



Banc Ceannais na hÉireann  
Central Bank of Ireland  
Eurosystem

# Annual Report 2025

## Annual Performance Statement 2025-2026



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# Who we are, what we do, & how we do it.

We are Ireland's central bank, responsible for maintaining monetary and financial stability and ensuring the financial system works in the interests of the community.

We are part of Europe's monetary and banking unions, and of the world's network of financial regulators.

**Protecting people** is at the heart of everything we do. We provide economic analysis, statistics and commentary to inform decisions about what the country needs. We set standards to protect consumers, and regulate and supervise financial service providers and markets, taking enforcement action when we need to. We are responsible for Ireland's payment systems and for the provision of its currency.

**Our vision** is to be a central bank that is trusted by the public, respected by its peers and a fulfilling place to work for its people. We work with people across Ireland and with colleagues across Europe, and elsewhere in the world, on the delivery of our mission.

**We are passionate and ambitious** for the Bank's performance and for the Bank's people. We act sustainably. We embrace diversity and inclusion as they strengthen us, as individuals and as an organisation. We apply rigorous analysis to the best available data. We believe in engagement and in communicating openly, clearly and regularly.

**Our values** underpin how we interact with each other and reflect our aspirations, for ourselves and for our community:



**Integrity and care**, so that we do what is right, our actions match our words and we care about people;



**Courage and humility**, so that we act with conviction, are prepared to innovate and adapt and are always looking to listen and learn;



**Teamwork and excellence**, so that we achieve quality outcomes by harnessing our collective strengths, seeking diverse perspectives and driving for disciplined execution.

We believe in the importance of an independent central bank that is transparent, accountable and connected across all public policy domains, in Ireland, in Europe and across the world.

Our constant and predominant aim is **the welfare of the Irish people as a whole.**

We are the **Central Bank of Ireland.**



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

# Our Mission



We serve the public interest by maintaining monetary and financial stability while ensuring that the financial system operates in the best interests of consumers and the wider economy

# Our Vision



One Bank: Trusted by the Public, Respected by our Peers, and a Fulfilling Workplace for our People

# Our Statutory Functions



## Financial Stability

The stability of the financial system overall.



## Price Stability

As part of the European System of Central Banks, the primary objective of the Central Bank is to maintain price stability.



## Resolution

The resolution of financial difficulties in credit institutions, certain investment firms and credit unions.



## Financial Regulation

The proper and effective regulation of financial service providers and markets, while ensuring that the best interests of consumers of financial services are protected.



## Payments, Settlements & Currency

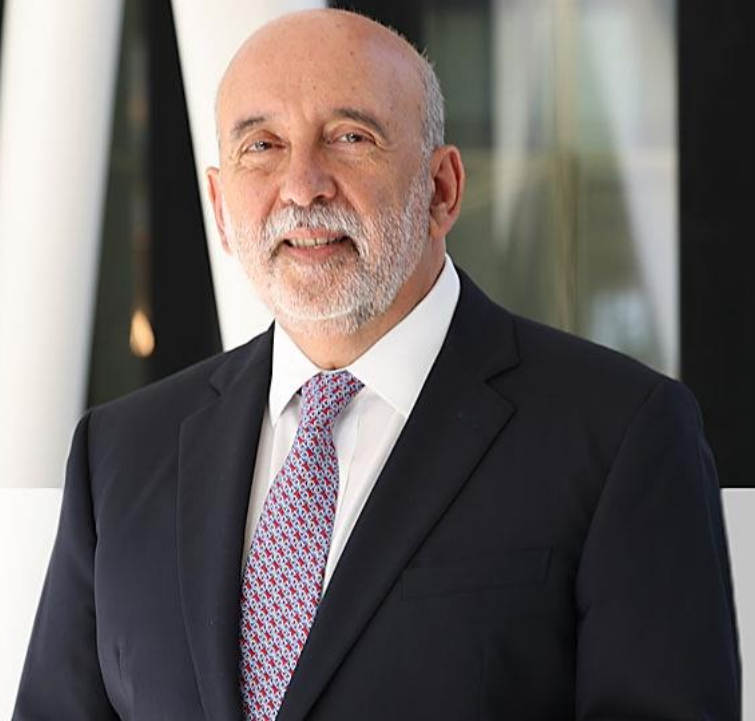
The efficient and effective operation of payment and settlement systems.



## Economic Analysis & Statistics

The provision of analysis and comment to support national economic policy development.

The discharge of such other functions and powers conferred on the Central Bank by law including: The operation of the Central Credit Register, the Deposit Guarantee Scheme, the Insurance Compensation Fund and the National Claims Information Database.



## Governor's Foreword

The global economic environment in 2025 was shaped by significant uncertainty, ongoing fragmentation and geopolitical tensions. Nevertheless, inflation across advanced economies continued to moderate from the highs experienced in previous years, reflecting the impact of tighter monetary policy and easing supply pressures. In the euro area, we kept interest rates at levels necessary to ensure that inflation returns sustainably to our 2 per cent medium term target, confirmed to be on track in staff projections at the end of the year. At the same time, ongoing economic transitions – technology, demography and climate – continued to reshape the landscape in which economies and financial systems operate.

As I write this foreword, the uncertainty, geoeconomic fragmentation and geopolitical tensions have intensified in the first months of this year. War in the Middle East has disrupted energy supplies and wider supply chains. The time it will take to repair and restore energy infrastructure is unclear, as are the implications for supply chains and economic activity. What is clear is that the consequences for economic activity across the globe are unlikely to be benign.

The Irish economy demonstrated resilience in 2025, supported by strong employment and investment. However, domestic capacity constraints, particularly in housing and other infrastructure, together with the uncertain external environment, remain important challenges. As I have emphasised before, policy-making should remain focused on building economic resilience.

We continue to deliver across our mandate. Highlights in 2025 include the publication of a revised Consumer Protection Code following a comprehensive review of the existing framework, our analytical work on the implications of the new US tariff regime for the Irish economy, the continued development of our Innovation Sandbox programme, and the start of our responsibilities under the legislative framework to safeguard access to cash across Ireland. We also issued two commemorative coins, one to mark Daniel O’Connell’s 250<sup>th</sup> birthday, and the other the achievements of George Bernard Shaw.

Although the Irish financial system remains resilient, it is clear that the environment in which it operates will continue to evolve, not least because of technological innovation. In response, we have continued to focus on strengthening our regulatory and supervisory frameworks. We published a roadmap to deliver a more effective and efficient regulatory and supervisory framework, reducing complexity and improving clarity while maintaining resilience and important protections. We have engaged actively with emerging risks, including those arising from digitalisation and financial innovation, and contributed to the development of policy aimed at strengthening Europe’s financial architecture and deepening its capital markets.

Finally, I would like to acknowledge the dedication and professionalism of the Central Bank’s people. Our values – integrity and care, courage and humility, teamwork and excellence – continue to guide all of us. Our diversity and inclusiveness strengthen us, individually and as an organisation. On behalf of the Commission, I want to thank them for their dedication and commitment to the public interest and the welfare of the people as a whole.



**Gabriel Makhlouf**

**Governor**

22 April 2026

## The Central Bank Commission (as of 31 December 2025)



**Gabriel Makhlouf<sup>1</sup>**  
*Governor of the Central Bank (Chair)*



**Shay Cody**  
*Reappointed*  
*Dec 2025 for 5 years*



**Mary Condon**  
*Appointed*  
*Jan 2024 for 5 years*



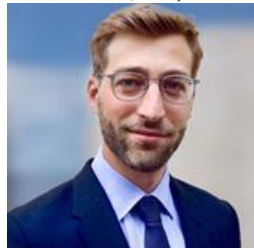
**Mary-Elizabeth McMunn\***  
*Deputy Governor*  
*Financial Regulation*



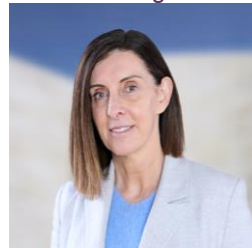
**John Hogan\***  
*Secretary General*  
*Dept. of Finance*



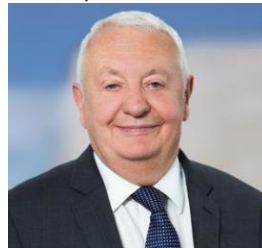
**Sarah Keane**  
*Reappointed*  
*Dec 2025 for 5 years*



**Vasileios Madouros\***  
*Deputy Governor*  
*Monetary & Financial*  
*Stability*



**Maeve Dineen**  
*Appointed*  
*Dec 2025 for 5 years*



**John Trethowan**  
*Reappointed*  
*Sept 2023 for 5 years*



**Neil Whoriskey**  
*Secretary of the Central Bank*

## The Central Bank Executive Leadership Team (as of 31 December 2025)



**Gabriel Makhlouf**  
*Governor*



**Mary-Elizabeth McMunn**  
*Deputy Governor*  
*Financial Regulation*



**Vasileios Madouros**  
*Deputy Governor*  
*Monetary & Financial*  
*Stability*



**Marcella Flood**  
*Chief Operations Officer*



**Colm Kincaid**  
*Deputy Governor,*  
*Consumer & Investor*  
*Protection*

<sup>1</sup> \* *Ex-officio member. All other members of the Commission are appointed by the Minister for Finance.*

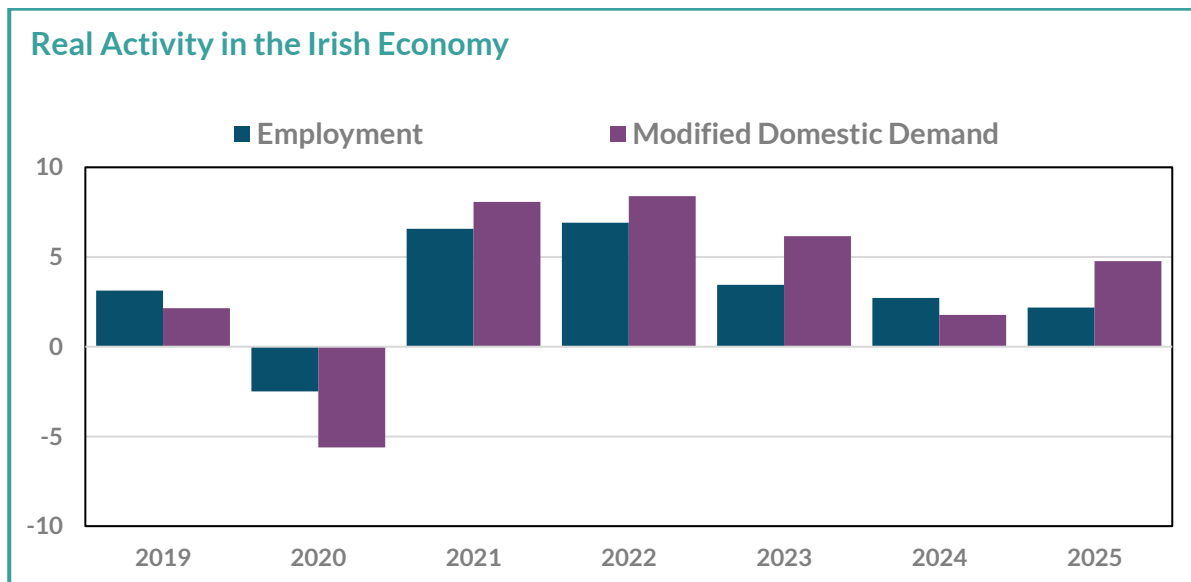
# Part 1:

# Annual Report 2025 & Annual Performance Statement 2025-2026

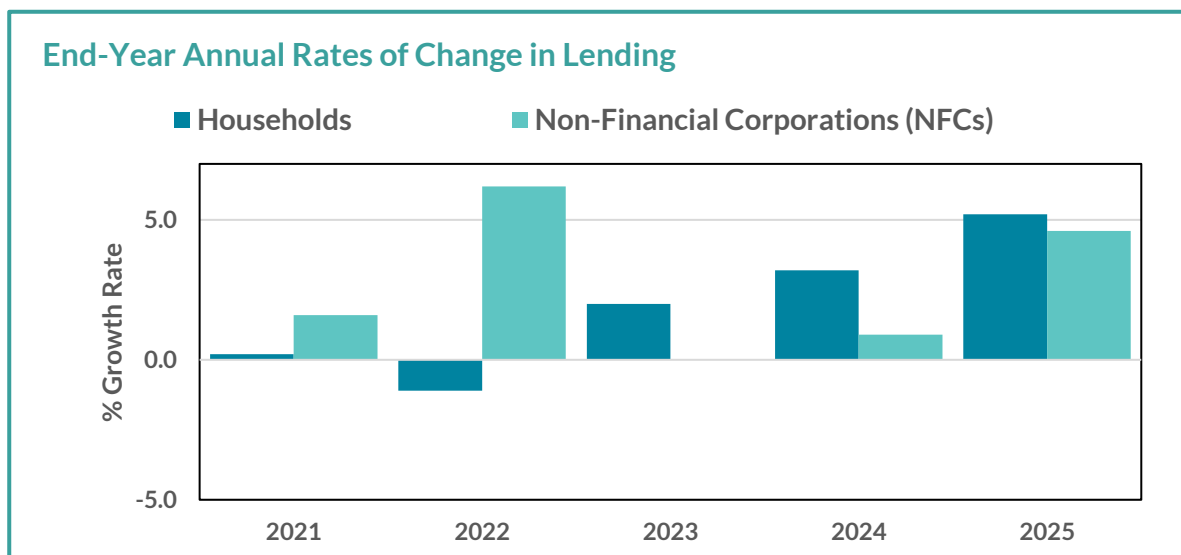


# Part 1: Annual Report 2025 & Annual Performance Statement 2025-2026

## 2025: The Irish Economy at a Glance

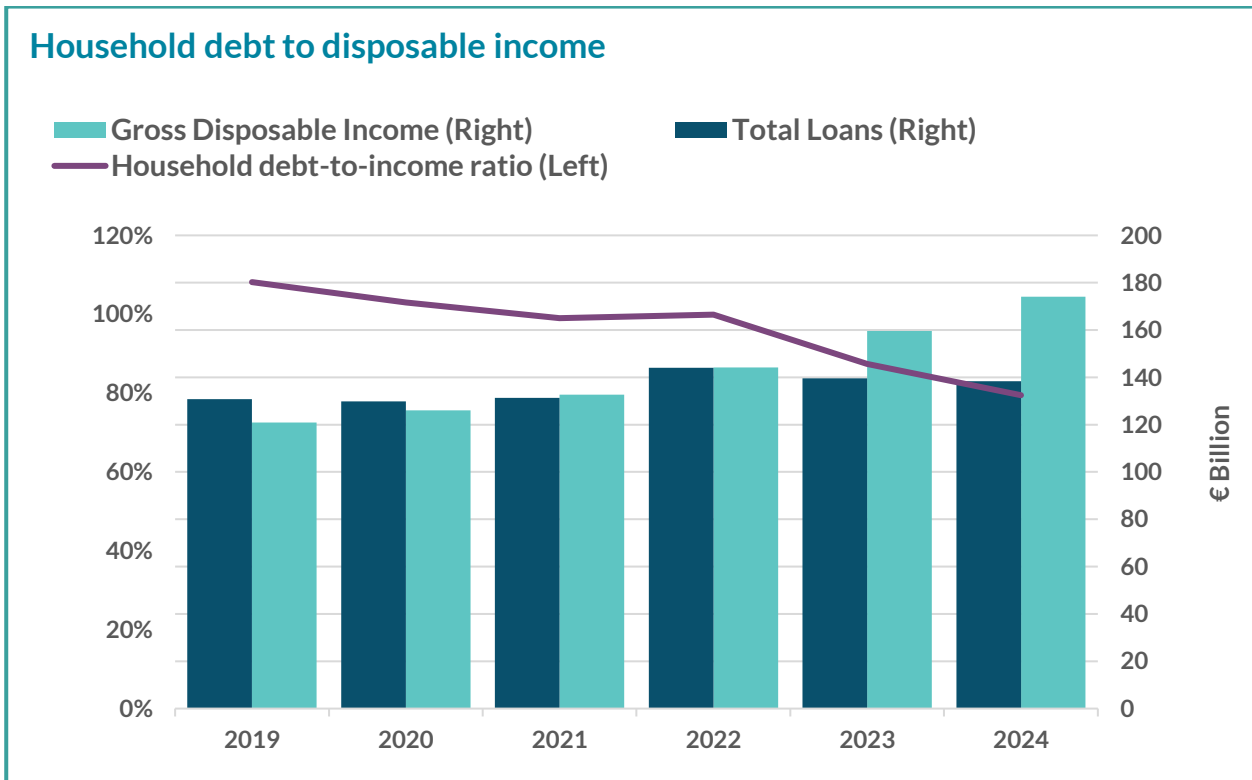


Source: Central Statistics Office (CSO)

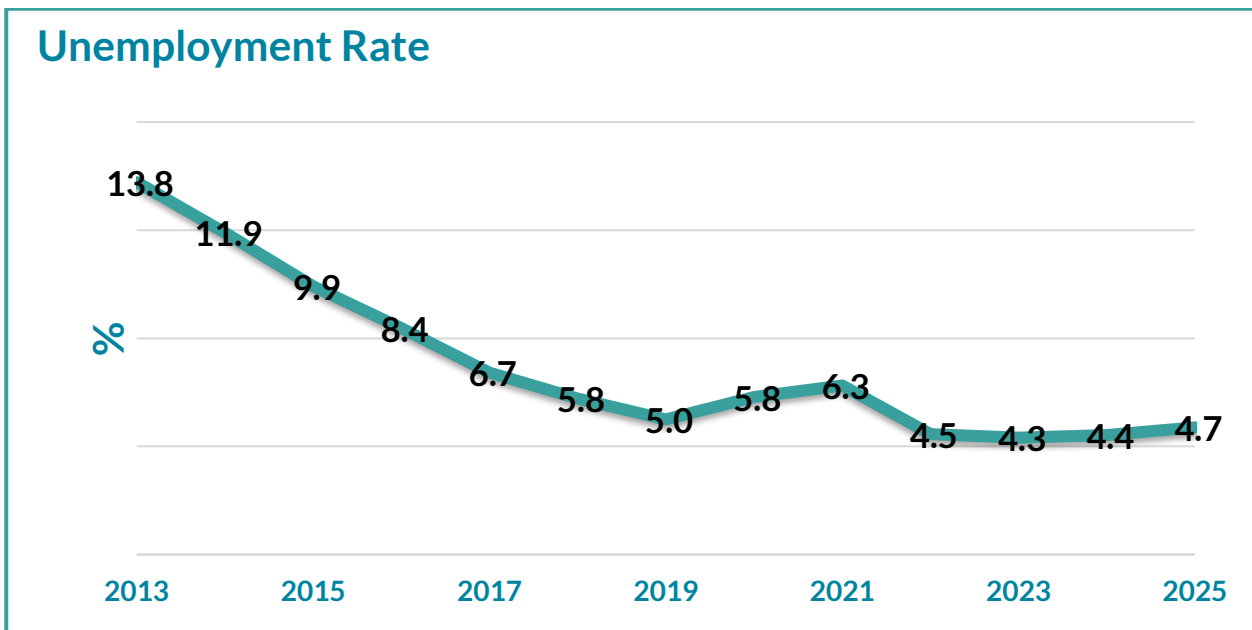


Source: Central Bank of Ireland

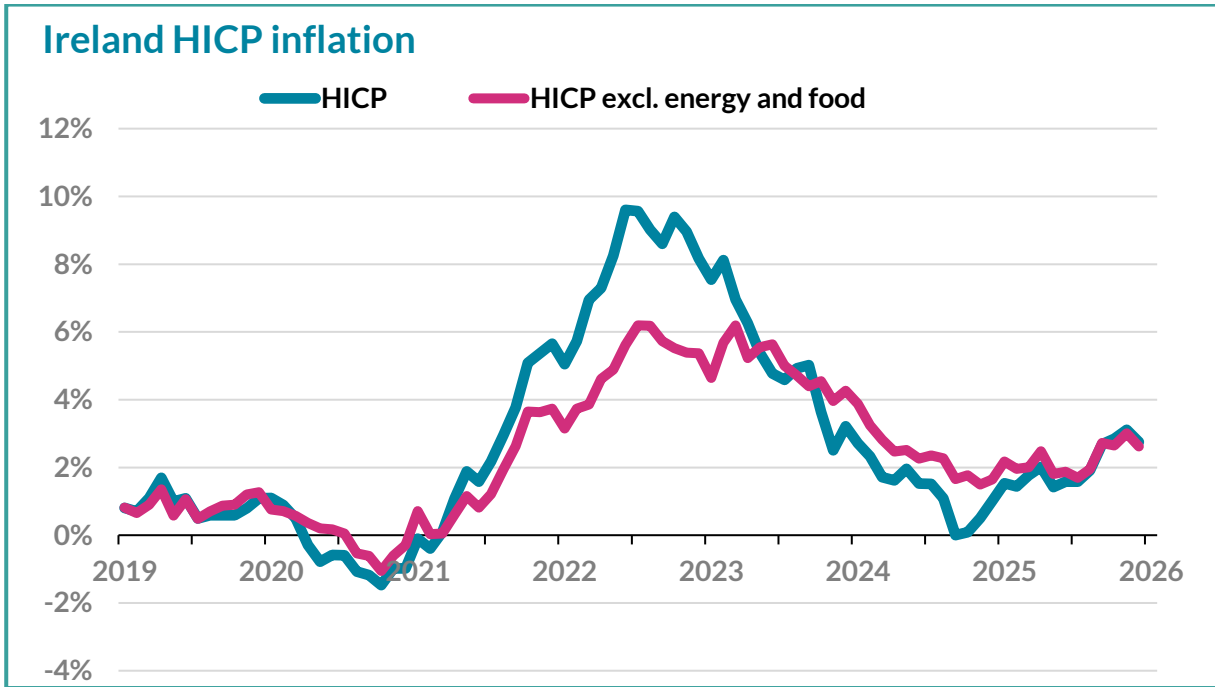
**Note:** growth rates are based on underlying transactions, i.e. after adjusting for write downs, securitisations, and transfers to the National Asset Management Agency (NAMA), etc. Household growth rates reflect both on balance sheet and securitised balances.



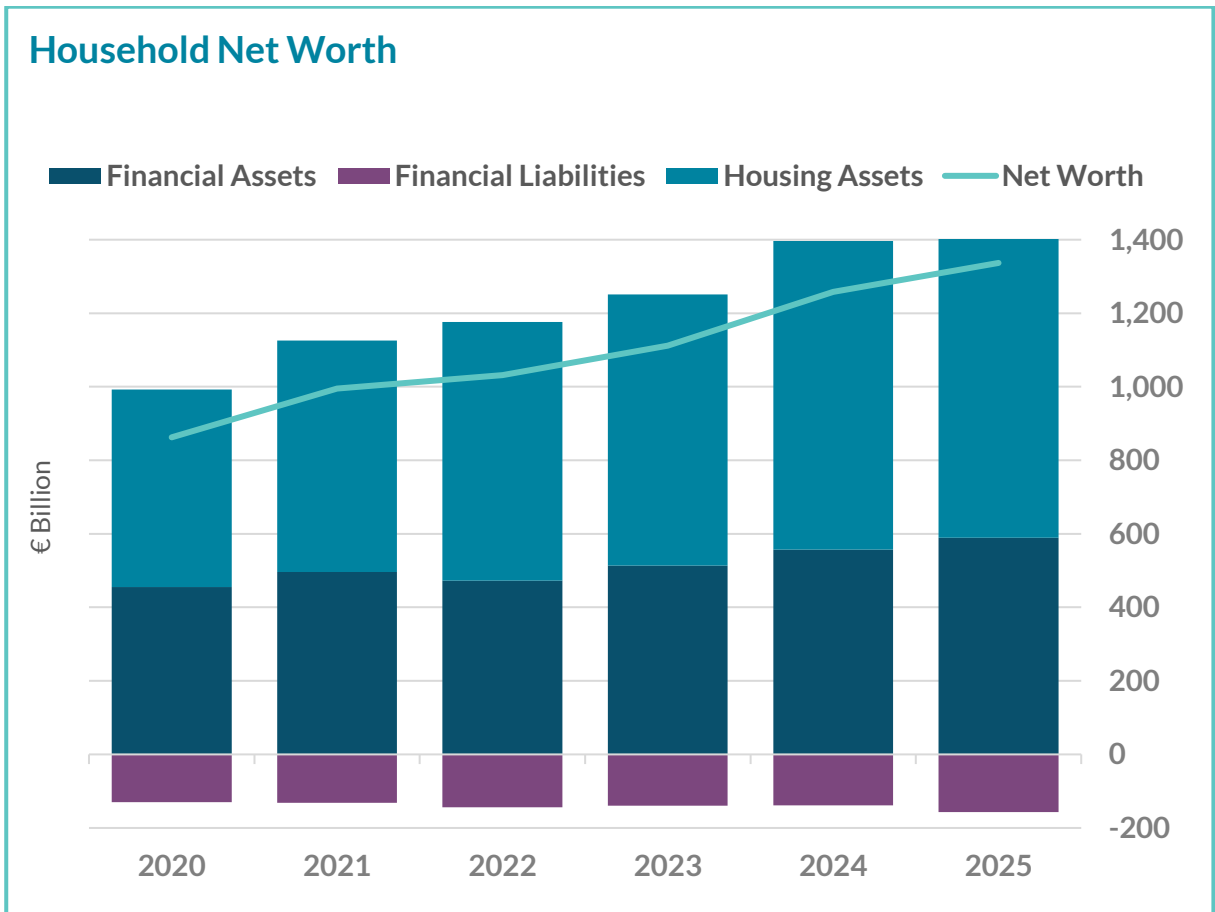
**Source:** Central Bank of Ireland  
**Note:** The values are at year-end 2025.



**Source:** CSO  
**Note:** this is the International Labour Organisation (ILO) unemployment rate.



**Source:** Eurostat.  
**Note:** HICP = Harmonised Index of Consumer Prices.



**Source:** Central Bank of Ireland.  
**Note:** values are at year-end. 2025. Data is at end-Q3 2025 due to availability.

# Chapter 1:

## Implementing Our Strategy 2022-2027



# Chapter 1:

## Implementing Our Strategy 2022-2027

Through the continued implementation of our Strategy, we are building new capabilities and evolving how we work so that the Central Bank can continue to effectively and efficiently fulfil its mission and mandate, both now and over the medium term. During 2025 we made strong progress on achieving our strategic goals while remaining responsive to the rapidly changing and volatile operating context which arose during the year. Through our Strategy we continued to strengthen our ability to respond to issues relating to our mission and which affect people in Ireland, and more broadly, the European Union. These broad ranging issues include; shifts in global trade and economic resilience, employment and the cost of living, climate change, advances in payments and tokenisation, digitisation, artificial intelligence, and cybercrime frauds and scams. These, and other key issues are shaping society, the economy and the financial services sector, and set the context for our strategic goals. The goals within our Strategy are centred on four interconnected themes: Future-Focused, Open & Engaged, Transforming and Safeguarding. We have outlined below an overall summary of the progress we made on our strategic goals under these themes during 2025.

### STRATEGIC THEMES

- 1 Future-Focused
- 2 Open & Engaged
- 3 Transforming
- 4 Safeguarding

### The Four Themes of Our Strategy

#### Future-Focused

The goals under our Future-Focused theme seek to enable the Central Bank to better understand, anticipate and adapt in the context of the continuous changes taking place within the economy and financial sector. Examples of this work during 2025 includes our contribution to substantial progress at European level on two material payments initiatives. These are the [Digital Euro and Pontes Project](#) which, in the near future will enable the provision of retail and wholesale central bank digital currencies. In parallel, we continued our [Innovation Sandbox Programme](#), launching a new theme focused on innovation in payments, strengthening engagement with innovators in this area and enriching our insight into emerging technologies and business models in the Irish financial system.

We also continued to enhance our research and analytical capabilities through collaboration with external experts under our [Research Exchange Programme](#), while stepping-up and refocussing our economic analysis and advice, which culminated in a comprehensive assessment on the effects of geoeconomic fragmentation on the Irish economy, that was published in our third [Quarterly Bulletin](#) of the year. We progressed our climate agenda, including a refresh of our [climate strategy](#) to

sharpen its focus and prioritisation in light of the evolving external environment. We also progressed our preparations for the development of Ireland's new Cash Centre, by securing suitable land for the new facility, and mobilising the development team which will bring this important initiative to fruition over the coming years.

## Open & Engaged

The goals under our Open and Engaged theme reflect the importance of deepening and strengthening our engagement and relationships with our stakeholders and fostering constructive dialogue. Putting our stakeholders at the heart of our work directly contributes to our effectiveness by helping us to build trust and confidence in the financial system. Through continuous engagement we are improving our insights into the diversity of perspectives we need to inform our policymaking, while promoting a wider understanding of our role across all segments of society. During 2025, we reinforced this commitment to open and transparent communications with our broad ranging stakeholders, including the public and consumers, participants in the real economy and financial sector, fellow central banks and regulators and government representatives. By delivering our stakeholder engagement plan, we have listened and enriched our understanding, which has shaped our priorities and policy making. Our extensive engagement outreach programme across the country continued in 2025, where the Central Bank's senior leaders met with representatives across all sectors of Irish society and businesses. We continued to deploy our Stakeholder Engagement Framework across all aspects of our work and further embedded our [Open & Engaged Charter](#). In response to societal changes and the external operating content, we identified ways to further evolve our communications and engagement approach.

Given the importance of our engagement with peers and policy makers outside of Ireland, we also progressed a programme of events with representatives within relevant European and international institutions and commenced our preparations for the work we will need to do to support the Department of Finance in the context of Ireland's Presidency of the EU Council in the second half of 2026. Through this focus on our stakeholders, we have built stronger relationships, a richer dialogue and gathered insights that are shaping our policymaking and how we go about delivering our work. We provide further detail on how we have progressed our Open & Engaged agenda in Chapter 3 of the Annual Report.

## Transforming

By progressing the strategic goals under the Transforming theme of Our Strategy we are delivering key enabling capabilities that are enhancing our effectiveness, efficiency, resilience and agility. In 2025, we advanced a number of operational, technological and people-focused work programmes and projects aligned with these goals.

We continued to invest in our IT capabilities, including completing a major transformational initiative to enable the Central Bank to transition to a new data centre service provider. We progressed our data focussed innovation programme from pilots to operational production use cases. This included deployment of BankChat (our internal AI tool) and AI-enhanced business intelligence, while applying a responsible AI governance model aligned to the EU AI Act. We further strengthened the Central Bank's operational resilience, through enhancements to our cyber security management capabilities, third-party risk management, and data protection control measures, while upgrading our internal risk management frameworks, and incident and crisis management preparedness. During the year, we also progressed several initiatives to strengthen organisational effectiveness and efficiency. Rigorous prioritisation, risk assessment, demand and capacity planning processes underpinned the development of our 2025 Annual Business Plan, to ensure full and effective use of our resources, and outcomes focussed delivery. We completed a detailed review of our medium-term budget and cost outlook and identified interventions to moderate the anticipated growth in our cost base over the coming five years, with early initiatives taken to contain costs during 2025. People-related initiatives advanced during the year, including the continued delivery of our wide-ranging skills development programmes, refinements to our hybrid working, and deployment of an internal lateral mobility programme. We provide further detail on how the work under the Transforming theme has been progressed in Chapter 3 of the Annual Report.

## Safeguarding

The strategic goals under the Safeguarding theme reflect our unwavering commitment to strengthen the design, implementation and operation of the Central Bank's core policy, regulatory and supervisory frameworks, as it is through these models and frameworks that we fulfil our statutory functions. Further detail on the delivery of these statutory responsibilities is provided in Chapter 2 of the Annual Report.

The Central Bank, in conjunction with European peers, continued to pursue its core policy objectives in 2025. In relation to price stability, we contributed to the development and implementation of monetary policy in the Euro Area. After a period of above-target inflation following the pandemic and Russia's invasion of Ukraine, inflation in the Euro Area tracked towards target in 2025. This reflected the cumulative impact of monetary policy interventions over recent years following the Covid-19 pandemic, and the ECB's Governing Council review of its monetary policy strategy. Similarly, in terms of financial stability, policy measures established over the previous decade underpinned continued financial system resilience, despite market turbulence and heightened uncertainty regarding the outlook for macrofinancial conditions.

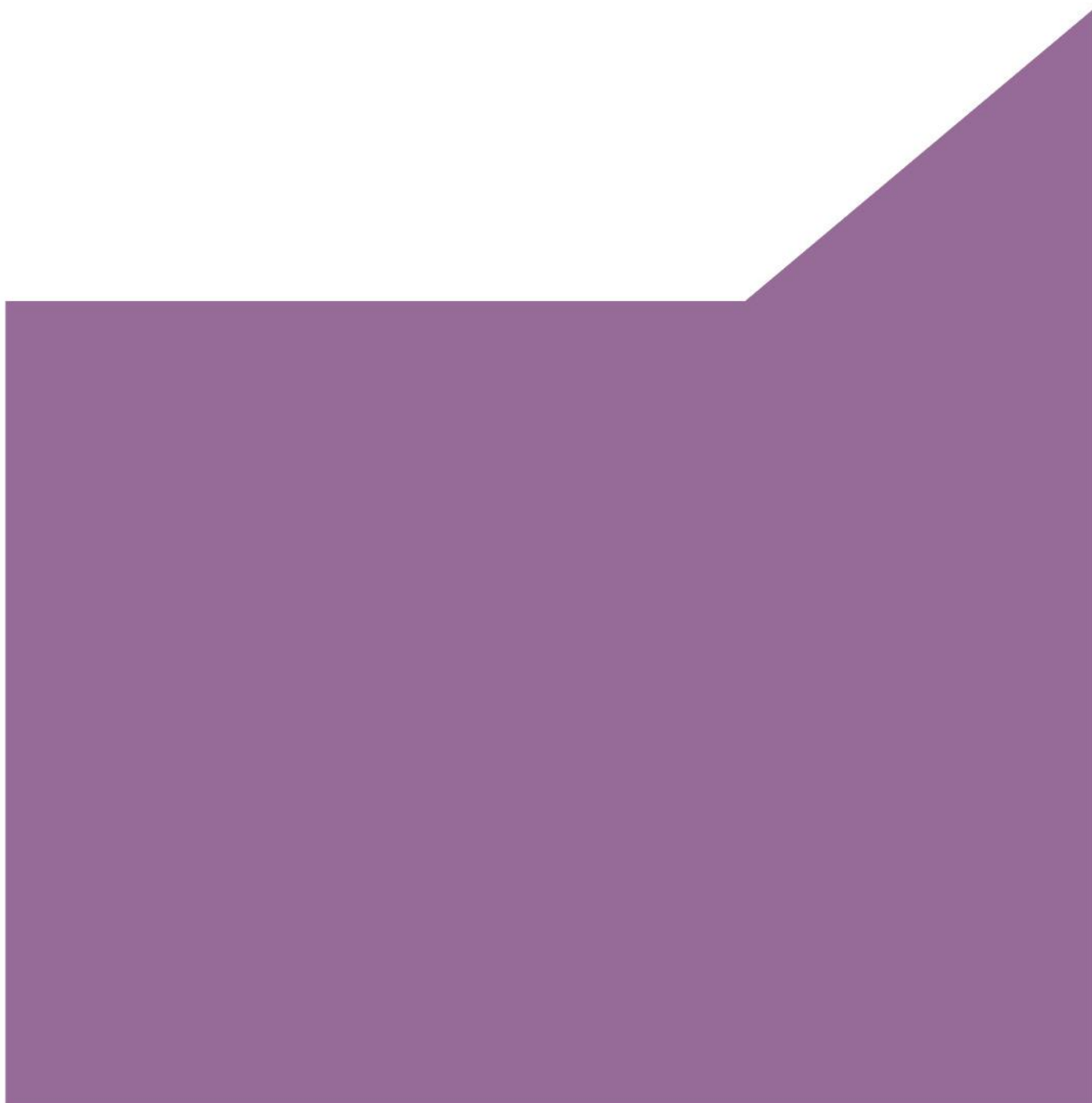
During 2025, we continued to embed and further refine the newly enhanced [Supervisory Framework](#) which was operationalised in 2024. The new model enables us to deliver a more integrated, holistic approach to firm and sectoral level supervision. In tandem, we progressed implementation of new EU regulatory regimes such as the Markets in Crypto-Assets Regulation (MiCAR), the Digital Operational Resilience Act (DORA), and the EU AI Act. With a view to strengthening operational resilience across the financial system, we implemented new processes for managing critical third-party providers and improved data collection and reporting. We also continued to enhance our Gatekeeping structures, processes and tools, in line with recommendations arising from the independent review of our Fitness and Probity regime which was conducted in 2024. This has further enabled efficient, transparent, and effective authorisation and prohibition procedures.

### Looking ahead

We are approaching the final stages of our current strategic cycle and will be commencing the formulation of our next strategy during 2026. We are immensely proud of the progress we have made under our current Strategy, and are confident that we will have fulfilled the strategic goals we set at the start of the current strategic cycle. Looking ahead, we recognise that the accelerated global macro-economic, geo-political, climate, and technological changes we are witnessing, mean that the Central Bank must continue to develop, adapt and evolve how it fulfils its mandate, so that we can continue to effectively and efficiently serve the public interest.

# Chapter 2:

## Delivering Our Responsibilities



# Chapter 2:

## Delivering Our Responsibilities

### Price Stability



The euro area economy in 2025 was characterised by a continued but uneven disinflation process, modest but resilient growth, and heightened uncertainty from the external environment. Headline inflation, which stood at 2.4% at the end of 2024, eased gradually over the course of 2025 to average approximately 2.1% for the year, ending the year close to the ECB's 2% target on a sustained basis. The disinflationary process was driven primarily by the continued unwinding of energy price shocks, further normalisation of supply chains, and the lagged effects of previous policy rate adjustments. However, the path was not uniform. Services inflation remained persistently elevated, exceeding 3% for much of the year, reflecting in part the ongoing pass-through of real wage catch up into consumer prices in labour-intensive sectors. Negotiated wages grew at approximately 4% in 2025, though forward-looking indicators – including the ECB's own wage tracker – point to a meaningful deceleration, with wage growth expected to ease toward 3.3% in 2026 and to stabilise below 3% by end-2026.

Euro area GDP growth remained modest but resilient, with preliminary estimates for 2025 growth of 1.5%. Domestic demand was supported by rising real incomes as nominal wage growth and by the gradual transmission of monetary easing into financial conditions. These factors were partly offset by weak external demand, persistent softness in industrial output in the first half of the year – particularly in Germany – and heightened uncertainty stemming from trade tensions and geopolitical uncertainty. Overall, the balance of risks to the inflation outlook shifted increasingly toward the downside as 2025 progressed, supporting an easing of the monetary policy stance.

### Eurosystem Monetary Policy Decisions

Growing confidence that the disinflation process was firmly on track translated into a continuation of the easing cycle throughout the first half of 2025. At its January meeting, the Governing Council reduced the deposit facility rate by a further 0.25%, to 2.75%, citing the ongoing moderation of inflation and the need to support a weakening growth outlook. Further cuts of 0.25% followed in March, April, and June, bringing the deposit facility rate to 2.00% by mid-year – a cumulative decline of 100 basis points over 2025, matching the pace of easing in 2024 and bringing the total reduction since the start of the cutting cycle in June 2024 to 200 basis points (or 2 percentage points) in aggregate.

The June decision was significant in moving monetary policy from restrictive territory into the top-end of the range of the Governing Council's neutral rate estimate, reflecting the assessment that inflation was on track to return to the 2% target on a sustainable basis.

Governing Council communication signalled a more cautious and data-dependent approach going forward, noting that the level of uncertainty – particularly with respect to global trade conditions – warranted a meeting-by-meeting assessment rather than forward guidance on the rate path. Consistent with this approach, the Governing Council held rates unchanged at its September, October, and December 2025 meetings, maintaining the deposit facility rate at 2.00%. This pause reflected both the proximity of inflation to target and the Governing Council's assessment that monetary policy was broadly calibrated appropriately to the medium-term outlook. In the December 2025 projections, headline inflation was forecast to be marginally below target in 2026 (1.9%), with a return to 2.0% by early-2028.

### Eurosystem Monetary Policy Operations

Over the course of 2025, the ECB continued the process of monetary policy normalisation and gradual balance sheet reduction. The Asset Purchase Programme (APP) portfolio continues to decline at a measured and predictable pace, with reinvestments from maturing securities having ended as of July 2023.

Reinvestments under the Pandemic Emergency Purchase Programme (PEPP) portfolio were discontinued at the end of 2024. The Eurosystem balance sheet continued to decline over the year, reaching €6.3trn by year-end, a fall of approximately €0.12trn. Most of the decline reflected the gradual unwinding of monetary policy bond portfolios, contributing to the normalisation of the Eurosystem balance sheet. The usage of the weekly main refinancing operations and three-month longer-term refinancing operations remained limited during the year. In addition, the standing seven-day US dollar operation continued to be carried out on a weekly basis. As a result of the monetary policy normalisation process, excess liquidity across the Eurosystem decreased during 2025, by approx. €0.4trn to below €2.5trn, mainly reflecting the run-down of the bonds held in the monetary policy portfolios<sup>2</sup>. Against this backdrop, in December 2025, the ECB invited counterparties to regularly test their operational readiness to access Eurosystem standard refinancing operations.

### Irish Monetary Policy Operations

Following the Governing Council's decisions to discontinue reinvestments from July 2023, the Central Bank's holdings under the APP portfolio have declined as expected. Within the APP, the Central Bank was a purchasing NCB under the public sector purchase programme (PSPP) and the third covered bond purchase

<sup>2</sup> Figures for the level of excess liquidity are computed as follows: current account balances, plus deposit facility balances, less total minimum reserve requirements, less marginal lending facility balances.

programme (CBPP3). PSCP holdings on the Central Bank's balance sheet, which are held at its own risk, decreased to €32bn at the end of 2025, from €34.2bn at the end of 2024. Holdings of covered bonds under the CBPP3, which are risk-shared with the Eurosystem, fell to €142.5mn at the end of 2025 from €654mn a year earlier. Meanwhile, the Central Bank's holdings of Irish government bonds under PEPP decreased during the year, from €21.4bn at the end of 2024 to €19.5bn at the end of 2024. Regarding refinancing operations, there were no outstanding monetary policy borrowings by Irish counterparties as of 31 December 2025, similar to that at the end of 2024. The Central Bank observed a fall in the level of reserve holdings with excess liquidity decreasing from €83.8bn at the end of 2024, to €75.2bn by end-2025. During 2025, the Central Bank, monitored the fulfilment of minimum reserve requirements for credit institutions in compliance with Eurosystem procedures.

## Financial Stability

To safeguard the stability of the financial system, the Central Bank evaluates the main risks facing the system and assesses the resilience of the system to those risks. A resilient financial system can provide services to Irish households and businesses in both good and bad times. The Central Bank's actions, particularly its macroprudential policies, seek to ensure that the resilience of the financial system is proportionate to the risks that it faces.



### Financial Stability Assessment and Analysis

The Central Bank published two [Financial Stability Reviews](#) in 2025. These covered the Central Bank's assessment of key risks facing the Irish financial system, the resilience of the domestic financial system to those risks, and an outline of its financial stability policies. During 2025, Irish domestic economic conditions remained positive, but the global economy experienced a sharp increase in economic and trade policy uncertainty, posing downside risks to trade and economic growth. A more fragmented and volatile world economy has negative implications for economic activity in Ireland, and for the resilience of households, firms and the financial sector. Ireland is particularly exposed to this risk because of its small open economy, in which international investment and multinational enterprises play an important role.

The Central Bank conducted [research and analysis during 2025](#) to deepen its understanding of particular risks and vulnerabilities in the financial system, and the implications for macroprudential policy. This research was communicated through a range of channels, including the publication of [Staff Insights](#) and [Research Technical Papers](#). Areas of focus included:

- Understanding sources of domestic cyclical risk, such as commercial real estate and the Irish housing/credit cycles.

- Resilience of Irish banks, households and SMEs to shocks, including climate transition risks.
- Borrower-based mortgage measures and housing, including taking stock of [ten years of mortgage measures](#).
- Non-bank lending to small- and medium-sized enterprises.

## Macroprudential Policy

The Central Bank's macroprudential policy framework aims to enhance financial system resilience, to a degree that is proportionate to the risks facing the system. The Central Bank regularly assesses its macroprudential policies to ensure that its policy stance remains appropriate. The framework includes policies relating to banks (macroprudential capital buffers), borrowers (mortgage measures), and non-banks (with a current focus on investment funds).



In relation to macroprudential capital buffers for banks, the Central Bank maintained the countercyclical capital buffer at 1.5% in 2025. The Central Bank's strategy is that it expects to maintain this buffer at 1.5% when risk conditions are neither elevated nor subdued. During 2025, the Central Bank reaffirmed the identification of six regulated firms as being systemically important to the domestic and EU economies. These firms are required to maintain an additional macroprudential capital buffer, which is intended to reduce the probability of their failure. The capital requirement was reduced for one firm and remained unchanged for the other five firms.

The Central Bank determined that the macroprudential mortgage measures continued to meet their objective of ensuring sustainable lending standards during 2025. The Central Bank is committed to monitor and communicate about the mortgage measures on an ongoing basis. The Central Bank monitored the phased implementation of its macroprudential measures for Irish property funds, requiring funds to comply with limits on leverage by end-November 2027. It continues to monitor the compliance of Irish-authorized GBP-denominated liability driven investment funds with macroprudential measures introduced in July 2024.

The Central Bank continued to engage with international counterparts to strengthen the macroprudential lens of regulation of investment funds. The Central Bank co-chaired the Eurosystem's High-Level Task Force on macroprudential policy for non-banks. During 2025, the Task Force considered policy priorities to build on the Eurosystem's response to the 2024 European Commission consultation on non-bank macroprudential policy. The Central Bank also participated in finalising policy recommendations published by the Financial Stability Board in July 2025, about financial stability risks arising from the use of leverage by non-banks.

## Central Credit Register

The Central Credit Register is the national mandatory database of personal and credit information, operated by the Central Bank. It enhances financial stability and consumer protection by providing lenders with comprehensive borrowing information, enabling better credit risk assessment and more informed lending decisions. The number of lenders submitting information to the Central Credit Register at the end of 2025 was 598 (2024: 614) and the database contained 5.6m active records (2024: 5.5m). Lenders requested 2.83m credit reports in 2025 (2024: 2.52m). 39,279 credit reports were provided to borrowers during 2025 (2024: 37,037), an increase of 6%. To recoup the costs of the Central Credit Register, lenders are charged for every enquiry they perform.

