Company Registered Number: 25766

ULSTER BANK IRELAND DESIGNATED ACTIVITY COMPANY

ANNUAL REPORT AND ACCOUNTS

31 December 2024

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Board of directors and secretary

Chair
Martin Murphy

Executive directors
Jane Howard
Chief Executive Officer
Marcus Ruegg
Finance Director

Independent non-executive directors
David Guest
Niamh Marshall
Mary Walsh

Non-executive directors
Richard La Mothe
Peter Norton

Board appointments in 2024
Marcus Ruegg appointed on 31 July 2024
Finance Director
Richard La Mothe appointed on 17 October 2024
Non-executive director

Board resignations in 2024
Paul Stanley resigned on 31 July 2024
Chief Financial Officer

Company Secretary
Colin Kelly resigned on 30 September 2024
Jacqueline Eyre (interim) appointed on 30 September 2024, resigned on 1 February 2025
Rachael Fitzgerald appointed on 1 February 2025

Auditors
Ernst & Young
Chartered Accountants and Statutory Auditor
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin
D02 YA40

Registered office and head office
Ulster Bank Head Office
Block B
Central Park
Leopardstown
Dublin
D18 N153

Ulster Bank Ireland Designated Activity Company
Registered in Ireland No. 25766

Report of the directors

Presentation of information

Ulster Bank Ireland Designated Activity Company ('UBIDAC', the 'Bank' or the 'Company') is a wholly-owned subsidiary of NatWest Bank Europe GmbH ('NatWest Bank Europe'). The ultimate holding company is NatWest Group plc ('NWG' or the 'ultimate holding company'). The 'Group' or 'UBIDAC Group' comprises UBIDAC and its subsidiary undertakings. 'NatWest Group' comprises the ultimate holding company and its subsidiary and associated undertakings.

The Bank publishes its financial statements in euro ('€'). The abbreviation '€bn' represents billions of euro, the abbreviation '€m' represents millions of euro and the abbreviation '€k' represents thousands of euro.

The directors of UBIDAC present their report, together with audited financial statements of the Group for the financial year ended 31 December 2024. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The Bank continues to be regulated by the Central Bank of Ireland ('CBI') and the European Central Bank ('ECB').

Phased withdrawal strategy

The Group has now materially completed its safe and orderly withdrawal from the market. The strategy governing the withdrawal process continues to be overseen by the Board and is now focused on transitioning towards the future operating model. The strategy has been underpinned by the Bank being a purpose-led organisation that "*supports customers and colleagues now and helps them to prepare for the future and finish well*". Consistent with this purpose, the Bank is committed to the guiding principle of "*acting in the best interests of customers, colleagues and stakeholders*".

The Bank, in progressing towards the final stages of its withdrawal, continued to reduce in size and complexity. The asset sales completed and the payment of a €485 million dividend to NatWest Bank Europe contributed to a €1.7 billion reduction in total assets during the financial year.

In December 2024, the Bank reached an important milestone when all remaining customer deposits transferred off its balance sheet. This means a Banking licence is no longer required to carry out its remaining operating activities and, subject to regulatory approval, the Bank intends to hand back its Banking licence and replace it with a Retail Credit Firm licence.

Principal activities

The Bank continues to provide limited services to a small number of remaining retail mortgage customers, in line with the Group's phased withdrawal strategy.

In 2024, Ulydien Trust Company Limited (the 'Trustee'), a wholly-owned subsidiary of the Bank, was authorised by the CBI to act as a trustee service company. It is a trustee of the Trust which holds eligible unclaimed funds from former customers' closed accounts and products. The Bank acts as a service provider to the Trust, operating a reclaim process on behalf of the Trustee.

Business review

During the financial year the Bank completed all remaining material milestones in the delivery of its withdrawal strategy. These included the completion of the loan portfolio sales, the closure of all retail and commercial customer accounts, the migration of eligible unclaimed funds from former customers to the Trust and the successful exit from key payment and clearing schemes. Colleague exits from the Bank continued and they were supported throughout the process.

In H1 2024, the Bank completed the sale of a portfolio of residual retail and commercial performing and non-performing exposures to AB CarVal Investors L.P., through Elmscott Property Finance DAC, following agreement reached in 2023.

In May 2024, the Bank announced that it had reached an agreement with Dilosk DAC for the sale of a c€400 million mortgage portfolio. The portfolio comprised c.4,000 mortgages, principally former offset mortgages. The Bank completed the sale of this portfolio in September 2024.

In September 2024 the final transfer of tracker and tracker-linked mortgages to Allied Irish Banks p.l.c. ('AIB') completed, following the agreement reached in 2022.

Further information on the presentation of 'Discontinued operations' and 'Assets of disposal groups' in the financial statements is included in Note 1(c) to the accounts.

During the financial year all remaining personal current and deposit accounts and business accounts were closed. Throughout this process the Bank proactively engaged with advocacy groups for customers in vulnerable positions and the Department of Social Protection to provide targeted support in helping customers move to a new provider.

For other customers whose accounts retained a residual balance of more than €100 beyond the formal six-month notice period and at the point of the account being closed, the Bank proactively sought to return these funds, via cheque issuance, to the customers. Where customers could not be contacted or issued cheques remained uncashed, a track and trace exercise was undertaken in an attempt to return the funds.

Subsequently, eligible funds from closed accounts and products that remained unclaimed were transferred to the Trust. Migration of these funds to the Trust ensures that unclaimed customer balances are safeguarded and available to beneficial owners should they seek to reclaim them in the future. The Bank, operating under a service level agreement with the Trustee, provides a dedicated reclaims process for former customers or beneficiaries of these balances.

For other remaining unclaimed customer funds arising from the accounts closure process or other means, that were ineligible for transfer to the Trust, or where the account balance was less than €100, the Bank received regulatory non-objection to donate these funds to charity. As a result, the Bank identified more than 65 charities across the island of Ireland and made a series of donations to support these organisations. Former customers or beneficiaries can still reclaim these funds from the Bank in the future.

The transfer of these remaining unclaimed customer funds to either the Trust or charity means the Bank is no longer a deposit taker and therefore no longer requires a banking licence. This represents an important milestone in the Bank's withdrawal from the market and, subject to regulatory approval, enables the Bank to transition towards its intended future operating model under a Retail Credit Firm licence.

As part of this transition process the Board remains focused on right-sizing the organisation for anticipated activity volumes and ensuring the right skills are retained to service its remaining customers and deal with queries. In doing so, the Bank is committed to providing certainty of timing to all remaining colleagues as soon as possible. This is important in ensuring colleagues can make informed decisions as they prepare for their future.

The Group recognises the impact of the phased withdrawal on colleagues and the importance of continuing to engage with and support them as they navigate this period of significant change. The Group's continued focus on colleague wellbeing and providing resources for both personal and professional development is illustrated later in this report.

In September 2024, the Court of Appeal found in favour of the Bank on almost all points following the Bank's challenge to a High Court ruling in respect of some Financial Services and Pensions Ombudsman (FSPO) adjudications on customer tracker mortgage complaints.

