048	12,000	(10,060)	**Nil**	Nil	Nil	Nil	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%	2,690	Nil	(5,380)	**(2,690)**	3,377	Nil	(6,755)	(3,378)
				Total		478,816	82,755	(614,999)	**(71,834)**	432,569	80,094	(564,805)	(84,961)

* 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

DETE – Department of Enterprise, Tourism and Employment

DCEE – Department of Climate, Energy and the Environment

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
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**
2023					
Cash and cash equivalents	**69,047**	69,047	–	–	**69,047**
Other receivables	**9,241**	–	–	9,241	**9,241**
Financial Assets – loans and receivables	**148,285**	–	–	148,285	**148,285**
Shareholding in EIF	**6,204**	–	–	6,204	**6,204**

Financial liabilities	Carrying value €000	Level 1 €000	Level 2 €000	Level 3 €000	Fair value €000
2024					
Other liabilities	**162,449**	–	–	162,449	162,449
Funding and borrowings	**13,825**	–	–	13,825	13,825
2023					
Other liabilities	**117,958**	–	–	117,958	117,958
Funding and borrowings	**37,775**	–	–	37,775	37,775

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

	2024 €000	2023 €000
Scheme administration costs recovery due	2,088	2,061
Energy Efficiency Loan Scheme income receivable	71	91
DETE claims receivable	2,132	–
Guarantee fee income	2,207	2,151
Financial counter guarantee	5,866	4,318
Bank interest receivable	749	620
Prepayments within one year	34	–
Prepayments over one year	13	–
Other receivables	**13,160**	**9,241**

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

19. Funding and borrowings

	2024 €000	2023 €000
Funding and borrowings due within one year	13,825	23,966
Funding and borrowings due after one year	–	13,809
Funding and borrowings	**13,825**	**37,775**

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 one funder (2023: two) the EIB. The remaining term of this loan is less than one year, and interest is charged to SBCI at 6-month Euribor plus margin.

At the end of the Financial Year, SBCI had €615.0m (2023: €405.0m) in undrawn funding facilities from three providers the EIB, the Irish Strategic Investment Fund and the NTMA.

In 2024, SBCI agreed a new 10-year funding facility for €200m with the EIB. Interest is charged at 6-month Euribor plus margin.

19.1. Reconciliation of movement in net debt position

Net debt at 31 December 2024:	2024 €000
Net debt at 31 December 2024	
Cash and cash equivalents	104,947
Fundings and borrowings due within one year	(13,825)
Fundings and borrowings due after one year	–
Net debt at 31 December 2024	**91,122**

Reconciliation of net cash flow to movement in net debt	2024 €000
Reconciliation of net cash flow to movement in net debt	
Net debt at 1 January 2024	31,272
Increase in cash and bank overdrafts	35,900
Funding loans repaid	23,810
Movement in accrued interest payable	140
Net debt at 31 December 2024	**91,122**

20. Other liabilities

	2024 €000	2023 €000
Minister for AFM Deferred Income		
Agriculture Cashflow Support Loan Scheme	11,042	11,826
Brexit Loan/COVID-19 Working Capital Loan Scheme	3,977	3,865
Brexit Impact Loan/COVID-19 Loan Scheme	9,105	10,004
Future Growth Loan Scheme	12,088	12,356
Growth and Sustainability Loan Scheme	7,727	7,800
Minister for ETE Deferred Income		
Brexit Loan/COVID-19 Working Capital Loan Scheme	5,966	5,797
Brexit Impact Loan/COVID-19 Loan Scheme	13,657	15,005
Future Growth Loan Scheme	24,095	24,630
Growth and Sustainability Loan Scheme	18,687	18,865
Minister for CEE Deferred Income		
Home Energy Upgrade Loan Scheme	47,473	–
Amounts due to the NTMA	1,943	1,403
Counter guarantee fee payable	2,021	2,865
Claim accruals payable	3,728	1,140
Other miscellaneous liabilities	940	2,402
Other liabilities	**162,449**	**117,958**

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

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. Provisions for liabilities

	2024 €000	2023 €000
Balance at 1 January	–	–
Charges to comprehensive income	–	–
Balance at 31 December	**–**	**–**

As at 31 December 2024, SBCI considered whether payments under its financial guarantees are probable. In accordance with FRS 102.21, SBCI has recognised €Nil (2023: €Nil) in respect of probable claims. The claims paid in 2024 were partially offset by a reimbursement from the EIF under the relevant counter-guarantee, and the amount of the percentage offset varied amongst the claims given the differences in the terms of the relevant underlying counter-guarantees. The timing and final amount of the claims are dependent on actual receipt of the claims from the relevant lending partner.