## Climate Change

The Central Bank's work on climate change is focused on the resilience of the financial system through embedding effective risk management in regulated firms, informing national climate policy by leveraging its data, research and analytical capabilities, and assessing the financial system as an enabler for climate transition. There are signs that the energy transition is gaining momentum. However, physical climate risks continue to increase, global climate mitigation efforts remain off track, and political developments internationally have complicated international cooperation efforts.



The Central Bank chairs the [Climate Risk and Sustainable Finance Forum](#), which brings together industry experts and regulators to build a shared approach for managing climate-related financial risks and opportunities. It published a [Feedback Report on the ESMA Common Supervisory Action on Sustainability Risks and Disclosures in the Investment Funds Sector](#) and an Information Note to advise firms about [Planning for the Transition to Net Zero](#). The Central Bank published research and reports on [Funding Climate Adaptation](#) (jointly with the Climate Change Advisory Council), [Climate Change and Irish firms' Access to Finance](#), and [Flood Risk in Business Lending](#). The Central Bank's [Climate Observatory](#) provides an annual, evidence-based update on climate science trends and their impact on the Central Bank's mandates. The Central Bank published its [Climate-Related Financial Disclosures](#) in June 2025 and updated its [Climate Action Roadmap](#) in November 2025.

## Resolution

### Resolution Planning and Enhanced Resolvability

In line with the Single Resolution Board's Expectations for Banks and the Central Bank's Approach to Resolution, banks continued to make progress in removing potential impediments to resolvability during 2025. There was an increased focus on operationalisation and testing in support of banks' resolvability. Banks met their targets for minimum requirement for own funds and eligible liabilities, which exist to ensure that banks have sufficient capital and appropriate liabilities that can be bailed in at point of failure, if necessary. The Central Bank commenced work to plan a resolution framework for the insurance sector as required under the Insurance Recovery and Resolution Directive, which will be transposed into national legislation by January 2027. There were no resolution actions in 2025.



### Resolution Funds

The Central Bank has statutory responsibilities with respect to three resolution funds. The Single Resolution Fund (on behalf of the Single Resolution Board) supports the orderly resolution of significant eurozone banks. The Investment Firm Resolution Fund supports resolution of large cross-border firms, and the Credit Institutions Resolution Fund manages the orderly resolution of Irish credit institutions. During 2025, the Central Bank did not collect ex-ante contributions from regulated firms in Ireland to these funds. The funds were not called upon in 2025. As of 31 December 2025, the Single Resolution Fund is €81bn against its target of €78bn, the Bank and Investment Firm Resolution Fund is €70m, and the Credit Institutions Resolution Fund is €66m. An outstanding loan of €10m to the Credit Institutions Resolution Fund from the Minister for Finance was repaid in 2025.

### Deposit Guarantee Scheme and Insurance Compensation Fund

The Central Bank administers the Deposit Guarantee Scheme and Insurance Compensation Fund. The Deposit Guarantee Scheme protects consumers savings in the event a credit institution fails. The Scheme reached its mandated available financial means of 0.8% of covered deposits by July 2024. It is expected that future levy requirements would be driven by an increase in the consolidated value of covered deposits or the use of Deposit Guarantee Scheme funds.

The Insurance Compensation Fund protects policyholders when insurers become insolvent, guaranteeing that insurance claims and benefits are paid. In 2025, this Fund paid €4.8m to the State Claims Agency in respect of two insolvent entities, namely Gefion Finans A/S (Denmark) (In Bankruptcy) and Setanta Insurance Company Limited (Malta) (In Liquidation). The Insurance Compensation Fund paid €1m to the Liquidators of Prometheus Insurance Company Limited (In Liquidation).

## Financial Crisis Preparedness and Management

During 2025, the Central Bank's crisis preparedness work focused on examining system-wide response structures and contingency arrangements for operational disruptions to payment services, including cash.

## Payment Systems

### Payment System Operator

The Central Bank maintains the Irish TARGET Services component, TARGET Ireland, which is owned and operated by the Eurosystem. TARGET Services are developed and operated by the Eurosystem to ensure the free flow of cash, securities and collateral across Europe. These financial market infrastructure services include T2 (for settling payments), T2S (for settling securities), TIPS (for settling instant payments) all of which settle in central bank money. On 16 June a new TARGET Service went live with the Eurosystem Collateral Management System (ECMS), a unified system that harmonises collateral management for Eurosystem credit operations for all euro area jurisdictions. ECMS replaced existing systems for national central banks, in expanding existing TARGET Services to incorporate ECMS access. This represented a significant delivery for the Central Bank and the Irish market, over a six-year period. In addition, the Eurosystem has also launched Pontes, the distributed ledger technology (DLT) solution that links market DLT platforms and TARGET Services to settle transactions in central bank money. Preparation works also progressed on the T2 adaptations needed for the digital euro project. Furthermore, in 2025 the Eurosystem granted non-bank payment service providers access to central bank-operated payment systems, including TARGET. T2-Ireland currently has 13 RTGS account holders, 1 Ancillary System and 2 T2S dedicated cash accounts (DCA's). There was a decrease of 6.90% in transactions processed (625,760) in T2-Ireland in 2025, the total value of transactions for 2025 decreased by 17.76% to €5.38tn. The Central Bank is responsible for the maintenance of the Register of Irish Government Bonds and Treasury Bills on behalf of the National Treasury Management Agency. At end 2025, the nominal held on the register amounted to €137.7bn, representing a 2.14% decrease on previous year.



### Payment Ecosystem Catalyst

One of the Central Bank's primary roles in the area of payments is our Catalyst role, which is derived from the European Central Bank's Catalyst mandate. This role primarily involves driving and influencing positive change in the Irish and European retail payments markets, with a particular focus on improving market efficiency, integration and security. A large part of our Catalyst role involves engaging with market participants. One of the formal channels we do this through is the Irish Retail Payments Forum (IRPF), Ireland's national payments forum, which is chaired by the

Central Bank. The principal aims of the IRPF are a) to promote the continued safety and efficiency of retail payments in Ireland and, b) to foster co-operation between all stakeholders in relation to the development and provision of new and improved payment services and payment instruments. We also support domestic initiatives such as the Government's National Payments Strategy, under which we are progressing several actions that are focused on enhancing the Irish retail payments market. These include the establishment of the Pay-by-Account Working Group to advance open banking and instant payment solutions in Ireland, and conducting a study on the Cost Usage and Efficiency of Retail Payments Study, to better inform market participants (including merchants) about the relative costs and benefits associated with the use of different payment instruments (e.g. cards, cash, credit transfer etc.).

### Payment Ecosystem Regulatory Changes

In January 2025 all payment service providers (PSPs) in Ireland and the euro area, that offer classic SEPA credit transfers (SCT) in euro, were required to facilitate the receipt of SEPA instant credit transfers (or "SEPA instant payments (SCT-inst)") and by October 2025 this expanded to sending SCT-inst payments, allowing customers to send or receive euro-denominated payments within ten seconds, 24 hours a day. The Central Bank of Ireland, as the competent authority for the purposes of the SEPA Regulation, including the amendments introduced by the Instant Payments Regulation, oversaw and supported this transition through engagement with industry bodies, bilateral meetings with banks and other PSPs, and communication initiatives for consumers.

### The Digital Euro

The Eurosystem's digital euro project aims to make central bank money available to the public in digital form. A digital euro would be a digital form of cash, issued by the central bank and available to everyone in the euro area. The Central Bank continues to align with the ECB's/Eurosystem's objectives for the digital euro project. Following the successful completion of the two-year preparation phase launched in November 2023, the Governing Council of the European Central Bank (ECB) decided on 29 October 2025 to move to the next phase of the digital euro project. This decision aligns with European leaders' request to accelerate progress on the digital euro. The preparation phase achieved its primary objectives, including: delivering a draft digital euro scheme rulebook (a set of standards which will bring harmonisation to payment standards across the euro area market); selecting providers for key components of the digital euro platform and infrastructure; and conducting experimentation through an innovation platform and extensive user research to ensure a digital euro would meet the highest standards. The next phase focuses on three main workstreams: advancing technical readiness by developing the digital euro's technical foundations and validating core functionalities through piloting; deepening market engagement with payment



service providers, merchants and consumer representatives; and continuing to support the legislative process with technical input. In June 2023, the European Commission published its legislative proposal for the establishment of a legal framework for a possible digital euro. The legislative proposal is making good process, with the Danish Presidency of the Council reaching agreement on a general approach at the end of 2025. Under the working assumption that European co-legislators will adopt the Regulation on the establishment of the digital euro in the course of 2026, a pilot exercise and initial transactions could take place as early as mid-2027, with the Eurosystem ready for a potential first issuance of the digital euro during 2029. The ECB Governing Council's final decision on whether to issue a digital euro, and on what date, will only be taken once the European Union's legislative framework has been adopted. The Central Bank has identified the digital euro project as a key strategic and supervisory priority and continues to engage with key stakeholders in the Irish market on project developments. All regulated firms are encouraged to stay fully informed of developments, actively monitor progress, and integrate the digital euro into their future business plans, risk management frameworks, and budgets to ensure readiness in line with a decision to launch the digital euro.

## Currency

### Banknotes

In 2025, the Central Bank issued 145m banknotes (value €4,931m), representing a 13% decrease on the 166m banknotes (value €5,280m) issued in 2024. In 2025, the Central Bank received banknote lodgements of 85m (value €2,108m) which represents a decrease of 17% on the 103m (value €2,492m) received in 2024.

**Table 1: Banknote Issues Issued Value €**

No. of Banknotes (m) Issued <sup>3</sup>			Value €m	
Denomination	2025	2024	2025	2024
€5	19.8	22.4	99	112
€10	18.9	24.6	189	246
€20	22.5	34.6	450	691
€50	83.1	83.9	4,156	4,196
€100	0.3	0.3	34	35
€200	0	0	3	0
<b>Total</b>	<b>144.6</b>	<b>165.8</b>	<b>4,931</b>	<b>5,280</b>

Note: Figures may not sum due to rounding

<sup>3</sup> The €500 banknote is legal tender; however, as of 27 April 2019, it is no longer issued.

## Coin

The Central Bank, acting as agent for the Minister for Finance, issued 76m coins (value €37m) into circulation in 2025. This represents a 21% increase in coins issued when compared with the 63m coins (value €33m) issued in 2024. The Central Bank received lodgements of 22m coins (value €14m) in 2025 which represents a 19% decrease on 2024 coin lodgements of 27m (value €12m).

**Table 2: Coin Issues**

No. of Coin (m)			Value €m	
Denomination	2025	2024	2025	2024
1c <sup>4</sup>	0	0	0	0
2c	0	0	0	0
5c	26	26	1	1
10c	13	8	1	1
20c	14	8	3	2
50c	5	6	3	3
€1	5	4	5	4
€2	12	11	23	22
<b>Total</b>	<b>76</b>	<b>63</b>	<b>37</b>	<b>33</b>

Note: Figures may not sum due to rounding

## Collector Coin

The Central Bank marks significant events in Irish arts, history, heritage and culture by issuing a range of numismatic products on behalf of the Minister for Finance.

During 2025, the Central Bank issued the following products for sale on

[collectorcoins.ie](https://collectorcoins.ie):

- Annual Mint Set 2025 – Bio-Diversity Theme
- Baby Set 2025
- Silver Proof Coin 2025 – George Bernard Shaw
- Silver Proof Coin, Gold Proof Coin & Double set 2025 – 250<sup>th</sup> anniversary of the birth of Daniel O’Connell.

<sup>4</sup> 1c and 2c coins are no longer minted in Ireland.



**Governor Makhlouf with Johnny Cunningham and Nicola Fitzsimons - descendants of Daniel O'Connell.**

In June 2025, the Central Bank issued a silver proof commemorative coin to mark 100 years since George Bernard Shaw won the Nobel prize in 1925. In September 2025, the Central Bank launched a silver proof commemorative coin, a gold proof commemorative coin and a double set product to mark the 250<sup>th</sup> anniversary of the birth of Daniel O'Connell.

### National Cash Cycle and Access to Cash

The Finance (Provision of Access to Cash Infrastructure) Act 2025 (the Act) was signed into law by the President on 20 May 2025 and commenced on 30 June 2025. The Act seeks to ensure reasonable access to cash for the public and SMEs. This includes facility to both lodge and withdraw banknotes and coin. Some of the key provisions in the Act are:



- To provide for a framework to manage future changes to access to cash infrastructure in a fair, equitable and transparent manner and for that purpose to provide for access to cash criteria and local deficiency assessment and where appropriate, remediation;
- To designate entities who will be responsible for such compliance and that there will be monitoring and enforcement of these obligations by the Central Bank;
- The Central Bank will collect and publish certain information relating to access to cash; and
- The Central Bank will register ATM Deployers and Cash in Transit (CIT) companies and conduct ongoing oversight of ATM Operators and CIT companies.

The Central Bank commenced implementation of several key provisions under the Act during 2025, including:

- Process of registration of CIT companies and ATM Deployers operating in the State during H2 2025;
- Designation of Entities responsible for compliance with the Act during Q4 2025; and
- Launch of two public consultations (Local Deficiency and Requirements for ATM Operators) in Q4 2025

The Central Bank will continue to rollout additional responsibilities under the Act during 2026.

### New Cash Centre

The Central Bank is progressing the implementation of its strategy to develop a new national cash centre at its Baleskin site in Fingal, which was acquired in 2024. Our current estimate is that it will be at least seven years before a new cash centre is delivered, due to the complexity and security requirements of the project. Until such time, operations will remain at its premises in Sandyford.

## Economic Analysis and Statistics

### Economic Analysis

The Central Bank contributed to the formation of national economic policy through its provision of analysis and advice in its [Quarterly Bulletin](#) and in speeches and statements by the Governor and other senior staff. Six macroeconomic forecasting exercises were conducted during 2025, including those of the Eurosystem's biannual Broad Macroeconomic Projection Exercise. The Central Bank's modelling suite continued to be developed, including assessing policy issues relating to climate change. Areas of focus in economic analysis in 2025 were the impact of greater policy uncertainty, especially in international trade and investment. On the Irish economy - the effect of technological change on the labour market, capacity constraints on domestic economic activity, including construction, sources of inflation and ensuring resilience in the public finances. These topics were addressed in the Quarterly Bulletin, including [Signed Articles](#). Central Bank staff also contribute to the [Staff Insights](#) and [Research Technical Papers](#) series. A detailed description of Central Bank research output, including in external publications, is provided in the [Research Bulletin](#).



## Statistics



The Central Bank publishes official statistics on the Irish financial sector to support the European System of Central Banks (ESCB) and external stakeholders, including public institutions, media, market participants and the public, while continuously enhancing its statistical outputs, developing innovative products and offering insights into Ireland's key financial activity. To sustain and expand product offerings, significant process improvements have been developed and implemented in 2025.

After the successful launch in 2024, Frontier Statistics continued its expansion from 2 to 5 products throughout 2025, with the inclusion of new statistics on Household debt, non-bank lending to Irish enterprises and Investment & Money Markets.

[Frontier Statistics](#) was also enhanced with the implementation of interactive charts, providing our external users with better functionality and insights. In 2026 there will be an expanded use of interactive chats across our various statistical offerings on the website.

Two new official statistics publications were also launched in 2025, the first on [Payment Fraud Statistics](#) which provides comprehensive insights into payments fraud in Ireland on an annual basis, analysing fraud by payment method (credit transfers, card payments, e-money and direct debits), identifying the most common fraud types, and quantifying financial losses. The second publication on [Household Wealth](#), analyses households' assets and investments on a quarterly basis, and provides a detailed breakdown of the wealth distribution across Irish households.

In 2025, the Government launched a further insurance reform action plan, which as part of its scope emphasised the need for greater market transparency to deliver fairer and a more affordable insurance market, and sought faster releases from the National Claims Information Database (NCID). This requirement was fully met in 2025, with the delivery of two annual Liability insurance reports, one annual Motor insurance report, mid-year reports for both Motor and Liability insurance and the collection of state supports data.

## Financial Regulation and Supervision<sup>5</sup>

### Risk Landscape

The global environment remained uncertain and subject to heightened geopolitical and macro-financial risks over 2025. The global and domestic economies have demonstrated resilience and, although the impact of US tariff policies were less severe than initially feared, uncertainty prevailed. **Financial markets** generally had a strong year in 2025 despite the uncertain backdrop, driven largely by AI-based growth expectations and compressed corporate bond spreads. High valuations are a possible sign of excessive risk taking (with “fear of missing out” being one driver) and increase the risk of market corrections, particularly in relation to AI-driven valuations, albeit with the timing uncertain. Markets remain vulnerable to changes in sentiment with multiple asset classes, including traditionally safer US Treasuries, showing signs of correlation following the announcement of US tariffs in April of 2025.

**Operational risks** remained at a very elevated level arising from the geopolitical context, advancing digitalisation and increasingly complex operating models. Expanding digitalisation and changing consumer expectations reshaped the nature, form and delivery of financial products, creating both opportunities and challenges. Technological advances also continued to make it easier for criminals to conduct illicit activity and perpetrate fraud, while also offering solutions to mitigate risks. This environment also heightened the risk to consumers via fraud, changing distribution channels and unregulated products. The risks associated with the **climate and environmental crises** became more evident with extreme weather events such as floods, storms and wildfires increasing in frequency and severity. At the same time, actions to address climate and environmental risks globally diverged at the expense of timely mitigation.

There has been a significant recent shift in the global regulatory environment, with fragmentation and localisation creating a more complex operating environment for globally active firms with variability of regulatory standards. Such fragmentation is seen particularly in the digital assets, AI and climate spaces, with diverging approaches emerging in major jurisdictions. **Ireland’s financial sector** demonstrated strong financial and operational resilience through recent economic, financial and geopolitical turbulence, and through an extraordinary period of technology-driven transformation. This resilience reflects both the adaptability of firms and the strong regulatory and supervisory foundations established since the global financial crisis. However, Ireland’s position as a highly interconnected financial centre means that risks can emerge and spread quickly. Firms must therefore ensure that they are resilient, well-governed and capable of managing evolving risks in a way that

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<sup>5</sup> This section of the report addresses the Annual Performance Statement reporting obligations under Section 32L(2)(b) of the Central Bank Act 1942 (as amended).

protects consumers and investors, safeguards financial stability and maintains trust in the financial system.

## Supervisory Framework

In January 2025 the Central Bank implemented our new supervisory approach as a key part of delivering on the Transforming and Safeguarding themes in our Strategy. Through our approach, we seek to achieve our four critical and overarching safeguarding outcomes: the protection of consumer and investor interests; the integrity of the financial system; the safety and soundness of firms; and financial stability.



Supervising on a holistic basis, across all our safeguarding outcomes, allows us to form a broader perspective on priority risks, trends and vulnerabilities within and across sectors. We put a new organisation structure in place, effective from January 2025, to align with, and support the new supervisory approach. The revised organisation structure is based on multi-disciplinary teams working together within and across sectors to deliver our supervisory priorities in a more effective way.

After one year of implementation, the benefits of a more integrated approach to supervision are proving their worth. Internally, this has been evidenced in terms of how we coordinate and optimise our efforts. External stakeholders are also beginning to see a more joined up approach in their interactions with the Central Bank. As the financial system evolves and new risks and vulnerabilities continue to emerge, our supervisory approach positions us to deliver on these safeguarding outcomes in a changing and increasingly complex and interconnected financial landscape, both now and into the future.

Going forward, we will continue to provide further information on our supervisory approach, priorities and planned activities. Through our annual [Regulatory & Supervisory Outlook Report](#), and through industry and individual firm engagements, we will communicate more specifically and earlier on our regulatory and supervisory priorities in each sector, together with an overview of our planned activities to achieve those priorities. Building on strong foundations, we are confident that our new supervisory approach sets us up for the future, enabling us to continue to effectively deliver on our mandate and ensuring the financial system operates in the best interests of consumers and the wider economy.

**Table 3: Financial Services Providers Regulated by the Central Bank 2018-2025<sup>6</sup>**

Provider Type	2018	2019	2020	2021	2022	2023	2024	31 Dec 2025 <sup>7</sup>
Credit Institutions <sup>8</sup>	60	58	56	52	49	52	47	48
Life Insurance Companies	42	43	39	37	43	41	41	38
Non-Life Insurance Companies	96	94	91	97	119	119	115	115
Reinsurance Companies	63	57	59	60	62	61	59	58
Investment Firms	130	140	137	114	108	102	103	101
Fund Service Providers	280	301	309	225	216	204	190	187
Retail Intermediaries (RI) <sup>9</sup>	2433	2423	2454	2462	2450	2,637	2,495	2,450
Collective Investment Funds <sup>10</sup>	7288	7697	7962	8372	8752	8,942	8,983	9,310
Credit Unions	266	256	244	237	222	191	183	171
Money Transmitters, Bureaux de Change	10	10	9	7	7	7	6	6
High-Cost Credit Providers (was Moneylenders)	38	38	36	33	32	29	28	28
Regulated Market Marker Operator	1	1	1	1	1	1	1	1
Money Brokers	5	5	5	5	5	5	5	5
Retail Credit Firms & Home Reversion Firms	20	21	19	19	18	17	18	24
Transitional Retail Credit Firms (added 2022)	-	-	-	-	27	25	19	12
Payment Institutions	12	20	22	20	26	24		22
Debt Management Firms	47	45	41	38	38	36	33	30
Crowdfunding Service Providers	-	-	-	-	-	5	7	7
Electronic Money Institutions	2	12	17	17	22	28	28	29
Credit Servicing Firms	8	7	16	20	18	19	18	18
Transitional Credit Servicing Firms	-	34	17	9	3	2	1	1
Account Information Service Providers	-	-	3	4	4	4	7	7
<b>Total Regulated Firms</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>		
<b>Total</b>	<b>10801</b>	<b>11262</b>	<b>11537</b>	<b>11829</b>	<b>12222</b>	<b>12563</b>		
<b>Minus Funds</b>	<b>7288</b>	<b>7697</b>	<b>7962</b>	<b>8372</b>	<b>8752</b>	<b>8942</b>		
<b>Total Regulated Firms</b>	<b>3513</b>	<b>3565</b>	<b>3575</b>	<b>3457</b>	<b>3470</b>	<b>3621</b>		

### Consumer and Investor Protection

In 2025, we implemented our new, more integrated approach to supervision. This approach places the protection of consumers and investors at the centre of supervision, along with ensuring the safety and soundness of firms and the integrity of the financial system. Our approach continues to be outcomes-focused and risk-based, delivering positive outcomes for consumers with the protection of the best



<sup>6</sup> Some firms may have multiple authorisations.

<sup>7</sup> Includes, where relevant, branches of European Economic Area and third country regulated entities providing financial services in Ireland.

<sup>8</sup> Includes 17 Licenced Banks, 1 retail bank, Third Country Branch and EEA Branches (European Credit Institutions).

<sup>9</sup> From 2023 the Retail Intermediaries figure now includes 157 firms who also hold a higher 'primary' authorisation – e.g. RIs who also hold authorisation as a Credit Institution, Credit Union, MiFID Firm etc. Figures from 2018-2022 did not include this.

<sup>10</sup> Collective Investment Funds breakdown consists of Investment Funds and Money Market Funds.

interests of consumers at the core. We expect firms to do the same, putting consumers and investors at the heart of decision-making. Considerable progress was made throughout 2025 in implementing enhancements arising from the [2024 OECD review of the Central Bank against the global standards for financial consumer protection](#). These enhancements include how we measure and demonstrate our effectiveness, use data, engage with consumers and protect consumers in vulnerable circumstances.

In March 2025, we launched the revised [Consumer Protection Code](#) (Code), which comes into effect in March 2026. A key objective of the revised Code is for firms to secure customers' interests and to put customers at the heart of their culture, strategy and business models. We will extend the application of the Code to Credit Unions in 2026. Through the revised Code, consumers will benefit from a package of protections that better reflect how they are accessing financial services in the modern world.

In line with our Open & Engaged strategic objectives, we continued our proactive engagement with a wide range of stakeholders including public organisations, consumer representatives and civil society, using their views and experiences to inform our work and outcomes.

In 2025, the Central Bank sought to deliver positive outcomes for consumers and investors through a range of supervisory activities and engagements in all financial sectors. These included:

- Reviewing the customer experience through the lens of customer complaints across multiple sectors, ensuring firms appropriately identify and address the root-cause of the complaint.
- Ensuring Payment and E-money firms adequately protect customers' assets through a review of [operational effectiveness of safeguarding processes and control infrastructure](#).
- Publishing research and analysis on [how Irish households are not realising the full benefit of investment options](#).
- Providing guidance to banks and retail credit firms on the necessary criteria for an [appropriate and sustainable alternative mortgage repayment arrangement](#).
- Reviewing, and sharing with the Minister for Finance, a report on the [implications of an interest rate cap on High Cost Credit](#).
- Compliance checks on how [Retail Intermediaries inform consumers and disclose remuneration arrangements](#).
- Setting out to investment firms and credit institutions the importance of clear governance frameworks in a [conduct risk assessment of pre-trade controls](#).

Two product oversight and governance reviews focused on the health and international insurance sectors were also commenced to assess firms' compliance with their obligations to ensure products meet target market needs and deliver good customer outcomes. The Central Bank also undertook work in the domestic non-life insurance sector on the transparency of customer communications in relation to no claims discounts (NCDs).

### Domestic and International Banking

The banking sector in Ireland continued to evolve through changing business models, revocations<sup>11</sup>, new authorisations<sup>12</sup> and, increasingly, through the establishment of EU bank branches offering digital-only services. A new retail bank, (Monzo Bank Europe (MBEU)), was also authorised in 2025. The total size of the Irish domiciled banking sector was c. €773bn at the end of 2025. The outlook is for further growth driven in part by regulatory developments, namely Article 21c of the Capital Requirements Directive (CRD 6) (effective January 2027), requiring undertakings established in a third country to establish an EU subsidiary or third country branch to carry out in-scope banking activities within the EU<sup>13</sup>. In addition, for some extant entities within the Irish domiciled international banking sector, Article 21c of CRD 6 will necessitate material business model transformation requiring a migration of assets and liabilities which may, in time, change their respective size and risk profiles.

Despite volatile geopolitical conditions and increasing competition, the Irish banking sector remained resilient in 2025. Irish banks performed strongly in the [2025 EBA stress test](#), maintaining capital buffers well above minimum requirements under adverse conditions. Domestic banks' profitability was supported by strong economic performance and interest income, while international banks benefited from favourable global markets supporting their cross-border wholesale activities, including corporate and investment lending, trading and securitisation.

### Digital Operational Resilience Act (DORA) Implementation

Among the supervisory priorities in 2025 was enhancing operational resilience amid the accelerating digitalisation of banking and heightened cyber threats. The EU Digital Operational Resilience Act (DORA), which came into force on 17 January 2025, is designed to strengthen Information & Communication Technology (ICT) risk control frameworks and increase oversight of critical ICT service providers to enhance system-wide resilience. As a significant cross-cutting European legislative initiative extending across multiple financial service sectors, DORA implementation was a top-down priority for the Central Bank. Our engagement programme included

<sup>11</sup> On 27 June 2025, the ECB, as the competent authority under the SSM, revoked the banking licence of Ulster Bank Ireland DAC, at the bank's request in line with its exit strategy from the Irish banking sector.

<sup>12</sup> A wholly owned subsidiary of Monzo Bank Holdings Group Limited, which also operates Monzo Bank Limited UK.

<sup>13</sup> In scope activities include accepting deposits, lending and providing guarantees/commitments. Some exceptions apply.

over 800 attendees at dedicated workshops, comprehensive frequently asked questions, and extensive industry consultation on third-party IT service providers. The Central Bank also led coordination efforts at European level through the Chair of the Joint ESA Sub-Committee. Despite operational challenges in establishing the registers, our teams delivered substantial effort in supporting a smooth transition to this complex, cross-sector regulatory framework.

A further priority was for banks to embed a consumer and investor-centric culture and place the best interests of consumers at the centre of their strategies. In support of this, the revised Consumer Protection Code seeks to strengthen the protections in place for users of financial services particularly those that may be in vulnerable circumstances.

### Credit Unions

The credit union sector continued to grow its assets during 2025. The sector had total assets of €22.5bn, with strong reserves maintained and positive growth in lending. Supervisory activities completed across the sector included a focus on operational resilience, with an IT Thematic Review identifying actions for credit unions to address. Significant changes to the lending framework were introduced during 2025, which allow credit unions, should they so wish, to provide increased house and business loans to their members. Recognising the broader range of services now provided by credit unions, the Central Bank launched “CP169” to consult on the application of the CPC2025 to all credit union regulated activities to ensure that credit unions members are afforded the same consumer protections as other financial services consumers. Consolidation continued with 12 transfers of engagement completed. Restructuring continues to reshape the sector’s asset size profile, with 71 of 171 active credit unions reporting assets over €100m (representing 77% of sector assets) at end-2025.

### Payments and E-Money

Payment and e-money firms play an increasingly important role in the European payments system architecture. Activity levels continue to increase with €11.8bn in safeguarded funds held by authorised firms at end 2025 (versus c. €10.2bn at end 2024). The Central Bank’s ongoing supervision of the sector identified some evidence of improvements in governance and risk management practices. The Central Bank published its first edition of the [Payment and E-Money Newsletter](#) in December 2025. The newsletter provided an update on developments in the sector including the outcome of the 2025 thematic inspection assessing the operational effectiveness of firms’ safeguarding processes and control infrastructure, in addition to the Bank’s expectations for managing customer service risk and the need to take a consumer-centric approach that helps deliver fair outcomes for customers.

## Retail Credit Sector including and High-Cost Credit Providers (HCCP)

Across the retail credit sector, the focus for 2025 remained on financial and operational resilience to identify any (emerging) sector wide risks, proactive intervention where concerns arise, and that firms continue to support borrowers in, or facing arrears. Total assets under management of c.€47bn at end June 2025 (versus c.€48bn as at end 2024). HCCPs had balances outstanding of c.€110m driven primarily by premium finance companies at end 2024. From a high-cost credit perspective, following the introduction of an interest rate cap on high-cost credit in the Consumer Credit (Amendment) Act 2022 (CCA) and thereafter (the 2022 Act), the Central Bank reviewed the impact of the [interest rate cap on high-cost credit](#) and provided a report to the Minister for Finance in November 2025 and will be published in Q1 2026. The findings of the report indicated that the cap reduced interest rates as intended, did not significantly impact competition or financial inclusion and strengthened consumer protections. In addition, it highlighted that the sector remains important for providing regulated credit to underserved borrowers.

## Insurance and Re-Insurance

In 2025 there were a number of key activities undertaken, including:

- An assessment of operational resilience in the domestic life sector.
- A review of anti-money laundering, countering the financing of terrorism and financial sanctions governance within the cross-border life sector;
- An assessment of consumer treatment when purchasing or renewing health insurance; and
- A review of intra group outsourcing arrangements and governance and oversight of such within the international sector, with key findings in terms of substantive presence and decision making, outsourcing framework and the use of service companies.

Specific sectoral and/or firm feedback was issued on the above reviews, with summary findings noted in the [Insurance Quarterly newsletter](#). Following publication of guidance for (Re) Insurance Undertakings on climate change risk in March 2023, a cohort of firms from across non-life, life and reinsurance sectors were chosen for the review of firms' assessment of the materiality of their exposure to the climate change risk in 2025. The Digital Operational Resilience Act (DORA) entered into application on 17 January 2025, with a particular focus on the collection of outsourcing registers in H1 2025. More broadly, preparations are well underway for impending changes to EU legislation for (re)insurers, namely the Solvency II Review and Insurance Recovery and Resolution Directive (IRR). This work will continue into 2026. Regular stakeholder engagement occurred throughout 2025 to outline forthcoming regulatory developments and supervisory plans, with a summary included in the insurance quarterly newsletters. A Peer Review on Outsourcing completed by the European Insurance and Occupational Pensions Authority

(EIOPA) was published on 24 July 2025. This [follow-up report](#) assessed the progress made by National Competent Authorities ('NCA's) (including the Central Bank) in implementing the recommended actions issued in the context of the 2022 peer review on outsourcing.

## Retail Intermediaries, Crowdfunding Service Providers and MiFID Investment Firms

The Retail Intermediaries Sector is a key distribution channel for insurance, pensions, investments and mortgage products, while the Crowdfunding Sector enables consumers to invest in wide-ranging business initiatives. In 2025, the Central Bank completed thematic reviews in the Retail Intermediaries Sector focusing on Customer Experience (complaints) and [Firms Offering a Fair vs. Limited Analysis of the Market](#). The Central Bank also undertook a review of Marketing Materials & Key Investor Information in the Crowdfunding Sector. Two editions of an [Industry Newsletter](#) were published and [the Annual Retail Intermediaries Roadshows](#) were hosted.

The MiFID Investment Firms sector is diverse, encompassing wealth and portfolio managers and online broker platforms, as well as firms providing pension-related services and engaging in capital market activity. In 2025, the Central Bank completed a Common Supervisory Action on Sustainability Requirements in the MiFID investment firms' sector, and findings will be communicated in 2026. A thematic review of [investment firms' operational resilience frameworks](#) was completed and findings have been published. Supervisory work on financial resilience focussed on firms' capital and liquidity management, with a thematic review on liquidity completed. Supervisory engagements also addressed AML/CTF, ensuring client assets are appropriately safeguarded and how firms have embedded their responsibilities under the Individual Accountability Framework.

## Investment Funds and Markets

Ireland is a significant domicile for investment funds. There was further advancement in the Central Bank's data and analytics capabilities to support the supervision of the funds sector during 2025. This represented the first full year of investor flow data collection and saw the inclusion of reporting relating to the use of [liquidity management tools](#). This has significantly enhanced the Central Bank's judgement led approach to the supervision of liquidity risk for the sector.

Following completion of the ESMA Common Supervisory Action on Sustainability Risk and Disclosure, the Central Bank [published a report](#) setting out key findings and feedback to firms. The Central Bank also completed a Common Supervisory Action on Compliance and Internal Audit Functions and findings will be published in 2026. The review of delegation and outsourcing practices of fund management companies continued, with findings to be communicated in 2026. A number of other thematic reviews involving fund management companies and fund service providers

concluded, including assessments of [liquidity management tools](#), [hedge funds](#) and securities lending fees.

During 2025, significant thematic and sectoral work was undertaken to assess both financial and operational resilience of trading venues and marketmakers. A thematic review of liquidity risk was concluded which highlights the status in the industry. Additionally, a significant thematic review focussed on operational resilience commenced in H2 2025 and will continue into 2026. A thematic review of the use of AI in wholesale financial markets was finalised in 2025, resulting in a clearer picture of how AI is deployed, managed and governed in wholesale financial markets. A significant focus across 2025 was on assessing the management of conflicts of interest (including its governance and internal controls) across a suite of firms in wholesale markets. An update as regards market abuse is included in the section below on Financial Crime, including Anti-Money Laundering /Countering Terrorist Financing.

### Authorisation and Gatekeeping

During 2025, authorisation activity increased alongside growing complexity, largely reflecting technological advances in applicant firms' business models as well as legislative changes in the regulatory environment. Multiple areas of the Central Bank handle applications across different sectors under distinct legislative frameworks. Assessment procedures have been refined to clearly outline application processes, authorisation standards, and required engagement levels. It is a transparent approach, with the Central Bank communicating expectations to regulated firms via its website, webinars, in-person forums and direct meetings.

The third edition of the [Central Bank's Authorisations and Gatekeeping report](#) has been published. This continues to promote transparency and predictability regarding authorisation expectations and processes, incorporating stakeholder feedback. The report includes detailed statistics on 2025 authorisations and corresponding processing timeframes in tabular format. The average time taken by us to process complete applications for authorisation was 21 calendar days in 2025. A breakdown of the number of authorisations progressed in 2025, along with processing times is contained in the next table.<sup>14</sup>

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<sup>14</sup> The purpose of these metrics is to provide information which indicates, for a typical application, how long an authorisation can be expected to take. More complex authorisations may take longer to assess. The metrics represent the point from date a complete application is received to the final decision and includes time taken by applicants to deal with queries raised by the Central Bank during the application.

**Table 4: Authorisations Data 2025**

Authorisations Data 1 Jan 2025 - 31 Dec 25	Applications Received	Applications Withdrawn/ Closed	Applications Approved	Processing Times (Average Days)	Pipeline on 31 Dec 2025
Funds Authorisation	934	97	975	91	0
Retail Intermediaries/ Debt Management Firms	186	67	149	105	56
High-Cost Credit Providers	0	0	1	N/A	0
Retail Credit Firms/Credit Service Firm	1	2	7	76	10
Trust or Company Service Providers	5	0	5	55	0
Fund Service Providers	11	2	7	254	15
Insurance	8	1	8	21	0
MiFID Investment Firms	9	6	6	245	17
Crowdfunding Service Providers	0	1	0	N/A	0
Payment and Electronic Money Institutions	9	2	4	763	13
Credit Unions	No applications received				
Crypto Asset Service Providers	11	0	10	171	10
Credit Institutions	4	0	1	355	5
Prospectus Approval	658	9	649	15	-
MiCAR Title II Whitepaper Notifications	305	0	305	5	-
Fitness and Probity - All Applications	3,032	418	2,684	50	409
Fitness and Probity - RFSP Applications	2,094	250	1,877	21	86
Fitness and Probity - Authorisation Applications	938	168	807	154	323

### Crypto-Asset Service Providers (CASP)

CASPs are a new category of regulated entity within the Markets Sector. CASPs are authorised under the Markets in Crypto-Assets Regulation (MiCAR). During 2025, the Central Bank authorised 10 CASPs. Firms authorised have a variety of business models such as custody, trading platforms and exchanges, with some firms focusing on retail

clients and others on institutional clients. In March 2025, the Central Bank hosted a [gatekeeping industry briefing](#) for this sector and, combined with multiple bilateral engagements with firms and industry bodies, built out clarity, transparency, flexibility, and predictability for applicant firms and the wider industry.

### Investment Firms

Six authorisations were completed in 2025 for investment firms with a variety of business models, including traditional wealth managers, business-to-business platforms and trading venues.

### Retail Intermediaries

There were 149 retail intermediary authorisations/registrations issued in 2025. The Central Bank achieved its service standard objective to complete 90% of assessments within 90 days. In line with the Central Bank's ongoing commitment to simplification and proportionality, a new streamlined authorisation process for sole traders who propose to become single director companies was recently launched.

### Funds

Fund authorisation submissions received in 2025 were significantly higher versus 2024, with 975 funds authorised during the year. There were 3,574 post-authorisation submissions reviewed during year, with 1,430 post-authorisations notings taking place. During this period seven fund service providers were also authorised. The increase in fund authorisations in 2025 was largely driven by continued strong demand to launch Exchange Trade Funds (ETFs). The Central Banks' work in this area delivered full achievement of its service standard objective to process 90% of initial and subsequent fund application submissions within specific timeframes. An industry workshop was hosted in April 2025 to explore potential opportunities for greater efficiencies in the funds authorisation process.

### Primary Markets

Ireland is a significant jurisdiction for the approval of prospectuses related to securities offered to the public or admitted to trading on a regulated market. In 2025, there were 649 prospectus approvals and approximately 21,000 filings of final terms. While there was a decrease in prospectus approvals compared to last year, there was a significant increase in final terms submissions in 2025.

### Enria Review of Fitness & Probity

On 11 July 2024, the Central Bank published a review of its Fitness & Probity Regime completed by Mr Andrea Enria, the former Chair of ECB Supervisory Board (The Enria Report). An update on implementation was published in [April 2025](#).

Key points relating to the implementation work include the establishment of a dedicated Fitness and Probity Unit to centralise gatekeeping responsibilities and enhance consistency. A Gatekeeping Decisions Committee, chaired by the Deputy Governor,

Financial Regulation, now oversees refusal cases. Enhanced [guidance consolidating fitness and probity standards](#) was also published. Process improvements include standardised interview procedures, a 90-day assessment timeframe and structured feedback mechanisms. These measures strengthen fairness, transparency and efficiency while maintaining rigorous supervisory standards. Relevant figures relating to the processing of fitness and probity applications during 2025 are contained in Table 5 below. Further information is available in the [Authorisations and Gatekeeping Report](#).

**Table 5: Fitness and Probity Applications 2025**

Authorisations data covering the period 1 January to 31 December 2025	All Pre-Approval Controlled Function (PCF) Assessments
Applications Received	3,032
Applications Returned as Incomplete	282
Applications Withdrawn	136
Applications Approved	2,684
Applications Refused	1 (linked to a Firm authorisation)
Interviews Conducted	26
Average Calendar Days for approvals	50 days
% approved within 90 calendar days	85%

## Enforcement

Enforcement powers are a vital component of the Central Bank's toolkit. A targeted and proportionate approach to the use of these powers is taken, with cases where significant action is merited being prioritised. We assess cases by considering a range of factors including the seriousness of the suspected breach, the harm or potential harm to the financial system and to consumers, and the degree of alignment with our supervisory priorities and safeguarding outcomes.



The Central Bank uses a wide range of enforcement tools to take action against entities and/or individuals that fall short of our expected standards of behaviour. Examples include administrative sanctions investigations, fitness and probity investigations, and criminal investigations. These are in addition to the powers and processes available in the normal course of supervision of firms/individuals who fall within the regulatory perimeter (i.e. are authorised/supervised by the Central Bank). In 2025, the Central Bank utilised enforcement processes available to it in instances of suspected wrongdoing, within and outside the Central Bank's regulatory perimeter. Investigations were completed on regulated firms and individuals, as well as non-regulated individuals. In particular in 2025, the Central Bank continued its

work on a number of investigations ongoing against individuals in respect of suspected market abuse<sup>15</sup>. The Central Bank also undertakes important work relating to unauthorised providers, protected disclosures and financial sanctions. Across all of our work there is often close engagement with An Garda Síochána, the Director of Public Prosecutions, and other national and overseas regulatory agencies.

### Administrative Sanctions

In 2025, the Central Bank reprimanded and fined Coinbase Europe Limited (Coinbase Europe) €21,464,734 for breaches of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, in failing to carry out transaction monitoring and additional monitoring, and failing to adopt internal policies, controls and procedures to prevent and detect the commission of money laundering and terrorist financing. The Central Bank fined Cantor Fitzgerald Ireland Limited €452,790 for a breach of its obligations under Article 16(2) of the Market Abuse Regulation (596/2014/EU), in failing to put in place effective governance arrangements to detect and report suspicious orders and transactions that may have indicated market abuse.

The Central Bank reprimanded and fined Swilly Mulroy Credit Union (Swilly Mulroy) €36,273 for breaches of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, and the Credit Union Act 1997, relating to failures to conduct Anti-Money Laundering checks when accepting cash from certain depositors.

The Coinbase Europe and Swilly Mulroy settlements were reached under the Administrative Sanctions Procedure (ASP) “undisputed facts settlement process”, with respective sanctions confirmed by the High Court.

### Inquiries

Three Central Bank inquiries concluded in 2025. In respect of the Inquiry concerning Irish Nationwide Building Society (INBS) and Mr John Stanley Purcell, former executive board member of INBS, this concluded with publication of the Inquiry’s Written Decision. The Decision, which was subsequently confirmed by the High Court, imposed a reprimand, disqualification for four years, and a monetary penalty of €130,000 on Mr Purcell for participation in breaches of financial services law by INBS relating to its commercial lending.

The Inquiry concerning RSA Insurance Ireland DAC (RSAIL) and Mr Philip Smith, former Chief Executive Officer and Executive Director of RSAIL, concluded following resolution of the matter by way of settlement. The Central Bank reprimanded and disqualified Mr Smith for thirteen years for his admitted participation in a breach of the European Communities (Non-Life Insurance) Framework Regulations 1994 by

<sup>15</sup> Market abuse includes insider dealing, the unlawful disclosure of inside information and market manipulation. It undermines the integrity of financial markets and investor confidence. Market abuse, and attempted market abuse, are prohibited under the Market Abuse Regulation (MAR) and under Irish market abuse law.

RSAIL, involving a failure to maintain technical reserves in accordance with those Regulations. A penalty of €120,000 was also considered appropriate, however, a fine was not imposed as the Central Bank is not allowed to impose a fine that would cause a person to be adjudicated bankrupt.

The Inquiry concerning Permanent tsb p.l.c. (PTSB) and Mr David Guinane, former Chief Executive Officer of PTSB, concluded with the publication of a Written Decision. The Decision has been appealed by Mr Guinane to the Irish Financial Services Appeals Tribunal (IFSAT) and that appeal is ongoing.

The Central Bank website has further details of [enforcement outcomes](#) and past and present [inquiry cases](#).

### **Criminal Investigations and Prosecutions**

In January 2025, the Central Bank set up a dedicated Criminal Investigations Team to investigate and prosecute offences under financial services legislation. The Central Bank has several ongoing criminal investigations.

### **Unauthorised Providers and Financial Frauds and Scams**

Online financial fraud constitutes one of the most rapidly expanding typologies in organised crime. Fake or imitation investment comparison websites and trading platforms, clone investment firms, and social engineering techniques are commonly used by criminals to perpetrate financial fraud. The monetary value of reported fraudulent payments in Ireland increased in 2024 to €160 million, up from €129 million in 2023.

In 2025, the Central Bank was awarded 'Trusted Flagger' status by Coimisiún na Meán within our designated area of expertise of financial scams and fraud, including the provision and/or offer of financial services without authorisation. 'Trusted Flagger' status assists us in our efforts to have illegal online content relevant to our designated areas of expertise removed by certain large technology firms. Since April 2025, the Central Bank reported over 330 suspect URLs to internet service providers. In addition, the Central Bank published 123 warning notices in respect of unauthorised firms.

The Central Bank has also engaged with technology firms on how best to respond to scam activity and is requesting technology firms to verify whether advertisers offering financial products or services on their platforms are authorised by the Central Bank to offer those services. This engagement has led to Google taking steps to verify whether entities seeking paid for advertisements for regulated financial services are authorised by the Central Bank.

In 2025, the Central Bank ran an advertising campaign to raise awareness about various types of scams and empower people to avoid scams.

## Protected Disclosures

Protected disclosure reports provide the Central Bank with valuable information that may not otherwise come to light. A total of 384 protected disclosures were received during 2025 (versus 233 in 2024). Each protected disclosure is assessed and investigated as necessary. During the year, protected disclosures contributed to enhanced supervision and engagement with firms, implementation of risk mitigation programmes and publication of warning notices. Further information regarding the protected disclosures regime, including Annual Reports regarding protected disclosures managed during 2023, 2024 and 2025 can be found [here](#).