In December 2024, the Bank began to write to certain current and former mortgage customers who were impacted by a mortgage system-generated error, identified as part of the Bank's withdrawal process. The Bank is liaising with all financial institutions who have purchased and/or are servicers of these mortgage portfolios and will ensure that all current or former customers who suffered any detriment as a result of the issue will be remediated.

The Board continues to focus on maintaining the Group's culture which it has defined as "*the way we do things – consistently living our values to act in the best interests of our customers, colleagues and stakeholders*", and will maintain an emphasis on this throughout the remainder of the phased withdrawal process.

The Group's expected behaviours and mindsets guide our decisions and actions through living our core values of being 'inclusive' in our support of colleagues, communities and customers; 'curious' in developing skills and exploring new ways to help customers through the phased withdrawal; 'robust' in our integrity and decision making to safely deliver our phased withdrawal strategy; 'sustainable' in showing empathy and continuing to support our customers and one another for our remaining time in the market, including a focus on wellbeing; and 'ambitious' in delivering our strategy in a way that is aligned to Our Purpose and supportive of all of our stakeholders.

Our Code sets out what we expect of each other, and what our customers and communities expect of us. The 'Yes Check' tool is part of Our Code and guides our decision-making and actions as we implement our phased withdrawal strategy. Our Critical People Capabilities ensure we have the right knowledge, skills and behaviours to successfully deliver our strategy and equip our colleagues for potential roles in their future outside the Bank.

The Group's internal control framework and its corporate governance processes form essential building blocks in maintaining its culture.

Financial performance

The Group's financial performance is presented in the consolidated income statement on page 15. Comparative results have been re-presented from those previously published to reclassify certain operations as discontinued operations as described in Note 9.

The Group is reporting an operating loss before tax on continuing operations for the financial year of €187 million (2023 – €553 million). The reduction in losses on continuing operations is reflective of reduced activity as a result of the delivery of the phased withdrawal strategy.

Income

Total income of €8m in the financial year was generated primarily by net increases in the fair values of mortgages and other loans and gains from the disposal of properties, offset by attributable loan disposal transaction costs.

Operating expenses

Operating expenses decreased by €283 million to €195 million in 2024. Staff costs reduced due to a decrease in both redundancy costs and underlying staff costs as colleagues exited the Bank during the financial year. The cost of services provided by other NatWest Group companies, property costs and other phased withdrawal delivery costs also decreased as activity levels continued to decline.

Profit from discontinued operations, net of tax

The discontinued operations profit for the financial year of €118 million (2023 – €88 million loss) was driven by a net increase in the fair value of the performing mortgage loan portfolios prior to disposal and a net reduction in the provisions held in respect of mortgage customer remediation.

Return on assets

At the financial year end the total assets of the Group were €516 million (2023 - €2,184 million). Return on total assets for 2024 was -12.8% (2023 – -29.3%).

Capital ratios

Following the payment of the €485 million dividend, the Group's capital position remained strong, as evidenced by the CET1 ratio of 49.0% at 31 December 2024 (2023 – 43.1%). The reduction in total risk weighted assets (RWAs) from €1.8 billion at 31 December 2023 to €0.6 billion at the balance sheet date contributed to sustaining the strong capital ratio.

Share capital

Details of share capital can be found in Note 15.

Accounting policies

The reported results of the Group are sensitive to the accounting policies, assumptions and estimates that underpin the preparation of its financial statements. Details of the Group's critical accounting policies and key sources of estimation uncertainty are included in Notes 5, 10 and 14.

Risk management

The most significant risks in the Group's normal course of business are capital; liquidity and funding; operational; reputational; conduct; regulatory compliance and financial crime. However, the Group's risk profile is now significantly reduced.

The Group has an internal control framework to manage these risks, comprising three board-approved frameworks, a risk management framework, an operational risk framework and a compliance risk framework. These are key components in supporting the orderly execution of the phased withdrawal strategy. They are regularly reviewed by the Board as the Group's business activities change in response to the phased withdrawal strategy and regulatory and other developments.

The Group's approach to managing each of these key risks and its exposures is detailed in Note 16 to the accounts.

Principal risks and uncertainties

Set out below are the principal risks and uncertainties which may adversely affect the Group.

Risks arising from customer remediation in respect of legacy issues

The Group has now materially concluded matters relating to the CBI's Tracker Mortgage Examination. The Group has taken steps to identify and is in the process of remediating all current and former mortgage customers impacted by a system-generated error identified during the withdrawal process. Whilst the Group has reached the final stages of its withdrawal, there remains a risk that further issues may be identified that require remediation.

Environmental matters
Climate-related risk, in addition to the threat of financial loss, includes potential adverse non-financial impacts associated with climate change and the associated political, economic and environmental responses. In 2024 the Group achieved a 79% reduction in its operational Scope 1 and 2 Greenhouse Gas emissions, measured against the Group's 2019 baseline.

Social matters
Throughout the phased withdrawal the Group remains committed to acting in a socially responsible manner by honouring its commitments to its communities through continued engagement and charitable support and taking a positive environmental approach to the withdrawal from the Bank's branches and offices.

As part of its ongoing decommissioning of and exit from its premises, the Group has ensured office equipment and furniture has been reused wherever possible. Colleagues nominated local schools, charities or community groups who would benefit from the donation of any furniture or office equipment.

During the financial year colleagues continued to be encouraged to support communities and causes important to them. Each colleague is entitled to three days of volunteer leave annually and can use these to either participate in an event or activity as part of the NatWest Group 'Do Good, Feel Good' initiative or by organising their own volunteering or fundraising opportunities.

Employee matters
Since the phased withdrawal announcement, we have engaged with our colleagues and their representative bodies to provide as much certainty and clarity as possible with respect to the different stages of the withdrawal process.

Colleague engagement
The Group's purpose reflects our strategy to safely withdraw from the market, stating "*We support our colleagues and customers now and help them to prepare for the future and finish well.*"

The Bank is committed to maintaining operational stability and safely withdrawing from the market by carefully managing colleague exits. Our focus is to be a responsible and responsive employer, to support our colleagues throughout the withdrawal process and to provide resources to help colleagues prepare for a future after the Bank.

The Bank continues to actively engage with colleagues, seeking the views and feedback of those who remain in the business as the withdrawal reaches its final stages. In 2024 the Bank undertook two employee engagement surveys, held a number of all-Bank townhalls and a series of in-person and virtual team visits and colleague listening sessions with smaller groups of colleagues.

Our engagement surveys had a 69% response rate. The surveys assist us in understanding colleague sentiment and views on how to support their engagement and motivation. The two surveys showed improvements in all 12 categories when compared to 2023, including notable increases in the 'Purpose', 'Culture' and 'Trust and respect' categories. This reflects the strong ongoing collaboration and commitment to deliver our strategy in a customer focused manner and demonstrates the commitment to maintain a culture where we can support colleagues now and help them prepare for their future.

Colleagues are encouraged to report concerns relating to wrongdoing or misconduct. They can raise these in the first instance with their line manager or alternatively they can raise any concerns via 'Speak Up', the Group's anonymous whistleblowing service. Engagement surveys continue to show that a significant majority of colleagues feel safe to speak up and understand the process of how they should do that.