22. 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
2024			
Financial assets			
Loans and receivables	1,294	126,800	128,094
Financial liabilities			
Funding and borrowings	13,825	–	13,825
2023			
Financial assets			
Loans and receivables	58,235	90,050	148,285
Financial liabilities			
Funding and borrowings	23,966	13,809	37,775

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.

23. Auditor's remuneration

	2024 €000	2023 €000
Audit of financial statements	40	40

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

24. 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 2024, the Minister for Finance had subscribed for, and holds, 85,000,000 (2023: 85,000,000) of SBCI's authorised shares. There is no other issued share capital.

25. Contingent liabilities

At the Financial Year end, SBCI has total contingent liability of €615.0m (2023: €564.8m) 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.

	2024 €000	2023 €000
Agriculture Cashflow Support Loan Scheme	–	17
Brexit Impact Loan/COVID-19 Loan Scheme	115,628	161,397
Brexit Loan/COVID-19 Working Capital Loan Scheme	17	1,302
Future Growth Loan Scheme	319,498	392,959
Growth and Sustainability Loan Scheme	164,416	2,375
Home Energy Upgrade Loan Scheme	10,060	–
Energy Efficiency Loan Scheme	5,380	6,755
Contingent liabilities	**614,999**	**564,805**

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
Energy Efficiency Loan Scheme	Capped Partial Guarantees to cover 80% of credit losses	Max €150.0m
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

26. 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 €478.8m (2023: €432.6m).

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

	2024 €000	2023 €000
Agriculture Cashflow Support Loan Scheme	–	8
Brexit Impact Loan/COVID-19 Loan Scheme	80,939	112,978
Brexit Loan/COVID-19 Working Capital Loan Scheme	8	651
Future Growth Loan Scheme	255,598	314,367
Growth and Sustainability Loan Scheme	131,533	1,188
Home Energy Upgrade Loan Scheme	8,048	–
Energy Efficiency Loan Scheme	2,690	3,377
Contingent assets	**478,816**	**432,569**

27. Related parties' disclosures

27.1. 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) and Allied Irish Banks p.l.c. are related parties of SBCI as they are either under the control of the Minister for Finance or the Minister for Finance has influence over them, respectively. Allied Irish Banks p.l.c. is a participating lending partner in a number of SBCI loan schemes.

Government Ministers and Departments

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

Key management personnel

Key management personnel in SBCI are disclosed in Note 9.

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 on the dates set out beside each:

- 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 (2023: €Nil), and the committed funding available under the ISIF Loan Facility is €165.0m.

27.2. 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 €9.5m (2023: €8.9m). Further details in respect of these costs are disclosed in Note 9. Operating lease commitments are disclosed in Note 28. There is an amount of €1.9m payable (2023: €1.4m) to the NTMA at the end of the financial year.

Growth and Sustainability Loan Scheme

SBCI received a total of €0m (2023: €9.4m) 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. 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 €1.5m (2023: €3.3m) 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 (2023: €1.3m) 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 €47.0m (2023: €1.7m) 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 (2023: €NIL) to Microfinance Ireland ("MFI") for the purpose of lending to Irish SMEs. Microfinance Ireland 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.

28. Commitments

In February 2019, SBCI entered a lease for office accommodation located at Treasury Dock, North Wall Quay, Dublin 1, D01A9T8 until May 2033. Rental charges incurred in the period were €292k (2023: €292k). The nominal future minimum rentals payable under non-cancellable operating lease are as follow:

	2024 €000	**2023 €000**
Within one year	456	292
In two to five years	1,822	1,168
Over five years	1,544	1,284
Lease commitments	**3,822**	**2,744**

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

29. 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.

30. Events after the end of the reporting period

The disclosures in the financial statements and notes reflect events occurring after the balance sheet date. No events requiring adjusting occurred after the end of the reporting period.

31. Comparative Information

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

32. Approval of the financial statements

The financial statements were approved by the Directors on 18th July 2025.

Strategic Banking Corporation of Ireland,
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