## Financial Sanctions

The Central Bank is Ireland's competent authority<sup>16</sup> for the administration of financial sanctions. In this role, it has supported the administration of EU sanctions arising from the Russian war in Ukraine. The Central Bank is an active participant in national and international fora, the focus of which is to ensure that the sanctions achieve their desired goal. During 2025, the Central Bank received 5 derogation applications of which two were authorised, two remain under assessment and one was withdrawn by the applicant. Additionally, the Central Bank has supported individuals and entities in the implementation of the EU's sanctions through responding to 219 requests for guidance. In a situation where a non-designated EU entity is subject to an asset freeze because it is owned or controlled by a designated person or entity, it is possible to implement 'safeguards'<sup>17</sup> to prevent the designated person from exercising control rights or effective control over the EU entity. Such a framework (also known as a 'firewall') aims at removing the exercise of rights by the designated person so that the EU entity's business operations can continue, while keeping the funds and economic resources owned by or to the designated person frozen. The Central Bank completed two Firewall Assessments in 2025.

## Financial Crime

### Anti-Money Laundering (AML) & Counter-Terrorist Finance (CTF)

Over the course of the year, supervisory priorities focused on implementation of our new integrated supervisory framework, including implementation of a new AML Supervisory Strategy, with the risk-based approach at its centre.



To support better-informed, data-led supervision, we commenced roll-out of the Bank's enhanced AML/CTF Risk Evaluation Questionnaire to capture more detailed and insightful risk data and inform our supervisory strategy. At European level, with

<sup>16</sup> There are three National Competent Authorities for EU Sanctions in Ireland: the Central Bank of Ireland, the Department of Enterprise Tourism and Employment and the Department of Foreign Affairs and Trade.

<sup>17</sup> A firewall brings about a structural change in an entity's corporate governance to remove the designated person from the day-to-day operations (i.e. the appointment of a court appointed liquidator or administrator etc.).

the new EU Anti-Money Laundering Authority (AMLA) now operational, we are working to contribute to AMLA's mission and prepare for implementation of the EU AML Package and, in time, the Single Rulebook.

### Fraud and Scams

Online fraud schemes pose significant risks to consumers and investors. In 2025, the Central Bank ran a large-scale awareness campaign to raise awareness about various types of scams and empower people to avoid them.

The Central Bank continues to engage with technology firms on this issue, requesting them to verify whether advertisers offering financial products or services on their platforms are authorised by the Central Bank to offer those services.

In 2025, the Central Bank was awarded Trusted Flagger status which assists us in our efforts to have illegal online content removed by large Online Platforms. Since its accreditation as a Trusted Flagger in April 2025, the Central Bank reported over 330 suspect URLs to internet service providers. In addition, the Central Bank published 123 warning notices in respect of unauthorised firms.

### Market Abuse

The detection and prevention of market abuse remain a key priority and work continues in conjunction with the Garda National Economic Crime Bureau on a number of current cases. In February 2025, the Central Bank fined an investment firm €452,790 for a breach of the Market Abuse Regulation. The quality and quantity of Suspicious Transactions and Order Reports received has continued to improve, resulting in a record number received (503 - which is a 14% increase on 2024). Our market surveillance tool was fully operational in 2025, and this has enhanced our capabilities in monitoring trading activities for suspected market abuse alongside potential reporting errors and other operational issues.

Due to improvements in Suspicious Transaction and Order Reporting (STOR) receipt and detection capabilities, the Central Bank has a number of live enforcement investigations. The Central Bank also continues to support the Garda National Economic Crime Bureau (GNECB) in their criminal market abuse investigations. The Central Bank also worked with ESMA on preparedness for the full coming into effect of the market abuse provisions of MiCAR and, towards the end of 2025, received our first STORs in relation to crypto assets.

### Innovation and Partnership

Given its importance, combatting financial crime was the theme of our first innovation sandbox, which concluded in June 2025, having brought together seven projects across innovation areas such as information sharing, identity verification and fraud prevention. Over a six-month period, participants engaged in workshops, dedicated support sessions, data testing and research collaboration.

The programme delivered tangible outcomes with privacy enhancing technologies tested for cross institution data collaboration and a zero-knowledge proof solution for real time address verification completing pilot testing. Fraud detection prototypes were developed for ghost broking and scam call blocking. The sandbox provided a structured environment for firms to develop innovative solutions to combat financial crime in a collaborative environment.

## Policy and Legislative Pipeline

### The EU Artificial Intelligence (AI) Act

During 2025 the Central Bank, through its role on the National AI Act Implementation Committee, continued to work closely with relevant government departments to ensure the smooth implementation of the EU AI Act. Additionally, the Central Bank, through its role on the AI Board Subgroup on Financial Services, worked with the EU AI Office to address specific issues related to AI Act implementation in the area of financial services. During 2025 the Central Bank also worked with ESMA and EIOPA to facilitate the issuance of surveys on the use of AI within the capital markets and funds and the insurance sectors.



On a domestic level the Central Bank welcomed the EU AI Act and its designation as a Market Surveillance Authority responsible for oversight and enforcement of the EU AI Act in respect of financial services regulated by us. The Central Bank will continue to work towards the full implementation of the EU AI Act and the establishment of the AI Office of Ireland with the Department of Enterprise, Tourism and Employment. We will also continue to focus on the use of AI in the financial sector including further developing our understanding and expectations for firms and supporting the Government's national transposition and implementation of those aspects of the EU AI act that fall within our remit.

### European Union and International Engagement

Throughout 2025, the Central Bank continued its influential role within European and international organisations and authorities, in line with our strategic intent. This strategy was developed to further enhance how the Central Bank engages and prioritises its activity and influences its peers and stakeholders as part of fulfilling its role in Europe and internationally.

Within the EU, the Central Bank was actively engaged at a senior-level at the ECB Governing Council, the Supervisory Board of the Single Supervisory Mechanism, the General Board of the European Systemic Risk Board, the Single Resolution Board, the Board of the EU Anti-Money Laundering Authority (AMLA) and the Boards of Supervisors of the three European Supervisory Authorities.

The Central Bank held leadership roles at a number of these organisations during 2025, including as Co-Chair of ECB High Level Task Force on Non-Bank Financial Intermediation, Chair of the Joint ESA Sub-Committee on Digital Operational Resilience and Chair of the ESMA Investment Management Standing Committee.

Through the dedicated office in the House of the Euro in Brussels, the Bank led effective engagement with EU institutions, sharing supervisory experiences, providing timely input into the policy-making process, and navigating the EU's legislative framework.



### **Governor Makhlouf with ECB President, Christine Lagard on a visit to the Central Bank Docklands Campus**

At a global level, the Central Bank played an influential role in 2025 at the Board of the International Organisation of Securities Commissions (IOSCO) and was re-appointed as Vice Chair of the IOSCO European Regional Committee. The Bank represents European members on the Executive Committee of the International Association of Insurance Supervisors (IAIS) and acted as co-Chair of the Financial Stability Board's (FSB) Regional Consultative Group for Europe. The Bank is an elected member of the Governing Council of the International Financial Consumer Protection Organisation (FINCONET) and Chair of its Implementation Standing Committee. The Bank was appointed as Chair of the OECD Working Party on Financial Consumer Protection, Education and Inclusion (WP FCP, E&I) and is an ex officio member of the OECD Committee on Financial Markets. The Central Bank continued to administer its role as fiscal agent for the State with the International Monetary Fund (IMF). The Central Bank also had senior-level engagement at the 2025 IMF Spring and Annual Meetings.

### **The Revised Consumer Protection Code**

Following extensive engagement with a broad range of stakeholders, the revised Consumer Protection Code was finalised in 2025. It comes into effect on 24 March 2026. The Revised Consumer Protection Code delivers an updated and modernised

Code that reflects the way financial services are provided in a digital world, and builds on the protections provided in the existing Code. This modernised Code is centred on an obligation for firms to secure customers' interests which embodies a customer-focused mind-set where firms proactively take ownership of, and responsibility for, consumer protection. It also enhances consumer protections across a range of areas, including digitalisation, informing effectively, protecting consumers in vulnerable circumstances, mortgage switching, frauds and scams and the provision of unregulated products and services by regulated firms.

## Innovation

In 2025, the Central Bank continued to enhance its structured engagement with innovation across the financial services ecosystem. Our approach combined an enhanced [Innovation Hub](#), [targeted outreach](#), and delivery of thematic [Innovation Sandbox Programmes](#). This work supported better outcomes for consumers and the wider economy, while strengthening our understanding of emerging risks. Building on the success of the first programme on combatting financial crime, we launched our second thematic Innovation Sandbox Programme in 2025, focused on innovation in payments. The programme addresses four focus areas: Inclusive access to the digital economy; Frictionless and transparent money movement; Resilient and secure payments; and Safe integration of emerging payment technologies.



The objective is to accelerate solutions that deliver safer, faster and more inclusive payments for households and businesses, while giving the Central Bank early insight into emerging risks and supervisory questions. In late 2025, we completed the call for applicants and commenced delivery of the payment's cohort. Workshops covered regulatory expectations under payments legislation, operational resilience, fraud prevention and emerging technologies. Participants engaged with subject matter experts across supervisory and policy areas. This structured engagement strengthens our catalyst role in promoting improved payment and security standards, while ensuring that risks to consumers and financial stability are identified and managed at an early stage.

### Innovation Hub and Ecosystem Engagement

Alongside the Sandbox Programmes, we continued to enhance the Innovation Hub. The Hub remains the primary point of contact for innovators seeking regulatory clarity. In 2025, we further structured the engagement process, including clearer pre-engagement guidance and follow up mechanisms. The Hub continued to provide insight into trends across payments, digital assets, artificial intelligence and new business models. Engagement with startups and established firms supported early understanding of regulatory obligations and embedded a stronger regulatory culture in innovative firms. We expanded outreach activities during 2025. This included regional roundtables, participation in ecosystem events, and engagement with academic institutions. The Research Engagement Programme formed part of

the Sandbox delivery, including a data hackathon in partnership with the University of Limerick, strengthening links between research and supervisory insight.

We also continued active participation in EU and international fora focused on innovation. Engagement with European Supervisory Authorities and peer regulators supports convergence of approaches and informs our contribution to EU policy development.

## Funds

The Central Bank published [CP161](#) and [CP162](#) in September 2025. Both consultation papers included proposals designed to update Ireland's investment fund framework and align it with revised European standards. CP162 represents the most significant update to the Central Bank's Alternative Investment Fund (AIF) Rulebook since 2013, focusing on private assets. Significant outcomes include aligning the Central Bank's domestic Loan-Originating Qualifying Investor Alternative Investment Fund (L-QIAIF) regime with the harmonised Alternative Investment Fund Managers Directive II (AIFMD II) loan origination framework and updating the AIF Rulebook to align QIAIFs with broader EU private asset fund regulations. CP161 aimed to repeal and replace existing Central Bank Undertakings for Collective Investment in Transferable Securities (UCITS) Regulations to ensure alignment with the broader EU framework and incorporate legacy updates and Q&As into a single regulatory framework.

The Central Bank addressed recommendations made by the Department of Finance in its report "*Funds Sector 2030: A Framework for Open, Resilient and Developing Markets*" in relation to private assets. This included the publication of a set of AIFMD Q&As in March 2025 focused on private assets to clarify application of certain AIF Rulebook provisions that were highlighted in stakeholder feedback as impeding investments in private assets. We published Q&As on Exchange-Traded Fund (ETF) identifiers and portfolio disclosures which will facilitate the establishment of active ETFs. In relation to ETF identifiers the Central Bank now permits the use of the "UCITS ETF" identifier for specific listed share classes within a fund, rather than requiring the identifier at the sub-fund level. For Portfolio Disclosures (Semi-Transparent Model) the Central Bank has updated Q&A ID 1012 to permit periodic disclosure, instead of mandatory daily public disclosure effectively enabling "semi-transparent" ETFs. Funds using this model must publicly disclose holdings quarterly while providing market participants with daily, non-discriminatory data to ensure stable secondary market pricing and effective arbitrage. To protect active strategies from front-running, the fund's responsible person must also ensure the prospectus is transparent and that documented procedures exist for managing arbitrage impairments or investor information request.

## Simplification

Across Europe, there is an increased focus on competitiveness, coherence and reducing unnecessary administrative and reporting burdens. This includes political commitments and a broader drive to reduce burdens while maintaining the protections and stability that underpin the Single Market.

In this context, the Central Bank published [Regulating & Supervising Well – a more effective and efficient framework](#) in December 2025, setting out a roadmap to make Ireland’s domestic regulatory and supervisory framework more straightforward, without compromising resilience or protections. The document defines simplification in practical terms – ensuring requirements are clear, consistent and coherent; understood and applied predictably; able to achieve their purpose without unnecessary burden or complexity; while remaining risk-based, proportionate and focused on material issues. It also sets out “guardrails” for decision-making, most importantly, “mission first”, so that simplification does not compromise safeguarding outcomes, including financial stability, consumer and investor protection, safety and soundness, and the integrity of the system. This approach is aligned with the Governor’s remarks at the Financial System Conference in November 2025. The remarks emphasised that regulating well is not about loosening standards, but about ensuring rules are understood, applied predictably, and achieve their purpose without unnecessary burden or complexity and that efforts to improve policy and processes should not be confused with weaker supervision or lower expectations of regulated firms.

Looking ahead, the Central Bank will further embed evidence-based policymaking through an enhanced Regulatory Impact Assessment (RIA) Framework, which the Bank intends to consult on publicly in H1 2026. This will formalise and strengthen a discipline already underpinning the Bank’s approach, balancing regulatory effectiveness with efficiency, and supporting the design of measures that are clear in intent and proportionate in impact.

## Consumer Advisory Group (CAG)

The [CAG](#) is a statutory advisory panel, established under the Central Bank Reform Act 2010, which provides advice to the Central Bank on the performance of its functions and the exercise of its powers in relation to consumers of financial services. The CAG met five times in 2025, and its input was sought on several significant strategic issues, including: the Consumer Protection Code review; Key Sectoral Risk Assessments relating to Consumer Protection; Consultations on ATM service standards; local deficiencies guidelines and full application of the Consumer Protection Code to Credit Unions; Retail investor participation in Ireland; Real and effective stakeholder engagement; and Security and resilience of vulnerable customer groups.

## Funding & Staffing of Regulation



On an annual basis, regulated firms are required to pay an industry funding levy to the Central Bank in respect of the costs of its financial regulation and supervision activities. This regulation sets out the basis on which levies are applied to individual regulated entities within each industry funding category and take effect following approval by the Minister for Finance. The annual funding requirement reflects the cost of financial regulation and supervision, the cost of recovery rates approved by the Minister for Finance and adjustments for items including balances or deferred income from prior years. The Central Bank continuously reviews the levy approach to ensure it remains appropriate as the financial services industry evolves and new sectors fall within its regulatory remit. For example, in 2025, crypto-asset service providers were authorised by the Central Bank for the first time with a new industry funding category created.

**Table 6: 2023 and 2024 Net Annual Funding Requirement (nAFR)**

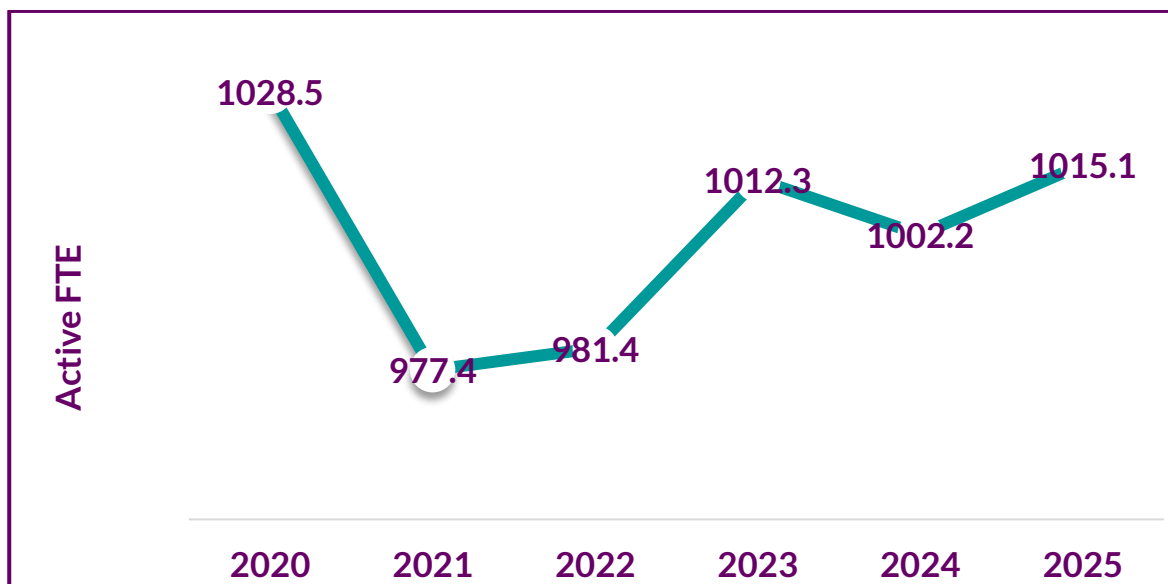
Industry Sector	Description	2023 nAFR €'000	2024 nAFR €'000	Variance €'000
A1	Irish authorised Credit Institutions (previously in ELG Scheme) and their subsidiaries	26,544	27,480	936
A1/A2	Irish authorised Credit Institutions (other than those in A1a) and EEA Branches	41,926	45,555	3,629
A	Supplementary Levy for Credit Institutions	5,567	5,936	369
B	Insurance/Reinsurance Undertakings	50,224	51,210	986
C	Intermediaries and Debt Management Firms	5,567	8,035	2,468
D	Investment Firms	25,376	28,202	2,826
E1	Investment Funds	14,437	16,443	2,006
E2	Fund Service Providers	13,619	13,153	- 466
F	Credit Unions	6,148	6,521	373
G	High-Cost Credit Providers	397	376	- 21
H	Approved Professional Bodies	13	12	- 1
J	Bureaux de Change	20	24	4
M	Retail Credit/Home Reversion/Credit	5,313	5,481	168
N	Payment Institutions & E-Money Institutions	6,453	8,118	1,665
Q	Virtual Asset Service Providers	-	130	130
S	Crowdfunding Service Providers	-	25	25
<b>Total<sup>18</sup></b>		<b>201,604</b>	<b>216,701</b>	<b>15,097</b>
Less Pro Rata authorisation and revocation Levies issued		2,954	2,193	761
<b>Total Amount to be raised</b>		<b><u>198,650</u></b>	<b><u>214,508</u></b>	<b><u>15,858</u></b>

**Table 7: 2023 and 2024 Population of Each Industry Sector**

<sup>18</sup> The 2024 total includes €0.5 million to be collected relating to category M costs previously deferred.

Industry Sector	Description	2023 # of Entities	2024 # of Entities	Change #	Change
A1	Irish authorised Credit Institutions	17	15	(2)	(11.8%)
A2	Credit Institution - EEA Branch	27	27	-	-
B1	Insurance Life - Irish Head Office	183	178	(5)	(2.7%)
B4	Insurance Non - Life Irish Head Office				
B7	Reinsurance				
B8	Third Country Branch				
B9	Special Purpose Reinsurance Vehicle				
B2	Insurance Life - EEA Branch	26	28	2	7.7%
B5	Insurance Non-Life - EEA Branch				
C	Intermediaries and Debt Management Companies	2,123	2,041	(82)	(3.9%)
D1, D2, D3, D4, D6	Investment Firms	77	79	2	2.6%
D5	Member Firms of the Irish Stock Exchange	3	3	-	-
D9	High Volume Algorithmic Traders	2	2	-	-
D10	Market Infrastructure Firms	7	7	-	-
D11	Investment Firm - EEA Branch	7	7	-	-
E1	Investment Funds	1,333	1,346	13	1.0%
E2a, E2b, E2c	Investment Fund Service Providers	198	193	(5)	(2.5%)
E2d	Investment Fund Service Providers - EEA Branch	13	12	(1)	(7.7%)
F	Credit Unions	191	183	(8)	(4.2%)
G	High-Cost Credit Providers	29	27	(2)	(6.9%)
H	Approved Professional Bodies	2	1	(1)	(50.0%)
J	Bureaux de Change	7	6	(1)	(14.3%)
M	Retail Credit Firms, Home Reversion Firms and Credit Servicing Firms	61	54	(7)	(11.5%)
N	Payment & E-Money Institutions	46	48	2	4.3%
Q	Virtual Asset Service Providers	-	22	22	-
S	Crowdfunding Service Providers	-	5	5	-

At end-December 2025, there was the equivalent of 1,015.1 full-time staff involved in regulatory activities, marginally increased from 1,002.2 in December 2024. The relatively similar staffing levels reflects a stability in the workforce through 2025. Voluntary turnover for regulation and supervision at year end-2025 was 2.2% versus 3.3% at end-2024.

**Chart 1: Headcount in Financial Regulation 2020-2025**

## The Orderly and Proper Functioning of Financial Markets

### Introduction

The Central Bank performs its functions and exercises its powers in a way that is consistent with the orderly and proper functioning of financial markets. In this section, we outline aspects of the Central Bank's work in 2025 that demonstrate this.

Properly functioning markets are those in which consumers and businesses can access financial services that are readily available and transparent, offer meaningful choice and value for money, and are provided by well-run, sustainable and resilient firms. They also require transparent and reliable price formation in securities markets, high standards of market integrity, effective deterrence of market abuse, and strong investor protection. To deliver our key safeguarding outcomes, the Central Bank undertakes its day-to-day supervisory and gatekeeping work, alongside broader policy, regulatory and analytical activities in a way that supports this definition. In 2025, our work was guided by clear regulation and supervision priorities for the year, including safeguarding resilience, protecting consumers and investors, strengthening market integrity, and continuously enhancing how we regulate and supervise. In delivering against these priorities, we continued to evolve how we fulfil our mandate. In particular, we focused on:

- deepening our understanding of market structures and participation, through high quality research;
- enhancing the effectiveness and efficiency of regulation and supervision, including through reducing unnecessary complexity and burden; and
- maintaining orderly markets through our work on gatekeeping, supervision and resolution of firms.

These priorities reflect both domestic developments and the wider European focus on competitiveness and simplification while maintaining strong standards.

### Research on Market Structures and Participation

High-quality analytics and research are important to understanding a rapidly evolving financial services system and ensuring that supervision and policy are well-calibrated. Gaps in analytical understanding can create blind spots that contribute to deficiencies in understanding, availability, choice, price transparency, fairness, or effective price formation. The Central Bank's research agenda therefore prioritises work that improves understanding of market structure, behaviours and transmission channels, strengthening evidence-based policymaking.

For example, a key focus in recent years has been the growing role of non-bank financial intermediaries (NBFI) across credit and markets activities. In 2025, we continued to deepen our understanding of the implications of non-bank lenders for borrowers and monetary transmission, as well as the vulnerabilities and concentration risks that can emerge in specialist property lending and investment funds. This work enhances our ability to assess how changes in market structures may affect credit availability, pricing dynamics and the resilience of market-based finance and informs supervisory and policy calibration where appropriate. It also supports the Central Bank's ongoing assessment of policy such as macroprudential measures, including the mortgage measures and the Countercyclical Capital Buffer (CCyB).

In securities markets, orderly and proper functioning depends critically on transparency, reliable price formation and the prevention and deterrence of market abuse. During 2025, the Central Bank continued to prioritise market integrity through supervisory engagement, transaction reporting oversight, and use of supervisory and enforcement tools where necessary. These activities support fair and efficient markets and help maintain investor confidence.

The Central Bank also published [consumer research focused on retail investor participation](#) in Ireland, examining why participation in capital markets remains low relative to household savings and wealth levels, and identifying key drivers of and barriers to participation. This is relevant to the orderly and proper functioning of the market in two respects.

1. From a consumer and investor outcomes perspective, well-functioning markets should enable households to make informed decisions that support long-term financial well-being. The research highlights barriers such as limited understanding, behavioural frictions, trust issues and complexity. These findings are informing ongoing policy discussions on transparency, engagement, investor protection and the conditions needed for effective participation, illustrating how analytical work feeds into regulatory thinking.
2. From a market development and competition perspective, sustainable retail participation can support broader capital market depth, more diverse funding

channels for the economy, and stronger competitive discipline in savings and investment markets. This strengthens the evidence base for broader discussions on how to support consumer-oriented capital markets while maintaining appropriate protections.

This work is complemented by enhanced statistical releases and granular supervisory and credit registry data analysis, strengthening our understanding and transparency of lending competition, deposit dynamics, market participation and price dynamics across both bank and non-bank sectors. More generally, research and analytics support our understanding of competition and market dynamics, including how price dispersion, switching frictions and structural features may affect consumer and investor outcomes. By deepening this understanding, the Central Bank strengthens its ability to identify where markets are functioning well and where further policy or supervisory attention may be warranted.

### Regulatory Frameworks and Policy Outcomes

Financial regulation must balance objectives related to the effective functioning of the financial system in support of consumers, investors and the broader economy. In developing regulations, the Central Bank is mindful of the need to balance trade-offs and consider the costs and benefits of proposed actions in delivering for the public interest. This includes recognising the risk that regulatory interventions may unintentionally distort market entry, competition, innovation, or price formation.

In 2025, the Central Bank progressed initiatives to strengthen the effectiveness of regulation while improving clarity, predictability, and proportionality. This included proactive engagement with the regulatory simplification agenda at EU level, a bottom-up stocktake of domestic frameworks, along with engagement with stakeholders. The work reflects our commitment to continuously enhance how we regulate and supervise and culminated in the publication of [“Regulating and Supervising Well: A more effective and efficient framework”](#) in December 2025. This reflects lessons learned from supervisory and regulatory experience and stakeholder engagement and is intended to ensure standards remain robust while processes become clearer and more coherent. Alongside this, the Central Bank undertook substantial preparatory work in 2025 to develop an enhanced Regulatory Impact Assessment (RIA) approach, with a view to public consultation in 2026. The purpose is to strengthen decision discipline and transparency in domestic regulatory and policy choices, including clearer articulation of objectives and structured consideration of impacts. This supports orderly and proper market functioning by helping ensure interventions are well-targeted, grounded in evidence, and that potential unintended consequences for competition, innovation, investor protection or market entry are explicitly considered.

The orderly and proper functioning of markets also requires outcomes that are fair and protect consumers and investors, particularly where information asymmetries or vulnerabilities may lead to harmful outcomes. In 2025, the Central Bank

completed and published its [Review of the Interest Rate Cap on High-Cost Credit](#), prepared under statutory requirements. The review assessed the impact of the cap on competition and supply in the sector, trends in interest rates, and the potential effects of different cap levels. This demonstrates the Central Bank's commitment to evaluating the real-world impacts of regulatory interventions, including their effects on competition and credit availability, and assessing whether policy design continues to meet its objectives while minimising unintended distortions.

Finally, the Central Bank's work on innovation, including engagement through the Innovation Hub and Sandbox, also supports orderly and proper market functioning by enabling constructive engagement with new business models and technologies. This helps ensure that market evolution is understood in a timely way and reduces the risk that rapid structural change creates supervisory or policy blind spots.

### Gatekeeping, Supervision and Exit of Firms

Day-to-day work across authorisation, supervision and resolution makes a critical contribution to the orderly and proper functioning of markets. This work supports a level playing field by ensuring firms compete based on the quality of their services and products, rather than exploiting uncertainty or gaps in standards. The Central Bank's gatekeeping role represents a key entry point for firms seeking to provide financial services in Ireland. The Central Bank aims to operate clear, open and transparent authorisation processes, while ensuring rigorous assessment against applicable standards. In doing so, we support an efficient and trusted entry route that underpins confidence in the financial system.

In 2025, consistent with our commitment to enhance how we regulate and supervise, we continued to evolve and improve gatekeeping processes to increase clarity, consistency and efficiency while maintaining robust standards. A notable example was the establishment of a single unit with responsibility for Fitness and Probity in January 2025, intended to drive greater consistency and efficiency in the application of the regime.

Maintaining trust and integrity in the financial system is foundational to orderly and properly functioning markets. As part of the new supervisory model, supervisory priorities in 2025 continued to focus on the most material risks to our four safeguarding outcomes. In securities markets, orderly and proper functioning depends critically on transparency, reliable price formation and the prevention and deterrence of market abuse. During 2025, the Central Bank continued to prioritise market integrity through supervisory engagement, transaction reporting oversight, and use of supervisory and enforcement tools where necessary. These activities support fair and efficient markets and help maintain investor confidence.

Finally, well-functioning markets require not only orderly entry and sound conduct during operation, but also credible mechanisms for orderly exit where firms fail or choose to leave the market. The Central Bank's resolution and crisis management

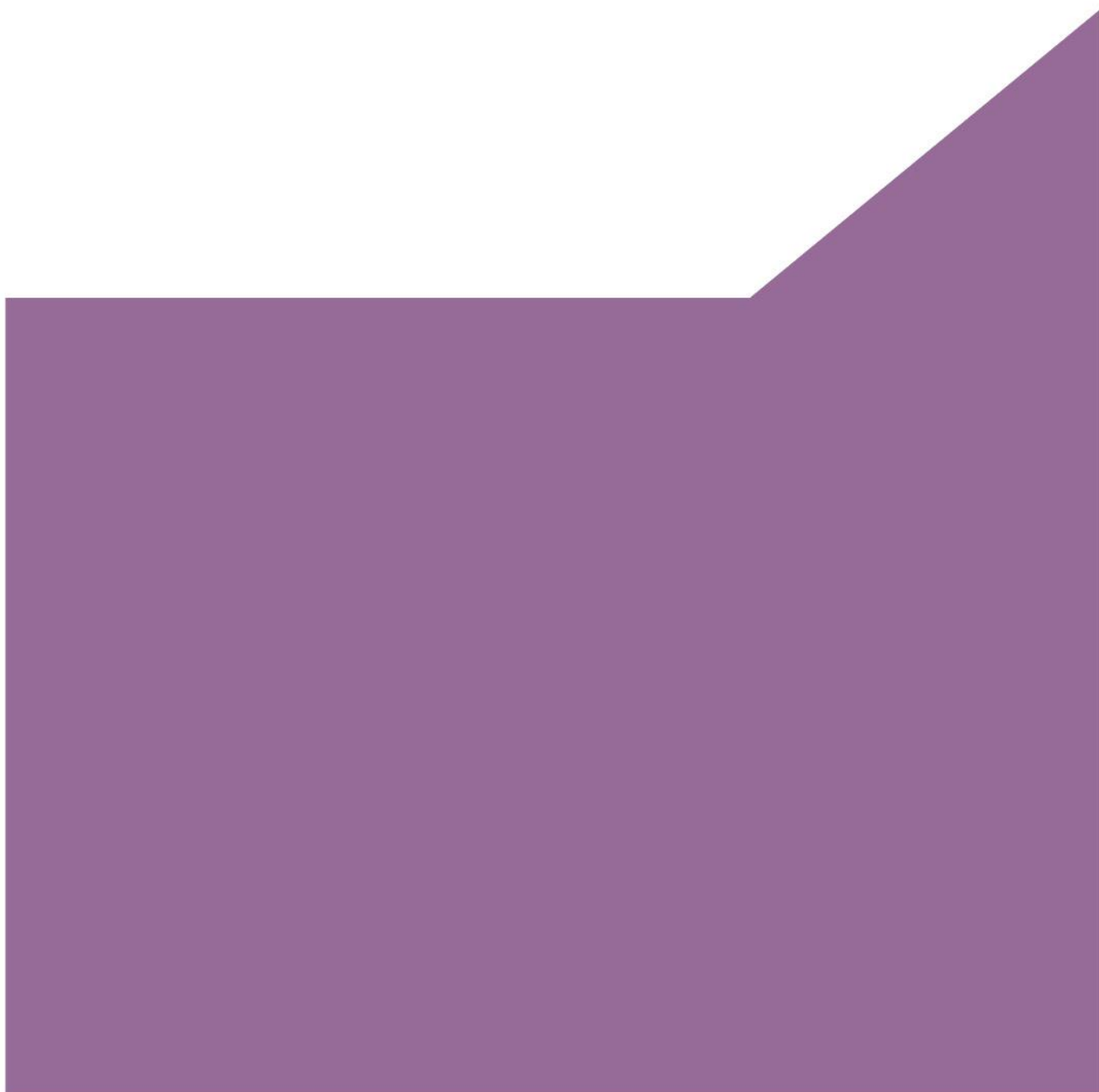
work contributes to this objective by supporting preparedness for orderly exit, protecting critical functions, and seeking to minimise disruption where firms fail.

## Conclusion

In 2025, the Central Bank has worked in a manner that is consistent with the orderly and proper functioning of markets through its research activities, policy and regulatory development, as well as gatekeeping, supervision and resolution. A defining feature of the year was the continued evolution in how we deliver our mandate through strengthening our evidence base, enhancing transparency and investor protection, refining regulatory and supervisory processes, and aligning domestic initiatives with a broader focus on simplification and competitiveness while maintaining robust standards. This is continuous work. The Central Bank will continue to develop and refine these initiatives to ensure markets remain resilient and trusted, support transparent and effective price formation, operate fairly for consumers and investors, and function effectively in support of the wider economy.

# Chapter 3:

## Enabling Our Organisation



# Chapter 3: Enabling Our Organisation

## Our People

Throughout 2025, the Central Bank's people strategy continued to evolve in support of the Central Bank's Mission, Vision and Strategy. Our focus remained on delivering progressive, future-focused people practices that enable organisational effectiveness, build capability, and foster an inclusive workplace where our people can thrive.

### Enabling Organisational Transformation

2025 marked a pivotal year for the Central Bank with the introduction of the new Supervisory Framework. This represented a significant change in our approach to regulation and supervision. To facilitate a smooth transition, leaders and employees were supported through targeted organisational design and change management interventions. These efforts ensured that our people were equipped to work effectively within the new operating model. Central to this transformation was the continued development of our people's capabilities. We delivered a comprehensive portfolio of learning and development solutions, with particular emphasis on areas of strategic importance. For example, the Central Bank's Supervisory Academy was established to provide technical training aligned to the new Framework, whilst targeted development offerings for managers and leaders ensure that our organisational leadership pipeline is prepared for evolving responsibilities. This multi-layered approach to capability building reflects our commitment to ensuring the organisation has the skills and competencies necessary to adapt and respond to change and our evolving mandate.

Complementing this, we completed the design and implementation of an enhanced approach to performance management and development planning, which will come into effect for the 2026 performance cycle. The enhanced process will place increased emphasis on individual personal development planning and a greater ability to differentiate performance. This strengthened focus on development planning is essential to ensure we continue to build the skills and competencies required to deliver our critical mission.

### Attracting and Retaining Talent

Talent attraction, development and retention remain ongoing priorities for the Central Bank. Our voluntary turnover rate remained at historically low levels of 2.35% at year end-2025, reflecting strong employee engagement and a competitive employee value proposition. Reflecting this period of low attrition and consolidation, our core resourcing focus was on filling roles internally, with an increased emphasis on talent management and mobility, and the movement of talent across the organisation to meet priorities.

## Fostering an Inclusive and Engaged Workplace

### Employee Engagement and Communications

Regular employee feedback is a key enabler in the delivery of a fulfilling workplace. Following the introduction of a new digital listening platform in 2023, two Employee Engagement Surveys were conducted in 2025. These surveys provided valuable insights into employee experience and priorities. Whilst engagement levels declined in 2025, we recognise this as important feedback and are committed to acting on all insights received. Leaders and teams across the organisation are actively working together to make progress on the priority areas identified through these surveys, with a particular focus on areas such as career development, internal communications and workplace culture. To support effective communication and foster a more fulfilling workplace aligned to the organisation's mission and values, the Internal Communications and Employee Engagement team organised over 100 events in 2025, supported key business campaigns and managed a variety of communication channels. This comprehensive engagement programme was recognised externally, with the Central Bank winning two silver awards at Communicate Magazine's Internal Communications and Engagement Awards: 'Best Innovation' and 'Best Internal Communications by a Charity, NGO or Not-for-profit'.



**The KeepWell Mark Awards 2025**

### Wellbeing

The Central Bank recognises that employee wellbeing - encompassing physical, mental, social and financial dimensions - is fundamental to a fulfilling workplace. In 2025, our Wellbeing working group delivered a varied programme of support,

including speakers and initiatives focused on Brain Health, Sepsis Awareness, Addiction Awareness, Green Ribbon Month, Men's Health and Financial Supports.

This commitment to holistic wellbeing was recognised externally with the Central Bank retaining our place in the IBEC Leading in Wellbeing Top 100 Companies in Ireland. The Central Bank was shortlisted for the KeepWell Mark 2025 Awards under four categories, and we were proud to win the award for Inclusion and Belonging.<sup>19</sup>

### **Hybrid Working**

The Central Bank operates a hybrid working model that balances our collective effectiveness and cohesiveness in the delivery of our critical mandate with the provision of ongoing flexibility for our people. The Hybrid Working Policy outlines how our model operates in practice and what is required of all employees. This structured approach helps ensure consistency and fairness in how the model is applied and experienced across the organisation, supporting both individual wellbeing and organisational cohesion.

### **Diversity and Inclusion**

The Central Bank remains steadfastly committed to fostering a diverse, inclusive and fulfilling working environment for all our people. We recognise that diversity and inclusion make us a stronger organisation, better equipped to understand and serve the communities we regulate and the wider economy.

In 2025, we continued to invest in growing shared awareness and understanding of what an inclusive workplace experience is through targeted training, communications, employee engagement activity and Employee Network-led events and activities. We maintained our focus on transparency and accountability, reflected in the publication of our eighth Gender Pay Gap Report. This report identified a widening of the gender pay gap, which presents an opportunity for us to strengthen our approach. We are committed to taking action to understand and address the underlying factors, and we will continue to monitor progress as we work towards closing the gap.

The Central Bank also continued its support of the Business in the Community Ireland Inclusive Workplace Pledge in 2025. Our commitment to inclusion was externally validated through the award of the IBEC KeepWell Award 2025 for Best in Class: Inclusion & Belonging, recognising our progress in creating a workplace where all employees feel valued and supported.

## **Social Responsibility - Community**

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<sup>19</sup> The Central Bank was nominated for four categories: Best in Class - Nutrition and Physical Activity; Best in Class - Talent Support & Development; Best in Class - Inclusion & Belonging; and Company of the Year (Large).

As part of its commitment to being a socially responsible organisation, the Central Bank places a priority on connecting with the local community in Dublin’s Northeast Inner City where its Docklands Campus. A primary focus of our work is to support employment and employability including education, work readiness and work experience. We have five Community Partners: North Wall Community Development Project, East Wall Youth, SWAN Youth Service, Belvedere Youth Club and Five Lamps Arts Festival. The Central Bank provides some funding, the use of its building and facilities for events and meetings, help with governance and strategy and a pool of volunteers. In 2025, we were proud to launch a leadership development programme for the leadership teams of our Community Partners.



**End of Year Partner Event, December 2025 with our Community Partner Leadership Teams**

We also partner with The National College of Ireland – Early Learning Initiative and with Junior Achievement Ireland on several initiatives. This work is led by members of our Social Responsibility Working Group who run programmes and lead relationships with local groups, and by the wider Central Bank community that volunteers when needed. Some key numbers from 2025 are set out below.

**Table 8: Events and Initiatives 2024**

Key Numbers	2025
Number of initiatives and events in 2025	21
Number of attendees at key onsite events in Docklands Campus	649
Number of Central Bank volunteers (does not include facilities support for events)	75

## Our workplaces



Our workplaces comprise of our Dockland Campus consisting of two linked buildings, Mayor Street and North Wall Quay, and the Currency Centre in Sandyford. The Mayor Street building has been partially occupied by the Central Bank since July 2022 and the marketing for leasing of three vacant floors is continuing. Our Spencer Dock building, Block R1 had been on the market for sale since 2024. Block R2 was sold to the National College of Ireland in September 2022 for €48.44m. Negotiations commenced in January 2025 with our tenants, the OPW, for the purchase of Block R2 and were successfully concluded at €23.57m. The Central Bank's buildings and facilities remained fully operational during 2025 whilst supporting our hybrid working model. A safe and secure working environment continued to be provided for all colleagues working in the Dockland Campus, and the Currency Centre in Sandyford. Our Strategy sets out our commitment to act as a socially responsible and sustainable organisation. The Central Bank published its updated Climate Action Road Map in July 2025. In line with the organisation's sustainability agenda and Climate Action Road Map targets, the Central Bank continues to work and manage its facilities sustainably, reducing energy consumption across the Dockland Campus and in the Currency Centre in Sandyford. The Central Bank operates to an ISO certified, integrated environmental, safety and energy management system across all locations. A range of related indicators are measured and available on the Central Bank's website in the Safety, Health and Sustainability annual performance reports.

## Our Data, Analytics & Artificial Intelligence (AI)



During 2025, the Central Bank continued to enhance its structured engagement with innovation across the financial services ecosystem. Our approach combined an enhanced Innovation Hub, targeted outreach, and delivery of thematic Innovation Sandbox Programmes.

Alongside the Sandbox Programmes, we continued to enhance the Innovation Hub. The Hub remains the primary point of contact for innovators seeking regulatory clarity. In 2025, we further structured the engagement process, including clearer pre-engagement guidance and follow up mechanisms. The Hub continued to provide insight into trends across payments, digital assets, artificial intelligence and new business models. The Central Bank has progressed from piloting AI capabilities to operational production use, directly supporting our effectiveness as an intelligence-led organisation. We have adopted several AI productivity tools under defined guardrails to support the Central Bank. We are accelerating our cloud capability to unlock analytics and AI capabilities. Our approach maintains appropriate sovereignty and resilience whilst leveraging cloud capabilities for innovation and efficiency.

## Our Technology

We recognise the critical role technology plays in enabling the Central Bank to deliver its mandate effectively and securely. Our investment in technology remains a key strategic priority, supporting our operational objectives, enhancing our intelligence-led capabilities, and maintaining a stable cost base whilst adapting to evolving demands.



A major milestone was the successful transitioning to two new Tier-3 data centres operating in active-active configuration, providing near-zero downtime capability and avails of new security monitoring capabilities. This provides enhanced operational efficiency whilst limiting exposure to cost volatility, supporting our commitment to maintaining a stable cost base.

Recognising the intensifying cyber threat landscape, we continue to prioritise the strengthening of our security posture in line with our governance framework and risk tolerance such as enforcing least-privilege access for both human and machine identities. Our zero trust principles, combined with AI-enhanced detection and response tooling, significantly reduce our attack surface and improve our ability to detect and respond to threats rapidly.

Subject to rigorous business case assessment, the Central Bank continues to invest in digitalisation and automation initiatives that enhance operational efficiency and service delivery.

We are establishing a new Strategic Partner framework that will enhance our ability to strategically and efficiently procure, onboard and manage third parties that support the delivery of our mandate. This framework will enable outcome-based engagements for major programmes. This approach will provide scalable specialist capability, improve delivery predictability, and strengthen knowledge retention and transfer, supporting our objectives whilst maintaining strategic control of core design authority and governance. Our technology strategy remains closely aligned with our Eurosystem colleagues, ensuring effective collaboration and consistency in our approach. This alignment enables us to leverage best practices, share knowledge, and maintain readiness for EU cloud services and Eurosystem platforms as they mature.

## Engagement & Communications

A cornerstone of our work is continuous and purposeful communications, consultation and engagement with the public, businesses, peer institutions, elected representatives, and participants in the financial sector. In 2025 we continued delivery of initiatives in support of this, and as part of achieving the objectives of our

Communications and Engagement Strategy 2024-2026 – comprising four areas of focus - Culture, Dialogue, Reach and Insight. As we implemented this strategy during the past year, we communicated and engaged widely with stakeholders on a range of priority themes, a sample of these activities included:

- **Our Outreach programme** continued apace with our senior leaders meeting stakeholders across Cork, Galway, Louth, Meath, Offaly, Tipperary, Westmeath, and Wicklow. A renewed focus was placed on building our interaction with civil society, community groups and consumers. This strengthened our connection with local and community initiatives and frontline consumer experiences; ensuring that our policy making and priorities are informed by the needs and concerns of the public and the wider economy.
- **Consumer Awareness** continued as we launched a significant public-facing campaign to raise awareness among consumers and investors about how to protect themselves from financial scams. This activity evolved the campaigning approach for the organisation, enabling a greater focus on raising awareness of consumer-related messaging relevant to our consumer and investor protection mandate.
- **The Financial Industry Forum** continued to facilitate cross-sectoral, strategic collaboration in 2025, bringing together senior leaders from representative bodies across the financial system to engage with the Central Bank of Ireland. With its three Subgroups: Domestic, International, and Innovation the Forum met eight times during the year. The Central Bank of Ireland hosted its flagship stakeholder event, the Financial System Conference in Croke Park, Dublin in November, bringing together more than 800 international and domestic policymakers, industry leaders, and financial system representatives in-person and virtually. Through keynote addresses, interactive discussions, and panel sessions, the conference examined topical issues relevant to the financial system.
- **We responded to feedback** from civil society representatives and conducted an informal review of our approach to the Civil Society Roundtable. The annual meeting of the Roundtable took place in October, following which we took steps to enhance our approach to coordinating our engagement with this sector.
- **The Central Bank Website** was enhanced during 2025, as we continued to improve the user experience. This included improvements to search and accessibility, new features such as HTML publications and interactive charts, as well as new design elements. This has enabled our website to remain a trusted and user-friendly resource for our stakeholders.
- **Direct Engagement** continued. As part of publishing our regular in-depth research, statistics and analysis, (including our Quarterly Bulletin, Financial

Stability Review, Frontier Statistics) we communicated and engaged directly and via news media with our stakeholders and the wider public. This has included speeches from the Governor and Deputy Governors on important topics, and areas of policy focus for the Central Bank.

- **Competence, capabilities and culture** was further developed during 2025. We introduced a new 'Open and Engaged Toolkit', complemented by a suite of learning and development initiatives and internal events for our staff, and expanded our pool of trained engagement facilitators. Our internal Engagement Advisory Service supported more than 50 teams and projects to build new and effective methods of engagement with stakeholders, with engagement taking place on a range of topics including the Consumer Protection Code, Fitness & Probity, Access to Cash, the Individual Accountability Framework and Simplification. A new evaluation framework implemented to gather feedback from stakeholders surveyed more than 350 stakeholders who indicated high levels of satisfaction amongst people engaging directly with the Central Bank.

## Complaints Handling

The Central Bank is committed to providing a professional, efficient, and courteous service to all members of the public who have dealings with us. Our [Customer Charter](#) provides that, where a customer is unhappy with a service received and if an issue cannot be resolved to their satisfaction, a formal complaint can be made. The Central Bank has a defined procedure for handling any complaints it receives from members of the public. In 2025, there were nine formal complaints processed under this procedure. These were across a range of issues, with the largest number relating to issues concerning the Central Credit Register. There were no complaints received under the separate Disability Complaints Procedure.