Career and capability
A comprehensive range of on-demand career and capability offerings, aligning with critical skills in the marketplace, are available to all remaining colleagues.

Employment of people with disabilities
The Group's policy is that people with disabilities are always considered for employment, subsequent training and career development based on merit. If colleagues develop a disability, it is the Group's policy, wherever possible, to retain them in their existing jobs or to re-deploy them in suitable alternative duties, making appropriate adjustments.

Diversity, equity and inclusion
The Group's Diversity, Equity and Inclusion strategy, along with Our Values, promotes diversity in all areas of employment. The principal aim of our Diversity, Equity and Inclusion strategy is to provide an inclusive culture and environment in which all colleagues can bring the best of themselves to work.

Maintaining a working environment throughout the withdrawal process in which all our colleagues can develop is important to us irrespective of age, gender, race, disability, religion, sexual orientation, marital or civil partnership status, family status (i.e. having dependents) or membership of the traveller community. We work to avoid limiting colleagues' potential through bias, prejudice or discrimination. The Group recognises the beneficial contribution of a diverse mix of uniquely talented individuals for the delivery of great service to our remaining customers.

Key principles of the Group's Diversity, Equity and Inclusion Policy include that we motivate and retain the best talent; we base the employment relationship on the principles of fairness, respect and inclusion; and we comply with laws on equality and with Our Code. Our Code sets out the Group's expected behaviours and standards of conduct, to build and develop an inclusive workforce which helps to understand and respond to our remaining customers.

Safety, health and wellbeing
The Group is committed to the health and safety of colleagues and complying with all health and safety legislation. Colleagues must complete mandatory training in order to familiarise themselves with the Group's health and safety policies and guidelines.

Wellbeing is central to the Group's purpose in helping our colleagues bring the best of themselves to work and to prepare for the future. Comprehensive activities and supports across Mental, Physical, Social and Financial wellbeing are in place with a range of events, open for participation to all colleagues, held throughout 2024. As part of the NatWest Group, colleagues can also use the Employee Assistance Programme, a free, independent helpline and support service available 24/7, as well as for up to 12 months after leaving the Bank via redundancy.

Board of directors

The Board is the main decision-making forum of the Bank. It has overall responsibility for oversight of the business and affairs of the Group, its strategy and the allocation and management of capital, and is accountable to its shareholder for financial and operational performance.

The Board considers strategic issues and ensures the Bank manages risk effectively through approving and monitoring the Bank's risk appetite, considering Group stress scenarios and agreed mitigants and identifying strategic threats to the Bank's business operations and withdrawal plan. There is less likelihood of impacts from stress scenarios given the phased withdrawal progress. The Board's Terms of Reference include key aspects of the Bank's affairs reserved for the Board's decision and are reviewed at least annually.

The roles of Chair and Chief Executive Officer are distinct and separate, with a clear division of responsibilities. The Chair leads the Board and ensures the effective engagement and contribution of all executive, non-executive and independent non-executive directors. The Chief Executive Officer has responsibility for all Group businesses and acts in accordance with authority delegated by the Board.

The non-executive directors, the majority of whom are independent, combine broad business and commercial experience with objective judgement to provide constructive challenge to the executive directors and leadership team. The independent non-executive directors provide a further layer of independent challenge and oversight.

Board and Executive Committees with delegation from the Board include:

The Audit Committee - comprises at least three members who are all non-executive directors, with a majority of independent non-executive directors. The committee assists the Board in discharging its responsibilities for the disclosure of the financial affairs of the Group. It reviews the accounting policies and financial reporting of the Group, the Group's systems and standards of internal control and monitors the Group's processes for internal audit and external audit. The committee is also responsible for approving lending to related parties, which is regulated under the CBI Code of Practice on Related Party Lending 2022.

The Board Risk Committee - comprises at least three members who are all non-executive directors, with a majority of independent non-executive directors. It provides oversight and advice to the Board on current and potential future risk exposures of the Group and risk strategy. It reviews the Group's performance on risk appetite and oversees the operation of the Group Internal Control Framework.

The Nominations Committee - comprises at least three members who are all non-executive directors, with a majority of independent non-executive directors, and is chaired by the Board Chair. The committee is responsible for recommending to the Board: (i) suitable candidates to Pre-approval Controlled Function roles and senior management positions; (ii) ensuring succession plans are in place for both Board and senior management positions; and (iii) reviewing the structure, size and composition of the Board, making recommendations with regard to any changes required.

The Performance and Remuneration Committee - comprises at least three members who are all independent non-executive directors. The committee advises the Board on remuneration matters.

The Executive Committee - comprises the Group's senior executives and supports the CEO in managing the Group's business. It oversees the implementation of the strategic withdrawal programme and monitors financial performance and capital allocation.

Directors and secretary

The directors and secretary who served at any time during the financial year and up to the date of signing are listed on page 3.

In accordance with the Constitution, the directors are not required to retire by rotation.

Corporate Governance Requirements for Credit Institutions

The Corporate Governance Requirements for Credit Institutions 2015 ("the Code") imposes standards on all credit institutions licensed or authorised by the CBI with additional requirements on credit institutions which are designated as significant. The Bank has been designated as a significant credit institution and is therefore subject to the additional requirements for significant designated credit institutions included within Appendices 1 and 2 of the Code.

Directors' compliance statement

In accordance with the provisions of Section 225 of the Companies Act 2014, the directors acknowledge that they are responsible for securing the Group's compliance with the relevant obligations, as defined by the Act. The directors confirm that:

- a compliance statement has been drawn up setting out the Group's policies in relation to complying with the relevant obligations;
- appropriate measures are in place that are designed to ensure material compliance with the relevant obligations; and
- a review of these measures has been carried out during the financial year.

Accounting records

The measures taken by the directors to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the employment of suitably qualified accounting personnel, the maintenance of appropriate computerised accounting systems and the exercising of financial and other controls over the systems and data. The Company's accounting records are maintained at the Company's registered office at Ulster Bank Head Office, Block B, Central Park, Leopardstown, Dublin, D18 N153.

Basis of preparation of accounts

The Group's business activities, together with the factors likely to affect its future development, performance and position, including potential risks and uncertainties, are set out in this report on pages 4 to 5.

The financial position of the Group, its cash flows, liquidity position, capital and funding sources are set out in the financial statements.

Notes 10, 16 and 27 to the accounts include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its management of risk.

After the completion of the asset sales the Group is in a strong liquidity position. At 31 December 2024 the Group had €444 million of cash at bank or overnight cash placement balances against €158 million of liabilities. This is supplemented by a €50 million contingent liquidity facility with NatWest Bank Plc that is undrawn.

The Group maintained a strong capital position throughout the financial year, supporting the payment of the €485 million dividend in December 2024. The CET1 ratio at 31 December 2024 was 49.0% (2023 – 43.1%).

The directors, having considered the Group's capital and liquidity position as set out above, have concluded that the Group has the ability to pay its debts as they fall due and therefore has the ability to continue as a going concern for the foreseeable future.

In the preparation of the financial statements the directors concluded that they had demonstrated their intention to cease trading based on the cessation of new lending, the closure of all current and deposit accounts and the transfer of residual customer funds to the Trust. Based on that intention to cease trading, in accordance with IAS 1 and consistent with the prior financial year, these financial statements have been prepared on an 'other than going concern' basis. The directors currently have no intention to liquidate the Company.

The adoption of the 'other than going concern' basis of preparation has not resulted in the departure from any of the recognition or measurement criteria of IFRS, nor have any assets or liabilities been reclassified as a result.

Interests in shares or debentures

At 1 January and 31 December 2024, the directors and secretary did not have any interests in the shares or debentures of NatWest Group plc representing more than 1% of the nominal value of its issued share capital.

Investments in Group undertakings

Details of the Bank's investments in Group undertakings are shown in Note 23. All of the Group undertakings are included in the Group's consolidated financial statements and all have an accounting reference date of 31 December.

Country-by-country reporting

The Bank has opted to publish the information required under Section 77 of Statutory Instrument No.158 of 2014 on its website: www.ulsterbank.ie.

Political donations

During the financial year the Group did not make any political donations (2023 - nil).

Dividends

The Board approved and paid an interim dividend of €485 million during the financial year (2023 – €1.1 billion). The directors do not recommend the payment of a final dividend in respect of the financial year (2023 - nil).

Post balance sheet events

There have been no significant events between the financial year end and the date of approval of the financial statements which would require a change to or additional disclosure in the financial statements.

Auditors

The auditors, Ernst & Young, Chartered Accountants and Statutory Audit Firm, were appointed on 20 April 2016 and will continue in office in accordance with the Companies Act 2014.

Directors' disclosure to auditors

Each of the directors at the date of approval of this report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the Bank's auditors are unaware; and

(b) the director has taken all steps he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Bank's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330(1) of the Companies Act 2014.

On behalf of the Board:

Martin Murphy
Chair

Jane Howard
Chief Executive Officer

12 February 2025

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Accounts in accordance with the Companies Act 2014 and applicable regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under company law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Bank as at the financial year end date, and of the profit or loss of the Group and Bank for the financial year, and otherwise comply with the Companies Act 2014.

In preparing these financial statements the directors are required to:

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

The directors are responsible for ensuring that the Group and Bank keep, or cause to be kept, adequate accounting records which correctly explain and record the transactions of the Group and Bank, enable at any time the assets, liabilities, financial position and profit or loss of the Group and Bank to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

By order of the Board:

Martin Murphy Chair	Jane Howard Chief Executive Officer	Marcus Ruegg Finance Director

12 February 2025

Board of directors

Chair	Executive directors	Non-executive directors
Martin Murphy	Jane Howard Marcus Ruegg	David Guest Richard La Mothe Niamh Marshall Peter Norton Mary Walsh

Independent auditor's report to the members of Ulster Bank Ireland Designated Activity Company

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Ulster Bank Ireland Designated Activity Company ('the Company') and its controlled entities ('the Group') for the financial year ended 31 December 2024 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Cash Flow Statements and notes to the financial statements, including the material accounting policy information set out in Note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the Group's consolidated financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its loss for the financial year then ended;
- the Company's financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024;
- the Group's consolidated financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company's financial statements have been properly prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014; and
- the Group's consolidated financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Group and Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to public interest entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1 to the financial statements which explains that the directors had demonstrated their intention to cease trading and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters (KAM) are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

In prior year Fair Value of the Mortgage Portfolio was identified as a key audit matter (KAM), however, in the current financial year, as the majority of the loan portfolio has been sold, it is no longer a KAM.

<table>
<tr><th>Risk</th><th>Our response to the risk</th></tr>
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Provision on remediation and project costs

At 31 December 2024, the Group has a €68m provision (2023: €160m) related to remediation programs and related project costs.

- The most significant judgements and estimates used in the calculation of the remediation provision include:
- Completeness of identified population;
- Completeness and accuracy of key data inputs (i.e. principal and interest rate);
- Correctness of calculations and underlying logic;
- Reasonableness of project costs; and
- Adequacy and completeness of relevant disclosures.

Refer to the Accounting policies and Note 14 and Note 17 of the financial statements..

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We tested the design and operating effectiveness of key controls across the estimation process.

In obtaining sufficient audit evidence we:

- Reviewed and challenged management's assessment for the recognition criteria of a provision according to IAS 37.
- Involved EY Conduct specialists to ensure engagement team collectively has appropriate expertise.
- Reviewed and challenged independent third-party assurance report in relation to completeness of identified population (including assessment of the customer treatment design) and appropriateness of calculations and underlying logic for a sample of remediation themes;
- Tested key data inputs to the provision.
- Reviewed, challenged and tested, on a sample basis, the Bank's calculation of provision.
- Attended meetings with key management and reviewed minutes of meetings of those charged with governance to conclude on the appropriateness of conclusions reached.
- Reviewed key documentation provided to decision-making authorities, including regulatory correspondence.
- Inquired of management as to whether any unrecorded liability exists as at 31 December 2024.
- Tested disclosures related to customer remediation for completeness and compliance with IAS 37 and other reporting standards, as applicable.

Our planned audit procedures were completed without material exception.

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IT systems and controls impacting financial reporting

The IT environment is complex and pervasive to the operations of the Group due to the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls. Appropriate IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. This risk is also impacted by the greater dependency on third- parties, increasing use of cloud platforms, decommissioning of legacy systems, and migration to new systems. Such controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.

Our audit approach relies upon IT applications and the related control environment including:

- User access management across applications, databases and operating systems;
- Changes to the IT environment, including transformation that changes the IT landscape including system migrations;
- IT operational controls;
- IT application or IT dependent controls; and

Evaluation of the IT control environment at third party service providers.

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We evaluated the design and operating effectiveness of IT general controls (change management, logical access and IT operations) over the applications, operating systems and databases that are relevant to financial reporting.

In obtaining sufficient audit evidence we:

- Tested automated controls within business processes including IT applications controls (ITACs), IT dependent Manual Controls (ITDMs), and relevant Information Produced by the entity (IPE) as part of an automated control;
- Carried out procedures to understand the cyber risk profile as it affected the financial statement audit;
- Assessed regulatory developments or areas of regulatory scrutiny that could have impacted our audit procedures, including:
    - Overseeing third-party service providers and vendors
    - Cloud Computing;

Our planned audit procedures were completed without material exception.

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Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of audit procedures.

We determined materiality for the Group to be €16.8 million (2023 - €19 million), which is 2% of total equity plus 2024 dividend (2023 - 1% of total assets). We consider equity as at 31 December 2024 plus 2024 dividend of €485 million to be an appropriate measurement basis due to the focus of the users of the financial statements on the efficient capital management throughout the audit period.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the overall control environment, our judgment was that performance materiality should be set at 75% (2023: 75%) of our planning materiality, namely €12.6 million (2023: €14 million). We have set performance materiality at this percentage having considered our prior year experience of the risk of misstatements, both corrected and uncorrected.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €0.8 million (2023: €1 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit report

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each entity.