During 2025 there was a series of protests held outside the offices of the Central Bank, and a large volume of correspondence received from members of the public, expressing concerns over the Central Bank's role as competent authority under the European Prospectus Regulation (Regulation (EU) 2017/1129). Specifically, this correspondence related to the Central Bank's role in the approval of Israel's bond prospectus applications. The Central Bank set out its position on this in various communications, including via a FAQs concerning [Bond Prospectus Approvals](#) on its website.

## Freedom of Information

The Central Bank processed 141 Freedom of Information requests during 2025. A total of 53 requests were granted/part-granted and 71 were refused under the various provisions of the Freedom of Information Act. In addition, 14 requests were

withdrawn after engaging with the requester and three requests were handled outside of the Freedom of Information process, by the relevant area in the Central Bank.

## Official Languages Act

During 2025, the Central Bank continued to meet its obligations under the Official Languages Act. Compliance requirements relating to advertising in Irish, arising from the Official Languages (Amendment) Act 2021, were achieved and reported to An Coimisinéir Teanga. Work continued meeting the commitments in the Central Bank's Language Scheme.

## Legal Matters

The Central Bank liaised with Government Departments on legislative matters and supported on primary legislation impacting on its mandate, including the Finance (Provision of Access to Cash Infrastructure) Act 2025, the General Scheme of the Regulation of Artificial Intelligence Bill 2026 and the General Scheme of Finance (International Financial Institutions) Bill 2025.

The Central Bank also assisted with the transposition and implementation of a number of EU directives and regulations, including the European Union (Artificial Intelligence) (Designation) Regulations 2025, the European Union (Digital Operational Resilience) Regulations 2025, the European Union (Requirements for Credit Transfers and Direct Debits in Euro)(Amendment) Regulations 2025, the European Union (Payment Services) (Amendment) Regulations 2025 and the European Union (Settlement Finality)(Amendment) Regulations 2025.

The Central Bank continued to strengthen the regulatory framework through Central Bank Regulations in 2025. The Central Bank made various regulations in 2025 including the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Consumer Protection) Regulations 2025, the Central Bank Reform Act 2010 (Section 17 A) (Standards for Business) Regulations 2025 and the Credit Union Act 1997 (Regulatory Requirements) (Amendment) Regulations 2025.

The Central Bank consulted on the application of the Consumer Protection Code to all regulated credit union activities. The Central Bank consulted on proposed amendments to the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 and the Central Bank guidance on performance fees for UCITS and certain types of Retail Investor AIFs. The Central Bank consulted on the Finance (Provision of Access to Cash Infrastructure) Act 2025 (Section 23, 31 and 33) Regulations 2026.

## Investment Portfolio Management

At year end-2025, the Central Bank's balance sheet included an investment portfolio comprising assets with a market value of €18.9bn (2024: €18.3bn), including an allocation to foreign currency denominated portfolios (US dollar, Australian dollar, Singapore dollar, Chinese renminbi and Korean won) for diversification purposes<sup>20</sup>.

The rise in the size of the investment portfolio at end 2024 was mainly attributable to investment income, linked to the prevailing yield environment and net revaluation movements across portfolios. Investment income rose to some €536.4m in the Central Bank's investment portfolios (excluding returns on equities and gold<sup>21</sup>) for the year, having generated income of €478.3m in 2024. Holding diversified assets supports investment returns and reduces volatility over the long-term, notwithstanding some potential for short-term variability in returns.

In 2025, we updated our [Sustainable Investment Charter](#). The Charter guides the Central Bank in considering how sustainable investment principles apply to our investments. We also published our third annual climate-related financial disclosures for our investment portfolio in 2025. These disclosures form part of a concerted effort by all Eurosystem National Central Banks to [disclose climate change-related information](#) on our respective non-monetary policy portfolios.



The Central Bank has also been increasing investments in Green, Social and Sustainability bonds to help support the green transition and other environmental/social objectives. At year end-2025, the Central Bank's investment portfolio held approximately €2bn (nominal) in such bonds, including investments in the Bank for International Settlements' US dollar- and euro-denominated green bond funds for central banks. To mitigate climate risks to our equities portfolio and support the objectives of the Paris Agreement, the Central Bank completed the transition from a conventional equity benchmark to an EU Paris-aligned benchmark<sup>22</sup> in 2025.

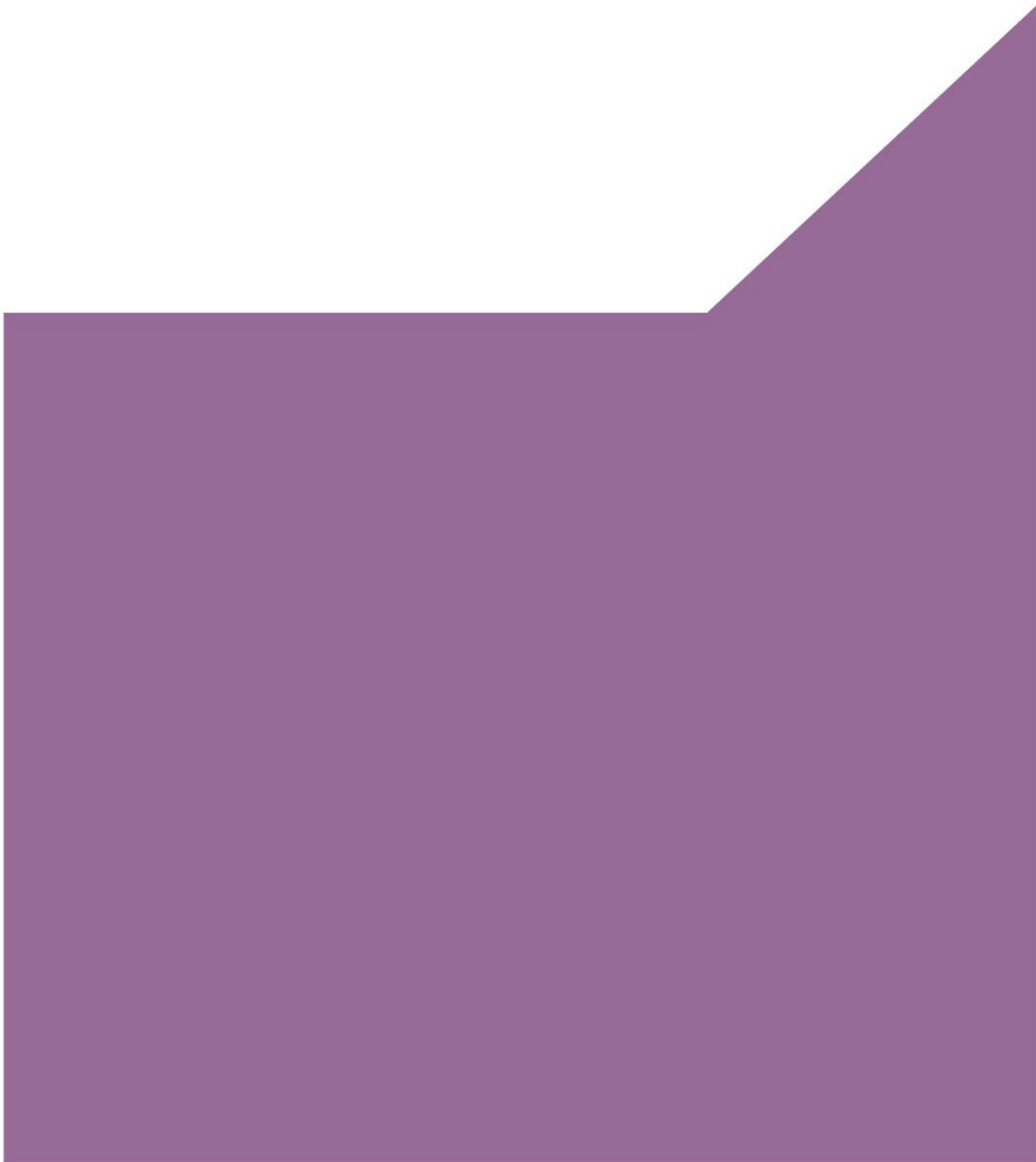
<sup>20</sup> The figures of €18.9bn and €18.3bn include gold holdings and equity allocation.

<sup>21</sup> Includes realised price gains on the equity fund of €137.9mn in 2025 (2024: €78.7mn)

<sup>22</sup> An EU Paris-aligned benchmark has the objective of a decarbonisation trajectory of at least 7% reduction in greenhouse gas (GHG) emissions intensity on average per annum, while the GHG intensity (including Scope 1, 2 and 3 GHG emissions), shall be at least 50% lower than the GHG intensity of the investable universe.

# Chapter 4:

## Our Priorities for 2026



## Chapter 4: Our Priorities for 2026

Looking at the year ahead, the Central Bank's priorities can continue to be grouped under the four key themes identified in Our Strategy.

The **Safeguarding** theme reflects a steadfast commitment to the effectiveness of the design, implementation and operation of core policies, across the mandate, through which the Central Bank aims to deliver on its statutory functions and the best overall outcomes for the economy and for financial services users.

Under the **Future Focused** theme, the Central Bank is working to ensure that its economic advice and oversight of the financial system adapt to the world of rapid technological, socio-economic and geopolitical change and disruption, so that the interests of citizens and the economy are appropriately served by change.

The Central Bank will continue to embed its approach to being more **Open and Engaged** with stakeholders domestically and abroad. This includes deepening and broadening engagement with the users and consumers of financial services, as well as their representatives, supervised firms and their parent groups, in addition to international and European counterparts.

The Central Bank's broad mandate allows us to take a comprehensive and integrated view, using the breadth of our expertise on the economy and the many sectors we supervise to tackle challenges facing the entire, inter-connected, financial system, including an integral part of the EU and its institutions and frameworks. To continue delivering on the mandate in the changing environment, there has been a focus in recent years on **Transforming** the Central Bank to become a more agile, resilient, diverse and intelligence-led organisation. Embedding, realising and living the changes that been introduced, while continuing to adapt and improve, remains a critical priority for the Central Bank as we work to meet the challenges of the evolving economy and financial system.

### Priorities for 2026

Our priorities for 2026 are guided by our enduring objective to serve the public interest by maintaining monetary and financial stability while ensuring that the financial system operates in the best interests of consumers and the wider economy.

The Irish economy and financial sector have demonstrated resilience in recent years and enters this period from a position of strength. However, given the scale of economic and geopolitical uncertainty, along with the pace of technological transformation underway, there is a need to continue to reinforce and broaden resilience, while remaining adaptable and forward looking.

In terms of the economy, the foundation of successful and sustainable growth is macroeconomic stability through appropriate monetary, fiscal and regulatory policy. In that regard and in line with our mandate, we will prioritise our work on monetary and financial stability, economic research and advice to inform national economic policy – including sustainable fiscal policy, as well as continuing to deliver robust, effective and efficient financial regulatory policy. Specifically:

- Contributing to the formulation and implementation of monetary policy, including through the provision of advice and analysis to the Governor on macro-financial developments in the euro area.
- Providing advice to inform national economic policy, grounded on in-depth research and analysis on the Irish economy, in the context of a rapidly shifting global backdrop shaped by geopolitical developments.
- Identifying, assessing and communicating the main risks facing the financial system as a whole, and taking measures – where necessary and proportionate – to safeguard resilience of the financial system to those risks. This work includes, amongst others, our focus on system-wide operational resilience.
- Responding to the evolution of the payments landscape, including by contributing to the work of the Eurosystem on the Digital Euro as well as the work to enable settlement of transactions on distributed ledgers in central bank money.
- Carrying out research and analysis to better understand the evolution of the economy and financial system. This work is a critical foundation informing both our own core policies as well as the advice we provide to the government on economic policy.
- Ireland will hold the Presidency of the Council of the European Union from July to December 2026. The Central Bank is committed to supporting this whole-of-Government effort. As part of this, the Central Bank will contribute to the delivery of priority files, engage with European counterparts and host a number of relevant events and meetings.

In terms of financial regulation, the priorities of the Central Bank are set in the context of the statutory mandate, domestic and international responsibilities, and Ireland's large and increasingly complex financial sector as well as the prevailing risk environment.

We have four overarching priorities this year: (1) maintaining and building resilience to geopolitical risks and macro-financial uncertainties, (2) securing consumer and investor interests in a rapidly changing world, (3) responding to technology-driven transformations, and (4) helping to address environmental and societal transitions underway.

More specifically, our priorities for 2026 include:

- Continuing to strengthen the financial sector's operational resilience, including ability to manage and respond to severe operational disruptions and provide continuity of services for customers.
- A continuing focus on maintaining the financial sector's financial resilience through a range of actions including the assessment of credit, market, liquidity and reserving/provisioning risk exposures and risk management practices (including risk transfer) across and within relevant sectors.
- Ensuring firms have implemented the revised Consumer Protection Code (which comes into effect in March 2026), while also looking to apply it to all Credit Union regulated activities from 2027 (with a public consultation process on the proposal currently underway).
- Delivering our responsibilities under the Access to Cash legislation, including publishing regulations outlining ATM service standards relating to the hours of availability, cash withdrawal limits, and other requirements, as well as our new registration and oversight responsibilities.
- Enhancing the financial sector's safeguards against financial crime, including how firms support victims of fraud, and raising consumer and investor awareness of frauds and scams while detecting and holding unauthorised providers and those engaged in market abuse to account.
- Continuing our supervisory work related to how the sector is embedding climate and other environmental factors into risk management, business models and governance. This includes assessing firms' responses to the increasing frequency and severity of climate-related weather events.
- Continuing to focus on the use of AI in the financial sector, including further developing our understanding and expectations for firms, supporting the Government's national transposition and implementation of those aspects of the EU AI Act that fall within our remit.
- Progressing our work on innovation in the financial sector, including authorisation and supervision of innovative firms, delivering our second thematic Innovation Sandbox programme focussing on payments, as well as setting out our views and seeking feedback on the opportunities from (and implications of) tokenisation in a Discussion Paper.

- Supporting these priorities is the Central Bank's ongoing commitment to regulating and supervising well. Work will continue to embed improvements in our supervisory framework and ensure that our approach remains risk-focused, proportionate and responsive to developments in the financial system. Through this work, we aim to support a resilient financial system that serves households, businesses and the wider economy.

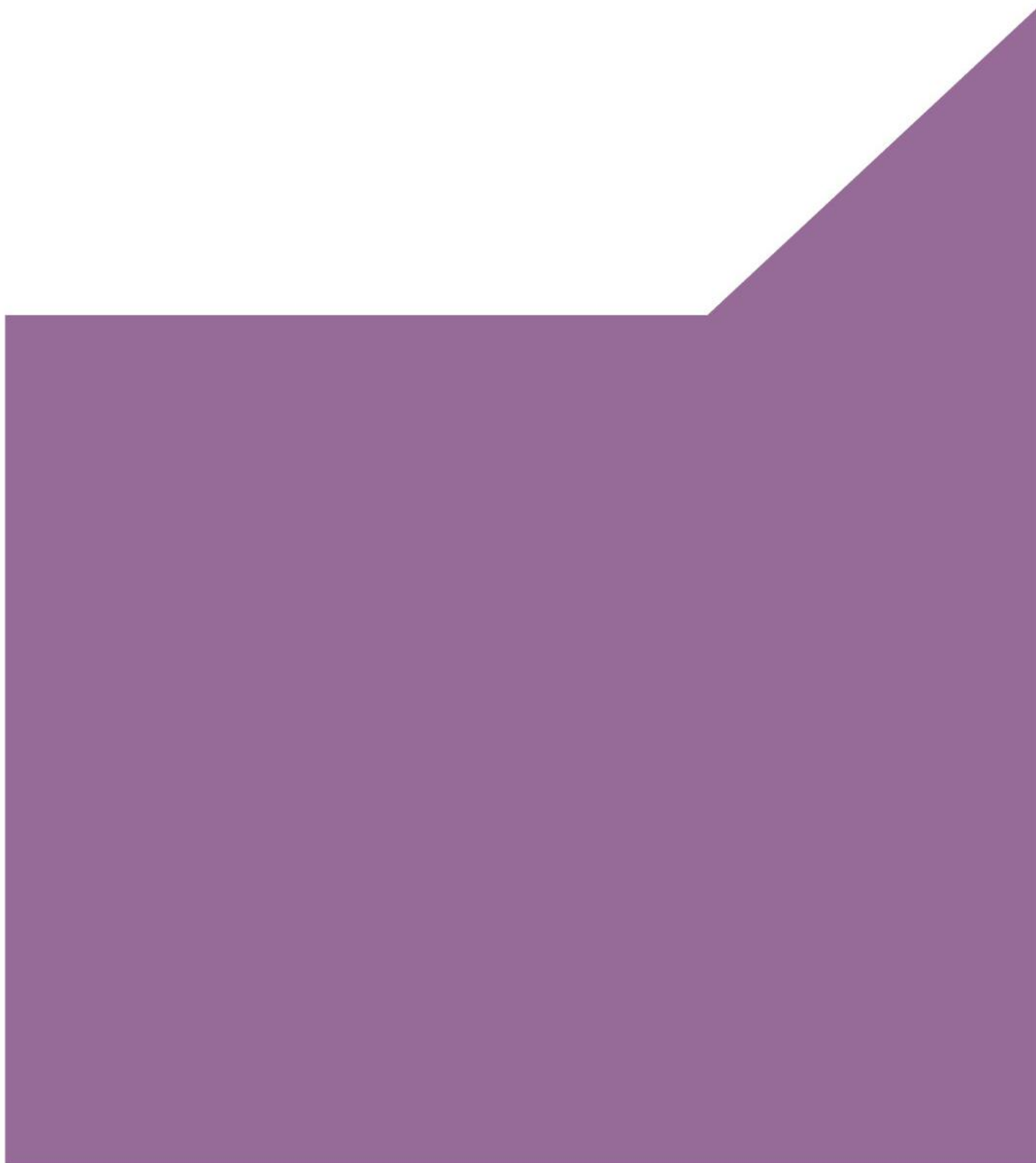
### Operational priorities

Our operational priorities include:

- Continuing to develop as a learning organisation, strengthening the skills, capabilities and leadership required to adapt to a rapidly changing economic, technological and supervisory environment.
- Enhancing our data, analytics and digital capabilities, including greater use of data, technology and supervisory tools to support timelier, risk-based and intelligence-led decision-making.
- Strengthening our governance framework, ensuring it is aligned with our risk tolerance and supports efficient, evidence-based and agile decision-making, prioritisation and accountability.
- Improving the efficiency and effectiveness of our operational processes, including how we procure, onboard and manage third parties and external services that support the delivery of our mandate in the most cost-effective manner.
- Embedding a strong focus on efficiency and cost discipline, ensuring we make effective use of resources and maintain a sustainable cost base while continuing to deliver on our expanding mandate.

# Chapter 5:

## Internal Audit Statement



## Chapter 5: Internal Audit Statement<sup>23</sup>

The Internal Audit Division (IAD) maintains a systematic and disciplined approach to evaluating and improving the effectiveness of the Central Bank's governance, risk management and control processes. This mandate enables IAD to provide the Central Bank's Commission and Executive leadership with objective and reasonable assurance, advice, insight and foresight in relation to internal risks and control deficiencies. In this capacity, IAD operates as the independent "third line of defence" within the Central Bank's governance framework. To enhance awareness and understanding of organisational developments and risks, IAD attended senior executive committee meetings and divisional meetings across the Central Bank. This included reviewing and monitoring internal reports relating to the assessment of risks and controls prepared by the Organisational Risk Division. In support of IAD's independence, the Head of Internal Audit held regular discussions with the Governor and maintained regular interactions with the Chair of the Audit Committee on audit-related matters.

During 2025, IAD conducted a comprehensive programme of reviews spanning supervisory activities, central banking operations, IT systems and other operational functions. These reviews maintained a particular focus on changes to the Central Bank's risk profile arising from economic, industry and regulatory developments and emerging risks and their potential impact on the organisation.

IAD provided regular dashboards to the Audit Committee detailing review outcomes and management's progress in addressing previously identified findings. In November 2025, the Audit Committee approved the rolling three-year Audit Plan. In addition, IAD monitored and tracked actions arising from its 2024-2026 Audit Strategy throughout the year, with progress reported to the Audit Committee.

IAD's responsibilities also include audits performed in collaboration with colleagues from other national central banks, as part of a programme of reviews undertaken by the Internal Auditors Committee (IAC) of the European System of Central Banks (ESCB). In this respect, IAD reports audit outcomes and the status of open findings to the IAC, which submits updates to the ECB Governing Council and relevant ESCB committees. The Central Bank staff chair the IAC sub-committee on Payments, Securities and Market Infrastructure and the IAC Strategy sub-committee.

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<sup>23</sup> This chapter addresses the Annual Performance Statement reporting obligations under Section 32L(3)(a) of the Central Bank Act 1942 (as amended).

This is given under the seal of the Central Bank of Ireland.

**Gabriel Makhlouf**  
Governor

22 April 2026

**Elizabeth Mahon**  
Secretary

22 April 2026

# Part 2:

# Financial Operations

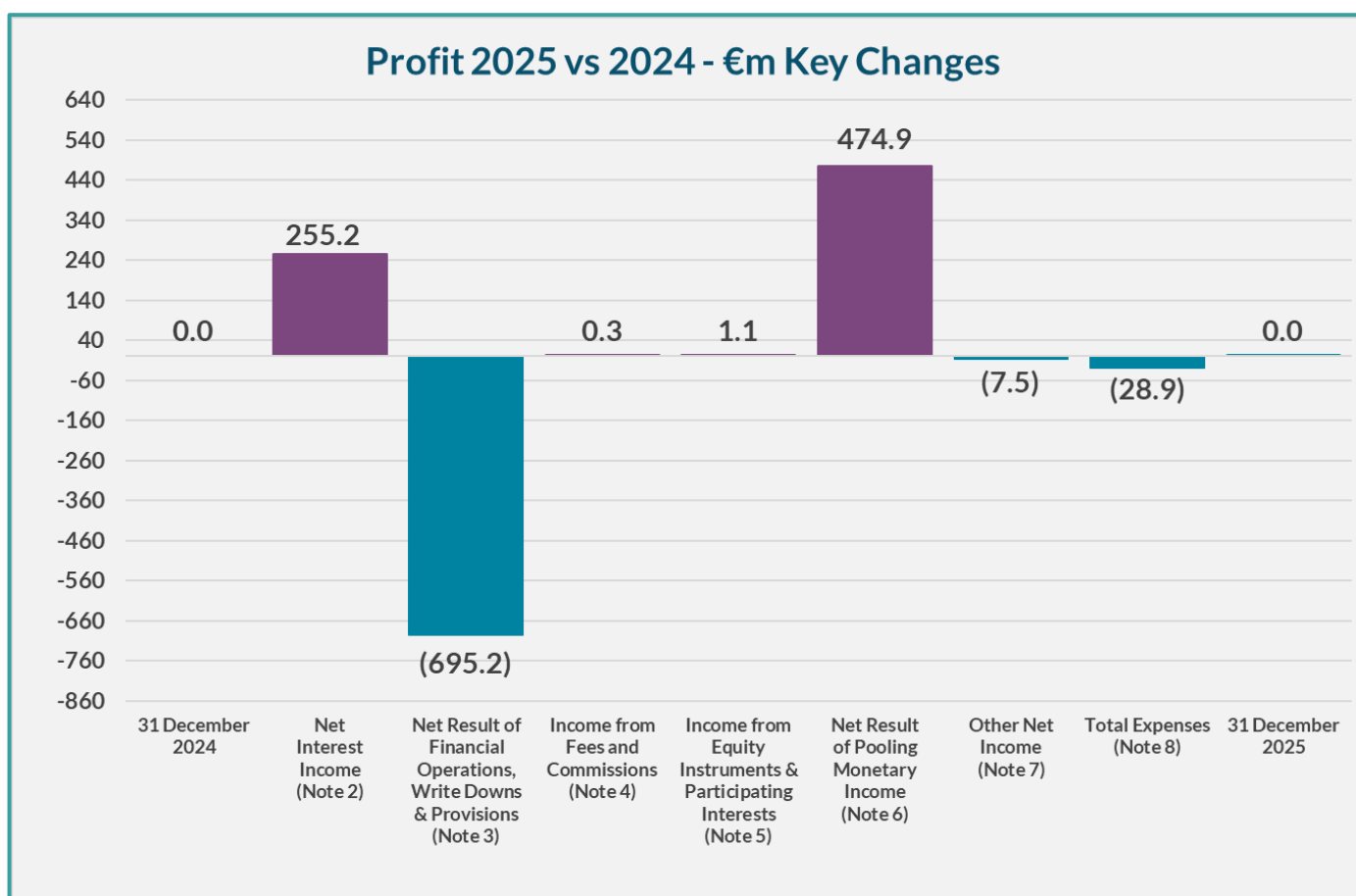


# Part 2: Financial Operations

## Financial Results for 2025

In 2025, the Central Bank made a loss of €104.6m (2024: €795.4m) before the utilisation of its general risk provision bringing the result to a Nil profit for the year (2024: Nil). This is a consequence of the Central Bank using its balance sheet as a tool for monetary policy and the crystallisation of the interest rate mismatch risk, whereby interest paid on the Central Bank’s liabilities rose at an accelerated pace compared to the interest earned on its assets.

### Profit and Loss – Key Movements



Key movements are as follows:

- Higher ‘Net Interest Income’ due to:
  - Lower Credit Institution Deposits interest expense as a result of the ECB policy change, regarding its monetary policy steering using the Deposit Facility Rate (DFR) instead of Main Refinancing Operations (MRO) rate. The average DFR for 2025 was 2.3% while the average MRO rate was 4.1%

for 2024. In addition, there has been a reduction in the average holdings of the deposit facility throughout 2025.

- Decrease in Government Deposits interest expense due to a decline in average holdings throughout the year and fall in €STR. Government deposits are remunerated at €STR minus 20 basis points. The average €STR minus 20 basis points was 2.0% in 2025 (2024: 3.4%).
- Decrease in Euro banknotes interest expense due to a change in the applicable rate, with excess banknotes now remunerated at the DFR, replacing the higher MRO rate.
- Increase in Hold to Maturity (HTM) interest income as a result of the reinvestment of matured bonds into higher yielding bonds and an increase in average holdings.

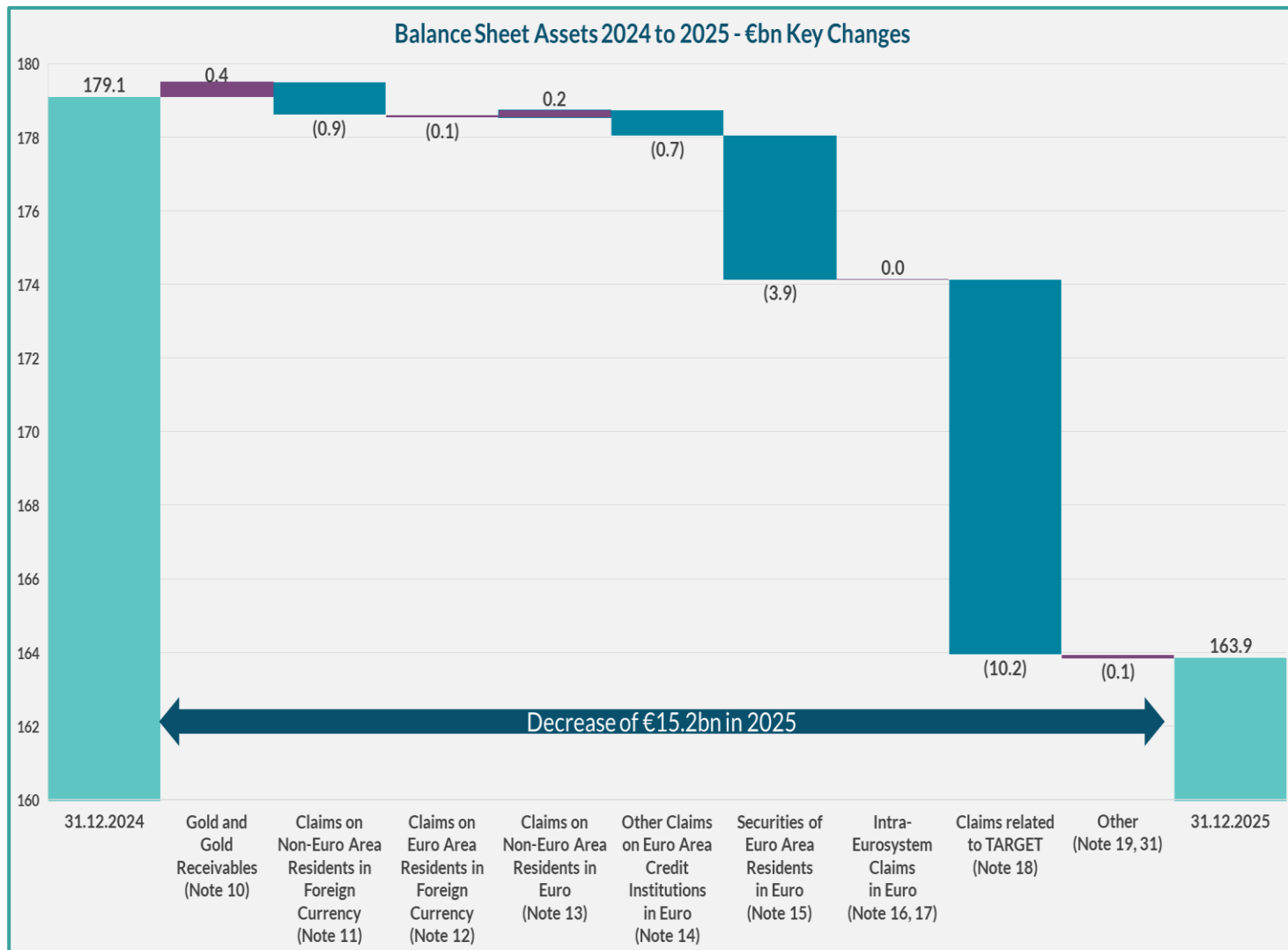
Offset by:

- Reduction in TARGET interest income, driven by the change in the rate used to remunerate the TARGET asset from the MRO rate to the DFR. In addition, average TARGET balances have decreased during 2025.
- Decrease in the 'Net Result of Financial Operations, Write Downs & Provisions' driven by reduction in General Risk Provision released in 2025 and increased unrealised exchange rate losses in 2025. This is somewhat offset by a gain resulting from the transfer between the Central Bank's conventional equity benchmark fund to an EU Paris-aligned equity benchmark fund.
- Decrease in the expense relating to 'Net Result of Pooling Monetary Income', due to lower net payments to the ECB, compared to 2024. This reflects the difference between the Central Bank's pooled monetary income and the Central Bank's share of the total distributed Eurosystem monetary income.
- Decrease in 'Other Net Income' primarily due to the lower Financial Regulation Industry Funding Levy and lower miscellaneous income in 2025 offset by an increase in the return on pension fund assets.
- Increase in 'Total Expenses' due to higher staff cost, driven by the public sector pay agreement, and higher operating costs.

## Balance Sheet

Total Balance Sheet Assets / Liabilities as of 31 December 2025 were €163.9bn, a decrease of €15.2bn compared to the corresponding balance of €179.1bn in 2024.

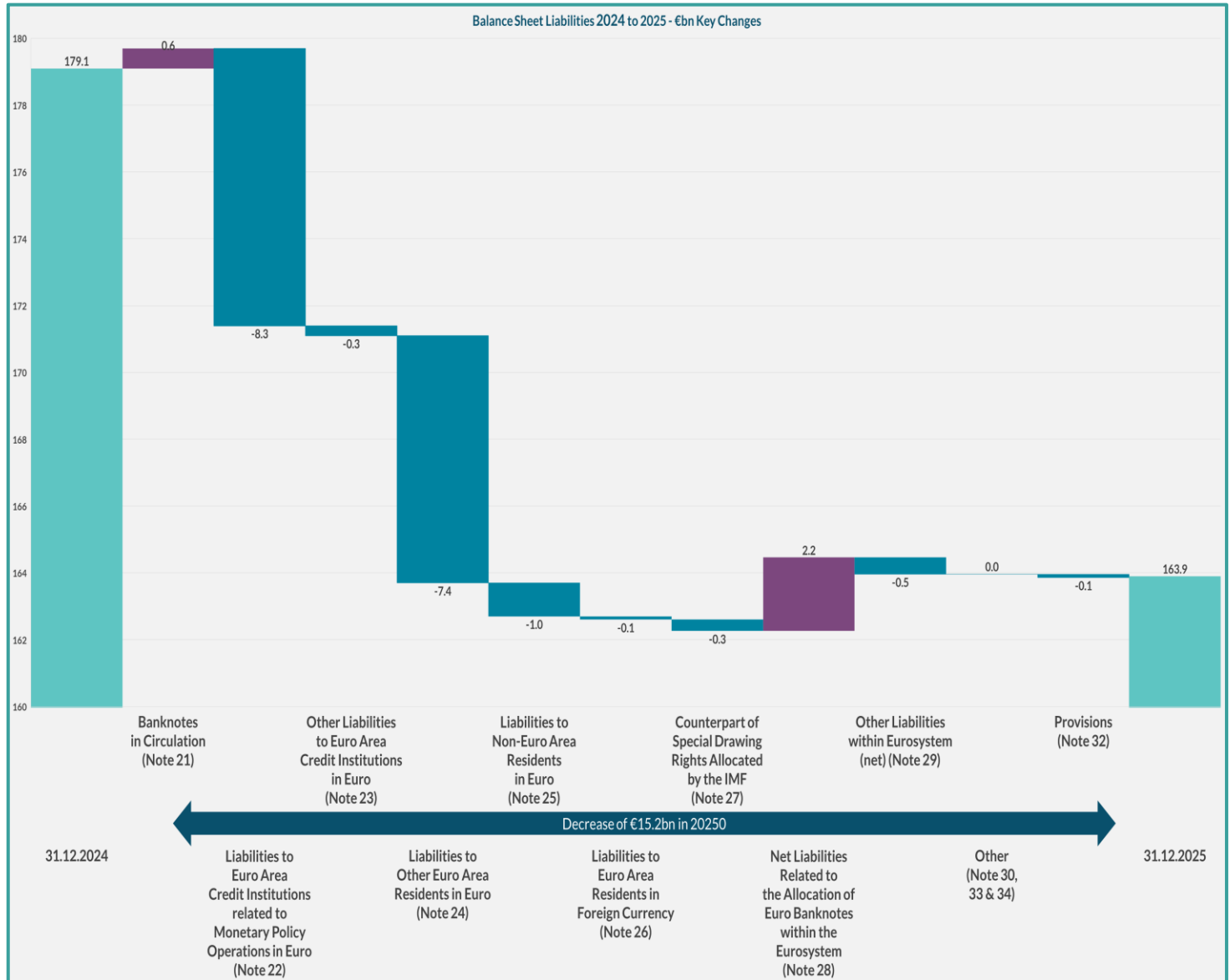
### Balance Sheet Assets – Key Movements



Key movements in Balance Sheet Assets are as follows:

- Decrease in ‘Claims related to TARGET’ due to a lower TARGET balance in 2025. This reflects an outflow of euro from the State, through the Central Bank’s TARGET account, largely channelled through credit institutions’ reserves accounts.
- Decrease in ‘Securities of Euro Area Residents in Euro’ primarily due to the maturity of Securities held for Monetary Policy Purposes and the Governing Council decisions not to reinvest these as they mature.

## Balance Sheet Liabilities – Key Movements



Key movements in the Balance Sheet Liabilities are as follows:

- Reduction in 'Liabilities to Euro Area Credit Institutions related to Monetary Policy Operations in Euro' due to lower deposit facility holdings in 2025.
- Reduction in 'Liabilities to Other Euro Area Residents in Euro' due to a reduction in general government deposits held at the Central Bank.

Offset by:

- Increase in 'Net Liabilities Related to the Allocation of Euro Banknotes within the Eurosystem' due to an increase in excess banknotes issued by the Central Bank, relative to the ECB's share of total banknotes in circulation.

## Central Bank of Ireland – Challenges to profitability

Prior to the use of any provisions, the Central Bank recorded a loss of €104.6m in 2025 (2024: €795.4m). Similar to last year, this negative result is due to the exposures arising from the use of the Central Bank's balance sheet as a tool for monetary policy – reflecting the Central Bank's primary mandate of safeguarding price stability.

In the years leading up to the COVID-19 pandemic, the euro area experienced inflation persistently below the ECB's 2% target. The ECB therefore pursued an accommodative monetary policy stance, which included purchases of government bonds under the asset purchase programme (APP). Following the outbreak of the COVID-19 pandemic, the Eurosystem faced turmoil in financial markets that threatened to disrupt the transmission of monetary policy to the real economy. In response, it launched the Pandemic Emergency Purchase Programme (PEPP) in March 2020, under which bonds were purchased on a large scale, alongside the APP.

These programmes expose the Central Bank to interest rate mismatch (IRM) risk. On the asset side of the balance sheet are the longer dated fixed-rate holdings under these monetary policy purchase programmes that have been acquired at low or negative interest rates. The interest rates on the related liabilities are, however, tied to the ECB's (variable) monetary policy rates. Although these rates declined during 2025, they remained above the yield generated by the purchase programmes. Therefore, the Central Bank's funding costs for the liabilities remained higher, relative to the income received on the related assets. This IRM contributed to the loss of €104.6m arising in 2025. Going forward, this balance sheet structure and interest rate environment is forecast to continue to reduce the Central Bank's income over a number of years and to potentially result in further losses in the future. While these losses are expected to be covered by the Central Bank's financial buffers, their full extent is uncertain and will depend on many factors, in particular the monetary policy set by the ECB's Governing Council to ensure price stability.

This IRM risk was anticipated and projected, and the Central Bank took a number of actions in recent years to mitigate the impact. As part of its assessment of the IRM risk, a provision of €3,000.0m was built up to cover anticipated losses. This provision was decreased in 2023 to €2,867.9m, and in 2024 to €2,072.5m. In 2025 the provision has decreased again to €1,967.9m due to the utilisation of €104.6m to cover financial losses driven by the IRM on the balance sheet.

In addition, the maximum 20% of profit was generally retained historically, in line with the strategic aim of strengthening the Central Bank's financial resilience<sup>24</sup>, although not in 2023 and 2024 when the Central Bank recorded zero net profit. For 2025 (similar to the previous two years), as the Central Bank is recording a zero net profit again, there is no retention applying.

The Central Bank has also, in recent years, diversified its investment assets, with allocations to foreign currency denominated portfolios, gold and equities. Holding diversified assets supports investment returns and reduces overall income volatility in the long run, notwithstanding some potential for variability in returns over the short-term. However, the investment asset portfolios are far smaller than the monetary policy assets. Therefore, returns from the investment portfolios will not compensate for the effects of the pronounced IRM on the balance sheet.

As with all Eurosystem National Central Banks (NCBs), the Central Bank's balance sheet is partly a policy tool. Using it is essential to deliver the Central Bank's mandate, but it also means taking on financial risk. Recognising that, the Central Bank has been building its financial resilience over several years, including by accumulating substantial financial buffers to absorb potential future losses.

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<sup>24</sup> The Central Bank complies with Statutory Instrument 93/1943 - Central Bank of Ireland (Surplus Income) Regulations, 1943. The Central Bank may retain up to a maximum of 20% of profit in each year. The amount retained is appropriated to reserves and is subject to the approval of the Commission each year.

# Statement of Accounts of the Central Bank of Ireland

for the year ended 31  
December 2025

Presented to Dáil Éireann pursuant to section  
32J of the Central Bank Act, 1942 (as amended).

# Governance Statement and Commission Members' Report

## Introduction

The functions of the Central Bank of Ireland (the Central Bank) are set out in section 5A of the Central Bank Act 1942 (as amended) (the Act). The functions of the Central Bank Commission (the Commission) are set out in section 18B of the Act, which provides that the activities and affairs of the Central Bank (other than ESCB functions) are managed and controlled by the Commission.

## Role of the Commission

The Commission has the following statutory functions: management and control of the affairs and activities of the Central Bank; ensuring that the Central Bank's financial regulation and central banking functions are co-ordinated and integrated; and ensuring that the statutory powers and functions conferred on the Central Bank are properly exercised and discharged. The Commission has adopted its own terms of reference, which sets out how it can best deliver on those responsibilities.

Section 18F of the Act provides that any of the statutory functions vested in the Commission may be delegated to the Governor, a Deputy Governor or an employee of the Central Bank. In the interest of the efficient and effective management of the Central Bank and the exercise of its powers and functions, the exercise of most of the Central Bank's statutory functions and powers are delegated. The Commission retains the power to exercise any of those functions and powers of the Central Bank delegated by the Commission where it considers it appropriate to do so.

Further, the Commission has approved and adopted a Plan of the Assignment of Responsibility (the Plan) in respect of delegations made, most recently revised and approved in May 2025. The Commission retains accountability for the effective oversight of the performance of such functions and for ensuring that the powers and functions conferred on the Central Bank (other than those in respect of which responsibility is conferred solely on the Governor) are being effectively managed and controlled. Where a power has been assigned in accordance with the Plan, that person is accountable to the Governor and to any other person specified in the assignment for its performance.

The Commission engages with the executive and staff members as appropriate on issues of strategic importance to the Central Bank (other than ESCB functions), and advises, supports and constructively challenges them as appropriate. It also approves the Central Bank's Strategy and reviews its implementation, including through the review and approval of its Annual Business Plan and Budget.

## Commission Responsibilities

The main statutory provisions relating to the role and duties of the Commission are covered in Part III of the Act. Moreover, under Section 32J of the Act, the Central Bank is responsible for the maintenance of proper accounting records. This responsibility also extends to the preparation and presentation to the Comptroller and Auditor General of a Statement of Accounts within six months of the end of each financial year and the appointment of external auditors as required by Article 27 of the Statute of the European System of Central Banks (the ESCB) and of the European Central Bank (the ECB).

The Commission has overall responsibility for the system of internal controls in the Central Bank, which is designed to safeguard the assets of the Central Bank and to prevent and detect fraud and other irregularities. To discharge this responsibility, the Commission has established appropriate structures. In this regard, the Audit Committee meets regularly with the internal and external auditors and with members of the management of the Central Bank to discuss control issues, financial reporting and related matters. The internal and external auditors have full access to the Audit Committee.

The Commission is satisfied that the Accounting Guideline of the European Central Bank (the Guideline)<sup>25</sup> and, where this is silent, the accounting standards generally accepted in Ireland - Financial Reporting Standard 102 (FRS 102) - and statutory provisions that are applicable to the Central Bank, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

The Commission has taken all the steps in order to make itself aware of any relevant audit information and to establish that the Central Bank's statutory auditors are aware of that information.

## Commission Structure

The Commission is made up of the following ex-officio members:

- Governor (Chair)
- Deputy Governor, Monetary and Financial Stability
- Deputy Governor, Financial Regulation
- Secretary General of the Department of Finance
- In addition, at least six, but no more than eight, other members appointed by the Minister for Finance.

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<sup>25</sup>The Guideline refers to the Guideline of the European Central Bank (3 November 2016) on the legal framework for accounting and financial reporting in the ESCB (ECB/2016/34) as amended.

The table below lists the members who served on the Commission during 2025 and their appointment, or re-appointment dates (Commission members appointed by the Minister for Finance may be re-appointed for one additional term of five years):

Commission Members	Date Appointed (or Reappointed)
Gabriel Makhlouf*	1 September 2019
Shay Cody <sup>26</sup>	30 November 2025
Mary Condon	1 January 2024
Maeve Dineen	1 December 2025
John Hogan*	8 June 2021
Sarah Keane <sup>27</sup>	30 November 2025
Vasileios Madouros*	1 November 2022
Mary Elizabeth McMunn*	1 January 2025
David Miles <sup>28</sup>	1 December 2020
Niamh Moloney <sup>29</sup>	11 September 2023
John Trethowan <sup>30</sup>	11 September 2023

\**Ex-officio members*

This membership is in line with the requirement to have regard to the skills, diversity and gender mix within State Boards as set out in the Annex on Gender Balance, Diversity and Inclusion under the Code of Practice for the Governance of State Bodies (the Code). The gender balance of the Commission at end 2025 was 56% male and 44% female. Of the appointed members, the gender balance was 40% male and 60% female.

### Commission Membership Changes in 2025

Niamh Moloney stepped down as a Commission member on 31 March 2025. David Miles completed his term as a Commission member on 30 November 2025 and did not seek reappointment. Shay Cody and Sarah Keane were reappointed for second terms as Commission members on 30 November 2025. Maeve Dineen was appointed as a Commission member on 1 December 2025.

<sup>26</sup> Shay Cody was first appointed on 1 December 2020 and was reappointed on 30 November 2025.

<sup>27</sup> Sarah Keane was first appointed on 1 December 2020 and was reappointed on 30 November 2025.

<sup>28</sup> David Miles' term on the Commission ended on 30 November 2025.

<sup>29</sup> Niamh Moloney was first appointed on 11 September 2018 and was reappointed on 11 September 2023. She stepped down as a Commission member on 31 March 2025.

<sup>30</sup> John Trethowan was first appointed on 11 September 2018 and was reappointed on 11 September 2023.

## Committees of the Commission

The Commission has established the following committees, which were in place at year-end 2025. The Commission appoints the members of the committees.

- Audit Committee
- Risk Committee
- Major Projects Committee
- Remuneration Committee.

The Commission established the committees to provide support to the Commission in meeting its responsibilities.

### Audit Committee

The Audit Committee is comprised of three non-executive members, one of whom is also Chair of the Risk Committee. The membership of the Audit Committee, as of 31 December 2025, was as follows: Shay Cody (Chair), Mary Condon and John Trethowan.

The Commission established the Committee to provide support to the Commission in meeting its responsibilities for issues relating to risk, control and governance. The Committee achieves this through reviewing the comprehensiveness, reliability and integrity of assurances provided to the Commission by the Internal Audit Division.

### Risk Committee

The Risk Committee is comprised of five members – three non-executive members of the Commission, one of whom is also Chair of the Audit Committee, an executive member of the Commission - the Deputy Governor, Monetary and Financial Stability - and the Chief Operations Officer. The membership of the Risk Committee, as of 31 December 2025, was as follows: John Trethowan (Chair), Shay Cody, Marcella Flood and Vasileios Madouros<sup>31</sup>.

The Commission established the Committee to review and advise the Commission on key risk frameworks for the management of the Central Bank's principal internal risk exposures. A key objective of the Commission is ensuring the application of risk frameworks within the Commission approved risk tolerance. The Committee is empowered to take decisions on the basis of any delegated authority from the Commission.

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<sup>31</sup> David Miles completed his term as a Commission member and as a member of the Risk Committee on 30 November 2025. As of 31 December 2025, there was one vacancy on the Risk Committee.

## Major Projects Committee

The Major Projects Committee is comprised of two to three non-executive members of the Commission, an executive member of the Commission - the Deputy Governor, Financial Regulation - and the Chief Operations Officer. The membership of the Major Projects Committee, as of 31 December 2025, was as follows: Sarah Keane (Chair), Marcella Flood, Mary Elizabeth McMunn and John Trethowan<sup>32</sup>.