There have been no significant changes in scoping from that applied in our prior year audit as all subsidiaries are included in full scope population and all audit work performed for the purposes of these financial statements was undertaken by the Group audit team.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements 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 financial statements or our knowledge obtained in 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 financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared, other than those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, is consistent with the financial statements, and
- the directors' report, other than those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company statement of financial position is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

We have nothing to report in respect of Section 13 of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, which require us to report to you if, in our opinion, the Company has not provided in the non-financial statement the information required by Section 5(2) to (7) of those Regulations, in respect of financial year ended 31 December 2023.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 9 the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and the Parent Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedures will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are license conditions and supervisory requirements of Central Bank of Ireland and the Joint Supervisory team; and Companies Act 2014.
- We understood how the Group is complying with those frameworks by reviewing policy framework, holding discussions with the Group's Director of Risk, internal audit, amongst others.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by holding discussions with senior management, including the Chief Executive Officer, Finance Director, and the Chair of the Group Audit Committee. We also reviewed the Group's fraud-related policies and mandates of different governance forums assessing fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiring of key management, reviewing the key policies and reviewing the correspondence exchanged with the Regulator.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf . This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the board of Ulster Bank Ireland Designated Activity Company on 20 April 2016 to audit the financial statements for the financial year ending 31 December 2016 and subsequent financial periods. The current period of total uninterrupted engagement including previous renewals and reappointments of the firm is 9 years.

The non-audit services prohibited by IAASA's Ethical Standard were not provided to the Group or Company and we remain independent of the Group and Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Conor Buckley
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm
Office: Dublin
Date: 12 February 2025

Note: The maintenance and integrity of the NatWest Group plc and Ulster Bank Ireland Designated Activity Company website is the responsibility of the directors. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Consolidated income statement for the financial year ended 31 December 2024

	Note	2024 €m	2023[1] €m
Interest receivable		23	50
Interest payable		(21)	(97)
Net interest income/(expense)	2	2	(47)
Fees and commissions receivable		-	7
Fees and commissions payable		(3)	(13)
Other operating income/(expense)		9	(19)
Non-interest income/(expense)	3	6	(25)
Total income		8	(72)
Staff costs		(54)	(174)
Premises and equipment		(6)	(20)
Other administrative expenses		(125)	(280)
Depreciation, impairment and amortisation		(10)	(4)
Operating expenses	4	(195)	(478)
Loss before impairment losses		(187)	(550)
Impairment losses		-	(3)
Operating loss before tax		(187)	(553)
Tax	7	3	-
Loss from continuing operations		(184)	(553)
Profit/(loss) from discontinued operations, net of tax	9	118	(88)
Loss for the financial year		(66)	(641)
Attributable to:			
Ordinary shareholders		(66)	(641)

(1) Comparative results have been re-presented from those previously published to reclassify certain operations as discontinued operations as described in Note 9

Consolidated statement of comprehensive income for the financial year ended 31 December 2024

	Note	2024 €m	2023 €m
Loss for the financial year		(66)	(641)
Items that do not qualify for reclassification			
Remeasurement of retirement benefit schemes	5	9	(2)
Tax on remeasurement of retirement benefit schemes	7	(1)	-
		8	(2)
Items that do qualify for reclassification			
FVOCI financial assets		-	17
		-	17
Other comprehensive income after tax		8	15
Total comprehensive loss for the financial year		(58)	(626)
Attributable to:			
Ordinary shareholders		(58)	(626)

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

Balance sheets as at 31 December 2024

		Group		Bank	
		2024	2023	2024	2023
	Note	€m	€m	€m	€m
Assets					
Cash and balances at central banks	10	21	104	21	104
Loans to banks - amortised cost	10	13	7	13	7
Loans to customers - amortised cost	10	-	2	-	2
Amounts due from holding companies and fellow subsidiaries	10	410	666	410	666
Other financial assets	11	17	301	17	301
Other assets	12	53	66	53	66
Assets of disposal groups	9	2	1,038	2	1,038
Total assets		516	2,184	516	2,184
Liabilities					
Customer deposits	10	-	228	-	228
Amounts due to holding companies and fellow subsidiaries	10	4	673	8	673
Derivatives	10	2	22	2	22
Other liabilities	14	152	357	148	357
Liabilities of disposal groups	9	-	3	-	3
Total liabilities		158	1,283	158	1,283
Owners' equity		358	901	358	901
Total liabilities and equity		516	2,184	516	2,184

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

The financial statements were approved by the Board of Directors on 12 February 2025 and signed on its behalf by:

Martin Murphy Chair	Jane Howard Chief Executive Officer	Marcus Ruegg Finance Director	Rachael Fitzgerald Company Secretary

Statements of changes in equity for the financial year ended 31 December 2024

		Group		Bank	
		2024	2023[1]	2024	2023[1]
	Note	€m	€m	€m	€m
Called-up share capital - at 1 January		-	3,379	-	3,379
Reduction of capital		-	(3,379)	-	(3,379)
At 31 December	15	-	-	-	-
Share premium account - at 1 January		-	857	-	857
Reduction of capital		-	(857)	-	(857)
At 31 December		-	-	-	-
FVOCI reserve - at 1 January		-	(17)	-	(17)
Unrealised gains		-	14	-	14
Realised losses		-	3	-	3
At 31 December		-	-	-	-
Retained earnings - at 1 January		901	(1,592)	901	(1,591)
(Loss)/profit attributable to ordinary shareholders and other equity owners					
- from continuing operations		(184)	(553)	(184)	(554)
- from discontinued operations		118	(88)	118	(88)
Reduction of capital		-	4,236		4,236
Ordinary dividends paid		(485)	(1,100)	(485)	(1,100)
Remeasurement of the retirement benefit schemes					
- gross		9	(2)	9	(2)
- tax		(1)	-	(1)	-
At 31 December		358	901	358	901
Owners' equity at 31 December		358	901	358	901

(1) Comparative results have been re-presented from those previously published to reclassify certain operations as discontinued operations as described in Note 9.