The Commission established the Committee to provide support to the Commission in meeting its responsibilities in relation to the effective execution of the Bank's Strategy. This includes oversight and consideration of major projects, and related budget, including the related Investment Envelope. The Committee also seeks to achieve alignment with the Bank's risk profile through oversight of the Bank's full Project and Programme Portfolio, including benefits realisation. The Committee is also empowered to take decisions on the basis of any delegated authority from the Commission.

## Remuneration Committee

The Remuneration Committee is comprised of three non-executive members. The membership of the Remuneration Committee, as of 31 December 2025, was as follows: Sarah Keane (Acting Chair) and Shay Cody (acting member).<sup>33</sup>

The Commission established the Committee to provide support to the Commission in meeting its responsibilities for issues relating to remuneration policy and remuneration.

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<sup>32</sup> Niamh Moloney stepped down from the Commission, and as a member of the Major Projects Committee, on 31 March 2025. John Trethowan was appointed to the Major Projects Committee on 27 May 2025.

<sup>33</sup> Niamh Moloney stepped down from the Commission, and as a member of the Remuneration Committee, on 31 March 2025. David Miles completed his term as a Commission member and as a member of the Remuneration Committee on 30 November 2025. As a result of the departures of David and Niamh there was, as of 31 December 2025, two vacancies on the Remuneration Committee. Shay Cody joined the Remuneration Committee as an acting member for its sole meeting in 2025.

## Schedule of Attendance

A schedule of attendance at the Commission and Committee meetings for 2025 is set out below.

Commission / Committee Member	Commission	Audit Committee	Risk Committee	Major Projects Committee	Remuneration Committee	Joint meetings of Audit and Risk Committees
Gabriel Makhoul	7/7	-	-	-	-	-
Shay Cody	7/7	4/4	4/4	-	1/1	1/1
Mary Condon	7/7	4/4	-	-	-	0/1
Maeve Dineen	0/1	-	-	-	-	-
Marcella Flood	-	-	3/4	4/4	-	1/1
John Hogan	7/7	-	-	-	-	-
Sarah Keane	6/7	-	-	4/4	1/1	-
Vasileios Madouros	7/7	-	3/4	-	-	0/1
Mary Elizabeth McMunn	7/7	-	-	1/4	-	-
David Miles	5/6	-	4/4	-	1/1	1/1
Niamh Moloney	2/2	-	-	1/1	-	-
John Trethowan	7/7	3/4	4/4	3/3	-	1/1

## Governance Framework

The Central Bank's Governance Framework takes account of the requirements of the Central Bank Acts and the EU Treaties, the Code, and other internal governance arrangements. The Governance Framework includes the Central Bank's Responsibilities of Senior Leaders, which specifies the responsibilities of those holding senior leadership positions within the Central Bank, together with the relevant governance arrangements in place that support decision-making.

## Internal Governance Structures

There are a number of internal cross-organisational committees with responsibility for coordinating the development and implementation of policies and advising on major issues. The Central Bank's committee structure comprises both operational and mandate-related committees which contribute, among other things, towards the development and execution of the Central Bank's strategy, risk appetite and organisational culture.

## Annual Report and Annual Performance Statement

In accordance with Section 32K of the Act, the Central Bank prepares a report of its operations during the year and presents this to the Minister for Finance within six months after the end of each financial year. Section 32J (3) of the Act requires the Central Bank to prepare and transmit to the Comptroller & Auditor General (C&AG) a Statement of Accounts for the financial year concerned. The C&AG audits, certifies and reports on the Statement of Accounts and remits his report and the Statement of Accounts to the Minister. The Central Bank's financial accounts are also audited by independent external auditors as required by Article 27 of the ESCB Statute.

## Appearances before Oireachtas Committees

The Governor, a Deputy Governor or the Registrar of Credit Unions may be obliged to attend before a Joint Committee of the Oireachtas responsible for examining matters relating to the Central Bank, including relating to the Annual Performance Statement, and to provide that Committee with information as it requires, subject to the Treaty on the Functioning of the EU and the ESCB Statute and to the Central Bank's professional secrecy and confidentiality obligations.

In 2025, personnel from the Central Bank made three appearances before the Joint Oireachtas Committee on Finance, Public Expenditure Public Service Reform and Digitalisation and Taoiseach. Personnel from the Central Bank also appeared twice before the Committee on Budgetary Oversight, and once before the Joint Oireachtas Committee on Housing, Local Government and Heritage during 2025.

## Statutory Inquiries

The Central Bank, its officers and employees, are called as required to provide evidence to inquiries established under Statute. In its dealings with any such inquiry, the Central Bank must comply with the confidentiality obligations imposed under Section 33AK of the Act.

## Peer Reviews

The Central Bank must arrange, at least every four years, for the performance of its regulatory functions to be reviewed by another national central bank, or another person or body whom the Governor has certified as appropriate, following consultation with the Minister.

## Public Sector Duty

As a public service organisation, the Central Bank is committed to taking actions to avoid discrimination, promote equality, and protect human rights. Fulfilling our public sector duty obligations under the Irish Human Rights and Equality Commission Act 2014, is integral to this commitment.

As part of implementing its Strategy, the Central Bank considered how it should fulfil this duty in respect of the equality and human rights issues relevant to the discharge of its purpose and functions. This has been set out in “Fulfilling our Public Sector Duty Assessment & Action Plan” which is available on the Central Bank website.

### Disclosures Required by Code of Practice for the Governance of State Bodies

The following disclosures are included in Note 8 – “Total Expenses”:

- Employee Short-Term Benefits Breakdown;
- Consultancy Costs;
- Legal Costs and Settlements;
- Travel and Subsistence Expenditure;
- Hospitality Expenditure; and
- Remuneration and expenses paid to Commission members in 2025.

### Statement of Compliance

The Commission has adopted the Code of Practice for the Governance of State Bodies (the Code), adapted in some instances to take account of the Central Bank's particular governance framework and the statutory requirements of the Central Bank Acts and the ESCB Treaties, including the requirement for the Central Bank to be independent. The Commission has implemented procedures to ensure the application of relevant provisions within the Code. In that context, each provision has been assessed, and the Central Bank is either currently applying the provision, adopting the provision, or adapting the provision to take account of the Central Bank's statutory requirements. Certain provisions have been assessed as not applicable to the Central Bank.

Where certain provisions are adapted or not applicable, this is to recognise the statutory regime that the Central Bank is subject to. The 1942 Act provides the statutory regime for the Central Bank, including how it is to interact with the Minister for Finance taking into account the Central Bank's independence requirements. A copy of the Central Bank's implementation of the Code is available on the Central Bank's website.

**Gabriel Makhoulouf**  
Governor

**Shay Cody**  
Member of the Commission

22 April 2026

## Statement on Internal Control

The Central Bank adopts relevant provisions of the Code of Practice for the Governance of State Bodies 2016 (the Code). In some instances, the provisions of the Code have been adapted to take account of the Central Bank's particular governance framework and the statutory requirements of the Central Bank Acts and the ESCB Treaties, including the requirement for the Central Bank to be independent. The Central Bank's application of the Code is reviewed annually.

In accordance with the Code, the Commission is required to prepare a statement on the operation of the Central Bank's System of Internal Controls for each annual reporting period. Underpinning this statement is an annual review that seeks to provide reasonable (as opposed to absolute) assurance of the adequacy, effectiveness and integrity of the System of Internal Controls.

The Central Bank's System of Internal Controls comprises an extensive set of policies, procedures, and management and oversight activities. The System of Internal Controls has been developed and matured with the aim of maintaining proportionate measures to mitigate and manage the risks that inevitably arise in the fulfilment of the Central Bank's statutory mandate and the objectives under its current Strategy. These control measures do not, nor can they, eliminate all risk exposures, or anticipate all potential sources of disruption, error, failure or loss. Instead, their aim is to ensure that, within risk tolerances deemed acceptable by the Commission, adverse or unexpected impacts on the delivery of the Central Bank's mandate and strategic objectives are minimised.

This statement provides an overview of the Central Bank's System of Internal Controls including the main features of the control environment, how risks are identified, assessed, mitigated and monitored and the notable findings of the review of the System of Internal Controls for this annual reporting period. On behalf of the Commission, we confirm our overall responsibility for the Central Bank's Systems of Internal Controls, its intended alignment with our approved risk tolerances and the management and assurance processes established to maintain and assess its adequacy and integrity for the annual reporting period ended on 31 December 2025.

## Key Internal Control Activities

In the reporting period, the Commission has overseen the implementation of a range of control activities to ensure that risks to the achievement of objectives are effectively identified, assessed, and mitigated, in so far as is operationally and economically feasible. Key control activities are performed at all levels of the Central Bank encompassing its financial and operational processes and compliance with various legal and regulatory obligations. While control activities can take various forms, the annual review of each type aims to provide reasonable assurance that a particular control objective is achieved. The key control activities include:

- **Governance Framework:** The Central Bank maintains a Governance Framework that consolidates and clearly articulates the governance arrangements within the Central Bank, including: a Plan of the Assignment of Responsibilities that articulates the assignment of specified powers and functions of the Central Bank, including its delegation framework; a formally defined organisation and committee structure that is aligned to the Central Bank's statutory functions, with clearly defined lines of responsibility and authority levels; a Corporate Policy Framework to define what constitutes a Corporate Policy and a register of Corporate Policies identifying the relevant approval authority; and detail of the roles and responsibilities of Senior Leaders together with the relevant governance arrangements in place that support decision-making and oversight across the Central Bank. In addition, the Commission approves the Central Bank's Strategy and oversees and monitors the Annual Business Plans produced by the Executive and senior management to deliver business objectives and implement the Strategy.
- **Statutory Obligations of the Central Bank:** In line with the Code, the Commission is provided with a schedule of the Central Bank's most pertinent statutory and governance obligations, together with a report identifying, at a high level, the applicable legislation, assignment of responsibility and how adherence is monitored.
- **People Management and Development:** A designated human resource management function and people management framework is in place, which includes a Commission approved resourcing plan, a talent acquisition policy, formal training programmes for staff and, annual performance appraisals. Other relevant procedures are in place to ensure that staff are competent and adequately trained in carrying out their responsibilities.
- **Planning and Financial Management:** An Annual Business Plan and Budget are prepared and approved by the Commission. This includes a comprehensive financial and budget management information system, incorporating accounts payable controls, and regular management and reporting on various aspects of the Central Bank's expenditure framework to the Commission. The Commission receives twice yearly reports on the status of actions set out in the Annual Business Plan at mid-year and again at year-end, incorporating any exceptions to the approved Annual Business Plan and Budget.
- **Risk Management:** An Enterprise Risk Management Framework sets out the Central Bank's overall risk management strategy, encompassing strategic, financial and operational risk exposures. The implementation of this Framework and its accompanying organisational and governance arrangements enable the identification, assessment, management and monitoring of risks that arise in the

performance of the Central Bank's statutory responsibilities. These risk management activities support the application of the Central Bank's Risk Tolerance Framework by providing visibility and insights into the various types of organisational risk exposures, while, ensuring clear lines of responsibility and a proactive approach to their management within approved tolerances.

- **Fraud Prevention and Management:** The Central Bank recognises the potential impacts of fraud on its reputation, financial position and operations. A fraud risk management policy is defined which outlines responsibilities for the identification and mitigation of fraud related risks, and the approach in relation to the reporting and investigation of fraud or suspected fraud incidents within the Central Bank.
- **Business Continuity Planning:** Business continuity and incident management policies and supporting processes to ensure the Central Bank is prepared to respond to disruptive scenarios, provide contingency arrangements, recover technologies, maintain in so far as possible the continuity of critical operations, and resume normal business operations in a timely manner.
- **Programme and Project Management:** Control activities including a defined change governance framework and dedicated organisational function are in place to manage material change projects and the delivery of new capabilities within the Central Bank incorporating procedures for change and project management, investment approval and prioritisation.
- **Data Protection:** Control measures designed to enable the Central Bank to protect the privacy rights of individuals in accordance with relevant regulatory requirements.
- **Physical, Information and Cyber Security:** Control activities designed to protect staff, premises and physical assets and the confidentiality, integrity and accessibility of information assets from unauthorised alteration, loss or compromise due to accidents, negligence or criminal acts.
- **Procurement:** A centralised procurement function responsible for maintaining effective procedures for the tendering and approval of vendors in accordance with Public Procurement requirements, incorporating regular reporting to the Performance and Resourcing Committee and Audit Committee of the Commission.
- **Internal Audit:** An independent and objective Internal Audit division which delivers a risk-based internal audit plan, prepared annually and approved by the Audit Committee. The Internal Audit division also oversees the management of internal disclosures (e.g. protected disclosures).

## Control Environment

The aforementioned internal control activities aim to support the maintenance of an effective and proportionate control environment, the main features of which include: a comprehensive committee structure, an embedded code of ethical conduct, clear management and staff roles and responsibilities, a risk tolerance framework and a continuous performance management system aligned to the achievement of the objectives set out in the Central Bank's Strategic Plan and Annual Business Plans.

As noted, the Central Bank has, in some instances, identified the need to adapt its application of the Code to take account of certain unique institutional aspects of its role and mandate. This has given rise to the Central Bank providing a limited number of explanations where it has had to adapt a particular provision of the Code, due to the governance framework and the statutory requirements of the Central Bank Acts and the ESCB Treaties. Notwithstanding the foregoing, the Commission believes that the Central Bank has materially achieved the objectives of the Code in maintaining a robust control environment via specific statutory, risk management and governance measures.

## Governance

In accordance with the Central Bank Reform Act 2010, the Central Bank maintains a single, integrated structure with a unitary board, the Central Bank Commission, chaired by the Governor. The Act provides that the functions of the Commission are to:

- Manage and control the affairs and activities of the Central Bank (other than European System of Central Bank (ESCB) functions),
- Ensure that the Central Bank's central banking functions and financial regulation functions are integrated and coordinated, and
- Ensure that the statutory powers and functions conferred on the Central Bank are properly exercised and discharged.

The Act provides the Commission with a power to delegate functions and powers of the Central Bank to the Governor, a Deputy Governor, committee or an employee of the Central Bank. The Commission cannot delegate to a committee any function of the Central Bank that a provision of the Act requires the Governor to perform. Such delegations are made in the interests of the efficient and effective management of the Central Bank, and to ensure the proper exercise and discharge of the Central Bank's functions and powers.

The exercise, therefore, of most of the Central Bank's statutory functions and powers has been delegated by the Commission. Each of the above persons are empowered to act on behalf of the Central Bank in the discharge of the functions, powers and

responsibilities from time to time assigned to them, including forming opinions, making decisions, taking action, exercising powers and carrying out the performance of functions of the Central Bank delegated. A person to whom the responsibility for the performance of a function has been assigned is accountable for the performance of that function to the Governor. The Commission, including through its four committees (Audit, Risk, Major Projects and Remuneration), monitors and reviews the performance of these delegations, including the operation of the Central Bank's System of Internal Controls. The functions of the Commission and its committees are set out in separate Terms of Reference.

The Central Bank's Governance Framework also includes a register of Corporate Policies supported by relevant templates and guidance, and similarly a register and guidance for Memoranda of Understanding.

The Governance Framework includes an internal committee structure and an internal executive management structure, which provides oversight of all material organisational matters. An executive-level Risk Management Committee is tasked with maintaining oversight and providing challenge across all risk categories and internal compliance and conduct related matters. An executive-level Performance and Resourcing Committee is tasked with oversight of the use of resources, encompassing financial and human resources and providing assurance on the implementation of the Bank's Strategy and business plans. Other executive-level committees, as set out in the Governance Framework also contribute to the maintenance and development of the Central Bank's control environment.

The Commission continues to oversee procedures for the assignment of management responsibilities and annual objectives within the Central Bank. Management and staff responsibilities and objectives are defined via a comprehensive database of role profiles and a performance management and development programme.

Executive management, in conjunction with the Commission, set out the Central Bank's overarching objectives within a published Strategy. Strategy is approved by the Commission and then submitted to the Minister for Finance to satisfy the statutory requirement for the Central Bank to have a minimum three-year strategic plan. The current Strategy took effect from 1 January 2022. A midpoint review of this Strategy was completed in 2024, with an updated three-year Strategy approved by the Commission and submitted to the Minister for Finance in September 2024. This update extended the Strategic period to end-2027, in line with statutory requirements.

Implementation, monitoring and reporting of the Strategy occurs via the Central Bank's Annual Business Planning process, which includes regular review by senior management and biannually by the Commission.

The organisational level Annual Business Planning process translates the Central Bank's long-term strategic direction and medium-term Strategic Delivery Roadmap into material operational and strategic objectives across all business areas. These objectives are tangible, delivered over a one-year horizon, aligned to the Central Bank's annual budget. The 2026 Annual Business Plan was approved by the Commission in November 2025.

In addition, the Commission continues to oversee the implementation of, and adherence to the Central Bank's Code of Ethics, which seeks to ensure the highest standards of ethical conduct amongst staff and officers of the Central Bank. The Commission has also adopted its own Code of Conduct and Ethics. The Commission has established an Internal Disclosures Policy which it reviews annually. This Policy provides employees with a set of channels to confidentially disclose information regarding possible wrongdoing within the Central Bank without fear of any personal repercussions.

## Risk Management

Central to the effective operation of the Central Bank's System of Internal Controls are procedures to identify, assess and manage risks that may adversely impact the achievement of the Central Bank's objectives at both an overall organisational level and within each of its divisions.

The Commission approves and oversees a Risk Tolerance Framework that ensures consistency, proportionality and rigour in the assessment and management of the principal categories of risk to which the Central Bank is exposed. This Framework provides a taxonomy of organisational risk and guidance on the level of risk which is deemed acceptable, and the approach to monitoring the status of these risks. An Integrated Risk Report on the risk profile versus risk tolerance across key risk categories is presented at regular periods to the Risk Management Committee, the Executive Leadership Committee, and the Risk Committee.

An Enterprise Risk Management Framework has been established to enable effective and consistent management of three broad categories of organisational risks - strategic, financial and operational risks - and to define the associated management roles and responsibilities for the implementation of the underlying processes and control procedures. A range of process level controls and associated policies, procedures and guidelines operate across the organisation to support the on-going management of the Central Bank's organisational risk exposures.

The process for the identification, assessment and reporting of organisational risk exposures at divisional level involves the application of a risk and control assessment procedure and ongoing maintenance of a standardised register of material operational risk exposures and incidents.

The Organisational Risk Division carries out risk-based quality assurance, to validate the risks identified at divisional level and to ensure that where corrective remedial actions are required these form part of each division's risk management plan. All divisional management are required to attest on a periodic basis that their risk registers have been reviewed and updated as required.

The Risk Committee also oversees a dedicated Financial Risk Management Framework. This principally focuses on current and emerging financial risks impacting the Central Bank's Balance Sheet arising from the implementation of monetary policy and discretionary investment activities. In the reporting period, the Commission has reviewed reports on the status of these financial risks and considered proposals on the effective control and management of these risks in accordance with the approved risk tolerance

In recent years, the Central Bank progressed specific actions in response to losses arising from interest rate mismatch on its balance sheet relating to its substantial holding of monetary policy assets purchased as part of the Central Bank's Eurosystem price stability mandate. These measures include carrying a General Risk Provision of €2,072.5m into 2025 to cover anticipated losses. This provision decreased at the end of 2025 (to €1,967.9m) due to its utilisation to cover the realisation of the anticipated financial losses<sup>34</sup>. Given the use of the provision to cover a portion of these financial risk losses, a zero net profit position was recorded at year end 2025.

The Central Bank has held an externally managed equity portfolio since 2018. While the Central Bank has remained compliant with its statutory tax obligations since inception of the equity portfolio, in December 2023 a weakness in controls was identified which has led to the Central Bank not receiving the benefit of lower dividend withholding tax (DWT) rates in some eligible markets in which the equities were invested in. This resulted in overpayments of DWT to tax authorities in certain jurisdictions. Since the issue was identified, the Central Bank has worked closely with the Custodian of its externally managed equity portfolio to process DWT reclaims with relevant tax authorities, and to put relief at source in place (where available) to prevent recurrence. An estimated amount totalling €0.4m remains unrecoverable due to applicable statutes of limitations in impacted tax jurisdictions.

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<sup>34</sup> In 2025, the Central Bank recorded a loss of €104.6m prior to the utilisation of the General Risk Provision. This loss arose primarily as a result of the Central Bank's cost of liabilities exceeding the income received on bonds that were previously purchased for monetary policy purposes.

Beyond the immediate actions taken to recoup as much of the overpayments as far as is possible, a root cause analysis has been undertaken to minimise the likelihood and impact of such an incident recurring.

Throughout 2025, the Commission and its committees received reports in relation to the Central Bank's strategic, financial and operational risk exposures and various aspects of its System of Internal Controls and has considered the effectiveness of the System via its annual review procedure. These reports were prepared by the Central Bank's Internal Governance Division, Internal Audit Division and Organisational Risk Division. Having reviewed these reports, the Commission is satisfied that the overview provided accurately reflects the status of the System of Internal Controls in operation during the reporting period.

Furthermore, in accordance with the Three Lines Model for assigning risk and control management responsibilities, the operation of the System of Internal Controls is supported by the Organisational Risk Division and Internal Audit Division, to ensure the systematic application of the Commission approved risk management frameworks, including assessment and review of risks and controls.

### Data Protection

In discharging its statutory responsibilities and managing the organisation, the Central Bank is required to process various forms of personal data. The Central Bank is subject to the Data Protection Acts 1998 to 2018 and the General Data Protection Regulation (the GDPR) which specify the legal obligations which apply when processing personal data. In accordance with the GDPR requirements, the Central Bank has appointed a Data Protection Officer, whose role includes the provision of expert advice, monitoring and assessing compliance with the data protection obligations, supporting the co-ordination of the Central Bank's response to any data protection related incidents, responding to access requests and regular reporting to oversight committees.

In addition, the Central Bank has developed a Data Protection Policy, Personal Data Operating Framework and a Data Protection Handbook to ensure that the control environment incorporates control measures to manage privacy related risks and fulfil data protection legal obligations. These define the internal roles and responsibilities in relation to the management of data protection and outline how the key principles of data protection are implemented in the Central Bank. On annual basis, the Data Protection Officer provides an independent report on the status of the data protection compliance and risk management to the Commission.

## Procurement

The Central Bank operates a Corporate Procurement Policy that is approved by the Commission. The procurement requirements of the Central Bank are conducted in line with the Policy and the internal governance framework it establishes.

The Policy seeks to comply with all European and national law and guidelines as set out by the Office of Government Procurement except in respect of the publication of contract award data for all procurements over €25,000 on the national tendering website (eTenders). The Central Bank has decided to meet this transparency requirement by continuing to publish award notices for contracts advertised on eTenders at the National Tender threshold entry point of €50,000 and in addition to publish contracts valued at over €25,000 on the Central Bank's website by amending the Freedom of Information threshold from €50,000 to €25,000 for the reasons of operating efficiency and effectiveness.

In certain limited circumstances, contracts may be awarded without recourse to a competitive tendering process:

- Where the procurement rules provide for an applicable exemption/exception, or
- Where there is no legal obligation to tender (e.g. as the contract value is below the EU Threshold and there is no cross-border interest) and exceptional circumstances exist.

Any other contracts awarded without recourse to a competitive tendering process are regarded as 'non-compliant contracts' and are overseen by both the Performance and Resourcing Committee and the Audit Committee. The Central Bank did not award any 'non-compliant contracts' in 2025. No expenditure was incurred on the one pre-existing non-compliant contract which expired in May 2025.

## Review and Monitoring of the System of Internal Controls

To ensure that the System of Internal Controls operates in accordance with its expectations and tolerances, the Commission receives regular reports from the Internal Audit Division who are responsible for reviewing, testing and monitoring the performance and effectiveness of the Central Bank's risk management and control activities.

The Head of Internal Audit Division reports directly to the Governor, with unrestricted access to the Chair of the Audit Committee, other members of the Commission, and management. The activities of Internal Audit Division are guided by its Internal Audit Charter and Annual Audit Plan, which are approved by the Audit Committee. The Internal Audit Division provides independent, objective assurance and advice on the adequacy and effectiveness of risk management, internal controls and governance processes by conducting regular reviews.

Internal Audit Division reports its findings directly to the Audit Committee. These reports highlight enhancements, if any, in the System of Internal Controls and document the agreed corrective actions to be taken by management where deemed necessary. Internal Audit Division monitors the implementation of actions to ensure the control environment remains effective. The Audit Committee receives updates, on a regular basis, on the status of issues raised by the internal and external auditors and follows up to ensure appropriate and timely action is being taken in respect of the issues raised.

### Annual Review of the System of Internal Controls

The Commission reviewed the effectiveness of the Central Bank's System of Internal Controls for the financial year ending 31 December 2025. A detailed review of the effectiveness of the System of Internal Controls was performed by the Audit Committee, which reported its findings to the Commission in *April 2026*. This review of the effectiveness of the System of Internal Controls included:

- Consideration of reports outlining the Central Bank's strategic, financial and operational risk exposures provided by the Organisational Risk Division and other aspects of the System of Internal Controls provided by the Internal Governance Division.
- Consideration of the Central Bank's incident management policy which sets out the process and requirements for incident identification, assessment, reporting, monitoring control enhancements and governance. An incident register is in place which records reported incidents, which are evaluated and assigned a grade according to their impact, and where these are assessed as material, escalated to the Commission.
- Consideration of the work of the Internal Audit Division and consideration of its reports and findings.
- Overview of regular reports from the Internal Audit Division on the status of the Central Bank's internal control environment and the status of issues raised previously from their own reports and matters raised by the external auditors.

- Overview of notable changes to the System of Internal Controls in the reporting period.
- Consideration of internal financial control issues, if any, identified by the external auditors.

Taking the reasonable assurance provided by the foregoing into account, the Commission considers that the System of Internal Controls in operation within the Central Bank for the financial year ending 31 December 2025 remains effective.

**Gabriel Makhoul**  
Governor

**Shay Cody**  
Member of the Commission

22 April 2026

## PROFIT AND LOSS AND APPROPRIATION ACCOUNT FOR YEAR ENDED 31 DECEMBER 2025

	Note	2025 €000	2024 €000
Interest income	2	2,879,357	4,726,620
Interest expense	2	(2,607,560)	(4,710,068)
Net interest income	2	271,797	16,552
Net realised gains arising from financial operations	3	145,915	75,830
Write-downs on financial assets and positions	3	(107,979)	(33,498)
Transfer from provisions	3	104,616	795,384
Net result of financial operations, write-downs and provisions	3	142,552	837,716
Income from fees and commissions	4	2,425	2,109
Income from equity instruments and participating interests	5	3,799	2,668
Net result of pooling monetary income	6	(249,819)	(724,724)
Other net income	7	246,423	253,926
<i>Funding levy income</i>		229,357	237,672
<i>Other</i>		17,066	16,254
<b>TOTAL NET INCOME</b>		<b>417,177</b>	<b>388,247</b>
Net staff expenses	8	(250,177)	(239,921)
Other operating expenses	8	(112,110)	(107,693)
Unrealised loss on investment property	8	(410)	(7,000)
Impairment charge on property, plant, equipment	8	(16,305)	-
Depreciation	8	(33,549)	(28,761)
Currency production raw materials	8	(4,626)	(4,872)
<b>TOTAL EXPENSES</b>	8	<b>(417,177)</b>	<b>(388,247)</b>
<b>PROFIT FOR THE YEAR BEFORE UNREALISED GAIN MOVEMENTS, ACTUARIAL GAIN AND APPROPRIATION OF PROFIT</b>		<b>-</b>	<b>-</b>
Net movement in unrealised gains	33	(99,407)	598,843
Transfers from/(to) revaluation accounts	33	99,407	(598,843)
Actuarial gain on pension scheme	31	224,110	66,710
Transfer (to) reserves	34	(224,110)	(66,710)
<b>SURPLUS INCOME PAYABLE TO THE EXCHEQUER</b>	9	<b>-</b>	<b>-</b>

The accounting policies together with Notes 1 to 42 form part of these accounts.

**Gabriel Makhoulf**  
Governor

**Shay Cody**  
Member of the Commission

22 April 2026

## BALANCE SHEET AS AT 31 DECEMBER 2025

<b>ASSETS</b>	Note	2025 €000	2024 €000
Gold and gold receivables	10	1,418,447	970,766
Claims on non-euro area residents in foreign currency	11	9,982,840	10,878,680
Claims on euro area residents in foreign currency	12	150,275	219,455
Claims on non-euro area residents in euro	13	1,897,308	1,650,452
Other claims on euro area credit institutions in euro	14	952,647	1,616,936
Securities of euro area residents in euro	15	<b>61,025,164</b>	<b>65,015,046</b>
<i>Securities held for Monetary Policy Purposes</i>		51,576,896	56,318,429
<i>Other Securities</i>		9,448,268	8,696,617
Intra-Eurosystem claims		<b>85,617,679</b>	<b>95,847,124</b>
<i>Participating interest in ECB</i>	16	459,609	459,609
<i>Claims equivalent to the transfer of foreign reserves</i>	17	883,534	883,534
<i>Claims related to TARGET</i>	18	84,274,536	94,503,981
Other assets	19	2,569,277	2,884,279
Pension asset	31	248,186	11,584
<b>Total Assets</b>		<b>163,861,823</b>	<b>179,094,322</b>

The accounting policies together with Notes 1 to 42 form part of these accounts.

**Gabriel Makhoul**  
Governor

**Shay Cody**  
Member of the Commission

22 April 2026

## BALANCE SHEET AS AT 31 DECEMBER 2025

LIABILITIES	Note	2025 €000	2024 €000
Banknotes in circulation	21	32,455,481	31,830,414
Liabilities to euro area credit institutions related to monetary policy operations in euro	22	79,405,094	87,727,998
Other liabilities to euro area credit institutions in euro	23	168,888	505,764
Liabilities to other euro area residents in euro	24	13,532,038	21,014,616
Liabilities to non-euro area residents in euro	25	11,902	889,211
Liabilities to euro area residents in foreign currency	26	-	115,119
Counterpart of special drawing rights allocated by the IMF	27	4,757,959	5,120,481
Intra-Eurosystem liabilities		22,038,533	20,315,130
<i>Net Liabilities related to the allocation of euro banknotes within the Eurosystem</i>	28	21,790,544	19,592,087
<i>Other Liabilities within the Eurosystem (net)</i>	29	247,989	723,043
Other liabilities	30	1,650,769	1,753,962
Provisions	32	1,970,003	2,075,174
Revaluation accounts	33	1,375,838	1,475,245
Capital and reserves	34	6,495,318	6,271,208
<b>Total Liabilities</b>		<b>163,861,823</b>	<b>179,094,322</b>

The accounting policies together with Notes 1 to 42 form part of these accounts.

**Gabriel Makhlouf**  
Governor

**Shay Cody**  
Member of the Commission

22 April 2026

## Notes to the Accounts

### Note 1: Policies and Related Information

#### (a) Legal Framework

Throughout the Statement of Accounts, the term “Central Bank”, where used, refers to the Central Bank of Ireland.

The accounts have been prepared pursuant to Section 32J of the Central Bank Act, 1942 (as amended) which provides that within six months after the end of each financial year, the Central Bank shall prepare and present to the Comptroller and Auditor General a statement of accounts for the financial year concerned. The statement is in the form approved by the Minister for Finance. The form of the accounts reflects the specific nature of the tasks carried out by the Central Bank within the framework of the ESCB<sup>35</sup> and its diverse range of activities. Article 27.1 of the Statute of ESCB and of the ECB requires the appointment of independent external auditors.

#### (b) Accounting Principles

The Central Bank, as a participating member of the ESCB, complies with the accounting policies laid down by the Governing Council of the ECB<sup>36</sup> in Guideline ECB/2016/34 (the ‘Guideline’)<sup>37</sup>. The Central Bank’s Statement of Accounts are prepared in line with the provisions set out in the Guideline, which includes preparation on a going concern basis. In cases where the Guideline does not provide specific direction, accounting standards generally accepted in Ireland and relevant statutory provisions<sup>38</sup> which apply to the Central Bank are followed. The Financial Reporting Standard applicable in the UK and Republic of Ireland is Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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<sup>35</sup> The use of the term European System of Central Banks (ESCB) refers to the 27 National Central Banks (NCBs) of the Member States of the European Union as at 31 December 2025 together with the European Central Bank (ECB). The term “Eurosystem” refers to the 20 NCBs of the Member States participating in the Monetary Union, plus the ECB, on the same date.

<sup>36</sup> The Governing Council is the main decision-making body of the ECB. It consists of the six members of the Executive Board plus the governors of the national central banks of the 20 euro area countries.

<sup>37</sup> The Guideline refers to Guideline (EU) 2016/2249 of the European Central Bank of 3 November 2016 on the legal framework for accounting and financial reporting in the ESCB (ECB/2016/34) as amended.

<sup>38</sup> These include the Central Bank Acts 1942-2023, the Central Bank of Ireland (Surplus Income) Regulations 1943 (these Regulations provide for the calculation of the Central Bank’s surplus income for each year which, in accordance with section 32H of the Central Bank Act 1942, is paid into the Exchequer), the Coinage Act 1950, the Decimal Currency Acts 1969-1990 and the Economic and Monetary Union Act 1998. The Central Bank is also subject to the Treaty on the Functioning of the European Union, incorporating the Statute of the ESCB and of the ECB, and to any laws made thereunder that apply to the national central banks of the ESCB.

The principles and policies laid out in the Guideline are broadly in line with Irish generally accepted accounting principles. The principal differences of relevance to the Central Bank between the Guideline (mandatory and recommended provisions) and FRS 102 are:

- a. Unrealised gains, from assets and liabilities measured at market value, are accounted for through the Profit and Loss and Appropriation Account and transferred to the revaluation account in the Balance Sheet.
- b. No statement of cashflows is required.
- c. A provision for financial risks is included under liability item “Provisions”.

The preparation of the Central Bank’s Statement of Accounts in conformity with the Guideline and FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Central Bank’s accounting policies. Where the Guideline is silent with regard to financial instruments, the Central Bank follows the requirements from FRS 102, of both sections 11 and 12 in full. The areas involving a higher degree of judgement or estimation are disclosed in Note 1(n) “Critical Accounting Estimates and Judgements”. Financial assets and liabilities are offset and the net amounts presented in the Statement of Accounts when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously (Note 11(i)(a), Note 18, Note 28, Note 29). There were no changes to the accounting policies applied by the Bank during the year.

### **(c) Eurosystem Accounting Guideline**

As a member of the ESCB/Eurosystem, the Central Bank has adopted the ECB’s Accounting Guideline. The following is a summary of the main provisions of the Guideline.

#### **(i) Trade Date Accounting<sup>39</sup>**

The Guideline states that trade date accounting may be implemented either by the “regular approach” or the “alternative approach”. The Central Bank uses the alternative approach and as such, transactions in assets and liabilities are booked at the settlement date (usually the trade date plus two business days), as opposed to the regular approach<sup>40</sup> whereby transactions are booked on the trade date (Note 1(h) Note 16).

<sup>39</sup> Defined in the Guideline of the European Central Bank (3 November 2016) on the legal framework for accounting and financial reporting in the ESCB (ECB/2016/34).

<sup>40</sup> NCBs who use the regular approach book securities off Balance Sheet on the trade date. At settlement date the off Balance Sheet entries are reversed and on Balance Sheet entries are booked.

## *(ii) Intra-ESCB balances*

Intra-ESCB balances result primarily from cross-border payments in the EU that are settled in central bank money in euro. These transactions are for the most part initiated by private entities (i.e. credit institutions, corporations and individuals). They are settled in TARGET – the Trans-European Automated Real-time Gross Settlement Express Transfer system (Note 18) and give rise to bilateral balances in the TARGET accounts of EU central banks.

Payments conducted by the ECB and the NCBs also affect these accounts. All settlements are automatically aggregated and adjusted to form part of a single position for each NCB vis-à-vis the ECB. The movements in TARGET accounts are reflected in the accounting records of the ECB and the NCBs on a daily basis.

The Intra-Eurosystem balance of the Central Bank vis-à-vis the ECB arising from TARGET is presented on the Balance Sheet of the Central Bank as an asset or liability position under either “Claims Related to TARGET” (Note 18) or “Liabilities Related to TARGET”.

Intra-ESCB balances vis-à-vis non-euro area NCBs not arising from TARGET are disclosed under either “Claims on Non-Euro Area Residents in Euro” (Note 13) or “Liabilities to Non-Euro Area Residents in Euro” (Note 25).

Intra-Eurosystem balances arising from the allocation of euro banknotes within the Eurosystem are included as a single net liability under “Net Liabilities Related to the Allocation of Euro Banknotes within the Eurosystem” (Note 1(c)(iii), Note 1(c)(iv), Note 21, Note 28).

Other Intra-Eurosystem balances denominated in euro (e.g. interim profit distributions to NCBs, if any, monetary income results, administration of borrowing and lending operations with the Eurosystem including repayments in connection with the Support to mitigate Unemployment Risks in an Emergency Programme (SURE)) are presented on the Balance Sheet of the Central Bank as a single net asset or liability position and disclosed under “Other Claims within the Eurosystem (net)/Other Liabilities within the Eurosystem (net)” (Note 29).

Intra-Eurosystem claims arising from the Central Bank’s participating interest in the ECB are reported under “Participating Interest in ECB” (Note 1(c)(iii), Note 1(c)(xiv), Note 16).

Intra-Eurosystem balances arising from the transfer of foreign reserve assets to the ECB by the NCBs joining the Eurosystem are denominated in euro and reported under “Claims Equivalent to the Transfer of Foreign Reserves” (Note 1(c)(iii), Note 1(c)(vii), Note 17).

### **(iii) Capital Key**

The ESCB capital key is the percentage of the subscribed share capital of the ECB held by the respective ESCB NCBs. It is a measure of the relative national size of EU Member States and is a 50:50 composite of Gross Domestic Product and population size. Pursuant to Article 28 of the ESCB Statute, the ESCB NCBs are the sole subscribers to the capital of the ECB. Subscriptions depend on shares which are fixed in accordance with Article 29.3 of the ESCB Statute and which must be adjusted every five years. The most recent such adjustment took effect on 1 January 2024. The Central Bank's share of the ECB's subscribed capital increased from 1.3772% to 1.7811%.

A second key, the "Eurosystème key", which is derived from the ESCB capital key outlined above, is used as the basis of allocation for a series of important items including monetary income, banknotes in circulation and the sharing of the ECB's profit/loss among Eurosystem NCBs. The Central Bank's share in the Eurosystem key increased from 1.6798% to 2.1782% following the review in 2024 (Note 1(c)(ii)).

### **(iv) Banknotes in Circulation**

The ECB and the euro area NCBs, which together constitute the Eurosystem, issue euro banknotes<sup>41</sup>. The total value of euro banknotes in circulation is allocated to the Eurosystem central banks on the last working day of each month in accordance with each NCB's banknote allocation key<sup>42</sup>.

The ECB has been allocated an 8% share of the total value of euro banknotes in circulation, whereas the remaining 92% has been allocated to NCBs according to their weightings in the capital key of the ECB. The share of banknotes allocated to each NCB is present on the Balance Sheet under the liability item "Banknotes in Circulation" (Note 21).

The difference between the values of euro banknotes allocated to each NCB in accordance with the banknote allocation key and the value of the euro banknotes that it actually puts into circulation gives rise to remunerated Intra-Eurosystem balances. These claims, in the case of a shortfall of issuance relevant to the banknote's allocation key, are presented on the Balance Sheet under "Net Claims Related to the Allocation of Euro Banknotes within the Eurosystem" (Note 1(c)(ii)). The liabilities, in the case of excess issuance relevant to the banknote allocation key, are presented on the Balance Sheet under "Net Liabilities Related to the Allocation of Euro Banknotes within the Eurosystem" (Note 1(c)(ii), Note 28). Interest is received on the shortfall

<sup>41</sup> ECB decision of 13 December 2010 on the issue of euro banknotes (recast) (ECB/2010/29), OJ L 35, 9.2.2011, p. 26 as amended.

<sup>42</sup> The banknote allocation key refers to the percentages that result from taking into account the ECB's share of the total euro banknote issue (8%) and applying the Eurosystem key to the participating NCBs' share (92 %).

and paid on the excess issuance on a quarterly basis<sup>43</sup>. This is cleared through the accounts of the ECB and included in “Net Interest Income/(Expense)” (Note 2(xii)) in the Profit and Loss and Appropriation Account.

#### **(v) Distributions by ECB**

The Governing Council has decided that the seigniorage income of the ECB, which arises from the 8% share of euro banknotes allocated to the ECB, as well as the income arising from the securities held under (a) the Securities Markets Programme (SMP), (b) the third Covered Bond Purchase Programme (CBPP3), (c) the Asset-Backed Securities Purchase Programme (ABSPP), (d) the Public Sector Purchase Programme (PSPP), and (e) the Pandemic Emergency Purchase Programme (PEPP) is due to the euro area NCBs in the financial year it accrues. Unless otherwise decided by the Governing Council, the ECB distributes this income in January of the following year by means of an interim distribution of profit<sup>44</sup>. Any such decision shall be taken where, on the basis of a reasoned estimate prepared by the Executive Board, the Governing Council expects that the ECB will have an overall annual loss or will make an annual net profit that is less than this income. The Governing Council may also decide to transfer all or part of this income to a provision for financial risks. The Governing Council may also decide to charge costs incurred by the ECB in connection with the issue and handling of euro banknotes against income earned on euro banknotes in circulation.

The amount distributed to NCBs is disclosed in the Profit and Loss and Appropriation Account under “Income from Equity Instruments and Participating Interests” (Note 5).

#### **(vi) Net Result of Pooling Monetary Income**

The amount of each Eurosystem NCB’s monetary income, i.e. net income earned on Eurosystem monetary policy operations, is determined by measuring the actual annual income that derives from the earmarkable assets held against its liability base.

The liability base consists of the following items: banknotes in circulation; liabilities to euro area credit institutions related to monetary policy operations denominated in euro; net intra-Eurosystem liabilities resulting from TARGET transactions; and net intra-Eurosystem liabilities related to the allocation of euro banknotes within the Eurosystem. Any interest paid on liabilities included within the liability base is deducted from the monetary income to be pooled.

The earmarkable assets consist of the following items: lending to euro area credit institutions related to monetary policy operations denominated in euro; securities

<sup>43</sup> ECB decision of 3 November 2016 on the allocation of monetary income of the NCBs of Member States whose currency is the euro (recast) (ECB/2016/36), OJ L 347, 20.12.2016, p. 26.

<sup>44</sup> ECB Decision (EU) 2015/1195 of 2 July 2015 amending Decision (EU) 2015/298 on the interim distribution of the income of the ECB (ECB/2015/25).

held for monetary policy purposes; intra-Eurosystem claims equivalent to the transfer of foreign reserve assets to the ECB; net intra-Eurosystem claims resulting from TARGET transactions; intra-Eurosystem claims related to the allocation of euro banknotes within the Eurosystem; and a limited amount of each NCB's gold holdings in proportion to each NCB's capital key.

Gold is considered to generate no income. Securities held for monetary policy purposes under relevant ECB Decisions<sup>45</sup> are considered to generate income at the latest available Deposit Facility Rate used by the Eurosystem.

Where the value of a NCB's earmarkable assets exceeds or falls short of the value of its liability base, the difference shall be offset by applying the latest available interest rate applied to the deposit facility offered by the Eurosystem to the value of the difference.

The net monetary income pooled by the Eurosystem is allocated between NCBs according to the subscribed Eurosystem key. The difference between the monetary income pooled by the Central Bank and that reallocated to the Central Bank constitutes the "Net Result of Pooling Monetary Income" recorded in the Profit and Loss and Appropriation Account (Note 6).

In the event of the ECB incurring a loss, the loss can be offset against the ECB's general reserve fund and, if necessary, by a decision of the Governing Council, against the monetary income of the relevant financial year in proportion to and up to the amount allocated to the NCBs.

On 13 March 2024, the Governing Council decided on the changes to the operational framework for implementing monetary policy<sup>46</sup>. In the same context, the Governing Council also decided that from 1 January 2025 the interest rate applied to the deposit facility offered by the Eurosystem would become the basis for the remuneration of (i) claims/liabilities related to the allocation of euro banknotes within the Eurosystem, (ii) TARGET balances due from/to NCBs, and (iii) liabilities/claims equivalent to the transfer of foreign reserves. Until the end-2024 the basis for such remuneration was the interest rate used by the Eurosystem in its tenders for main refinancing operations. This change affected the related interest income and expense recognised in the profit and loss statement.

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<sup>45</sup> ECB Decision of 15 October 2014 on the implementation of the third Covered Bond Purchase Programme (ECB/2014/40), OJ L 335 22.10.2014, p.22.

ECB Decision of 18 March 2020 establishing a pandemic emergency purchase programme (ECB/2020/17), OJ L 91 25.03.2020, p.1.

ECB Decision (EU) 2015/774 of 4 March 2015 on a secondary markets public sector asset purchase programme of the ECB (ECB/2015/10), OJ L 121, 14.5.2015, p. 20–24.

<sup>46</sup> See the press release of 13 March 2024 on the Governing Council's decisions

### *(vii) Claims Equivalent to the Transfer of Foreign Reserves*

The Treaty on the Functioning of the European Union, 1992 and Section 5B of the Central Bank Act, 1942 (as amended) provides that the Central Bank has the power to “transfer assets, income or liabilities to the European Central Bank where required under the ESCB Statute”. Accordingly, the Central Bank transferred an amount equivalent to €424.8m to the ECB in January 1999, at the commencement of the European Monetary Union, and received in turn a corresponding claim on the ECB equivalent to this amount. A total amount of €883.5m has been transferred since 1 January 1999. The resulting claim on the ECB is remunerated at the latest available interest rate for the deposit facility rate adjusted to reflect a zero return on the gold component (Note 1(c)(ii), Note 2(viii), Note 17).

### *(viii) Off-Balance Sheet Items*

Gains and losses arising from off-Balance Sheet instruments are recognised and treated in a similar manner to on-Balance Sheet instruments (Note 1(k)). Unrealised valuation gains are not recognised as income but are accounted for through the Profit and Loss and Appropriation Account and transferred to the revaluation accounts. Unrealised valuation losses are taken to the Profit and Loss and Appropriation Account at year-end where losses exceed previous revaluation gains on a security-by-security basis.

Unrealised trade date gains/losses on foreign exchange forward contracts are recorded under “Revaluation Accounts” (Note 33) or “Other Liabilities” (Note 30) in accordance with the Guideline having been accounted for through the Profit and Loss and Appropriation Account as outlined above. This method is used for foreign exchange forward contracts and the techniques covering the most significant off-Balance Sheet financial instruments, which have been identified for possible use by the ESCB as set out in the Guideline, i.e. foreign exchange forwards, foreign exchange swaps, interest rate swaps, forward rate agreements, forward transactions in securities and options.

The Central Bank’s portfolios are predominantly denominated in euro, in addition to an exposure to certain foreign currency fixed income assets on a hedged basis, an exposure to foreign currency fixed income assets on an unhedged basis, and gold holdings. The Central Bank hedges against currency exposure using foreign exchange swap agreements, whereby the Bank holds foreign currency and uses foreign exchange swaps to limit the exposure to foreign currency risk. In accordance with the Guideline, forward legs of foreign exchange swap agreements involving an exchange of one currency for another at a future date shall be included in the net foreign currency positions for calculating average costs and foreign exchange gains and losses, and so the Bank uses an off-Balance Sheet account on the spot date. The Central Bank is exposed to currency risk through a net-asset position in International

Monetary Fund (IMF) Special Drawing Rights (SDR). This exposure is held on a partially hedged basis in 2025 (Note 2(xix), Note 37(i)). Interest rate exposure is hedged against by the utilisation of interest rate futures contracts which are recorded off-Balance Sheet (Note 2(xv), Note 37(ii)) 1m(i).

Future contracts traded on organised markets are recorded off-Balance Sheet at the notional amount, while daily margin calls paid or received are recognised as net interest income and expenses, under “Net Interest Income/(Expense)” (Note 2).

#### ***(ix) Securities held for Monetary Policy Purposes***

These securities were acquired by the Central Bank within the scope of the purchase programme for CBPP3<sup>47</sup>, debt securities acquired in the scope of the SMP<sup>48</sup>, the PSPP<sup>49</sup>, and the PEPP<sup>50</sup>. The securities are measured at amortised cost and are subject to impairment (Note 2(ii), Note 15(i)). The Governing Council decided on 15 December 2014 that securities held for monetary policy purposes shall be accounted for at amortised cost (subject to impairment) (Note 1(m)(i)), regardless of the holding intention. The Guideline supports this accounting treatment.

#### ***(x) Special Drawing Rights and the International Monetary Fund***

SDR is treated as a currency for accounting purposes and are disclosed under “Claims on Non-Euro Area Residents in Foreign Currency” (Note 11(i)(b)).

The SDR is international reserve assets, created by the IMF, to which Ireland is a member. SDR is defined in terms of a basket of currencies, and its value is determined by the weighted sum of the exchange rates of five major currencies (US Dollar, Euro, Chinese Renminbi, Japanese Yen and Pound Sterling).

The holdings of SDR currency position are converted into Euro using the exchange rate of Euro against the SDR as at the last day of the reporting period.

The liability of the Central Bank to the IMF in respect of the allocation of SDR to Ireland is disclosed as “Counterpart of SDR Allocated by the IMF” (Note 27). The Central Bank’s SDR assets can change as a result of IMF lending operations or exchanges of SDR for foreign currency with the IMF itself, other IMF members and other official holders of SDR. SDR holdings may also change as a result of interest payments made by the IMF on the Central Bank’s Reserve Position in the IMF and on the Central Bank’s SDR holdings net of SDR allocations.

<sup>47</sup> ECB Decision of 15 October 2014 on the implementation of the third Covered Bond Purchase Programme (ECB/2014/40), OJ L 335 22.10.2014, p.22.

<sup>48</sup> ECB Decision of 14 May 2010 establishing a Securities Markets Programme (ECB/2010/5), OJ L 124, 20.5.2010, p. 8.

<sup>49</sup> ECB Decision of 4 March 2015 establishing a secondary markets public sector asset purchase programme (ECB/2015/10), OJ L 121 14.5.2015, p.20.

<sup>50</sup> ECB Decision of 18 March 2020 establishing a pandemic emergency purchase programme (ECB/2020/17), OJ L 91 25.03.2020, p.1.

### **(xi) Marketable investment funds**

Marketable investment funds held for investment purposes, without the Central Bank intervening in the decisions on the purchase or sale of the underlying assets, are valued at market prices on a net fund basis (Note 1(j)(ii)). These funds denominated in foreign currencies do not form part of the overall currency position but form part of a separate currency holding. They are disclosed in “Other Assets” (Note 19(i), Note 19(iii)). There is no netting between the revaluation results of different marketable investment funds.

### **(xii) Open Market Operations**

#### **Main Refinancing Operations**

Main refinancing operations (MRO) are regular liquidity-providing reverse transactions generally with a frequency and maturity of one week. They are executed by NCBs on the basis of standard tenders, according to a pre-specified calendar. The MRO plays a pivotal role in fulfilling the aims of the Eurosystem's open market operations. These operations are generally remunerated by the Central Bank at the latest MRO rate.

#### **Longer-Term Refinancing Operations**

Longer-term refinancing operations (LTRO) are liquidity-providing reverse transactions and normally have a maturity of three months. They are executed by NCBs on the basis of standard tenders, according to a pre-specified calendar. LTROs aim to provide counterparties with additional longer-term refinancing. As a rule, the Eurosystem does not send interest rate signals to the market by means of these operations. These operations are generally remunerated by the Central Bank at the latest MRO rate.

### **(xiii) Shares in the Bank for International Settlements (the 'BIS')**

Shares in the BIS are disclosed under “Other Assets” (Note 19(vi)) and are valued at acquisition cost using mid-market closing exchange rates at year-end (Note 1(j)(i)).

A dividend received on shares held is recorded as “Income from Equity Instruments and Participating Interests” (Note 5(i)).

**(xiv) Participating Interest in the ECB**

This represents the Central Bank's contribution to the capital of the ECB. Pursuant to Article 28 of the ESCB Statute, the ESCB NCBs are the sole subscribers to the capital of the ECB. The level of subscriptions is dependent on shares which are fixed in accordance with Article 29.3 of the ESCB Statute and which are adjusted every five years or whenever there is a change in composition of the ESCB national central banks (Note 1(c)(ii), Note 16, Note 39(i)).

The participating interest includes the Central Bank's key for subscription of the ECB's capital, and the net amounts paid or received by the Central Bank due to the increase or decrease in its share in the ECB's equity value resulting from all previous ECB capital key adjustments.

**(xv) Balances held with banks and balances held on behalf of other parties**

Balances held with banks and balances held on behalf of other parties represent assets and liabilities disclosed at nominal value converted at the foreign exchange market rate (Note 11 (ii), Note 12, Note 13(ii), Note 22, Note 24(i), Note 25, Note 30(i), Note 30(iii), Note 30(iv), Note 30(vii)).

**(d) Income and Expense Recognition**

Income and expenses are recognised on an accruals basis.

**(e) Property, Plant, Equipment, Intangible Assets and Heritage Assets****Property, Plant, Equipment and Intangible Assets****(i) Measurement**

Property, Plant, Equipment (PPE) and Intangible Assets are stated at cost less accumulated depreciation, are not revalued and are subject to impairment.

**(ii) Depreciation**

All PPE and Intangible Assets (except for land and PPE under construction) are depreciated on a straight-line basis over their anticipated useful lives. The Central Bank applies judgement in determining the depreciation rates to be utilised and applies these rates on the basis that they provide an accurate assessment of the anticipated useful lives. In doing so, the estimated useful lives may deviate from the Guideline's recommended depreciation rates. These depreciation rates are as follows:

## Property, Plant and Equipment

Land* and Premises	-	20 - 50 years
Plant and Machinery	-	5 - 15 years
Computer Equipment	-	3 - 5 years
Other Equipment	-	5 years
Furniture, Fixtures and Fittings	-	5 years

\*Land owned by the Central Bank is not depreciated

## Intangible Assets

Computer Software	-	3 - 5 years
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### *(iii) Impairment*

FRS 102 requires PPE and Intangible Assets be reviewed for impairment if events or changes in circumstances indicate their carrying amount may not be recoverable. If the recoverable amount of an asset is less than its carrying amount, the Bank will reduce the carrying amount of the asset to its recoverable amount. That reduction is an impairment loss (Note 8(iv)).

The Bank assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Bank will estimate the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use (Note 20(i)).

### *(iv) Derecognition*

PPE or Intangible Assets are derecognised when they have been disposed of or permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset would result in either gains or losses at its retirement or disposal. Any gains or losses are recognised in the Profit and Loss and Appropriation Account in the year of retirement or disposal. Gains or losses on the disposal of the asset are determined as the difference between net disposal proceeds and the carrying value of the asset as at the date of the transaction.

### *(v) Assets Under Construction or Development*

Fixed assets that comply with capitalisation criteria, but are still under construction or development, are recorded under the heading 'Assets Under Construction' if tangible, or 'Assets Under Development' if intangible. The related costs are transferred to the relevant fixed asset heading once the assets are available for use (Note 20(i), Note 20(ii)(a)).

## Heritage Assets

The Central Bank currently holds an art collection which is not recognised in its annual accounts on the grounds of materiality in either the current or preceding financial years (Note 20(i)(f)).

### *(vi) Basis for capitalisation of internal labour*

**Property Plant & Equipment:** Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management can be capitalised. These can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality.

**Intangible Assets:** Costs of employee benefits (as defined in Section 28 Employee Benefits FRS 102) arising from the generation of the intangible asset can be capitalised (Note 8).

### **(f) Retirement Benefits**

Under the Central Bank's superannuation scheme, Central Bank staff obtain the same superannuation benefits as established civil servants. Up to 30 September 2008, the Central Bank paid these benefits out of current income as they fell due. On 1 October 2008, a funded pension scheme was established under the Central Bank and Financial Services Authority of Ireland Act, 2003. An amount of €400m, on the advice of the Central Bank's actuaries at that time (Willis), was transferred from the Central Bank's resources to the fund to purchase pension fund assets. The Pension scheme is operated on a non-contributory basis for staff employed before 6 April 1995, with the exception of contributions made to the Spouses' and Childrens' Pension Scheme and payments received from eligible staff for the purchase and transfer of notional added service. In the case of staff employed on or after 6 April 1995, contributions are also payable in respect of the main scheme. All pension benefits are paid out of this fund. In accordance with the Guideline, the Central Bank has reverted to local GAAP and discloses the cost of providing benefits in accordance with FRS 102.

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured using the projected unit method, which takes account of projected earnings increases, using actuarial assumptions that give the best estimate of the future cash flows that will arise under the scheme liabilities (Note 31). These cash flows are discounted at interest rates applicable to high-quality corporate bonds of the same currency and term as the liabilities. The pension related charge in the Profit and Loss and Appropriation Account comprises the sum of the current service cost and past service cost (Note 8, Note 31(i)) and the difference between the expected return on scheme assets and the interest cost of scheme liabilities (Note 7, Note 31(ii)).

The current service cost, any past service costs and interest cost of scheme liabilities for the general body of staff are charged to the Profit and Loss and Appropriation Account and to the Currency Reserve in respect of Mint staff<sup>51</sup>. Actuarial gains and losses are recognised in the Profit and Loss and Appropriation Account (Note 31(ii)).

In determining the value of scheme liabilities, assumptions are made as to price inflation, pension increases, earnings growth and demographics. The assumptions underlying the 2025 liabilities and pension costs are set out in Note 31. If the present value of the defined benefit obligation is less than the fair value of plan assets, the plan has a surplus. The Central Bank recognises a plan surplus as a defined benefit plan asset as the Central Bank is able to recover this surplus through reduced contributions in the future (Note 31(iii)).

### **(g) Coin Provision and Issue**

The Central Bank is involved in the production and issuance of coin on behalf of the Minister for Finance. Proceeds and expenses (including local overhead expenses) relating to the provision and issue of coin are transferred directly to the Currency Reserve under the provisions of the Coinage Act, 1950, the Decimal Currency Acts, 1969-1990 and the Economic and Monetary Union Act, 1998. The cost of production of coin is charged to the Currency Reserve in the year in which it is incurred. Proceeds from the issue of coin are credited to the Currency Reserve in the year they are received (Note 24(ii)). Section 14A of the Economic and Monetary Union Act, 1998 (as inserted by Section 137 of the Finance Act, 2002) which came into operation on 25 March 2002 provides for the net proceeds from the issue of coin, from 1 January 2002, to be passed directly to the Exchequer as directed by the Minister for Finance. Where the net proceeds of coin issue, together with expenses, result in a net cost to the Central Bank, the Minister for Finance reimburses the difference to the Central Bank.

### **(h) Functional and Presentational Currency**

The functional and presentational currency of the Central Bank is euro. Accounting transactions denominated in foreign currency are converted to euro equivalents at exchange rates prevailing at the date of settlement. Monetary assets and liabilities denominated in foreign currency are converted at the spot rate on the Balance Sheet date (Note 1(c)(i), Note 3(ii)(i), Note 33).

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<sup>51</sup> The Central Bank acts as an agent of the Minister for Finance in the production and issue of euro coins. All seigniorage received is returned to the Irish Exchequer. Expenses incurred at the Mint relating to the provision and issue of coin are charged directly to the Currency Reserve.

### **(i) Amortised Income**

In February 2024, the Central Bank moved to a new treasury management system. As a result of this transition in February 2024, the method for amortising premiums and/or discounts arising on securities changed from a straight-line basis over the period to their maturity to the Internal Rate of Return (IRR) method and are included in “Net Interest Income” (Note 2). This change in accounting estimate has been accounted for prospectively and does not affect the premium or discounts over the full term of the fixed-income securities.

### **(j) Valuation Policy**

- (i) Assets and liabilities denominated in foreign currency, unmatured investments, foreign currency contracts outstanding and shares in the Bank for International Settlements are valued at mid-market closing exchange rates at year-end (Note 1(c)(xiii), Note 33(ii)). The exchange rate valuation of assets and liabilities is performed on a currency-by-currency basis.
- (ii) In accordance with the Guideline, the valuation of securities is performed on a security-by-security basis unless these securities are, in substance, investments in equity funds which are valued on a net basis. Marketable securities not held for monetary policy purposes and classified as mark-to-market (MTM) are valued at mid-market closing prices at year-end where an active market exists. Where market prices are not available or are considered unreliable, fair values are determined using mark-to-model valuation techniques including discounted cash flow models, which to the extent possible, use observable market inputs in accordance with FRS 102. A mark-to-model valuation approach inevitably incorporates a high level of management judgement in the absence of observable market data or when observable market data is judged to be unreliable. This judgement includes but is not limited to: evaluating available market information for comparator instruments; determining the cash flows for the instruments; identifying a risk free discount rate and applying an appropriate credit spread; adjusting the methodology when observable market inputs become unavailable or are unreliable (Note 11(ii)(a), Note 12(i), Note 13(i), Note 15(ii)(b), Note 33(v)).

In accordance with the Guideline applicable to marketable equity instruments, the revaluation of investments in equity funds is performed on a net basis, and not on an individual share basis. Unrealised valuation gains are not recognised as income but are accounted for through the Profit and Loss and Appropriation Account and transferred to revaluation accounts (Note 1(c)(xi), (k), Note 19(i), (iii), Note 33(iii), (iv)).

Unrealised valuation losses are taken to the Profit and Loss and Appropriation Account at year-end where they exceed previous revaluation gains in the revaluation account (Note 3(ii)).

- (iii) Marketable securities not held for monetary policy purposes and classified as held-to-maturity (HTM) are carried at amortised cost and are subject to impairment. An impairment review is completed on an annual basis (Note 13(i), Note 15(ii)(a), Note 1(m)(i)).
- (iv) Gold is valued at the closing mid-market price (Note 10, Note 33(i)).
- (v) The financial assets and liabilities of the Central Bank are classified as prescribed in FRS 102. Under the fair value hierarchy, for classification of financial assets and liabilities, Level 1 applies where quoted prices (unadjusted) in active markets for identical assets and liabilities are available; Level 2 applies where inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. developed using market data) are available and Level 3 applies where inputs for the asset or liability that are not based on observable market data (unobservable inputs) are used. All mark-to-market investments are classed as Level 1 financial instruments unless otherwise stated (Note 11(ii)(a), Note 12(i), Note 13(i), Note 15(ii)(b), Note 33(v)).

#### **(k) Recognition of Gains and Losses**

Realised gains and losses arising from sales of foreign exchange, gold and securities are accounted for through the Profit and Loss and Appropriation Account. All realised gains and losses are calculated by reference to average cost.

The movement in unrealised gains identified at the end of every financial year in accordance with the Central Bank's valuation policy (Note 1(j)) is accounted for through the Profit and Loss and Appropriation Account and transferred to the revaluation accounts (Note 33).

Unrealised losses at year-end are accounted for through the Profit and Loss and Appropriation Account to the extent that they exceed previous revaluation gains on a security-by-security basis, or on a net basis in respect of equity funds.

Unrealised losses accounted for through the Profit and Loss and Appropriation Account in this manner may not be reversed in subsequent years against future unrealised gains.

## **(l) Reverse Transactions**

Reverse transactions are operations whereby the Central Bank buys or sells assets for cash under a repurchase/reverse repurchase agreement.

Under a repurchase agreement, securities are sold for cash with a simultaneous agreement to repurchase them from the counterparty at an agreed price on a set future date, including accrued interest. Repurchase agreements are recorded on the liability side of the Balance Sheet as there is a corresponding obligation to return the consideration (Note 23, Note 26). Securities sold under such an agreement remain on the Balance Sheet of the Central Bank, reflecting the transaction's economic substance as a loan to the Central Bank. The Central Bank retains substantially all of the risks and rewards of ownership.

Under a reverse repurchase agreement, securities are bought for cash with a simultaneous agreement to sell them back to the counterparty at an agreed price on a set future date, including accrued interest. Reverse repurchase agreements are recorded on the asset side of the Balance Sheet as there is a corresponding obligation on the seller to return the consideration (Note 11 (ii)(b), Note 12(ii), Note 14(i)) but are not included in the Central Bank's securities holdings, reflecting the transaction's economic substance as a loan made by the Central Bank.

Repurchase and reverse repurchase agreements give rise to interest income or interest expense in the Profit and Loss and Appropriation Account. The difference between the sale and repurchase price or the purchase and resale price is treated as interest income or interest expense and is accrued over the life of the agreement (Note 2(vii)).

## **(m) Provisions**

### **(i) Impairment**

All provisions are reviewed annually (Note 32). Where created, in respect of investment assets, allowances for credit risks are recorded in separate liability accounts (i.e. there is no direct write-down of the carrying amount of individual assets).

In respect of provisions relating to securities, the Central Bank assesses at each Balance Sheet date whether there is objective evidence that a security or group of securities is impaired. A security or a group of securities is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the security (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the security or group of securities that can be reliably estimated.

Objective evidence of impairment includes observable data about the following loss events, which are not exhaustive:

- (i) delinquency in contractual payments of principal or interest
- (ii) cash flow difficulties of the debtor
- (iii) the initiation of a debt restructuring arrangement
- (iv) significant deterioration in the sustainability of sovereign debt
- (v) external rating downgrade below an acceptable level
- (vi) adverse national or local economic conditions or adverse changes in industry conditions.

The Central Bank first assesses whether objective evidence of impairment exists individually for securities that are individually significant, and individually or collectively for securities that are not individually significant. If the Central Bank determines that no objective evidence of impairment exists for individually assessed securities, whether significant or not, it includes the securities in a group of securities with similar credit risk characteristics and collectively assesses them for impairment.

Securities that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a security has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the security's original effective interest rate.

Future cash flows in a group of securities that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group suitably adjusted on the basis of current observable data. Where observable data is not available, specific formulae are applied to the calculation using management's expert judgement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (Note 3(iii)).

### ***(ii) Provision for Financial Risks***

Given the nature of the operations of a central bank, the Central Bank, in accordance with the Guideline, may recognise a provision on the Balance Sheet for financial risks.

This provision is based on a comprehensive assessment of financial risks facing the Central Bank, with due consideration given to the expected impact on the Central Bank's Balance Sheet. The size of and continuing requirement for this provision is reviewed annually, based on the Central Bank's assessment of its exposure to this risk, and taking a range of factors into account. In the event that a provision release is identified from the comprehensive assessment it will be released in the financial year identified (Note 3(iii), Note 32(i)).

### ***(iii) Provision for Eurosystem Monetary Policy Operations Counterparty Risk***

In accordance with the decision of the Governing Council taken under Article 32.4 of the ESCB Statute, the provision against credit risks in monetary policy operations is allocated between the NCBs of participating Member States in proportion to their subscribed capital key shares in the ECB prevailing in the year when the initial impairment occurred.

A provision for restructuring costs is recognised when the general recognition criteria for provisions are met.

The Central Bank accounts for restructuring costs in accordance with FRS 102.

### **(n) Critical Accounting Estimates and Judgements**

The preparation of the Statement of Accounts in conformity with the Guideline and FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Central Bank's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the Statement of Accounts are as follows:

- Impairment: (Note 1(e)(iii), (j)(iii), (m)(i), Note 20(i)(b))
- Provisions: (Note 1(m)(ii), (iii), Note 32)
- Depreciation rates: (Note 1(e)(ii), Note 20(c))
- Defined Benefit Pension Scheme valuation: (Note 31)
- Levy Income: (Note 40(ii))
- Valuation of Investment Properties: (Note 1(p), Note 8(iii), Note 19(v))

### **(o) Surplus Income**

The Central Bank complies with Statutory Instrument 93/1943 - Central Bank of Ireland (Surplus Income) Regulations, 1943. The Central Bank may retain up to a maximum of 20% of profit in each year. The amount retained is appropriated to reserves and is subject to the approval of the Commission each year (Note 9).

**(p) Investment Property**

Property held for long term rental yields and capital appreciation is classified as investment property.

**(i) Initial Measurement**

Investment properties are initially recognised at cost which includes the purchase cost and any directly attributable expenditure and are recorded in “Other Assets” (Note 19(v)).

**(ii) Subsequent Measurement**

Investment properties whose fair value can be measured reliably are measured at fair value. In accordance with the Central Bank’s accounting policies, management undertake an annual review to determine the fair value of the Central Bank’s investment property.

In accordance with the Guideline, unrealised gains on revaluations are posted to revaluation accounts and unrealised losses are posted to the Profit and Loss and Appropriation Account at the end of the year (Note 8(iii)). Falls in fair value are offset against revaluation accounts, but only to the extent that they reverse previously recognised unrealised gains.

**(iii) Rental Income**

Rental income is accounted for on a straight-line basis over the lease term and is recognised within “Other Net Income” (Note 7(iii)).

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

**(q) Central Credit Register**

The Central Credit Register (CCR), a national mandatory database of personal and credit information, is maintained and operated by the Central Bank under the Credit Reporting Act 2013 and associated regulations. The operation of the CCR by the Central Bank should not give rise to a profit or loss and as such all costs associated with it are recouped through fees charged to the Credit Information Providers (CIPs). Fees charged to CIPs for credit reports issued are recorded in “Other Net Income” (Note 7(ii)). Staff and all other costs (including an allocation of indirect costs) are included within the relevant cost categories in the Profit and Loss and Appropriation Account.

The Central Bank ring-fences and manages CCR related fee income and costs on a cumulative basis to ensure that no profit or loss arises on the operation of CCR.

**(r) Recognition of Contingent Liabilities and Commitments**

A contingent liability is either a possible but uncertain obligation or a present obligation that is not recognised because as at the reporting date the payment is not deemed probable or the

amount cannot be estimated reliably. Contingent liabilities are not recognised by the Central Bank but are disclosed unless the probability of their occurrence is remote (Note 35).

Amendments to FRS102 in relation to recognising leases off balance sheet as commitments came into effect on 1 January 2026. The Central Bank is currently assessing and quantifying the impact of the amendments but is of the view that the amendments will not have a material impact on its financial statements.

## Note 2: Net Interest Income

	2025 €000	2024 €000
TARGET (i)	1,985,305	3,777,949
Securities for Monetary Policy Purposes (ii)	388,681	403,948
Securities - MTM (iii)	201,227	239,302
Securities - HTM (iv)	170,919	128,234
Deposits (v)	45,097	39,756
SDR (vi)	36,740	47,722
Reverse Repurchase Agreements (vii)	33,183	55,492
Transfer of Foreign Reserve Assets to ECB (viii)	17,200	31,547
Other (ix)	937	1,387
Open Market Operations (x)	68	1,283
<b>Interest Income</b>	<b>2,879,357</b>	<b>4,726,620</b>
Credit Institutions Deposits (xi)	(1,751,053)	(3,194,906)
Allocation of Euro Banknotes within the Eurosystem (xii)	(466,525)	(757,878)
Government Deposits (xiii)	(355,483)	(683,098)
DGS Contributory Fund (xiv)	(24,491)	(40,176)
Reverse Repurchase Agreements (vii)	(3,827)	(18,484)
Other (xv)	(1,478)	(8,389)
Credit Institutions Resolution Fund (xvi)	(1,481)	(2,492)
Repurchase Agreements (vii)	(1,385)	(1,215)
Bank and Investment Firm Resolution Fund (xvii)	(1,381)	(2,331)
Insurance Compensation Fund (xviii)	(385)	(1,057)
Swaps (xix)	(71)	(42)
<b>Interest Expense</b>	<b>(2,607,560)</b>	<b>(4,710,068)</b>
<b>Total</b>	<b>271,797</b>	<b>16,552</b>

- (i) This item relates to interest income earned as a result of euro-cross border payments transacted over the TARGET system. The interest income on these balances (Note 18), which are remunerated at the short-term policy rates of the Eurosystem, is calculated by the ECB at the end of each day. Per the Governing Council decision of 13<sup>th</sup> March 2024, the rate applicable to TARGET Balances from 1 January 2025 was the Deposit Facility Rate (DFR). These balances were remunerated at Main Refinancing Operations (MRO) interest rate in 2024. The average DFR for 2025 is 2.3% while the average MRO rate was 4.1% for 2024 (Note 1(c)(ii)). The reduction in interest rate combined with lower average holdings of TARGET balances has resulted in a decrease in interest income from €3,777.9m in 2024 to €1,985.3m in 2025.

- (ii) This item incorporates income on securities held for monetary policy purposes broken down as follows (Note 1(c)(ix), Note 15(i)):

### Securities held for Monetary Policy Purposes

	2025 €000	2024 €000
PSPP	294,580	319,783
PEPP	91,088	74,470
CBPP3	1,699	3,378
SMP	1,314	6,317
<b>Total</b>	<b>388,681</b>	<b>403,948</b>

The reduction in PSPP, CBPP3 and SMP income relates to lower holdings in these portfolios over the period. The increase in PEPP income reflects higher yields throughout 2025 despite reduced holdings (Note 15(i)).

Income on securities held for monetary policy purposes includes coupon income and amortisation of any premiums/discounts arising on the securities.

- (iii) This item relates to interest income on securities classified as MTM in the Central Bank's investment portfolio.

Interest income earned on securities in the MTM portfolios reduced to €201.2m (2024: €239.3m). Income has decreased as a result of the prevailing yield environment for reinvestments on the Central Bank's Euro and foreign currency investments. (Note 11(ii)(a), Note 12(i), Note 13(i) and Note 15(ii)(b)).

Income on MTM securities includes coupon income and amortisation of any premiums/discounts arising on the securities.

- (iv) This relates to income earned on bonds classified as HTM in the Central Bank's investment portfolio. Interest earned on these securities has increased to €170.9m (2024: €128.2m) as a result of the reinvestment of matured bonds into higher yielding bonds and an increase in average holdings (Note 13(i), Note 15(ii)(a)).

Income on HTM securities includes coupon income and amortisation of any premiums/discounts arising on the securities.

- (v) Deposit income primarily relates to income earned on deposit holdings. The increase in income to €45.1m (2024: €39.8m) is due to an increase in EUR deposit holdings in 2025 (Note 13(ii)).

- (vi) This relates to interest on Ireland's Quota in the IMF and Ireland's SDR holdings along with charges on allocation of SDR to Ireland (Note 11(i)(b), Note 27). The IMF pays interest every quarter at the SDR interest rate.

- (vii) This relates to income earned or interest incurred by the Central Bank as part of the management of its investment assets. The Central Bank uses repurchase/reverse repurchase transactions with approved counterparties under Global Master Repurchase Agreement (GMRA) legal agreements. Income or expense generated represents the difference between the sale and repurchase/purchase and subsequent sell prices. Net interest income on repurchase and reverse repurchase transactions has decreased due to market dynamics (Note 1(l), Note 11(ii)(b), Note 12(ii), Note 14(i), Note 23, Note 26).
- (viii) This relates to the remuneration of Foreign Reserve Assets transferred to the ECB. The decrease in income to €17.2m (2024: €31.5m) reflects the change in remuneration rate from the MRO rate to the DFR. The average DFR for 2025 was 2.3% while the average MRO rate was 4.1% for 2024 (Note 1(c)(vii), Note 17).
- (ix) The decrease in Other income to €0.9m (2024: €1.4m) is mainly due to a decrease in interest income relating to foreign exchange swaps carried out as part of normal market activity (Note 37(i)).
- (x) This item consists of the net income on LTROs and MROs. The decrease in income to €0.1m (2024: €1.3m) is as a result of reduced lending activities in 2025 (Note 1(c)(xii)).
- (xi) The Central Bank recorded an interest expense on Credit Institutions Deposits of €1,751.1m (2024: €3,194.9m) (Note 30(ii), Note 22).

Credit Institutions can avail of the deposit facility to place funds with the Central Bank on an overnight basis at the DFR. The lower interest expense was due to a decrease in the average DFR to 2.3% (2024: 3.7%) and a reduction in the average holdings of the deposit facility throughout 2025 (Note 22(i)).

- (xii) This interest expense is based on the difference between the value of euro banknotes allocated to each NCB, in accordance with its banknote allocation key, and the value of the euro banknotes that the Central Bank actually puts into circulation. The difference between the banknotes actually issued by the Central Bank and the allocated amount increased in 2025 compared to 2024. The decrease in interest expenditure is due to balances being remunerated at the DFR, previously MRO rate. The DFR for 2025 was 2.3% while the average MRO rate was 4.1% for 2024 (Note 1(c)(ii), (c)(iv), Note 21, Note 28, Note 30(ii)).

- (xiii) Government Deposits are remunerated at €STR minus 20 basis points. As a result of lower average Government Deposits, together with a lower €STR minus 20 basis points of 2.0% in 2025 (2024: 3.4%), overall interest expense has decreased for 2025 to €355.5m (2024: €683.1m) (Note 24(i), Note 30(ii)).
- (xiv) This relates to expenses on the Deposit Guarantee Scheme (DGS) Contributory Fund which are remunerated at the €STR minus 20 basis points. The lower interest expense in 2025 due to the lower €STR minus 20 basis points of 2.0% in 2025 (2024: 3.4%) (Note 30(i), Note 30(ii)).
- (xv) The decrease in Other interest expense is primarily due to a fall in interest expenses relating to variation margins on futures contracts used to hedge the Euro MTM portfolio (Note 1(c)(viii), Note 37(ii)).
- (xvi) This relates to interest expense on the Credit Institutions Resolution Fund (CIRF) which is remunerated at the €STR minus 20 basis points. The decrease in the expense in 2025 is due to a fall in €STR minus 20 basis points to 2.0% (2024: 3.4%) despite average balances held by the Fund with the Central Bank slightly increasing (Note 30(ii), Note 30(iv)).
- (xvii) This relates to interest expense on the Bank and Investment Firm Resolution Fund (BIFR) which is remunerated at the €STR minus 20 basis points. The decrease in the expense in 2025 is due to a fall in €STR minus 20 basis points to 2.0% (2024: 3.4%) despite higher balances being held by the Fund with the Central Bank (Note 30(ii), Note 30(iii)).
- (xviii) This relates to interest expense on the Insurance Compensation Fund (ICF) which is remunerated at the €STR minus 20 basis points. The decrease in the expense is due to a fall in average €STR minus 20 basis points to 2.0% in 2025 (2024: 3.4%) coupled with a lower balance being held by the Fund with the Central Bank due to repayments of the loan from the Minister (Note 30(ii), Note 30(vii)).
- (xix) The higher expense is due to general movements in foreign exchange contract activity in 2025 (Note 1(c)(viii), Note 37(i)).

### Note 3: Net Result of Financial Operations, Write-Downs and Provisions

	2025 €000	2024 €000
Net Realised Gains arising from Financial Operations (i)	145,915	75,830
Write Downs on Financial Assets and Positions (ii)	(107,979)	(33,498)
Transfer from Provisions (iii)	104,616	795,384
<b>Total</b>	<b>142,552</b>	<b>837,716</b>

#### (i) Net Realised Gains arising from Financial Operations

	2025 €000	2024 €000
Realised Price Gains /(Losses) on Securities	2,836	(6,188)
- HTM Portfolio (a)	(384)	(6,092)
- MTM Portfolio (b)	3,220	(96)
Realised Price Gains on Funds (c)	151,878	78,725
Realised Exchange Rate (Loss)/Gains (d)	(8,799)	3,293
<b>Total</b>	<b>145,915</b>	<b>75,830</b>

- (a) This reflects the realised losses on securities in the HTM portfolio. Realised losses of €0.4m (2024: €6.1m) are due to the sales from the portfolio as instructed by the ECB in order to adhere to ECB purchase programme limits (Note 13(i), Note 15(ii)(a)).
- (b) This reflects the realised gains on securities in the MTM portfolio in 2025. Realised gains of €3.2m (2024: loss of €0.1m) relate to the sales securities during this period. (Note 11(ii)(a), Note 12(i), Note 13(i), Note 15(ii)(b)).
- (c) In order to improve the carbon metrics of the Bank's investments, the Central Bank has been transitioning from its conventional equity benchmark (MSCI World Global Equity Index fund) to an EU Paris-aligned benchmark (MSCI PAB Overlay Sustainable Equity Index fund). The final transfer between the MSCI World Global Equity Index fund to the MSCI PAB Overlay Sustainable Equity Index took place in 2025 which contributed to a realised gain of €137.9m (2024: €78.7m) (Note 19(i)). The Central Bank also made a gain of €14.0m (2024: Nil) on the divestment of a portion of its KRW BIS Fund.
- (d) This reflects the net realised exchange rate loss, mainly as a result of the partial divestment in the CNY portfolio, leading to an FX loss in this currency (€8.8m) (2024: €3.3m) (Note 11(ii), Note 12, Note 37(i)).

**(ii) Write-Downs on Financial Assets and Positions**

	2025 €000	2024 €000
Unrealised Exchange Rate Losses (a)	(102,478)	(30,064)
Unrealised Price Losses on Securities (b)	(5,501)	(3,434)
<b>Total</b>	<b>(107,979)</b>	<b>(33,498)</b>

- (a) The increase in the unrealised exchange rate loss in 2025 to €102.5m (2024: €30.1m) relates to an increase in unrealised special drawing rights (SDR), CNY and AUD losses compared to 2024 and continued unrealised losses on the KRW BIS Fund driven by negative exchange rate movements (Note 11(i), Note 19(iii), Note 27).
- (b) The increase in unrealised price losses on securities to €5.5m (2024: €3.4m) relates to a reduction in the market value of securities at year end (Note 11(ii)(a), Note 12(i), Note 13(i), Note 15(ii)(b)).

**(iii) Transfer from Provisions**

	2025 €000	2024 €000
Provision for Financial Risks (i)	104,616	795,384
<b>Total</b>	<b>104,616</b>	<b>795,384</b>

- (i) The Central Bank has a provision for financial risks relating to interest rate mismatch on its Balance Sheet. An amount of €104.6m (2024: €795.4m) of this provision was utilised to cover financial losses which were incurred during 2025 (Note 1(m)(ii), Note 32(i)).

**Note 4: Income from Fees and Commissions**

	2025 €000	2024 €000
Securities Lending (i)	1,055	1,579
TARGET Distribution of Pooled Income (ii)	911	53
Service Fees and Charges	459	477
<b>Total</b>	<b>2,425</b>	<b>2,109</b>

- (i) This item decreased to €1.1m in 2025 (2024: €1.6m) as a result of decreased securities lending activities in the period.
- (ii) This item relates to excess fees paid by NCBs for the provision of TARGET services redistributed to NCBs at their Eurosystem key share.

**Note 5: Income from Equity Instruments and Participating Interests**

	2025 €000	2024 €000
BIS Dividend (i)	3,799	3,882
Other (ii)	-	(1,214)
<b>Total</b>	<b>3,799</b>	<b>2,668</b>

- (i) This item represents a dividend received on shares held in the Bank for International Settlements (Note 1(c)(xiii), Note 19(vi), Note 35(i)).
- (ii) This item relates to interest payments to the ECB as a result of adjustments to the capital key. There was no adjustment to the capital key in 2025.

**Note 6: Net Result of Pooling Monetary Income**

	2025 €000	2024 €000
Net Result of Pooling Monetary Income (i)	(249,819)	(725,445)
Release of provision from share of impaired Eurosystem Securities (ii) (Note 32(iii))	-	721
<b>Total</b>	<b>(249,819)</b>	<b>(724,724)</b>

- (i) This represents the difference between the monetary income pooled by the Central Bank of €785.7m (2024: €1,712.9m) and that reallocated to the Central Bank of €537.7m (2024: €981.0m) following the distribution of total Eurosystem monetary income among NCBs in accordance with their respective Eurosystem key shares, together with interest as shown in the table below. (Note 1(c)(vi), Note 29).

	2025 €000	2024 €000
Monetary income pooled	(785,663)	(1,712,943)
Monetary income reallocated	537,674	980,959
<b>Net Payer of Monetary Income</b>	<b>(247,989)</b>	<b>(731,984)</b>
Previous Years' Eurosystem Adjustments	-	8,941
Interest payment relating to Monetary Income	(1,830)	(2,402)
<b>Total</b>	<b>(249,819)</b>	<b>(725,445)</b>

- (ii) This item relates to the dissolving of a provision established in 2023 against losses in monetary policy operations portfolio. The balance for 2025 was Nil (2024: €0.7m) (Note 32(iii)).

**Note 7: Other Net Income**

	2025 €000	2024 €000
Financial Regulation Net Industry Funding Levy (i)	222,939	231,920
Expected Return on Pension Fund Assets (Note 31(i))	38,400	33,100
Other (ii)	12,391	14,197
Other Financial Regulation Income (i)	6,418	5,752
Rental Income (iii)	2,938	2,932
Financial Regulation Monetary Penalties (iv)	1,337	1,225
Interest on Pension Scheme Liabilities (Note 31(i))	(38,000)	(35,200)
<b>Total</b>	<b>246,423</b>	<b>253,926</b>

- (i) The composition of Financial Regulation Net Industry Funding Levy is provided in Note 40.
- (ii) Included in Other is Central Credit Register (CCR) Income of €8.5m (2024: €11.1m), which represents fees charged to Credit Information Providers (CIPs) for credit reports issued since 1 July 2019 (Note 1(q)).
- (iii) Rental income relates to the rental proceeds arising from the portion of Block R, Spencer Dock which was let out on a commercial basis to third parties (Note 1(p), Note 19(v)). There was one tenant in place in Block R, Spencer Dock as at 31 December 2025. On the 22<sup>nd</sup> of January 2026 the Central Bank completed the sale of Spencer Dock to the Office of Public Works (OPW) (Note 39(ii)).
- (iv) Monetary penalties represent amounts payable to the Central Bank by financial services providers in relation to breaches of regulatory requirements. These are recognised following the conclusion of settlement agreements with those entities, with an assessment undertaken at the year-end on the collectability of outstanding penalties. If collectability of these penalties is doubtful, a provision will be recognised. The full amount of these penalties, amounting to €1.3m (2024: €1.2m) were paid at year end.

## Note 8: Total Expenses

	Total Head Office & Printworks <sup>52</sup>		Mint <sup>53</sup>		Total	
	2025 €000	2024 €000	2025 €000	2024 €000	2025 €000	2024 €000
Staff Expenses (i)	258,653	246,287	2,250	2,112	260,903	248,399
Staff Expenses Capitalised (Note 1(e)(vi))	(8,476)	(6,366)	(60)	(43)	(8,536)	(6,409)
<b>Net Staff Expenses</b>	<b>250,177</b>	<b>239,921</b>	<b>2,190</b>	<b>2,069</b>	<b>252,367</b>	<b>241,990</b>
Other Operating Expenses (ii)	112,110	107,693	1,184	1,005	113,294	108,699
Unrealised Loss on Investment Property (iii)	410	7,000	-	-	410	7,000
Impairment Charge on Property, Plant and Equipment (iv)	16,305	-	-	-	16,305	-
Depreciation	33,549	28,761	283	111	33,833	28,872
Currency Production Raw Materials (v)	4,626	4,872	4,643	1,481	9,268	6,352
<b>Total Expenses<sup>54</sup></b>	<b>417,177</b>	<b>388,247</b>	<b>8,299</b>	<b>4,665</b>	<b>425,477</b>	<b>392,913</b>

### (i) Staff Expenses

	Total Head Office & Printworks		Mint		Total	
	2025 €000	2024 €000	2025 €000	2024 €000	2025 €000	2024 €000
Salaries/Allowances (a)	209,318	198,113	2,042	1,923	211,360	200,036
Pensions (Note 31(ii))	27,700	27,600	-	-	27,700	27,600
Employer PRSI	21,635	20,574	208	189	21,843	20,763
<b>Total</b>	<b>258,653</b>	<b>246,287</b>	<b>2,250</b>	<b>2,112</b>	<b>260,903</b>	<b>248,399</b>

### (a) Salaries/Allowances

	2025 €000	2024 €000
Basic Pay (i)	208,540	197,295
Allowances	1,507	1,830
Overtime	697	876
Termination Benefits (ii)	615	35
<b>Total Staff Short-Term Benefits</b>	<b>211,360</b>	<b>200,036</b>
<b>Staff Numbers (FTE) at 31 December (iii)</b>	<b>2,225</b>	<b>2,263</b>

<sup>52</sup> Head Office and Printworks expenses comprise all expenses (including financial regulatory and printworks expenses) other than those relating to the Mint

<sup>53</sup> Expenses incurred at the Mint relating to the provision an issue of coin are charged directly to the Currency Reserve (Note 1(g), Note 24(ii))

<sup>54</sup> Totals in the financial statements and in the tables included in the note may not add up due to rounding. The figures 0 and (0) indicate positive or negative amounts rounded to zero, while a dash (-) indicates zero.

- (i) Included in Basic Pay is an accrual in respect of untaken annual leave of €11.2m (2024: €10.1m) (Note 30(vi)). Salaries have increased in line with Public Service pay agreements since 2013.
- (ii) Payments in lieu of notice totalling €141k were made to seven individuals during the year (2024: four payments in lieu totalling €10k). There were five payments in 2025 totalling €474k on termination of employment (2024: two payments totalling €25k). Also included in pay is €1k in relation to associated legal costs (2024: €88k).
- (iii) FTE – full time equivalents inclusive of maternity cover and interns.

#### Remuneration of the Executive Commission members in 2025

Name	2025	Salary	2024	Salary
<b>Gabriel Makhoulouf</b> Governor (a)(b)	1 January - 31 December	€342,239	1 January - 31 December	€331,369
<b>Sharon Donnery</b> Deputy Governor Financial Regulation (a)	N/A	N/A	1 January - 31 December	€288,147
<b>Vasileios Madouros</b> Deputy Governor Monetary & Financial Stability (a)	1 January - 31 December	€297,599	1 January - 31 December	€288,147
<b>Mary-Elizabeth McMunn</b> Deputy Governor Financial Regulation (a)	1 January - 31 December	€297,599	1 January - 31 December	N/A

- (a) The pension scheme entitlements of Governor Gabriel Makhoulouf, Deputy Governor Vasileios Madouros, and Deputy Governor Mary-Elizabeth McMunn do not extend beyond the standard entitlements in the Central Bank's defined benefit superannuation scheme (Note 31).
- (b) Governor Gabriel Makhoulouf is also in receipt of a UK public service pension.

### Fees of Non-Executive Commission Members

Name	2025	2024
David Miles (Retired – 30 Nov 2025)	€13,691	€14,936
John Trethowan	€14,936	€14,936
Niamh Moloney (Retired – 31 March 2025)	€4,979	€14,936
Sarah Keane	€14,936	€14,936
Shay Cody	€14,936	€14,936
Mary Condon	€14,936	€14,936
John Hogan (c)	Nil	Nil
Maeve Dineen (Appointed – 1 December 2025)	Nil	N/A

### Expenses of Non-Executive Commission Members

Name	Travel	Accommodation and Subsistence	Total 2025	Total 2024
David Miles (Retired – 30 Nov 2025)	€1,580	€1,170	€2,750	€4,367
John Trethowan	€3,661	€1,155	€4,816	€3,616
Niamh Moloney (Retired – 31 March 2025)	€391	Nil	€391	€1,393
Sarah Keane	€157	Nil	€157	€788
Shay Cody	Nil	Nil	Nil	€617
Mary Condon	€34,377	€4,721	€39,097	€27,880
John Hogan (c)	Nil	Nil	Nil	Nil
Maeve Dineen (Appointed – 1 December 2025)	Nil	Nil	Nil	N/A

(c) In keeping with the One Person One Salary principle, one (2024: one) non-executive member of the Commission did not receive payment of fees.

<i>Remuneration of Key Management Personnel</i> <sup>55</sup>	2025 €000	2024 €000
Gross Salary	14,565	14,990
<b>Total</b>	<b>14,565</b>	<b>14,990</b>

The Central Bank operates a Revenue Commissioners approved holiday loan scheme for all staff. Included in this amount are advances totalling €67k to 12 Key Management Personnel (2024: €37k to 10 Key Management Personnel). As at 31 December 2025 all advances under this scheme were fully repaid (2024: fully repaid).

<sup>55</sup> Key Management Personnel refers to staff at Head of Division and above, and includes the executive Commission members disclosed separately in Note 8, as prescribed in the Code of Practice for the Governance of State Bodies 2016. Other than those disclosed in this note, no further benefits have been received by Key Management Personnel.

Pay Bands	2025	2024
	No. of People	No. of People
60,001-70,000	317	315
70,001-80,000	218	274
80,001-90,000	398	361
90,001-100,000	138	162
100,001-110,000	138	340
110,001-120,000	311	49
120,001-130,000	53	138
130,001-140,000	135	21
140,001-150,000	22	42
150,001-160,000	92	63
160,001-170,000	8	15
170,001-180,000	13	38
180,001-210,000	35	6
210,001-240,000	12	11
240,001+	6	6
<b>Total</b>	<b>1,896</b>	<b>1,841</b>

The table above represents the number of staff in the organisation earning more than €60k in the calendar year.