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

Cash flow statements for the financial year ended 31 December 2024

		Group		Bank	
	Note	2024 €m	2023[1] €m	2024 €m	2023[1] €m
Cash flows from operating activities					
Operating loss before tax from continuing operations		(187)	(553)	(187)	(554)
Operating profit/(loss) before tax from discontinued operations		118	(88)	118	(88)
Adjustments for:					
Non-cash and other items	18	(19)	351	(19)	352
Changes in operating assets and liabilities	18	(369)	(9,106)	(369)	(9,053)
Income taxes received		3	-	3	-
Net cash flows from operating activities (1,2)		(454)	(9,396)	(454)	(9,343)
Cash flows from investing activities					
Sale and maturity of other assets		-	645	-	645
Sale of net assets and liabilities of disposal groups		1,197	6,280	1,197	6,280
Net cash flows from investing activities		1,197	6,925	1,197	6,925
Cash flows from financing activities					
Dividends paid		(485)	(1,100)	(485)	(1,100)
Redemption of debt securities in issue		(581)	-	(581)	-
Interest paid on debt securities in issue		(4)	(4)	(4)	(4)
Interest paid on subordinated liabilities		-	(5)	-	(5)
Redemption of subordinated liabilities		-	(83)	-	(83)
Net cash flows from financing activities		(1,070)	(1,192)	(1,070)	(1,192)
Effect of exchange rate changes on cash and cash equivalents		-	-	-	-
Net decrease in cash and cash equivalents		(327)	(3,663)	(327)	(3,610)
Cash and cash equivalents 1 January		771	4,434	771	4,381
Cash and cash equivalents 31 December	20	444	771	444	771

(1) Comparative results have been re-presented from those previously published to reclassify certain operations as discontinued operations as described in Note 9.
(2) Includes interest received of: Group €25 million (2023 - €88 million); Bank €25 million (2023 - €88 million) and interest paid of: Group €21 million (2023 - €100 million); Bank €21 million (2023 - €101 million).
(3) The total cash outflows in respect of leases for the financial year ended 31 December 2024 was €6 million (2023: €7 million).

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

Notes to the accounts

1. Accounting policies

a) Presentation of accounts

The directors have considered the Group's capital and liquidity position as set out in the Report of the directors and have concluded that the Group has the ability to pay its debts as they fall due and therefore has the ability to continue as a going concern for the foreseeable future.

In the preparation of the financial statements the directors concluded that they had demonstrated their intention to cease trading based on the cessation of new lending, the closure of all current and deposit accounts and the transfer of residual customer funds to the Trust. Based on that intention to cease trading, in accordance with IAS 1 and consistent with the prior year, these financial statements have been prepared on an 'other than going concern' basis. The directors currently have no intention to liquidate the Company.

The adoption of the 'other than going concern' basis of preparation has not resulted in the departure from any of the recognition or measurement criteria of IFRS, nor have any assets or liabilities been reclassified as a result.

The audited accounts, set out on pages 15 to 47, are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB), and interpretations as issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC) and adopted by the EU (together IFRS). The material accounting policies and related judgements are set out in this note.

The Bank is incorporated as a designated activity company and registered in Ireland (Registration number - 25766). The Bank's registered and head office is Ulster Bank Head Office, Block B, Central Park, Leopardstown, Dublin, D18 N153. The Group and Bank's accounts are presented in accordance with the Companies Act 2014 and the European Communities (Credit Institutions: Financial Statements) Regulations, 2015.

The accounts are presented in the functional currency, euro.

With the exception of certain financial instruments as described in accounting policies (j) and (m) the accounts are presented on a historical cost basis.

Basis of consolidation

The consolidated accounts incorporate the financial statements of the Bank and entities that are controlled by the Bank. The Bank controls another entity (a subsidiary) when it is exposed, or has rights, to variable returns from its involvement with that entity and has the ability to affect those returns through its power over the other entity. Power generally arises from holding a majority of voting rights.

A subsidiary is included in the consolidated financial statements from the date it is controlled by the Bank until the date the Bank ceases to control it through a sale or a significant change in circumstances.

Changes in the Bank's interest in a subsidiary that do not result in the Bank ceasing to control that subsidiary are accounted for as equity transactions.

All intergroup balances, transactions, income and expenses are eliminated on consolidation. The consolidated accounts are prepared under consistent accounting policies.

b) Revenue recognition

Interest income and expense are recognised in the income statement using the effective interest rate method for all financial instruments measured at amortised cost.

Negative interest on financial assets is presented in interest payable and negative interest on financial liabilities is presented in interest receivable.

Other interest relating to financial instruments measured at fair value is recognised as part of the movement in fair value and is reported in other operating income.

Fees in respect of services are recognised as the right to consideration accrues through the performance of each distinct service obligation to the customer. The arrangements are generally contractual and the cost of providing the service is incurred as the service is rendered. The price is usually fixed and always determinable.

c) Assets held for sale (disposal groups) and discontinued operations

An asset is classified as held for sale if the Group will recover its carrying amount principally through a sale transaction rather than through continuing use. A disposal group is a collection of assets and/or liabilities that are intended to be transferred in a single transaction. The criteria for held for sale classification is regarded as met only when the sale is highly probable, the asset or disposal group is available for immediate sale in its present condition and the sale is expected to be completed within 12 months from the date of the classification. Assets of disposal groups and liabilities of disposal groups are separately presented on the balance sheet.

Non-current assets held for sale or in disposal groups are measured at the lower of their carrying amount or fair value less costs to sell. Financial instruments within the scope of IFRS 9 that are held for sale or in disposal groups continue to be measured in accordance with that standard. Comparatives are not re-presented.

Discontinued operations represent components of the Group that either have been disposed of or, are classified as held for sale, and represent a separate major line of business which is part of a single co-ordinated plan for disposal. The post-tax results of discontinued operations are presented as a single amount in the income statement and are therefore excluded from the results of continuing operations.

d) Staff costs

Employee costs, such as salaries, paid absences, and other benefits are recognised over the period in which the employees provide the related services to the Group. Employees may receive variable compensation by cash, by debt instruments issued by the Group or by NatWest Group plc shares. The NatWest Group operates a number of share-based compensation schemes under which it awards NatWest Group plc shares and share options to its employees. Such awards are generally subject to vesting conditions.

Variable compensation that is settled in cash or debt instruments is charged to the income statement on a straight-line basis over the vesting period, taking account of forfeiture and clawback criteria.

Contributions to defined contribution pension schemes (schemes where the Group pays fixed contributions and there is no legal or constructive obligation to pay further contributions) are recognised in the income statement as employee service costs accrue.

1. Accounting policies (continued)

For defined benefit schemes (schemes that define the benefit an employee will receive on retirement, dependent on one or more factors such as age, salary, and years of service) the net of the recognisable scheme assets and obligations is reported in the balance sheet in other assets or other liabilities. The defined benefit obligation is measured on an actuarial basis. The charge to the income statement for pension costs (mainly the service cost and the net interest on the net defined benefit asset or liability) is recognised in operating expenses.

Actuarial gains and losses (i.e. gains and/or losses on re-measuring the net defined benefit asset or liability) are recognised in other comprehensive income in full in the period in which they arise.

The difference between scheme assets and scheme liabilities, the net defined benefit asset or liability, is recognised in the balance sheet subject to the asset ceiling test which requires the net defined benefit surplus to be limited to the present value of any economic benefits available to the Group in the form of refunds from the plan or reduced contributions to it.

The Group will recognise a liability where a minimum funding requirement exists for any of its defined benefit pension schemes. This reflects agreed minimum funding and the availability of a net surplus as determined by IAS 19. The Group only includes contributions that are substantively or contractually agreed and do not include discretionary features, including dividend-linked contributions.

e) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, these are accounted for separately.

Depreciation is charged to the income statement on a straight-line basis so as to write off the depreciable amount of property, plant and equipment (including assets owned and let on operating leases) over their estimated useful lives. The depreciable amount is the cost of an asset less its residual value. Freehold land is not depreciated.