### (ii) Other Operating Expenses

	Total Head Office & Printworks		Mint		Total	
	2025 €000	2024 €000	2025 €000	2024 €000	2025 €000	2024 €000
IT	37,000	33,067	93	96	37,092	33,163
Professional Fees (a)	19,651	21,658	-	-	19,651	21,659
Contract Labour	18,397	18,159	118	79	18,515	18,238
Miscellaneous (b)	6,529	5,134	39	15	6,568	5,149
Payments and Custody Fees (c)	7,546	6,217	-	(1)	7,546	6,216
Rent and Utilities	6,420	5,836	414	394	6,834	6,230
Facilities and Maintenance	6,035	6,334	477	384	6,512	6,718
Corporate Subscriptions	3,975	4,051	7	7	3,982	4,058
Training	3,064	3,028	22	14	3,086	3,042
Recruitment & Other Staff Costs (d)	1,859	2,356	1	1	1,860	2,357
Travel (e)	1,635	1,853	13	16	1,648	1,869
<b>Total</b>	<b>112,110</b>	<b>107,693</b>	<b>1,184</b>	<b>1,005</b>	<b>113,294</b>	<b>108,699</b>

### (a) Professional Fees

Included in Professional Fees are Auditors' fees payable to Grant Thornton and the Comptroller and Auditor General which amount to:

<b>Auditors' Fees<sup>56</sup></b>	2025	2024
	€000	€000
<b>Audit of Individual Accounts</b>	<b>572</b>	<b>553</b>
Grant Thornton	363	363
Comptroller and Auditor General	209	190
<b>Other Assurance Services</b>	<b>104</b>	<b>104</b>
Grant Thornton	104	104
<b>Other Non-Audit Services</b>	<b>90</b>	<b>278</b>
Grant Thornton	90	278
<b>Total</b>	<b>766</b>	<b>935</b>

Included in Professional Fees and analysed in the following table are Consultancy costs charged to the Profit and Loss and Appropriation Account totalling €15.5m (2024: €17.1m) and Consultancy costs capitalised totalling €4.7m (2024: €2.4m) which is included in PPE and Intangible Assets (Note 20).

<b>Consultancy</b>	2025	2024
	€000	€000
IT	15,982	13,558
Premises	392	982
Legal Advice	754	1,098
Other	54	62
Financial	1,100	629
Pensions & HR	327	247
Business Improvement	1,614	2,930
<b>Total</b>	<b>20,223</b>	<b>19,506</b>
Charged to Profit and Loss and Appropriation Account	15,478	17,067
Capitalised	4,745	2,439
<b>Total</b>	<b>20,223</b>	<b>19,506</b>

Included in Professional Fees are legal costs in relation to legal proceedings totalling €1.5m (2024: €2.2m).

<b>Legal Fees</b>	2025	2024
	€000	€000
Legal fees – legal proceedings	1,457	2,238
<b>Total</b>	<b>1,457</b>	<b>2,238</b>

The above legal proceedings costs include all legal costs incurred in relation to legal proceedings initiated by or taken against the Central Bank. The cost above relates to 31 separate legal cases (2024: 26), including €18k relating to a single settlement (2024: €44k, 3 cases).

The Central Bank's insurance company paid Nil (2024: €70k) relating to legal costs and settlements.

<sup>56</sup> Auditors' Fees are shown exclusive of VAT so that the net amount received by the supplier is disclosed.

**(b) Miscellaneous**

Included in Miscellaneous are €5.0m of CCR related costs (2024: €3.5m) (Note 1(q)). Other expenses in this account include the Financial Services Appeals Tribunal €0.2m (2024: €0.3m), which the Central Bank discharged in accordance with the provisions of Section 57AX (4) of the Central Bank Act, 1942 (as amended).

**(c) Payment and Custody Fees**

Included in Payments and Custody Fees are Prompt Payments charges. The Central Bank is obliged to comply with the provisions of the European Communities (Late Payment in Commercial Transactions) Regulations, 2012 (SI.580 of 2012), which provides that penalty interest will become payable if payments for commercial transactions are not met within 30 days, unless otherwise specified in a contract or agreement. The following is a summary of penalty interest payments made to suppliers during 2025, with corresponding figures for 2024.

<b>Late Payments*</b>	2025	2024
Total Number of Late Payments	77	17
Total Value of All Late Payments (A)	€1,477,706	€143,472
Total Value of All Payments (B)	€163,974,791	€139,599,982
A as a % of B	0.9%	0.1%
Total Value of Interest Paid on Late Payments	€8,499	€1,291

\*Figures in above table are actuals and are not rounded.

**(d) Recruitment & Other Staff Costs**

Included in Recruitment & Other Staff Costs above is Hospitality Expenditure of €0.2m (2024: €0.3m), analysed as follows:

<b>Hospitality Expenditure</b>	2025	2024
	€000	€000
Staff Hospitality	221	279
<b>Total</b>	<b>221</b>	<b>279</b>

The hospitality expenditure disclosed above is classified in accordance with the Code of Practice for the Governance of State Bodies (2016).

The Central Bank does not engage in Client Hospitality. The above amounts do not include expenditure on refreshments/hospitality associated with business operations such as conference hosting, events and meetings.

**(e) Travel**

Travel (including Mint)	2025 €000	2024 €000
<b>Domestic</b>		
Commission <sup>57</sup>	22	11
Staff	137	153
<b>International</b>		
Commission	115	130
Staff	1,373	1,575
<b>Total</b>	<b>1,648</b>	<b>1,869</b>

**(iii) Unrealised Loss on Investment Property**

An unrealised loss of €0.4m (2024: €7.0m) was recognised in the Profit & Loss Appropriation Account for the investment property held at 31 December 2025, in line with the investment property accounting policy (Note 1(p)). The investment property, Block R, Spencer Dock, East wing, was valued at €23.6m at 31 December 2025 (2024: €24.0m) (Note 19(v)). The sale of Spencer Dock was completed on 22 January 2026 to Office of Public Works (“OPW”) at a sale price of €23.6m (Note 39(ii)).

**(iv) Impairment Charge on Property, Plant and Equipment**

There is an impairment charge relating to the Mayor Street building of €16.3m in 2025 (2024: Nil). This building was initially impaired in 2023 as it was acquired pre-pandemic as part of the Central Bank’s long term office space strategy which took into account current and expected future needs. This included both scalability and flexibility. Since the pandemic, there has been a significant shift in the commercial property market, with a substantial move to hybrid working models. This has led to companies reducing their office footprint, ultimately leading to an oversupply of office space in Dublin. This resulted in the market value of the Mayor Street building being less than the carrying value in 2025 (Note 20(i)(c)).

**(v) Currency Raw Materials**

Currency Production Raw Materials expense relates to the production of banknotes €4.6m (2024: €4.9m) and coin €4.6m (2024: €1.5m). The decrease in banknote costs in 2025 was due to a smaller allocation together with lower procurement costs. Coin Materials increased due to the purchase of a larger

<sup>57</sup> Commission includes both executive and non-executive members

quantity of coin blanks to support production over multiple years and a more extensive collector coin programme in 2025.

### Note 9: Surplus Income Payable to the Exchequer

There is no Surplus Income payable to the Exchequer in respect of the year ended 31 December 2025 (2024: Nil) (Note 1(o)).

### Note 10: Gold and Gold Receivables

	2025 €000	2025 Fine Ounces of Gold	2024 €000	2024 Fine Ounces of Gold
Gold and Gold Receivables	1,418,447	386,598	970,766	386,598
<b>Total</b>	<b>1,418,447</b>	<b>386,598</b>	<b>970,766</b>	<b>386,598</b>

Gold and gold receivables consist of gold deposits, coin stocks held in the Central Bank and gold bars held at the Bank of England and Banque de France. The increase in the balance at year-end 2025 is due to an increase in the market value of gold holdings from the year-end 2024 to 2025 (Note 1(j)(iv), Note 33(i)).

### Note 11: Claims on Non-Euro Area Residents in Foreign Currency

	2025 €000	2024 €000
Receivables from the IMF (i)	6,075,230	6,348,619
Balances with Banks and Security Investments, External Loans and other External Assets (ii)	3,907,610	4,530,061
<b>Total</b>	<b>9,982,840</b>	<b>10,878,680</b>

#### (i) Receivables from the International Monetary Fund (IMF)

	2025 €000	2024 €000
Quota	4,021,031	4,328,659
Less IMF Holdings maintained by the Bank	(2,976,905)	(3,285,088)
Reserve Position in the IMF (a)	1,044,126	1,043,571
SDR Holdings (b)	5,031,104	5,305,048
<b>Total</b>	<b>6,075,230</b>	<b>6,348,619</b>

#### (a) Reserve Position in the IMF:

This asset represents the difference between Ireland's Quota in the IMF and the IMF's holdings of euro maintained by the Central Bank. Ireland's Quota is its membership subscription. The holdings of euro by the IMF, maintained with the Central Bank, which initially were equal to 75% of the Quota, have changed from time to time as a result of instructions received from the IMF regarding its lending to member countries. The current percentage holding is 74% (2024: 75%) (Note 1(c)(x), Note 35(v)).

**(b) Special Drawing Rights (SDR) Holdings:**

The SDR is an international reserve asset, which was created by the IMF in 1969. They are not a currency, but a potential claim on the freely usable currencies of IMF members and, as such, SDRs can provide a country with liquidity. SDRs are allocated only to IMF members that elect to be participants in the SDR Department. The SDR value is determined as the weighted sum of exchange rates of five currencies (US Dollar, Euro, Chinese Renminbi, Japanese Yen, and Pound Sterling) (Note 1(c)(x), Note 3(ii)(a), Note 27).

The Central Bank's SDR assets can change as a result of IMF lending operations or exchanges of SDR for foreign currency with the IMF itself, other IMF members and other official holders of SDR. SDR holdings may also change as a result of interest payments made by the IMF on the Central Bank's Reserve Position in the IMF and on the Central Bank's SDR holdings net of SDR allocations.

**(ii) Balances with Banks and Security Investments, External Loans and other External Assets**

	2025 €000	2024 €000
Security Investments - MTM (a)	3,016,101	3,346,011
Balance with Banks	678,201	1,087,313
Reverse Repurchase Agreements (b)	213,308	96,737
<b>Total</b>	<b>3,907,610</b>	<b>4,530,061</b>

- (a) These securities comprise debt issued by non-euro area issuers in foreign currency (Note 1(j)(i), Note 1(j)(ii), Note 1(j)(v), Note 2(iii), Note 3(i)(b), Note 3(ii)(a), Note 3(ii)(b)).
- (b) As part of the management of its investment assets, the Central Bank uses repurchase transactions with approved counterparties under GMRA legal agreements. The increase in reverse repurchase agreements to €213.3m (2024: €96.7m) relates to a general increase in reverse repurchase activities in the non-euro area in foreign currency due to market dynamics (Note 1(l), Note 2(vii) Note 12(ii), Note 14(i)).

**Breakdown by foreign currency**

	2025 €000	2024 €000
USD	2,742,174	3,021,183
AUD	500,928	501,930
SGD	459,221	473,772
CNY	189,361	519,047
Other	15,788	13,974
JPY	138	155
<b>Total</b>	<b>3,907,610</b>	<b>4,530,061</b>

**Maturity Profile**

	2025 €000	2024 €000
0 - 3 months	1,130,655	1,575,182
3 months - 1 year	724,372	653,266
1 - 5 years	2,052,583	2,301,613
<b>Total</b>	<b>3,907,610</b>	<b>4,530,061</b>

**Note 12: Claims on Euro Area Residents in Foreign Currency**

	2025 €000	2024 €000
Security Investments - MTM (i)	148,001	102,588
Balances with Banks	2,274	1,748
Reverse Repurchase Agreements (ii)	-	115,119
<b>Total</b>	<b>150,275</b>	<b>219,455</b>

- (i) These securities comprise debt issued by euro area issuers in foreign currency (Note 1(j)(i), Note 1(j)(ii), Note 1(j)(v), Note 2(iii), Note 3(i)(b), Note 3(ii)(b)). The year-end 2025 balance primarily relates to USD and AUD bonds issued by EU residents. The increase in holdings of these securities was due to increased opportunities to invest into USD MTM portfolios.
- (ii) As part of the management of its investment assets, the Central Bank uses repurchase transactions with approved counterparties under GMRA legal agreements. The decrease in reverse repurchase agreements to Nil (2024: €115.1m) relates to a general decrease in reverse repurchase activities in the euro area in foreign currency due to market dynamics (Note 1(l), Note 2(vii), Note 11(ii)(b), Note 26).

**Breakdown by foreign currency**

	2025 €000	2024 €000
USD	141,352	204,648
AUD	8,875	14,772
SGD	47	34
Other	1	1
<b>Total</b>	<b>150,275</b>	<b>219,455</b>

**Maturity Profile**

	2025 €000	2024 €000
0 - 3 months	23,517	118,654
3 months - 1 year	64,697	34,718
1 - 5 years	62,061	66,083
<b>Total</b>	<b>150,275</b>	<b>219,455</b>

**Note 13: Claims on Non-Euro Area Residents in Euro**

	2025 €000	2024 €000
Security Investments - HTM (i)	1,316,644	1,463,470
Balances with Banks (ii)	558,580	146,135
Security Investments - MTM (i)	22,084	40,847
<b>Total</b>	<b>1,897,308</b>	<b>1,650,452</b>

- (i) These securities comprise debt issued by non-euro area issuers in Euro. The decrease in holdings of these securities was related to regular market activities (Note 1(j)(ii), Note 1(j)(iii), Note 1(j)(v), Note 2(iv), Note 2(iii), Note 3(i)(a), Note 3(i)(b), Note 3(ii)(b)).
- (ii) The increase in balances with banks to €558.6m (2024: €146.1m) was due to an increase in cash holdings related to a change in asset allocation in 2025.

**Maturity Profile**

	2025 €000	2024 €000
0 - 3 months	693,803	283,892
3 months - 1 year	45,117	203,862
1 - 5 years	719,472	693,092
5 - 10 years	438,916	469,606
<b>Total</b>	<b>1,897,308</b>	<b>1,650,452</b>

**Note 14: Other Claims on Euro Area Credit Institutions in Euro**

	2025 €000	2024 €000
Reverse Repurchase Agreements (i)	793,887	1,455,764
Balances with Banks	158,760	161,172
<b>Total</b>	<b>952,647</b>	<b>1,616,936</b>

These items have a maturity of less than one year.

- (i) As part of the management of its investment assets, the Central Bank uses repurchase transactions with approved counterparties under GMRA legal agreements. The decrease in reverse repurchase agreements to €793.9m (2024: €1,455.8m) relates to a general decrease in reverse repurchase activities in the

euro area in euro due to market dynamics (Note 1(l), Note 2(vii), Note 11(ii)(b), Note 12(ii), Note 23, Note 26).

## Note 15: Securities of Euro Area Residents in Euro

	2025 €000	2024 €000
Securities held for Monetary Policy Purposes (i)	51,576,896	56,318,429
Other Securities (ii)	9,448,268	8,696,617
<b>Total</b>	<b>61,025,164</b>	<b>65,015,046</b>

### (i) Securities held for Monetary Policy Purposes

Securities held for Monetary Policy Purposes reflect the CBPP3 portfolio which began in October 2014, the PSPP which began in March 2015 and the PEPP which was introduced in March 2020 in response to the COVID-19 pandemic.

As at 31 December 2025, this item consisted of securities acquired by the Central Bank within the scope of the CBPP3, the PSPP and the PEPP.

Securities purchased under all of these programmes are measured on an amortised cost basis subject to impairment (Note 1(c)(ix), Note 1(m)(i)).

For comparison purposes, the table below shows the amortised cost of the securities held by the Central Bank against their market values:

	2025 €000 Amortised Cost	2025 €000 Market Value	2024 €000 Amortised Cost	2024 €000 Market Value
CBPP3	142,507	139,092	653,910	645,333
SMP	-	-	103,288	103,896
PSPP of which	31,951,323	28,477,143	34,205,468	30,885,261
Government/Agency Securities (Own-Risk)	29,974,362	26,726,627	32,097,925	29,007,746
Supranational Securities (Shared-Risk)	1,976,961	1,750,516	2,107,543	1,877,515
PEPP of which	19,483,066	16,593,961	21,355,763	18,562,724
Government/Agency Securities (Own-Risk)	19,483,066	16,593,961	21,355,763	18,562,724
<b>Total</b>	<b>51,576,896</b>	<b>45,210,196</b>	<b>56,318,429</b>	<b>50,197,214</b>

## Maturity Profile

	2025 €000 Amortised Cost	2024 €000 Amortised Cost
0 - 3 months	-	4,392,395
3 months - 1 year	5,433,898	168,756
1 - 5 years	19,507,247	17,053,496
5 - 10 years	13,872,103	19,464,466
10-15 years	2,700,553	5,140,539
> 15 years	10,063,095	10,098,777
<b>Total</b>	<b>51,576,896</b>	<b>56,318,429</b>

In 2025, the asset purchase programme (APP)<sup>58</sup> portfolio continued to decline, as the Eurosystem, since July 2023, no longer reinvests the principal payments from maturing securities<sup>59</sup>.

As concerns the PEPP<sup>60</sup>, following the Governing Council decision in December 2023<sup>61</sup>, during the first half of 2024 the Eurosystem continued to reinvest, in full, the principal payments from maturing securities. Over the second half of 2024, the PEPP portfolio declined by €7.5bn per month on average, as the Eurosystem did not reinvest all of the principal payments from maturing securities. The reinvestments under the PEPP were discontinued at the end of 2024.

In 2025 the APP and PEPP portfolios continued to decline at a measured and predictable pace, as the Eurosystem no longer reinvested the principal payments from maturing securities.

The Governing Council assesses on a regular basis the financial risks associated with the securities held under these programmes. Annual impairment tests are conducted on the basis of the estimated recoverable amounts as at the year-end and are approved by the Governing Council. There was no impairment of securities held under the SMP, CBPP3, PSPP, CSPP and PEPP programmes as at 31 December 2025 (2024: Nil).

The Eurosystem NCBs' aggregate holdings of monetary policy securities at end December 2025 amounted to €3,420.2bn of which the Central Bank held €51.6bn (2024: €3,906.6bn of which the Central Bank held €56.3bn) (see table below) (Note 1(c)(ix), Note 2(ii)):

<sup>58</sup> Further details on the APP can be found on the [ECB's website](#).

<sup>59</sup> See the [press release](#) of 15 June 2023 on the Governing Council's decisions.

<sup>60</sup> Further details on the PEPP can be found on the [ECB's website](#).

<sup>61</sup> See the [press release](#) of 14 December 2023 on the Governing Council's decisions.

Amortised Cost	Year	SMP €m	CBPP3 €m	PSPP €m	CSPP €m	PEPP €m	Total €m
Eurosystem NCBs	2025	521	193,147	1,693,554	248,543	1,284,429	3,420,194
	2024	1,050	232,571	1,932,067	288,374	1,452,524	3,906,586
Central Bank	2025	-	143	31,951	-	19,483	51,577
	2024	103	654	34,205	-	21,356	56,318

## (ii) Other Securities

Other Securities includes marketable securities that are not held for monetary policy operations of the Eurosystem.

	2025 €000	2024 €000
Security Investments - HTM (a)	6,005,381	5,893,033
Security Investments - MTM (b)	3,442,887	2,803,584
<b>Total</b>	<b>9,448,268</b>	<b>8,696,617</b>

### (a) Security Investments - HTM

Held-to-maturity investments are securities with fixed or determinable payments and a fixed maturity, which the Central Bank intends to hold to maturity (Note 1(j)(iii)).

The increase in the HTM portfolio to €6.0bn (2024: €5.9bn) relates to reinvestments of maturing HTM bonds (Note 2(iv), Note 3(i)(a)).

Securities purchased under the HTM portfolio are measured on an amortised cost basis subject to impairment (Note 1(j)(iii)). There was no impairment of these securities held as at 31 December 2025 (2024: Nil).

### (b) Security Investments - MTM

These mark-to-market securities comprise debt issued by euro area issuers in euro (Note 1(j)(ii), Note 1(j)(v)). The increase in holdings of these securities to €3.4bn (2024: €2.8bn) was due to improved opportunities to reinvest into similar securities (Note 2(iii), Note 3(i)(b), Note 3(ii)(b)).

### Maturity Profile

	2025 €000	2024 €000
0 - 3 months	1,039,413	965,430
3 months - 1 year	1,574,224	1,483,237
1 - 5 years	3,860,664	3,911,140
5 - 10 years	2,973,967	2,336,810
<b>Total</b>	<b>9,448,268</b>	<b>8,696,617</b>

## Note 16: Participating Interest in ECB

	2025 €000	2024 €000
Participating Interest in ECB	459,609	459,609
<b>Total</b>	<b>459,609</b>	<b>459,609</b>

This represents the Central Bank's contribution to the capital of the ECB (Note 1(c)(ii), Note 1(c)(xiv)). Pursuant to Article 28 of the statute of the ESCB, the ESCB national central banks are the sole subscribers to the capital of the ECB. Subscriptions depend on shares which are fixed in accordance with Article 29 of the Statute of the ESCB and which must be adjusted every five years. The most recent such adjustment took effect on 1 January 2024<sup>62</sup>.

The Central Bank's share in subscribed capital of the ECB remained unchanged at 1.7811% in 2025 (2024: 1.7811%) and consequently the Central Bank's participating interest in the ECB remained consistent at €459.6m (Note 1(c)(iii), Note 35(ii), Note 38(ii)).

## Note 17: Claims Equivalent to the Transfer of Foreign Reserves

	2025 €000	2024 €000
Claims equivalent to the transfer of foreign reserves	883,534	883,534
<b>Total</b>	<b>883,534</b>	<b>883,534</b>

These represent the Central Bank's claims arising from the transfer of foreign reserve assets to the ECB when the Central Bank joined the Eurosystem.

The Central Bank's claim in respect of those assets is €883.5m (2024: €883.5m), which is fixed in proportion to its Eurosystem key share (Note 1(c)(ii), Note 1(c)(iii), Note 1(c)(vii), Note 35(ii), Note 38(ii)).

The Central Bank's Eurosystem key at 31 December 2025 is 2.1782% (2024: 2.1782%) (Note 1(c)(iii)). The claims are denominated in euro at a value fixed at the time of their transfer. Since 1 January 2025 the remuneration of these claims is calculated on a daily basis at the latest available interest rate applied to the deposit facility offered by the Eurosystem, adjusted to reflect a zero return on the gold component. Until that date, such remuneration was calculated at the latest available marginal interest rate used by the Eurosystem in its tenders for main refinancing operations, also adjusted to reflect a zero return on the gold component (Note 2(viii)).

<sup>62</sup> Details of individual NCB's capital subscriptions can be found on the [ECB's website](#).

**Note 18: Claims related to TARGET**

	2025 €000	2024 €000
TARGET Balance (net)	84,274,536	94,503,981
<b>Total</b>	<b>84,274,536</b>	<b>94,503,981</b>

This item represents the Central Bank's net asset from the ECB as a result of euro cross-border payments transacted over the TARGET system by all NCBs participating in the ESCB, which amounted to €84.3bn (2024: €94.5bn) (Note 1(c)(ii)). The decrease in the TARGET asset reflects a net outflow of euro out of the State, via the Central Bank's TARGET account over the period. The outflows were largely channelled through credit institutions' reserve accounts (Note 1(c)(ii), Note 22).

At year-end 2025, four non-participating countries (Bulgaria, Denmark, Poland and Romania) were members of TARGET and, therefore, included in the multilateral netting process. Since 1 January 2025 the remuneration of this claim/liability (with the exception of balances arising from back-to-back swap transactions in connection with US dollar liquidity-providing operations) is calculated on a daily basis at the latest available interest rate applied to the deposit facility offered by the Eurosystem. Until that date, such remuneration was calculated at the latest available (marginal) interest rate used by the Eurosystem in its tenders for main refinancing operations (Note 2(i)).

**Note 19: Other Assets**

	2025 €000	2024 €000
Equities (i)	994,451	828,591
Accrued Interest Income (ii)	664,538	934,839
Property, Plant, Equipment and Intangible Assets (Note 20)	347,200	350,086
- Tangible - Plant, Property, Equipment (Note 20(i))	255,994	271,637
- Intangible - Computer Software (Note 20 (ii))	91,206	78,449
BIS Funds (iii)	273,593	426,401
Funding Levy (iv)	221,418	218,727
Investment Property (v)	23,570	23,980
Shares in the Bank for International Settlements (vi)	22,760	23,237
Prepayments	8,305	8,457
Accrued Interest Purchased (vii)	6,791	14,337
Other (viii)	6,651	55,624
<b>Total</b>	<b>2,569,277</b>	<b>2,884,279</b>

- (i) The Central Bank invests in equities as part of its investment strategy. The equities track the MSCI PAB Overlay Sustainable Equity Index. The 2025 movement relates to new investments into the MSCI PAB Overlay Sustainable Equity Index as well as the final transfer of the MSCI World Global Equity Index fund to the MSCI PAB Overlay Sustainable Equity Index as the Central Bank continues to pursue improvements to the carbon metrics of its investments. The

funds are managed by an asset management company on behalf of the Central Bank, while the underlying assets are held by a custodian (Note 1(c)(xi), (j)(ii), (k), Note 3(i)(c), Note 33(iii), Note 36)

- (ii) This item includes the accrued income earned on the Central Bank's portfolio of securities and intra Eurosystem asset balances. The decrease largely relates to reduced accrued remuneration of TARGET balances due from euro area NCBs and lower interest receivable on investment assets in 2025. The decrease in TARGET interest income is due to balances being remunerated at the DFR in 2025, (2024: MRO rate) and a fall in average holdings in 2025. The average DFR for 2025 was 2.3% while the average MRO rate for 2024 was 4.1%.
- (iii) The Central Bank invests in a number of bond funds as part of its long-term investment strategy. These funds are externally managed by the BIS on behalf of the Central Bank, while the underlying assets are held by a custodian. The decrease in the balance on the funds at year end is largely as a result of a divestment in the KRW fund in 2025 (Note 1(c)(xi), (j)(ii), (k), Note 3(i)(d), Note 3(ii)(a), Note 33(iv), Note 36).
- (iv) The net funding levy of €221.4m (2024: €218.7m) relates to income owed to the Central Bank from industry regulated entities of €224.0m (2024: €220.6m) which will be levied in 2026 as well as a provision for accrued and outstanding levies of €2.6m (2024: €1.9m) (Note 40(iv)).
- (v) In November 2015, the Central Bank acquired Block R, Spencer Dock, comprised of the West and East wing. The West wing was sold on 30 September 2022. As at 31 December 2025, the Central Bank remained in possession of the East wing, an investment property valued at €23.6m at that date (2024: €24.0m). The fair value of the investment property was determined by an external, independent property valuator, with recognised professional qualifications and recent experience in the location and category of the property being valued. Any unrealised losses in relation to this revaluation are treated in accordance with the Guideline (Note 1(p), Note 8(iii)).

On the 22<sup>nd</sup> of January 2026 the Central bank completed the sale of Spencer Dock to the OPW at a price of €23.6m (Note 39(ii)). Due to the sale of this property, there are only 22 days of future minimum lease payments receivable at end 2025.

## Future Minimum Lease Payments Receivable

	2025 €000	2024 €000
Not later than one year	182	2,930
After one year but not more than five years	-	10,962
After five years	-	14,128
<b>Total</b>	<b>182</b>	<b>28,020</b>

- (vi) The Central Bank holds 8,564 shares (2024: 8,564 shares) in the Bank for International Settlements, the euro equivalent of which is €22.8m (2024: €23.2m) (Note 1(c)(xiii), Note 5(i), Note 35(i)).
- (vii) Accrued interest purchased has decreased to €6.8m (2024: €14.3m) due to general trading activities in the period.
- (viii) Included in Other is a negative amount of €0.9m (2024: €43.8m) relating to debtors. The year-on-year decrease can be largely attributed to a reduction in DGS Debtors and a reduction in other receivables in 2025 (Note 30(i)).

## Note 20: Property, Plant, Equipment and Intangible Assets

### (i) Tangible Property, Plant and Equipment (PPE)

	Land & Premises	Plant & Machinery	Computer Equipment	Other Equipment	Furniture, Fixtures & Fittings	Assets Under Construction	Total Tangible Fixed Assets
	2025 €000	2025 €000	2025 €000	2025 €000	2025 €000	2025 €000	2025 €000
At Cost - 1 January 2025	331,632	110,274	34,606	7,872	33,072	31,474	548,930
Acquisitions (a)	-	-	-	-	-	19,195	19,195
Disposals (e)	-	-	(6)	(801)	(29)	-	(836)
Transfer (b)	28,373	183	15,296	151	80	(44,085)	-
At Cost - 31 December 2025 <sup>63</sup>	360,005	110,457	49,896	7,222	33,123	6,584	567,289
Accumulated Depreciation and Impairment Losses at 1 January 2025	(161,942)	(63,593)	(22,373)	(7,135)	(22,250)	-	(277,293)
Impairment of Tangible Assets (c)	(14,228)	(2,076)	-	-	-	-	(16,305)
Depreciation for Year (d)	(4,358)	(5,339)	(5,193)	(243)	(3,401)	-	(18,534)
Disposals (e)	-	-	6	801	29	-	836
Accumulated Depreciation and Impairment Losses at 31 December 2025	(180,528)	(71,008)	(27,560)	(6,577)	(25,622)	-	(311,295)
<b>Net book value at 31 December 2025<sup>64</sup></b>	<b>179,477</b>	<b>39,449</b>	<b>22,336</b>	<b>645</b>	<b>7,501</b>	<b>6,584</b>	<b>255,994</b>
<b>Net book value at 31 December 2024</b>	<b>169,690</b>	<b>46,681</b>	<b>12,233</b>	<b>737</b>	<b>10,822</b>	<b>31,474</b>	<b>271,637</b>

- (a) Assets Under Construction (AUC) relates to capital expenditure incurred on assets which have not yet come into use by the year-end.

<sup>63</sup> Totals in the financial statements and in the tables included in the note may not add up due to rounding. The figures 0 and (0) indicate positive or negative amounts rounded to zero, while a dash (-) indicates zero.

<sup>64</sup> Totals in the financial statements and in the tables included in the note may not add up due to rounding. The figures 0 and (0) indicate positive or negative amounts rounded to zero, while a dash (-) indicates zero.

- (b) Land & Premises includes Land with a total carrying value of €64.9m. In 2025, land was purchased for €15.1m which will be developed into the Central Bank's new Currency Centre. Construction is estimated to take 7 years, following which the Bank will vacate and sell all land and buildings at the Sandyford site.
- (c) The Impairment charge relates to the Mayor Street building. Property market values in Dublin city centre have experienced deterioration over the last 12 months, reflecting challenges in the office property sector. This, combined with floors 3-6 (representing 42.56% of the building) remaining vacant with an estimated c.€3.9m per annum in foregone rental income, has resulted in the independent market valuation of the Mayor Street building being less than its carrying value. Taking the above into account and giving consideration to the value in use of the building, the Central Bank has raised an impairment charge of €16.3m (Note 1(e)(iii), Note 8 (iv)).
- (d) Of the total depreciation charge of €18.5m (2024: €16.9m), €0.3m in respect of Mint machinery was charged to the Currency Reserve (2024: €0.1m).
- (e) Disposals across the asset classes relate to the retirement of zero value assets that are no longer in use by the Central Bank.
- (f) An art collection at market value of €0.9m based on the most recent valuation carried out in 2024 (2022 previous valuation: €2.1m), which is not recognised in the annual accounts of the Central Bank on the grounds of materiality in either the current or preceding financial years (Note 1(e)(v)).

**(ii) Intangible Computer Software**

	Computer Equipment	Assets Under Development (a)	Total Intangible Fixed Assets
	2025 €000	2025 €000	2025 €000
At Cost - 1 January 2025	100,299	25,322	125,621
Acquisitions (a)	-	28,056	28,056
Disposals (b)	(4,701)	-	(4,701)
Transfer	10,382	(10,382)	-
At Cost - 31 December 2025	105,980	42,996	148,976
Accumulated Depreciation at 1 January 2025	(47,172)	-	(47,172)
Depreciation for Year	(15,299)	-	(15,299)
Disposals (b)	4,701	-	4,701
Accumulated Depreciation at 31 December 2025	(57,770)	-	(57,770)
<b>Net Book Value at 31 December 2025<sup>65</sup></b>	<b>48,210</b>	<b>42,996</b>	<b>91,206</b>
<b>Net Book Value at 31 December 2024</b>	<b>53,127</b>	<b>25,322</b>	<b>78,449</b>

- (a) Assets Under Development relates to capital expenditure incurred on assets which are not in use by the year-end (Note 1(e)(v)). The €10.4m (2024: €54.0m) transfer from Assets Under Development to Intangible Computer Equipment was in relation to development assets completed during the year.
- (b) Disposals across the asset classes relate to the retirement of zero value assets that are no longer in use by the Central Bank

**Note 21: Banknotes in Circulation**

	2025 €000	2024 €000
Total value of euro banknotes issued into circulation by the Central Bank	54,246,025	51,422,501
Liability resulting from the ECB's share of euro banknotes in circulation	(2,822,180)	(2,767,827)
Liability according to the Central Bank's weighting in the ECB's capital key	(18,968,364)	(16,824,260)
<b>Total</b>	<b>32,455,481</b>	<b>31,830,414</b>

This item consists of the Central Bank's share of total euro banknotes issued by the Eurosystem. The total value of euro banknotes in circulation is allocated to each NCB on the last working day of each month in accordance with the banknote allocation key.

The value of the euro banknotes actually issued by the Central Bank increased in 2025 by 5.5% (2024: 5.7%), from €51.4bn to €54.2bn. The total value of banknotes in circulation within the Eurosystem increased by 2.0% in 2025 (2024: increased by 1.3%).

<sup>65</sup> Totals in the financial statements and in the tables included in the note may not add up due to rounding. The figures 0 and (0) indicate positive or negative amounts rounded to zero, while a dash (-) indicates zero.

According to the banknotes allocation key, the Central Bank had euro banknotes in circulation worth €32.5bn at year-end 2025 (2024: €31.8bn), which is remunerated at 0%. The banknotes actually issued by the Central Bank were €21.8bn (2024: €19.6bn) more than the allocated amount. This excess is remunerated at the DFR, previously the MRO rate. The average DFR for 2025 was 2.3% while the average MRO rate was 4.1% for 2024. Excess banknotes are shown in “Net Liabilities Related to the Allocation of Euro Banknotes within the Eurosystem” (Note 1(c)(ii), Note 1(c)(iii), Note 1(c)(iv), Note 2(xii), Note 28).

## Note 22: Liabilities to Euro Area Credit Institutions related to Monetary Policy Operations in Euro

	2025 €000	2024 €000
Deposit Facility (i)	75,913,897	84,118,744
Current Accounts (covering the minimum reserve system) (ii)	3,491,197	3,609,254
<b>Total</b>	<b>79,405,094</b>	<b>87,727,998</b>

- (i) The deposit facility is available to counterparties to place funds with the Central Bank on an overnight basis at the DFR. The average DFR has decreased in 2025 to 2.3% (2024: 3.7%). The average holdings of the deposit facility during 2025 have also decreased (Note 2(xi)).
- (ii) Current accounts contain the credit balances on the transaction accounts of credit institutions in the euro area that are required to hold minimum average reserve deposits, excluding funds of credit institutions that are not freely disposable and accounts of credit institutions exempt from minimum reserve requirements, with their respective NCBs for the purpose of liquidity management.

On 27 July 2023<sup>66</sup> the Governing Council decided that, starting from 20 September 2023, balances in the minimum reserve accounts will be remunerated at 0%.

## Note 23: Other Liabilities to Euro Area Credit Institutions in Euro

	2025 €000	2024 €000
Repurchase Agreements	168,888	505,764
<b>Total</b>	<b>168,888</b>	<b>505,764</b>

<sup>66</sup> Decisions of the Governing Council on the 27th of July 2023  
<https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.pr230727~7206e9aa48.en.html#:~:text=Credit%20institutions%20are%20required%20to%20hold%20a%20minimum%20amount%20equivalent,liabilities%2C%20mainly%20customers%27%20deposits.>

This item has a maturity of less than one year.

As part of the management of its investment assets, the Central Bank uses repurchase transactions with approved counterparties under GMRA legal agreements. The reduction in repurchase agreements to €168.9m (2024: €505.8m) relates to a general reduction in repurchase activities in the euro area in euro due to market dynamics (Note 1(l), Note 2(vii)).

#### Note 24: Liabilities to Other Euro Area Residents in Euro

	2025 €000	2024 €000
General Government Deposits (i)	13,527,037	21,009,641
Currency Reserve Relating to Net Proceeds of Coin (ii)	2,954	2,901
Other Liabilities	2,047	2,074
<b>Total</b>	<b>13,532,038</b>	<b>21,014,616</b>

- (i) The general government deposits include current accounts and deposits payable on demand held at the Central Bank (Note 2(xiii), Note 38(i)). Since May 2023, Government Deposits are remunerated at the €STR minus 20 basis points. The average €STR minus 20 basis points was 2.0% in 2025 (2024: 3.4%).
- (ii) The costs and proceeds of coin issue are required to be charged or credited to the Currency Reserve. The balance from that activity must be paid into the Exchequer at the direction of the Minister for Finance. Where the net proceeds of coin issue, together with expenses, result in a net cost to the Central Bank, the Minister for Finance reimburses the difference to the Central Bank. The balance on the Currency Reserve relating to coin issue is reported as an asset or liability of the Central Bank (Note 1(g), Note 38(i)). Expenses in relation to the production of coin are captured in Note 8. Expenses related to retirement benefits are included in Note 31. Details of net proceeds for the year are included in the table below:

	2025 €000	2024 €000
Coin issued into Circulation	23,006	21,896
Specimen Coin Sets	2,042	518
Sale of Old Coin	-	269
Withdrawn Irish Coin	(112)	(147)
Less Operating Costs (Note 8)(i)	(8,299)	(4,665)
<b>Net Proceeds of Coin Issue</b>	<b>16,637</b>	<b>17,871</b>
Superannuation Employer Contribution (ii)	(375)	(342)
Transfer to the Exchequer	(16,209)	(16,047)
Opening Balance	2,901	1,419
<b>Closing Balance</b>	<b>2,954</b>	<b>2,901</b>

- (i) Included in 2025 Operating Costs of €8.3m (2024: €4.7m) is €5.5m (2024: €2.3m) relating to overhead costs attributable to the provision and issuance of coin.
- (ii) Included in Superannuation Employer Contribution of €0.4m is €0.3m relating to pension expenses for staff involved in providing local overhead services.

As a result of the Finance Act, 2002, and as directed by the Minister for Finance, the Central Bank is required to transfer the net proceeds from the issue of coin directly to the Exchequer or receive the net receipts of coin directly from the Exchequer. As noted in the table above, there was a net issuance of coin amounting to €23.0m (2024: net issuance €21.9m) from the Central Bank in 2025. As a result, this generated a transfer of €16.2m which was paid to the Exchequer on 15 December 2025 (2024: €16.0m paid to the Exchequer).

### Note 25: Liabilities to Non-Euro Area Residents in Euro

	2025 €000	2024 €000
EU Agencies (i)	6,876	884,108
International Financial Institutions	5,026	5,103
<b>Total</b>	<b>11,902</b>	<b>889,211</b>

The balances above have a maturity of less than one year.

- (i) The decrease in EU Agencies largely relates to the Single Resolution Board (SRB) cash account with the Central Bank which was Nil at year end 2025 (2024: €882.5m).

### Note 26: Liabilities to Euro Area Residents in Foreign Currency

	2025 €000	2024 €000
Repurchase Agreements	-	115,119
<b>Total</b>	<b>-</b>	<b>115,119</b>

This item has a maturity of less than one year.

As part of the management of its investment assets, the Central Bank uses repurchase transactions with approved counterparties under GMRA legal agreements. The decrease in repurchase agreements with euro area residents in foreign currency to Nil (2024: €115.1m) relates to a general decrease in repurchase activities in the euro area in foreign currency due to market dynamics (Note 1(i), Note 2(vii), Note 12(ii)).

**Note 27: Counterpart of Special Drawing Rights Allocated by the IMF**

	2025 €000	2024 €000
Counterpart of SDR allocated by the IMF	4,757,959	5,120,481
<b>Total</b>	<b>4,757,959</b>	<b>5,120,481</b>

This is the liability of the Central Bank to the IMF in respect of the allocation of Special Drawing Rights (SDR) to Ireland. (Note 1(c)(x), Note 2(vi), Note 3(ii)(a), Note 11(i)).

**Note 28: Net Liabilities Related to the Allocation of Euro Banknotes within the Eurosystem**

	2025 €000	2024 €000
Liability according to the Bank's weighting in the ECB's capital key	18,968,364	16,824,260
Liability resulting from the ECB's share of euro banknotes in circulation	2,822,180	2,767,827
<b>Total</b>	<b>21,790,544</b>	<b>19,592,087</b>

This item consists of the liability of the Central Bank vis-à-vis the Eurosystem in relation to the allocation of euro banknotes within the Eurosystem. It represents the difference between the value of euro banknotes actually issued by the Central Bank and its banknotes allocation key share of the total Eurosystem issuance (Note 1(c)(ii), (c)(iii) and (c)(iv), Note 21). Since January 2025, the remuneration of this liability was calculated daily at the latest available DFR, previously MRO rate. The average DFR for 2025 was 2.3% while the average MRO rate was 4.1% for 2024 (Note 2(xii)).

**Note 29: Other Liabilities within the Eurosystem (net)**

	2025 €000	2024 €000
Net Result of Pooling Monetary Income	247,989	723,043
<b>Total</b>	<b>247,989</b>	<b>723,043</b>

This item represents the Central Bank's monetary income payable. The reduction in monetary income payable is largely as a result of the change in key reference rates in 2025. This balance represents the difference between the Central Bank's pooled monetary income and the Central Bank's share of the total distributed Eurosystem monetary income (Note 1(b), Note 1(c)(ii), Note 1(c)(iii), Note 1(c)(vi), Note 6).

### Note 30: Other Liabilities

	2025 €000	2024 €000
DGS Contributory Fund Deposit (i)	1,242,213	1,214,122
Interest Accruals (ii)	202,714	311,139
Bank and Investment Firm Resolution Fund Deposit (iii)	69,542	67,952
Credit Institutions Resolution Fund Deposit (iv)	65,797	74,317
Other Liabilities (v)	34,235	40,120
Other Accruals (vi)	30,545	38,464
Insurance Compensation Fund Deposit (vii)	5,723	7,848
<b>Total</b>	<b>1,650,769</b>	<b>1,753,962</b>

- (i) The balance of €1,242.2m (2024: €1,214.1m) represents deposits with the Central Bank on behalf of the DGS<sup>67</sup>. The increase in the balance at year end 2025 relates mainly to interest earned on the DGS fund throughout the year.

<b>Movement in DGS Contributory Fund Deposit</b>	2025 €000	2024 €000
Opening Balance Held with Central Bank	1,214,122	1,158,823
Interest – Income (a)	28,091	31,073
Dividends (b)	-	4,577
Other (c)	-	19,649
<b>Closing Balance Held with Central Bank</b>	<b>1,242,213</b>	<b>1,214,122</b>

(a) 2025 interest income up to 30 September 2025. Quarter four interest will be paid to the Fund in April 2026.

(b) No dividends arising from previous liquidations were transferred to the DGS Contributory Fund in 2025.

(c) There were no amounts included under Other for 2025 reflecting that there was no requirement for prior year adjustments in 2025.

<sup>67</sup> Under the European Union (Deposit Guarantee Schemes) Regulations 2015 (S.I. No. 516) (the 'DGS Regulations'), the Central Bank established the DGS Contributory Fund in 2016. During the build-up phase of the Fund, credit institutions were required to contribute to the Fund annually based on their covered deposits and degree of risk in order to reach an available financial means of 0.8% of covered deposits (Note 2(xiv), Note 19(viii)). The 0.8% target level funding for the DGS Contributory Fund was met following receipt of payments from the 2023 levying cycle with the result that there was no requirement in either 2024 or 2025 to levy member credit institutions. Future member contributions will be driven by increases in aggregate covered deposits in order to maintain the DGS and any requirement to replenish the Fund should an invocation occur. Under Regulation 18(1) of the DGS Regulations, the DGS Contributory Fund is to be managed and administered by the designated authority (the Central Bank) and under Regulation 18(2), the designated authority shall invest the Fund in a low-risk and sufficiently diversified manner. The Central Bank prepares separate non-statutory financial statements for the scheme.

- (ii) This figure primarily relates to the accrued interest expense on Government Deposits, Credit Institutions Deposits and Banknotes remuneration balances. The accrued interest has decreased due to lower average holdings of deposit balances and reduction in key Eurosystem interest rates during 2025 (Note 1(c)(iv), Note 2(xi), Note 2(xii), Note 2(xiii)).
- (iii) The BIFR was established in 2015 under the European Union (Bank Recovery and Resolution) Regulations 2015. The balance of €69.5m (2024: €68.0m) represents deposits with the Central Bank on behalf of the Fund. The increase in the balance held reflects interest earned on the balance held at the Central Bank. The Central Bank is responsible for the management and administration of the Fund and separate financial statements are prepared by the Central Bank for the Fund (Note 2(xvii)).
- (iv) The CIRF was established in 2011 under the Central Bank and Credit Institutions (Resolutions), Act 2011. The balance of €65.8m (2024: €74.3m) represents deposits with the Central Bank on behalf of the Fund. The decrease in the balance held reflects primarily the repayment of the advance from the minister of €10.0m in 2025, partially offset by interest earned on the balance held at the Central Bank. The Central Bank is responsible for the management and administration of the Fund and separate financial statements are prepared by the Central Bank for the Fund (Note 2(xvi), Note 38(v)).
- (v) The movement in other liabilities primarily relates to a decrease in the Superannuation Fund and capital accounts.
- (vi) Included in other accruals is €11.2m (2024: €10.1m) in respect of untaken annual leave (Note 8(i)), capital project accruals €2.5m (2024: €9.7m) and shared Eurosystem project costs yet to be invoiced €4.0m (2024: €5.2m).
- (vii) The balance of €5.7m (2024: €7.8m) represents deposits with the Central Bank on behalf of the ICF<sup>68</sup>. The decrease in the balance in 2025 is due to further repayments of the Minister's loan Note 38(iv).

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<sup>68</sup> The Insurance Act, 1964 provided for the establishment of the ICF to meet certain liabilities of insolvent insurers, to provide for the making of a grant and loans to the Fund by the Minister for Finance and contributions to the ICF by insurers, and for those and other purposes to amend and extend the Insurance Acts, 1909 to 1961 (Note 2(xviii), Note 38(iv)). In accordance with Section 2 (2) of the 1964 Act, the ICF is maintained and administered under the control of the President of the High Court acting through the Accountant. The Insurance (Amendment) Act 2018 provided for the transfer of the administration of the ICF to the Central Bank. The Central Bank took over the responsibility for the administration of the ICF from the Courts of Justice on 25 August 2018. A separate Report on Administration and Movement of the ICF is prepared by the Central Bank.

### Note 31: Retirement Benefits

An FRS 102 actuarial report was completed by Lane Clark Peacock (LCP), the Central Bank's actuaries, as at 31 December 2025. A full valuation is carried out on a triennial basis, with the last valuation being carried out as at 31 December 2022, to comply with section 56 of the Pensions Act. The next full actuarial valuation of the Scheme, based on figures as at 31 December 2025, is due to be completed in quarter 3 2026 in line with Pension reporting.

As at 31 December 2025, there was no previously unrecognised surplus deducted from settlements or curtailments and no gains or losses on any settlements or curtailments.

#### (i) Amount charged to Profit and Loss and Appropriation Account

	Profit and Loss 2025 €000	Profit and Loss 2024 €000
Expected Return on Pension Fund Assets	38,400	33,100
Interest on Pension Scheme Liabilities	(38,000)	(35,200)
Current Service Cost (a)	(27,700)	(27,600)
<b>Total Pension Cost of Defined Benefit Scheme</b>	<b>(27,300)</b>	<b>(29,700)</b>

(a) Current service costs charged to the Profit and Loss and Appropriation Account in 2025 was €27.7m (2024: €27.6m) and is based on actuarial assumptions set at the beginning of each year, based on the preceding year (Note 1(f)).

#### (ii) Actuarial Gain/(Loss) on Pension Scheme

Year Ended 31 December	2025 €000	2024 €000	2023 €000	2022 €000	2021 €000
Actuarial Gain/(Loss) on pension liability	192,381	12,499	(59,223)	734,014	178,361
Actuarial Gain/(Loss) on plan assets	31,729	54,211	45,388	(90,372)	83,490
<b>Total</b>	<b>224,110</b>	<b>66,710</b>	<b>(13,835)</b>	<b>643,642</b>	<b>261,851</b>

The net adjustment to the Central Bank's reserves amounts to a gain of €224.1m (2024: €66.7m), primarily due to an increase in the discount rate to 4.3% (2024 3.4%) and a gain on Scheme assets (Note 34(ii)).

#### (iii) Balance Sheet Recognition

Year Ended 31 December	2025 €000	2024 €000	2023 €000	2022 €000	2021 €000
Present value of Wholly or Partly Funded Obligations (iv)	(988,539)	(1,116,570)	(1,066,777)	(953,902)	(1,608,408)
Fair Value of Plan Assets (v)	1,236,438	1,127,984	1,002,859	893,740	945,093
<b>Net Pension Surplus/(Liability)</b>	<b>247,899*</b>	<b>11,414</b>	<b>(63,918)</b>	<b>(60,162)</b>	<b>(663,315)</b>

\* A balance of €248.2m is reported on the Balance Sheet. The difference is due to projected asset value used for 31 December 2021 and 31 December 2025 being used. Actual asset value used in 2022, 2023, and 2024.

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the “projected units” method. An excess of scheme assets over scheme liabilities is presented on the Balance Sheet as an asset.

#### (iv) Movement in Scheme Obligations

	2025 €000	2024 €000	2023 €000	2022 €000	2021 €000
Opening Present Value of Scheme Obligations	(1,116,570)	(1,066,777)	(953,902)	(1,608,408)	(1,697,988)
Current Service Cost	(27,700)	(27,600)	(22,300)	(66,000)	(75,100)
Past Service (Cost)	-	-	-	-	(6,500)
Pensions Paid	20,321	18,836	19,601	17,943	17,273
Employee Contributions	(18,802)	(18,120)	(16,134)	(14,991)	(13,930)
Transfers Received	(169)	(208)	(519)	(360)	(324)
Interest on Pension Scheme Liabilities	(38,000)	(35,200)	(34,300)	(16,100)	(10,200)
Actuarial Gain/(Loss)	192,381	12,499	(59,223)	734,014	178,361
<b>Closing Present Value of Scheme Obligations</b>	<b>(988,539)</b>	<b>(1,116,570)</b>	<b>(1,066,777)</b>	<b>(953,902)</b>	<b>(1,608,408)</b>

#### (v) Movement in Fair Value of Plan Assets

	2025 €000	2024 €000	2023 €000	2022 €000	2021 €000
Opening Fair Value of Plan Assets (Bid Value)	1,127,984	1,002,859	893,740	945,093	829,418
Expected Return	38,400	33,100	32,200	9,500	5,000
Actuarial Gain/(Loss)	31,729	54,211	45,388	(90,372)	83,490
Employer Contribution	39,675	38,322	34,479	32,111	30,204
Employee Contributions	18,802	18,120	16,134	14,991	13,930
Pensions Paid	(20,321)	(18,836)	(19,601)	(17,943)	(17,273)
Transfers Received	169	208	519	360	324
<b>Closing Fair Value of Plan Assets (Bid Value)*</b>	<b>1,236,438**</b>	<b>1,127,984</b>	<b>1,002,859</b>	<b>893,740</b>	<b>945,093**</b>

\* Included in the fair value of plan assets are two bank accounts - the Superannuation Capital Account and the Superannuation Working Account held with the Central Bank. The balance on the Superannuation Capital Account and Superannuation Working Account as at 31 December 2025 was €0.04m (2024: €1.5m) and €5.2m (2024: €8.5m) respectively.

\*\* Projected asset value used for 31 December 2021 and 31 December 2025. Actual asset value used in 2022, 2023 and 2024.

The net return on assets over the year of 6.2% (2024: 8.7%) is the expected return and actuarial gain as a percentage of the closing fair value of plan assets (bid value) as at 31 December 2024.

#### (vi) Financial Assumptions

	2025 %	2024 %	2023 %	2022 %	2021 %
Discount Rate	4.25	3.40	3.30	3.60	1.00
Rate of Increase in Pensionable Salaries	Inflation + 1.40%	Inflation + 1.40%	Inflation + 1.40%	Inflation + 1.40%	3.40
Rate of Increase in Pensions	Inflation + 1.40%	Inflation + 1.40%	Inflation + 1.40%	Inflation + 1.40%	3.40
Rate of Price Inflation	2.00	2.00	2.00	2.00	2.00

LCP produce a sensitivity analysis which shows the impact of a 0.1% increase/decrease in the discount rate which would lead to a corresponding decrease/increase of approximately 2.1%/2.1% (2024: 2.3%/2.3%) in scheme liabilities.

#### Demographic and Other Assumptions

Irish Life Tables No 17 (ILIT17) (males) and ILT17 (females) are both published mortality tables prepared by the Central Statistics Office in Ireland. The life expectancies are calculated using the mortality rates in these tables.

	2025	2024
Mortality Pre Retirement	90% ILT17 (males) 90% ILT17 (females)	90% ILT17 (males) 90% ILT17 (females)
Mortality Post Retirement	90% ILT17 (males) 90% ILT17 (females)	90% ILT17 (males) 90% ILT17 (females)
Allowance for future improvements in mortality	Yes	Yes
Retirements	Age between 60 and 65 at which 40 years' service completed (for those with option to retire at 60)	Age between 60 and 65 at which 40 years' service completed (for those with option to retire at 60)
Ill Health Retirement	Allowance made	Allowance made
Early Retirement	No allowance	No allowance
Withdrawals	No allowance	No allowance
Percentage married	90%	90%
Age difference between spouses	A male is assumed to be 3 years older than his spouse	A male is assumed to be 3 years older than his spouse
<b>Life Expectancy</b>		
At age 65	Male: 87.5 Female: 89.7	Male: 87.4 Female: 89.6

**(vii) Plan Assets of the Scheme**

Class	Distribution	Long Term Distribution
	%	%
Equities	51.7	50.0
Bonds	40.8	40.0
Property	6.9	10.0
Cash	0.6	-
<b>Total</b>	<b>100</b>	<b>100</b>

In September 2024, the Commission approved the long-term strategic allocation to 50:40:10 equities/bonds/property. The Fund does not invest directly in property occupied by the Central Bank.

**Note 32: Provisions**

The following amounts relate to the Central Banks' provisions as of 31 December 2025:

	Opening Balance 2025 €000	Created €000	Utilised €000	Released to P&L €000	Closing Balance 2025 €000
Provision for financial risks (i) Unredeemed Irish Pound Banknotes (ii)	2,072,521	-	(104,616)	-	1,967,905
<b>Total</b>	<b>2,075,174</b>	<b>-</b>	<b>(105,171)</b>	<b>-</b>	<b>1,970,003</b>

The following amounts relate to the Central Banks' provisions as at 31 December 2024:

	Opening Balance 2024 €000	Created €000	Utilised €000	Released to P&L €000	Closing Balance 2024 €000
Provision for financial risks (i) Unredeemed Irish Pound Banknotes (ii) Eurosystem Securities (iii)	2,867,905	-	(795,384)	-	2,072,521
<b>Total</b>	<b>2,871,726</b>	<b>-</b>	<b>(795,831)</b>	<b>(721)</b>	<b>2,075,174</b>

- (i) The Central Bank has a provision for financial risks (Note 36). The provision follows a comprehensive assessment of the relevant financial risks to which the Central Bank is exposed, and which fall within the scope of the Guideline. The assessment identified an interest rate mismatch on the Balance Sheet, meaning the Central Bank is exposed to a scenario where interest rates on liabilities increase more rapidly relative to assets over the medium term, and the provision corresponds to such a scenario. The analysis was conducted based on the Central Bank's year-end Balance Sheet and utilised a financial model to quantify

a range of potential loss figures relating to this risk. Given the large amount of uncertainty associated with measuring interest rate risks over the medium term, judgment and estimation were used in evaluating the risk and to determine an appropriate provision.

A provision of €1,967.9m is included in the 2025 statement of accounts, which has decreased compared to the provision for the same risk in 2024 of €2,072.5m. This is due to the utilisation of €104.6m of the provision to cover financial losses driven by interest rate mismatch on the Balance Sheet which were incurred during 2025. Risks arising from the interest rate mismatch on the Balance Sheet of the Central Bank remain covered by this provision (Note 1(m)(ii), Note 3(iii)).

- (ii) Irish pound banknotes formerly issued by the Central Bank ceased to be legal tender with effect from 9 February 2002. Since then, the Central Bank has maintained a provision for outstanding IEP banknotes from which €0.6m was redeemed in 2025 leaving the balance in the provision at €2.1m as at 31 December 2025 (2024: €2.7m) (Note 35(iii)).
- (iii) This item relates to the dissolving a provision established in 2023 against losses in monetary policy operations portfolio. The closing balance relating to this provision is Nil in 2024 and there is no movement in 2025 (2024: €0.7m) (Note 6(ii)).

### Note 33: Revaluation Accounts

	2025 €000	2024 €000	Net Movement in Unrealised Gains €000
Gold (i)	1,059,557	611,876	447,681
Foreign Currency (ii)	107,905	579,007	(471,102)
Equities (iii)	152,250	223,929	(71,680)
BIS Funds (iv)	30,571	34,502	(3,930)
Securities (v)	25,555	25,931	(376)
<b>At 31 December</b>	<b>1,375,838</b>	<b>1,475,245</b>	<b>(99,407)</b>

- (i) The increase in the balance of gold at year-end 2025 is due to the change in the market value of gold holdings (Note 1(j)(iv), Note 10).
- (ii) The decrease in the foreign currency value at year-end 2025 is mainly as a result of increased foreign exchange rates on the USD, CNY and SGD currencies compared to year-end 2024 (Note 1(j)(i), Note 3(ii)(a), Note 11(ii)(a), Note 12(i), Note 19(iii), Note 36)

The foreign exchange rates used vis-à-vis the euro for the year-end 2025 valuations are as follows:

Currency	2025 Rate	2024 Rate
Australian Dollar (AUD)	1.7581	1.6772
Canadian Dollar (CAD)	1.6088	1.4948
Chinese Renminbi (CNY)	8.2262	7.5833
Danish Krone (DKK)	7.4689	7.4578
Japanese Yen (JPY)	184.0900	163.0600
Korean Won (KRW)	1,696.94	1,532.15
Pound Sterling (GBP)	0.8726	0.8292
Special Drawing Rights (SDR)	0.8579	0.7972
Singapore Dollar (SGD)	1.5105	1.4164
Swedish Krona (SEK)	10.8215	11.4590
Swiss Franc (CHF)	0.9314	0.9412
US Dollar (USD)	1.1750	1.0389
The gold prices used were:		
Euro per fine ounce	3,669.1060	2,511.069

- (iii) The decrease in the value of the equities is due to the banks final transfer of the MSCI World Global Equity Index fund to the MSCI PAB Overlay Sustainable Equity Index 2025, increasing the banks equity book value, which in turn has reduced revaluation gains (Note 1(j)(ii), Note 1(k), Note 19(i), Note 36).
- (iv) The decrease in the value of the BIS funds is mainly due to lower KRW fund prices at year-end 2025 compared to year-end 2024. (Note 1(j)(ii), Note 1(k), Note 3(ii)(a), Note 19(iii), Note 36).
- (v) The movement in the value of securities is due to a reduction in market prices across the MTM portfolio. (Note 1(j), Note 11(ii)(a), Note 12(i), Note 13(i), Note 15(ii)(b)).
- (vi)

### Note 34: Capital and Reserves

	Capital (i) €000	General Reserve €000	Currency Reserve €000	Total €000
<b>At 1 January 2025</b>	<b>30</b>	<b>5,919,530</b>	<b>351,648</b>	<b>6,271,208</b>
Retained profit for the year (ii)	-	-	-	-
Actuarial Gain on Pension Scheme (iii)	-	224,110	-	224,110
<b>At 31 December 2025</b>	<b>30</b>	<b>6,143,640</b>	<b>351,648</b>	<b>6,495,318</b>

	Capital (i) €000	General Reserve €000	Currency Reserve €000	Total €000
<b>At 1 January 2024</b>	<b>30</b>	<b>5,852,820</b>	<b>351,648</b>	<b>6,204,498</b>
Retained profit for the year (ii)	-	-	-	-

Actuarial Gain on Pension Scheme (iii)	-	66,710	-	66,710
<b>At 31 December 2024</b>	<b>30</b>	<b>5,919,530</b>	<b>351,648</b>	<b>6,271,208</b>

- (i) The authorised capital of the Central Bank is fixed under Section 9(1) of the Central Bank Act, 1942 (as amended) at €50.8k. Issued and paid-up capital is €30.5k all of which is held by the Minister for Finance. The balance is payable as and when agreed by the Commission and the Minister for Finance.
- (ii) Under the Central Bank of Ireland (Surplus Income) Regulations, 1943, the Commission approved no transfer from the Profit and Loss and Appropriation account to the general reserve (Note 9).
- (iii) There was a transfer from the Pension Asset Account of €224.1m (2024: €66.7m), resulting in an increase in the general reserve of €224.1m at year-end (Note 31(ii)).

## Note 35: Contingent Liabilities and Commitments

### Contingent Liabilities

#### (i) *Bank for International Settlements*

The Central Bank holds 8,564 shares in the Bank for International Settlements, of which 2,564 are fully paid up. The Central Bank has a contingent liability in respect of the balance (Note 1(r), Note 5(i), Note 19(vi)).

#### (ii) *Capital and Foreign Reserve Assets Pledged to the ECB*

Under the Statute of the ESCB the Central Bank may be called upon in the future, along with all other participating NCBs, to transfer further amounts of capital (Article 28) and foreign reserve assets (Article 30) to the ECB (Note 1(r), Note 16, Note 17).

#### (iii) *Irish Pound Banknotes*

The Central Bank has a contingent liability in relation to Irish pound banknotes that are no longer legal tender and that may be presented at a future date. At 31 December 2025, Irish pound banknotes to the value of €221.8m (2024: €222.3m) were still outstanding, against which the Central Bank has a provision of €2.1m (2024: €2.7m) (Note 1(r), Note 32(ii)).

**(iv) Litigation**

The Central Bank has fifteen on-going legal cases (2024: eleven) which may result in a liability for the Central Bank where claims are being made against the Central Bank or where the Central Bank is seeking High Court confirmations. The Central Bank is currently defending these actions. It is premature to determine the outcome and the possible outflow of economic resources cannot be reliably estimated, therefore no provisions in respect of these cases are recognised in the Statement of Accounts (2024: None) (Note 1(r)).

**(v) IMF New Arrangements to Borrow (NAB)**

Ireland became a participant in the IMF's NAB, effective from 21 March 2023. Ireland's current NAB Credit Arrangement amounts to SDR 1,915.9m. To date, there have been no drawings made on Ireland's NAB Credit Arrangement (Note 11(i)(a)).

**(vi) Central Credit Register Data Breach**

There is an ongoing Data Protection Commission (DPC) Inquiry which was initiated in 2023 on foot of a data breach. The DPC can exercise corrective powers and impose administrative fines following an investigation. The maximum fine that the DPC can impose on the Central Bank as a public body is €1.0m.

**Commitments****(i) Operating Leases**

In September 2023, the bank entered into a 9 year lease agreement in respect of office accommodation in Brussels. There was an initial rent free period from 01 September 2023 to 28 February 2024.

<b>Future Minimum Lease Payments</b>	2025 €000	2024 €000
Not later than one year	61	113
After one year but not more than five years	83	452
After five years	34	379
<b>Total</b>	<b>178</b>	<b>944</b>
Actual Lease Payments	114	110

**Note 36: Financial Risk Management**

The Central Bank's Balance Sheet is exposed to financial risks arising as a consequence of performing its statutory roles in terms of (i) monetary policy implementation within the domestic financial sector, (ii) investment activities, (iii) operation of payments and settlement activities and (iv) as a constituent Eurosystem

NCB participating in broader monetary policy initiatives such as the APP and the PEPP. From an overall Balance Sheet perspective, these risks typically include credit, interest rate, liquidity and foreign exchange risks. Climate-related risks do not form a new risk category within the risk management process but rather are an amplifying factor of existing categories such as credit and market risks, which are managed as part of the Bank's financial risk management framework.

The Central Bank aims to control these exposures by maintaining a range of financial risk management processes to identify, assess, manage and monitor these risks within defined, internal risk management policies and by reference to Eurosystem risk-management frameworks and procedures where relevant. The Risk Committee of the Commission, supported by the Risk Management Committee (RMC), and the Financial Risk Working Group (FRWG) oversees the Central Bank's financial risk management activities, ensuring adherence to approved standards and policies.

Four main divisions of the Central Bank are engaged in the active management of the Central Bank's financial risks. The Financial Markets Division (FMD) carries out monetary policy operations on behalf of the ECB, assesses Eurosystem collateral, and carries out investment activities to manage the Central Bank's investment assets and the allocated share of the ECB's investment portfolio. The Payments and Securities Settlements Division (PSSD) is responsible for, inter alia, euro payment settlements within the Eurosystem Real Time Gross Settlement Services (TARGET) framework, the execution of back office activities relating to collateral transactions arising through the implementation of monetary policy and the settlement of transactions relating to the Central Bank's management of its own, and its share of the ECB's, investment portfolio. The Finance Division (FD) ensures accurate accounting of the Central Bank's financial position and financial reporting.

The Organisational Risk Division (ORD), as the second line of defence, is responsible for, inter alia, defining the risk management policies in addition to assessing and monitoring financial risks in conjunction with the other divisions. The Central Bank defines the investment limits frameworks, monitors both monetary and investment policy compliance, and assesses current and emerging risks within the Central Bank's Balance Sheet. The Central Bank's investment portfolios are managed in accordance with the risk management parameters, governance and control frameworks approved by the Commission. Compliance and performance relative to these policies is verified and reported to the FRWG, the RMC, the ELC (Executive Leadership Committee), and the Risk Committee of the Commission.

In accordance with the Terms of Reference of the Risk Committee of the Commission, the Head of Organisational Risk has free and confidential access to the Chair of the Committee.

The risk management policies and measures applied to each of the Central Bank's principal financial risk exposures are described below.

## Credit Risk

Credit risk is the risk of loss arising from the failure of a borrower, issuer or counterparty with obligations to the Central Bank. The Central Bank is exposed to credit risk associated with the Central Bank's investment activities and monetary policy operations, including non-standard measures such as the APP and PEPP.

Credit risk in the Central Bank's investment portfolios is controlled by a system of approved limits based primarily on external credit ratings provided by selected rating agencies. Credit exposure is mitigated on the Central Bank's investment assets by implementation and maintenance of an approved investment policy framework. Credit risks arising from Eurosystem monetary policy implementation are mitigated by applying strict eligibility criteria for counterparties and by compliance with the provisions of Article 18.1 of the Statute of the ESCB, which ensures that all Eurosystem credit operations (i.e. liquidity providing monetary policy operations and intraday credit) are based on adequate collateral. To further control this risk, the Eurosystem Credit Assessment Framework (ECAAF) ensures that the Eurosystem requirement of high credit standards for all eligible collateral assets is met. In addition, on-going risk control measures including valuation haircuts, initial and variation margins are also applied. Where applicable, the credit risk to the Central Bank is further moderated by Eurosystem loss-sharing mechanisms which distribute losses arising from monetary policy operations in proportion to the capital key of member NCBs.

Credit risk in relation to the Eurosystem non-standard monetary policy related portfolios is managed in accordance with the relevant Eurosystem frameworks. Potential losses on securities held on aggregate by the Eurosystem in the SMP, the CSPP and the CBPP3, in addition to a certain portion of the PSPP and PEPP, are borne by the Central Bank on a capital key share basis. Separately, the Central Bank's holdings of Irish government securities under the PSPP and PEPP are held on an own-risk basis.

## Interest Rate Risk

Interest rate risk refers to the risk of loss arising from adverse changes in interest rates.

A key source of interest rate risk exposure for the Central Bank relates to the sensitivity of the value of its financial assets to interest rate changes. The Central Bank mitigates this aspect of interest rate risk exposure on a portion of the investment portfolio through allocation to a hold-to-maturity portfolio. Risk management preferences in relation to the remainder of the investment assets are

expressed through an externally compiled benchmark, against which the investment portfolios are measured and managed. The interest rate risk of the Central Bank's mark-to-market portfolios is calculated and managed using modified duration which quantifies the sensitivity of the value of an investment portfolio to changes in bond yields. Value-at-Risk (VaR) and Expected Shortfall are used as supplementary measures of market risk on the Central Bank's portfolios.

Portfolios that are held at amortised cost are not sensitive to interest rate movements, this includes the Central Bank's exposures to the Eurosystem's non-standard monetary policy APP and PEPP.

Interest rate risk can also refer to the current or future risk to the Central Bank's capital and earnings arising from movements in interest rates that affect its Balance Sheet positions. In this respect, the Central Bank is exposed to an interest rate mismatch due to its holdings of fixed rate assets under the APP and the PEPP, while its related liabilities are tied to (variable) monetary policy rates. To assess this risk, the Central Bank considers its Balance Sheet positions regularly in the context of potential interest rate movements over the next number of years and calculates a range of risk measurement statistics from a distribution of profitability outcomes. Within this, VaR and Expected Shortfall are used, alongside expert judgement, to measure the level of interest rate risk on the Central Bank's Balance Sheet. As part of its assessment of interest rate risk, and the identification of a potential interest rate mismatch, the Central Bank holds a provision for financial risks. In the 2025 annual accounts, €104.6m (2024: €795.4m) of this provision was utilised to cover financial losses driven by interest rate mismatch. The Central Bank has deemed it prudent to maintain the provision for financial risks at €1,967.9m for 2025 (2024: €2,072.5m) (Note 32(i)).

### Foreign Exchange Risk

Foreign exchange risk refers to the risk of loss due to changes in exchange rates. In the context of being a member of the euro area and the consequent approach to foreign exchange intervention, the majority of the Central Bank's investment assets are denominated in euro. A strategic allocation to foreign currency denominated fixed income asset holdings is made in the context of the Central Bank's investment portfolio. The currency distribution of the investment portfolio has been established using a combination of quantitative methodologies, VaR and stress testing as well as a variety of qualitative factors. At year-end 2025, the Central Bank's portfolios were predominantly denominated in euro, in addition to an exposure to foreign currency fixed income assets, and gold holdings. The Central Bank is also exposed to currency risk through a net-asset position in IMF SDR (Note 11, Note 12, Note 2).

## Liquidity Risk

Liquidity risk is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss in the event of adverse price changes. Liquidity risk is mitigated through the allocation of a portion of the Central Bank's investment portfolio to a liquid mark-to-market portfolio. To avoid excessive concentration, investments within the mark-to-market portfolio are subject to issue limits, thereby minimising exposure to any particular issue that could create acute liquidity risk in a situation where the asset must be sold. In addition, issue limits are coupled to minimum credit ratings to moderate the likelihood of unscheduled disposals due to the potential of an issue being downgraded below the Central Bank's approved investment grade threshold.

## Externally Managed Funds

Since 2018, the Central Bank has held equities which are subject to movements in equity prices (price risk). In 2023, the Central Bank commenced replacing the existing corporate equity benchmark with an EU Paris-aligned Benchmark. This transition was completed in 2025 – the entirety of the Central Bank's equity portfolio now on a decarbonisation trajectory in line with the Paris Agreement. In 2021, the Central Bank also established holdings in externally managed bond funds, which are subject to foreign exchange risk, credit risk, and interest rate risk. Risks for external funds are managed via diversification, clearly defined investment mandates and risk limits, and risks are monitored by both the Central Bank and the investment managers on a regular basis (Note 19(i),(iii)).

## Note 37: Off-Balance Sheet Items

### (i) Unmatured Contracts in Foreign Exchange

	31 December 2025		31 December 2024	
	EUR 000	SDR 000	EUR 000	SDR 000
Unmatured Purchases	5,850	-	6,208	-
Unmatured Sales	-	(5,000)	-	(5,000)
<b>Total</b>	<b>5,850</b>	<b>(5,000)</b>	<b>6,208</b>	<b>(5,000)</b>

The outstanding amounts relate to foreign exchange contracts used for hedging certain foreign exchange exposures (Note 1(c)(viii), Note 3(i)(d)).

All foreign exchange contracts matured on 13 February 2026.

**(ii) Unmatured Contracts in Futures**

	31 December 2025			31 December 2024		
	EUR 000	USD 000	AUD 000	EUR 000	USD 000	AUD 000
Unmatured Purchases	315,000	146,000	-	620,000	273,000	-
Unmatured Sales	-	(146,000)	(10,000)	-	(273,000)	-
<b>Total</b>	<b>315,000</b>	<b>-</b>	<b>(10,000)</b>	<b>620,000</b>	<b>-</b>	<b>-</b>

These contracts are used for hedging interest rate exposure as well as making investments within approved limits (Note 1(c)(viii), Note 2(xv)). The balances include EUR, USD, and AUD investments.

All futures contracts matured on 31 March 2026.

**Note 38: Related Parties**

For the basis of preparation for related party disclosures, the Central Bank applies the criteria of FRS 102.

- (i) The Central Bank provides several services to the Minister for Finance, its sole shareholder, and to other Government departments and bodies.
- The main services provided during the year to 31 December 2025 were:
  - Provision of banking services including holding the principal accounts of Government (Note 24(i))
  - Provision and issue of coin (Note 24(ii))
  - Holding and maintaining the Register of Irish Government securities
  - Administration of borrowing and lending operations with the Eurosystem including the receipt of the funds under the SURE Programme, the temporary instrument established by the European Commission to address the impact of COVID-19 by providing loans to affected Member States
  - Act as a Depository and Fiscal Agent in relation to Ireland's membership of the IMF (Note 11(i), Note 27)
  - Operating and maintaining the Ireland Safe Deposit Box, Bank and Payment Accounts Register (ISBAR) and the Beneficial Ownership Register for Certain Financial Vehicles (BOR), as well as enabling future interconnection of such registers across EU member states, as required by legislation.
- (ii) As a participating member of the ESCB, the Central Bank has on-going relationships with other NCBs and the ECB. The main balances related to other NCBs and the ECB are:
- Interest income and interest expense on items related to monetary policy implementation (Note 2, Note 6, Note 15(i), Note 22, Note 29)

- Participating interest in the ECB capital (Note 16)
  - Claims equivalent to the transfer of foreign reserves to the ECB (Note 17)
  - TARGET Balance (Note 18)
  - Banknotes in circulation (Note 21, Note 28)
  - Provisions (Note 32)
- (iii) The Central Bank is one of three shareholders of “The Investor Compensation Company DAC” (ICCL) and provides administrative and other services to it, the costs of which are recovered from the ICCL. The Central Bank is the supervisory authority for the purpose of the Investor Compensation Act, 1998. The ICCL administers the investor compensation scheme to partially reimburse the clients of failed investment firms. During 2025 the Central Bank recovered costs of €1.2m (2024: €1.0m). At 31 December 2025 a balance of €265,631 was due from ICCL (2024: €277,764) (Note 19(viii)). The ICCL prepares its own Annual Report and audited Financial Statements.
- (iv) The Central Bank is responsible for the administration of the Insurance Compensation Fund pursuant to the Insurance (Amendment) Act 2018 which was enacted on 24 July 2018. A balance of €5.7m (2024: €7.8m) was held with the Central Bank on behalf of the Fund as at 31 December 2025 (Note 30(vii)).
- (v) The Central Bank is responsible for the management and administration of the Credit Institution Resolution Fund pursuant to Section 11(1) of the Central Bank and Credit Institutions (Resolution) Act 2011. A balance of €65.8m (2024: €74.3m) was held with the Central Bank on behalf of the Fund as at 31 December 2025 (Note 30(iv)).
- (vi) The Central Bank established a funded pension scheme on 1 October 2008, under the Central Bank and Financial Services Authority of Ireland Act, 2003. The management and administration of the scheme is operated by the Central Bank for the benefit of its employees. Details on the Central Bank’s contributions to the pension funds are set out in Note 31.
- (vii) As part of the purchase of properties in a multi-unit development, the Central Bank was required to become a member of Dublin Landings (Estate Management) Company Designated Activity Company, a company which manages the common areas surrounding the Central Bank’s North Wall Quay premises. During 2018 as part of the legal structures agreed at the time of the acquisition of the North Wall Quay building, a nominal charge totalling €100 in respect of the granting of a leasehold interest of common areas adjacent to the North Wall Quay building was made by the Central Bank to Dublin Landings (Estate Management) Company Designated Activity Company. This amount remains outstanding at year-end 2025.

(viii) As part of the purchase of the buildings known as Dublin Landings 4 and Dublin Landings 5 (the Mayor Street premises) which are located in a multi-unit development, the Central Bank was required to become a member of Dublin Landings (Car Park Management) Designated Activity Company, a company which manages the car park located at Dublin Landings, North Wall Quay.

### **Note 39: Events after the End of the Reporting Period**

#### **(i) Bulgaria joining the Eurosystem**

Following the adoption of the euro, Bulgaria joined the Eurosystem on 1 January 2026. The ECB have published a consolidated opening financial statement of the Eurosystem as at 1 January 2026, which includes the balance sheet figures of the Bulgarian National Bank. Items previously denominated in Bulgarian Lev (BGN) have been moved from items “denominated in foreign currency” to items “denominated in euro”. Transactions and balances on accounts held with residents of Bulgaria have been moved from “non-euro area” balance sheet items to “euro area” items. As a result of the change in the capital key following Bulgaria’s entry into the Eurosystem, the Central Bank’s share in the ECB’s paid up capital (capital key) remained unchanged at 1.7811% with the Central Bank’s Eurosystem key reducing from 2.1782% to 2.1525% (Note 1(c)(iii)).

#### **(ii) Sale of Spencer Dock**

Central Bank of Ireland has completed the sale of its Spencer Dock (East Wing) building to the Office of Public Works for €23.57m on the 22nd of January 2026. The building was sold at its fair value with no resulting loss to the Central Bank. The sale of Spencer Dock was a key element of the Central Bank’s longer term property strategy aligned to develop a single Dockland Campus through the purchase of North Wall Quay building and subsequent purchase of the Mayor Street building. This sale of the East Wing follows the earlier sale of Spencer Dock (West Wing) to the National College of Ireland in September 2022.

## Note 40: Financial Regulation Activities

			2025 €000	2024 €000		
<b>Funding of Financial Regulation Activities</b>	Levy Income	Current year levies	227,911	221,201		
		Prior year surplus	2,662	4,568		
		Levy Income Prepaid/Deferred (i)	(1,907)	(457)		
		<b>Levy Income (ii)</b>	<b>228,666</b>	<b>225,312</b>		
		Prior year variance on accrual (iii)	(4,500)	6,633		
		<b>Total Levy Income</b>	<b>224,166</b>	<b>231,945</b>		
		A				
	Provisions	Opening Provisions for Unpaid Levies	1,871	2,708		
		Levies Written Off	(457)	(862)		
		Closing Provisions for Unpaid Levies (iv)	(2,641)	(1,871)		
		<b>Charge for Year</b>	<b>(1,227)</b>	<b>(25)</b>		
		B				
	<b>Financial Regulation Net Industry Funding (Note 7(i))</b>		<b>C (A+B)</b>	<b>222,939</b>	<b>231,920</b>	
	Other Income	Securities Market Fees	3,934	4,024		
Additional Supervisory Levy		2,461	1,706			
Miscellaneous		23	22			
<b>Total Other Income (Note 7)</b>		<b>6,418</b>	<b>5,752</b>			
	D					
<b>Total Income</b>		<b>E (C+D)</b>	<b>229,357</b>	<b>237,672</b>		
Subvention	Securities Market Supervision Activities	6,143	5,495			
	Other Financial Regulation Costs Not Recovered	39,566	35,727			
	Prior year variance on accrual (iii)	(5,875)	(5,708)			
	<b>Subvention from Central Bank (v)</b>	<b>39,834</b>	<b>35,514</b>			
	F					
<b>Total Funding of Financial Regulation Activities</b>		<b>G (E+F)</b>	<b>269,191</b>	<b>273,186</b>		
<b>Costs of Financial Regulation Activities</b>	Direct Expenses	Salaries / Allowances	100,587	99,692		
		PRSI	10,532	10,502		
		Pension Provision	19,259	18,539		
		<b>Staff Expenses</b>	<b>130,378</b>	<b>128,733</b>		
			H			
		Training & Conferences	308	343		
		Business Travel	789	951		
		Professional Fees	1,652	3,987		
	Other Non-Pay	2,122	2,111			
	Communications & IT	1,143	781			
	Facilities, Rent, Contract labour, Depreciation	1,396	2,190			
	<b>Non-Pay Operating Expenses</b>	<b>7,411</b>	<b>10,363</b>			
		I				
		<b>Total Direct Expenses</b>	<b>J (H+I)</b>	<b>137,789</b>	<b>139,096</b>	
Support Services	Premises & Facilities	19,197	18,933			
	Information Technology Services	67,607	61,752			
	Human Resources	8,705	8,943			
	Other Services	48,020	46,841			
	<b>Total Support Services (vi)</b>	<b>143,529</b>	<b>136,469</b>			
	K					
Provisions	<b>Restructuring Charge for Year</b>	-	-			
Other Income	<b>Miscellaneous Receipts</b>	<b>1,252</b>	<b>(430)</b>			
Costs Excluded	<b>Non Financial Regulation activities (vii)</b>	<b>(2,884)</b>	<b>(2,757)</b>			
Costs reallocated	<b>NCID levy costs</b>	<b>(121)</b>	<b>(116)</b>			
	<b>Prior year variance on accrual (iv)</b>	<b>(10,375)</b>	<b>925</b>			
	P					
<b>Total Costs of Financial Regulation Activities</b>		<b>Q (J+K+L+M+N+O+P)</b>	<b>269,191</b>	<b>273,186</b>		

Totals in the financial statements and in the tables included in the note may not add up due to rounding.

### (i) Levy Income Prepaid/Deferred

Levy income prepaid includes income of €1.9m which aims to smooth the effects of year-on-year changes in financial regulation costs.

Significant increases in regulatory costs occurred within the Retail Credit & Credit Servicing Firms (RCF/CSF) sector in 2021 and 2022, due to increased regulatory and supervisory oversight. The Bank took the decision to defer part of the RCF/CSF 2021 and 2022 levy, mainly attributed to work on Distressed Debt, and to collect those amounts in equal instalments in the subsequent two levy cycles. 2023 levy income included a deferred levy of €1.0m (50% of 2021 deferral of €1.1m and 50% of 2022 deferral of €0.9m). 2024 levy income includes the final such instalment of deferred levy income of €0.5m, being 50% of the 2022 deferral of €0.9m.

### (ii) Levy Income

	2025 Levy Income Estimate	2024 Actual Levy Income	2023 Deficit/ (Surplus)	Amount levied for 2024 Levies	2024 Deficit/ (Surplus)
		A (C+D-B)	B	C	D
	€000	€000	€000	€000	€000
Credit Institutions		79,846	(875)	79,137	(166)
Insurance Undertakings		51,290	(80)	51,336	(126)
Intermediaries & Debt Management Firms		9,886	(1,851)	8,038	(3)
Securities and Investment Firms		42,985	(1,632)	43,848	(2,495)
Investment Funds		16,639	(197)	16,676	(234)
Credit Unions		6,520	1	6,522	(1)
Moneylenders		376	-	374	2
Approved Professional Bodies		12	-	12	-
Bureaux de Change		24	-	22	2
Home Reversion, Retail Credit & Credit Servicing Firms		5,462	19	5,217	264
Payment Services & E-Money Institutions		8,072	46	8,126	(8)
Crowdfunding Service Providers		25	-	27	(2)
Virtual Asset Service Providers (VASPs)		130	-	28	102
<b>Total Funding</b>	<b>230,573</b>	<b>221,267</b>	<b>(4,569)</b>	<b>219,363</b>	<b>(2,665)</b>
Levy Income Deferred (i)	(1,907)	(457)			
<b>Levy Income</b>	<b>228,666</b>	<b>220,810</b>			

Levy Income represents an estimate of levies to be billed based on current year actual costs and approved recovery rates. This is adjusted for the recovery of levy income deferred (Note 40(i)) and any carried forward surplus / deficit. The table below provides a breakdown of 2024 actual levy income.

### (iii) *Prior year variance on accrual*

Prior year variance on accrual represents the difference between the 2024 levy income accrued in the 2024 Annual Accounts and the final funding requirement to cover 2024 costs. The majority of the difference between estimated and final funding requirement for 2024 relates to revised assumptions for the final levy model 2024.

	2024 Final €000	2024 Accrued €000	Variance €000
Current Year Levies	216,701	221,201	(4,500)
Prior Year Surplus	4,568	4,568	-
<b>Funding Requirement</b>	<b>221,269</b>	<b>225,769</b>	<b>(4,500)</b>
Recoup of Deferred Pension Levy Income	-	-	-
Levy Income Deferred	(457)	(457)	-
<b>2024 Levy Income</b>	<b>220,812</b>	<b>225,312</b>	<b>(4,500)</b>
Prior Year Variance on Accrual	6,634	6,634	-
<b>Total Levy Income</b>	<b>227,446</b>	<b>231,946</b>	<b>(4,500)</b>
Provision Charge	(27)	(27)	-
Other Income	5,753	5,753	-
Subvention from Central Bank	29,638	35,513	(5,875)
<b>Total Funding of Financial Regulation Activities</b>	<b>262,810</b>	<b>273,185</b>	<b>(10,375)</b>
<b>Total Costs of Financial Regulation Activities</b>	<b>262,810</b>	<b>273,185</b>	<b>(10,375)</b>

Totals in the tables included in the note may not add up due to rounding.

### (iv) *Closing Provisions for Unpaid Levies*

The Central Bank maintains provisions in respect of levies which remain unpaid at year end of €2.6m (2024: €1.9m). Levies fall due within 28 days of the invoices being issued and are reported as outstanding from day 29 onwards. The general approach is to make full provision for levies related to prior years and to make partial provision for outstanding levies related to the current year. Outstanding levies are pursued as part of the on-going debt recovery process.

### (v) *Subvention from Central Bank*

By agreement with the Minister for Finance, since 2007 the relevant proportion of the total costs of financial regulation activities has been met by the imposition of levies on the industry. The balance of the total annual costs is provided by the Central Bank in accordance with Section 32I of the Central Bank Act, 1942 (as amended).

Since 2007, the Central Bank, with the approval of the Minister for Finance, has incurred costs in respect of certain securities market supervision activities

(relating to the Prospectus, Market Abuse, Transparency and Short Selling Directives) carried out within the organisation. The total cost to the Bank of these activities is reduced by Securities Market fees, which are included in Other Income. A proportion of remaining estimated costs, relating to securities market supervision, of €6.1m (2024: €5.5m) are included in Subvention.

**(vi) Support Services**

The Financial Regulation Directorates receive various services including premises, human resources administration, accounting, internal audit, statistical and information technology services from support services directorates in the Bank. The estimated cost of these services in the current year is €143.5m (2024: €136.5m).

**(vii) Non Financial Regulation costs**

An estimated €0.7m (2024: €1.0m) of depreciation costs, associated with an area of the Central Bank buildings not being used for financial regulatory activities, has been excluded from the cost of financial regulation activities. In the same manner, estimated costs of €2.1m (2024: €1.7m), incurred in regulatory and supervisory areas of the Central Bank, which are also deemed not relating to financial regulatory activities, have been omitted from financial regulation cost.

**Note 41: Comparatives**

Certain comparative information may have been reclassified for consistency with current year disclosures.

**Note 42: Approval of Accounts**

The Commission approved the Statement of Accounts on 22 April 2026.



# Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

## Report for presentation to the Houses of the Oireachtas

### Central Bank of Ireland

#### Opinion on the statement of accounts

I have audited the statement of accounts of the Central Bank of Ireland for the year ended 31 December 2025 as required under the provisions of the Central Bank Act 1942 (as amended). The statement of accounts comprises

- the profit and loss and appropriation account
- the balance sheet, and
- the notes to the accounts, including a summary of significant accounting policies.

In my opinion, the statement of accounts gives a true and fair view of the assets, liabilities and financial position of the Central Bank of Ireland at 31 December 2025 and of its income and expenditure for 2025 in accordance with the financial reporting framework set out in note 1(b).

#### *Basis of opinion*

I conducted my audit of the statement of accounts 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 Central Bank of Ireland 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.

#### Report on information other than the statement of accounts, and on other matters

The Central Bank of Ireland has presented certain other information together with the statement of accounts. This comprises the annual report, including the summary of financial results for 2025, the governance statement and Commission members' report, 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.

#### *Impairment charge on property*

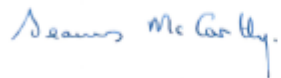
Construction and fitting out of a new office building at Mayor Street owned by the Central Bank was completed in 2023. Reflecting the deterioration in the commercial property market following the Covid-19 pandemic, the 2023 statement of accounts recognised an impairment of €156.9 million in respect of the building. Due to the Central Bank's own reduced requirement for accommodation, part of the building was offered for rent.

As disclosed in notes 8(iv) and 20(i), the 2025 statement of accounts recognise a further impairment charge of €16.3 million in respect of the Mayor Street building. The additional impairment charge reflects the further reduction in the market value of the building due to the assessed oversupply of office space in Dublin and the estimated €3.9 million per annum in rental income foregone due to 43% of the building remaining vacant.

*Overpayment of dividend withholding tax*

As disclosed in the statement on internal control (in the section on risk management), the Central Bank has held an externally managed equity portfolio since 2018. In December 2023, it identified weakness in controls over the portfolio which led to it not receiving the benefit of lower dividend withholding tax rates in some eligible markets.

The Central Bank subsequently processed dividend withholding tax claims with the relevant tax authorities. An estimated amount of €0.4 million remains unrecoverable due to applicable statutes of limitations.



**Seamus McCarthy**  
Comptroller and Auditor General

23 April 2026

## Independent auditor's report to the Commission of the Central Bank of Ireland

### Opinion

We have audited the Statement of Accounts of the Central Bank of Ireland (the "Bank"), which comprise the Balance Sheet as at 31 December 2025, and the Profit and Loss and Appropriation Account for the financial year then ended, and the related notes to the Statement of Accounts, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Statement of Accounts is the Guideline of the European Central Bank on the legal framework for the accounting and financial reporting in the European System of Central Banks (the "Guideline"), and where the Guideline does not provide specific direction, with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, the Bank's Statement of Accounts:

- give a true and fair view of the assets, liabilities, and financial position of the Bank as at 31 December 2025 and of its profit or loss for the financial year then ended; and
- have been properly prepared in accordance with the Guideline, and where the Guideline does not provide specific direction, with FRS 102.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"), including ISA (Ireland) 800, and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the Statement of Accounts' section of our report. We are independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Bank. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the Statement of Accounts, we have concluded that the Commission's use of going concern basis of accounting in the preparation of the Statement of Accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Bank's ability to continue as a going concern for a period of at least twelve months from the date when the Statement of Accounts are authorised for issue.

Our responsibilities and the responsibilities of the Commission with respect to going concern are described in the relevant sections of this report.



# Independent auditor's report to the Commission of the Central Bank of Ireland

## **Emphasis of matter – Basis of Preparation**

We draw attention to Note 1 to the Statement of Accounts, which describes the basis of preparation which is specific to the European System of Central Banks. As a result, the Statement of Accounts may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

## **Other information**

The Commission is responsible for the other information. Other information comprises information included in 'Part 2: Financial Operations' of the annual report, other than the Profit and Loss and Appropriation Account, the Balance Sheet, the related notes to the Statement of Accounts, and the auditor's report thereon. Our opinion on the Statement of Accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Profit and Loss and Appropriation Account, the Balance Sheet, the related notes to the Statement of Accounts, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Profit and Loss and Appropriation Account, the Balance Sheet, and the related notes to the Statement of Accounts, or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of the Commission for the Statement of Accounts**

As explained more fully in the Governance Statement and Commission Members' Report, the Commission is responsible for the preparation of the Statement of Accounts in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine necessary to enable the preparation of the Statement of Accounts that are free from material misstatement, whether due to fraud or error.

In preparing the Statement of Accounts, the Commission is responsible for assessing the Bank's ability to continue as a going concern. Based on the applicable financial reporting framework, the Commission must prepare the Statement of Accounts using the going concern basis of accounting.

The Commission is responsible for overseeing the Bank's financial reporting process and for the preparation of the Statement of Accounts that give a true and fair view.

## **Auditor's responsibilities for the audit of the Statement of Accounts**

Our objectives are to obtain reasonable assurance about whether the Statement of Accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement of Accounts.

## Independent auditor's report to the Commission of the Central Bank of Ireland

### **Auditor's responsibilities for the audit of the Statement of Accounts (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>. This description forms part of our auditor's report.

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Bank's Commission, as a body, in accordance with Article 27 of the Statute of the European System of Central Banks and of the European Central Bank. Our audit work has been undertaken so that we might state to the Commission those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's Commission as a body, for our audit work, for this report, or for the opinions we have formed.



Maria Afontsenko

For and on behalf of

### **Grant Thornton**

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