The estimated useful lives of the Group's property, plant and equipment are:

Freehold buildings	50 years
Long leasehold property (leases with more than 50 years to run)	50 years
Short leaseholds	unexpired period of lease
Property adaptation costs	10 to 15 years
Computer equipment	up to 5 years
Other equipment	4 to 15 years

The residual value and useful life of property, plant and equipment are reviewed at each balance sheet date and updated for any changes to previous estimates.

f) Impairment of non-financial assets and property, plant and equipment

At each balance sheet date, the Group assesses whether there is any indication that its non-financial assets or property, plant and equipment are impaired. If any such indication exists, the Group estimates the recoverable amount of the asset and compares it to its balance sheet value to calculate if an impairment loss should be recognised in the income statement. A reversal of an impairment loss on non-financial assets or property, plant and equipment is recognised in the income statement provided the increased carrying value is not greater than it would have been had no impairment loss been recognised.

g) Leases

As lessee

On entering a lease contract, the Group recognises a right of use asset and a lease liability to pay future rentals.

The liability is measured at the present value of future lease payments discounted at the applicable incremental borrowing rate. The right of use asset is depreciated over the shorter of the term of the lease and the useful economic life, subject to review for impairment.

Short term and low value leased assets are expensed on a systematic basis.

h) Provisions and contingent liabilities

The Group recognises a provision for a present obligation resulting from a past event when it is more likely than not that it will be required to pay to settle the obligation and the amount of the obligation can be estimated reliably.

Provision is made for restructuring costs, including the costs of redundancy, when the Group has a constructive obligation. An obligation exists when the Group has a detailed formal plan for the restructuring and has raised a valid expectation in those affected by starting to implement the plan or by announcing its main features.

The Group recognises any onerous cost of the present obligation under a contract as a provision. An onerous cost is the unavoidable cost of meeting its contractual obligations that exceed the expected economic benefits.

When the Group intends to vacate a leasehold property, or right of use asset, the asset is tested for impairment and a provision may be recognised for the ancillary contractual occupancy costs.

Contingent liabilities are possible obligations arising from past events whose existence will be confirmed only by uncertain future events, or present obligations arising from past events that are not recognised because either an outflow of economic benefits is not probable or the amount of the obligation cannot be reliably measured. Contingent liabilities are not recognised but information about them is disclosed unless the possibility of any outflow of economic benefits in settlement is remote.

i) Tax

Tax comprising current tax and deferred tax, is shown in the income statement except tax on items recognised outside of the income statement which is recognised in other comprehensive income. Any tax related to equity instruments is shown in the income statement.

Current tax is tax payable or recoverable in respect of the taxable profit or loss for the financial year arising in the income statement, other comprehensive income or equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

Deferred tax is not recognised on temporary differences that arise from initial recognition of an asset or a liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

1. Accounting policies (continued)

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to offset and where they relate to income taxes levied by the same taxation authority either on an individual Group company or on Group companies in the same tax group that intend, in future periods, to settle current tax liabilities and assets on a net basis or on a gross basis simultaneously.

Accounting for taxes is judgemental and carries a degree of uncertainty because the tax law is subject to interpretation, which might be questioned by the relevant tax authority. The Group recognises the most likely current and deferred tax liability or asset assessed for uncertainty using consistent judgements and estimates.

Current and deferred tax assets are only recognised where their recovery is deemed probable, and current and deferred tax liabilities are recognised at the amount that represents the best estimate of the probable outcome having regard to their acceptance by the tax authorities.

j) Financial instruments

Financial instruments are measured at fair value on initial recognition on the balance sheet.

Monetary financial assets are classified into the following subsequent measurement categories (subject to business model assessment and review of contractual cash flow for the purposes of solely payments of principal and interest where applicable):
- amortised cost;
- fair value through other comprehensive income (FVOCI);
- mandatory fair value through profit or loss (MFVTPL); and
- designated at fair value through profit or loss (DFV).

Financial liabilities are classified into the following measurement categories:
- amortised cost;
- held for trading; and
- designated at fair value through profit or loss.

Classification by business model reflects how the Group manages its financial assets to generate cash flows.

A business model assessment determines if cash flows result from holding financial assets to collect the contractual cash flows, from selling those financial assets, or both.

Business model assessment of assets is made at portfolio level, being the level at which they are managed to achieve a predefined business objective. This is expected to result in the most consistent classification of assets because it aligns with the stated objectives of the portfolio, its risk management, manager’s remuneration and the ability to monitor sales of assets from a portfolio. When there is a significant change to the Group's operations which has been communicated to external parties, the Group reassesses its business model for managing affected assets. If a material change in strategy is confirmed this results in a reclassification of financial assets. A reclassification is applied prospectively from the reclassification date.

The contractual terms of a financial asset; any leverage features; prepayment and extension terms; and triggers that might reset the effective rate of interest are considered in determining whether cash flows comprise solely payments of principal and interest.

Financial assets that are managed under a ‘hold to collect’ business model and have contractual cash flows that comprise solely payments of principal and interest are measured at amortised cost.

Certain financial assets may be DFV upon initial recognition if such designation eliminates, or significantly reduces, accounting mismatch. In all other instances, MFVTPL is the default classification and measurement category for financial assets.

Equity shares default to fair value through profit or loss unless specifically elected as at FVOCI.

Upon disposal, the cumulative gains or losses in the fair value through other comprehensive income reserve are recycled to the income statement for monetary assets and transferred directly to retained earnings for non-monetary assets.

Regular way purchases of financial assets classified as amortised cost are recognised on the settlement date; all other regular way transactions in financial assets are recognised on the trade date.

k) Impairment: expected credit losses (ECL)

At each balance sheet date each financial asset or portfolio of financial assets measured at amortised cost is assessed for impairment.

Any change in impairment is reported in the income statement. Loss allowances are forward looking, based on 12 month ECL where there has not been a significant increase in credit risk, otherwise allowances are based on lifetime expected losses.

ECL are a probability-weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is a reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change and the ECL provision is adjusted from 12 month to lifetime expectations.

Impaired financial assets are written off when the Group concludes that there is no longer any realistic prospect of recovery of part, or all, of the loan.

l) De-recognition

A financial asset is derecognised (removed from the balance sheet) when the contractual right to receive cash flows from the asset has ended or when it has been transferred and the transfer qualifies for derecognition. Conversely, an asset is not derecognised by a contract under which the Group retains substantially all the risks and rewards of ownership.

A financial liability is removed from the balance sheet when the obligation is paid, cancelled or expires.

m) Derivatives and hedging

Derivatives are reported on the balance sheet at fair value.

Gains and losses arising from changes in the fair value of derivatives that are not the hedging instrument in a qualifying hedge and derivatives that are managed together with financial instruments designated at fair value are included in Other operating income.

1. Accounting policies (continued)

n) Critical accounting policies and key sources of estimation uncertainty

The reported results of the Group are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. Irish company law and IFRS require the directors, in preparing the Group's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent.

In the absence of an applicable standard or interpretation, IFRS requires management to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB's 'Conceptual Framework for Financial Reporting'.

Key financial judgements and estimates are based on management's latest plans and forecasts. Changes in judgements and assumptions could result in a material adjustment to those estimates in subsequent reporting periods.

The judgements and assumptions involved in the Group's accounting policies that are considered by the Board to be the most important to the portrayal of its financial condition relate to the valuation of pension assets, the fair value of financial instruments and provisions for customer remediation. The use of estimates, assumptions or models that differ from those adopted by the Group would affect its reported results.

Consideration of these sources of estimation uncertainty has been set out in the notes referenced in the table below (as applicable).

Critical accounting policy	Note
Pensions	5
Fair value: Financial instruments	10
Provisions for liabilities and charges	14

Future accounting developments

International Financial Reporting Standards

Effective 1 January 2025
- Lack of exchangeability (Amendments to IAS 21)

Effective 1 January 2026
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

Effective 1 January 2027
- Presentation and Disclosures in Financial Statements (IFRS 18)
- Subsidiaries without Public Accountability (IFRS 19)

The Group is assessing the effect of adopting these amendments on the financial statements.

2. Net interest income/(expense)

	Group	
	2024	2023
Continuing operations	€m	€m
Interest receivable on assets:		
Cash and balances at central banks	-	8
Loans to customers - amortised cost	-	12
Amounts due from holding company and fellow subsidiaries	23	29
Interest receivable on liabilities:		
Customer deposits	-	1
Total interest receivable	23	50
Interest payable on liabilities:		
Customer deposits	-	(2)
Other liabilities	(1)	(2)
Subordinated liabilities	-	(4)
Amounts due to holding company and fellow subsidiaries	(20)	(89)
Total interest payable	(21)	(97)
Net interest income/(expense)	2	(47)

Interest income on financial instruments measured at amortised cost is measured using the effective interest rate method, which allocates the interest income or interest expense over the expected life of the asset or liability at the rate that exactly discounts all estimated future cash flows to equal the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees payable or receivable that are an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

3. Non-interest income/(expense)

	Group	
	2024	2023 [1]
Continuing operations	€m	€m
Fees and commissions receivable		
- Payment services	-	3
- Credit and debit card fees	-	2
- Lending (credit facilities)	-	1
- Fees receivable from other NatWest Group companies	-	1
Total	-	7
Fees and commissions payable	(3)	(13)
Net fees and commissions	(3)	(6)
Other operating income:		
Economic hedged and designated hedged ineffectiveness		
- Foreign exchange	-	(1)
- Interest rate	-	(7)
Changes in fair value of other financial assets at fair value through profit or loss	6	-
Loss on disposal of fair value through other comprehensive income assets	-	(3)
Other income	3	(8)
	9	(19)
Non-interest income/(expense)	6	(25)

(1) Comparative results have been re-presented from those previously published to reclassify certain operations as discontinued operations as described in Note 9

4. Operating expenses

	Group	
	2024	2023
Continuing operations	€m	€m
Wages, salaries and other staff costs	28	80
Temporary and contractor costs	2	8
Social security costs	3	9
Pension costs		
- defined benefit schemes (Note 5)	17	35
- defined contribution schemes	1	2
Restructure costs	3	40
Staff costs	54	174
Premises and equipment	6	20
Depreciation, impairment and amortisation (Note 13)	10	4
Other administrative expenses	125	280
Administrative expenses	141	304
Operating expenses	195	478

In accordance with Section 317(2) of the Companies Act 2014, the table below details staff costs on an incurred basis, incorporating costs of both continuing and discontinued operations.

	Group and Bank	
	2024	2023
	€m	€m
Wages, salaries and other staff costs	31	94
Temporary and contractor costs	4	10
Social security costs	3	10
Pension costs		
- defined benefit schemes (Note 5)	17	35
- defined contribution schemes	1	3
Restructure costs	3	40
	59	192

The average number of persons employed by the Group and Bank during the financial year in continuing operations, excluding temporary staff, was 220 (2023 – 784). The average number of persons employed by the Group and Bank during the financial year in discontinued operations, excluding temporary staff, was nil (2023 - 130). The average number of temporary employees during 2024 was 21 (2023 - 107). The number of persons employed at 31 December, excluding temporary staff, was 100 (2023 – 358).

4. Operating expenses (continued)

Amounts paid to the auditors for the statutory audit and other services are set out below:

	Group	
	2024 €k	2023 €k
Fees payable for:		
- the audit of the Bank's individual and Group accounts	400	1,046
- the audit of the Bank's subsidiaries	35	42
- audit-related assurance services	214	36
Total audit and audit related assurance service fees	649	1,124

Other than the amounts disclosed above, no remuneration was payable in respect of tax advisory services and other non-audit services. The figures in the auditor's remuneration table relate to fees payable to the statutory auditor, exclusive of VAT.

5. Pensions

Defined contribution scheme

The Group makes contributions to a defined contribution pension arrangement which employees are offered the opportunity to join.

Defined benefit schemes

The Group operates the following defined benefit pension schemes, the assets of which are independent of the Group's finances:

- Ulster Bank Pension Scheme (Republic of Ireland) ("main scheme")
- First Active Pension Scheme ("FA scheme")
- Lombard Ireland Limited Non-Contributory Pension and Death Benefit Plan ("Lombard scheme")

The Group's main scheme operates under Irish trust law and is managed and administered on behalf of its members in accordance with the terms of the trust deed, scheme rules and Irish legislation (principally the Pensions Act 1990).

Pension fund trustees are appointed to operate each fund and ensure benefits are paid in accordance with the scheme rules and national law. The trustees are the legal owner of a scheme's assets and have a duty to act in the best interests of all scheme members.

The schemes generally provide a pension of one-sixtieth of final pensionable salary for each year of service prior to retirement up to a maximum of 40 years and are contributory for current members.

These have been closed to new entrants since 2010, although active members continue to build up additional pension benefits, generally subject to 2% maximum annual inflation, while they remain employed by the Group.

The corporate trustee of the main scheme and the FA scheme is Ulster Bank Pension Trustees (R.I.) Limited ("UBPTRIL"), a wholly owned subsidiary of the Bank.

The board of UBPTRIL comprises a mix of employer nominated and union nominated trustee directors. Under Irish legislation a defined benefit pension scheme is required to build up and maintain enough funds to pay members their pension entitlements should the scheme be wound up.

Investment strategy

The assets of the schemes are invested in a diversified portfolio as shown below.

The schemes employ physical, derivative and non-derivative instruments to achieve a desired asset class exposure and to reduce the schemes' interest rate, inflation and currency risks. This means that the net funding positions are considerably less sensitive to changes in market conditions than the values of the assets or liabilities in isolation.

	2024			2023		
Major classes of plan assets as a percentage of total plan assets of the schemes	Quoted %	Unquoted %	Total %	Quoted %	Unquoted %	Total %
Equities	4	1	5	3	1	4
Index linked bonds	2	-	2	1	-	1
Government bonds	1	-	1	2	-	2
Corporate and other bonds	23	2	25	24	3	27
Hedge funds	-	-	-	-	2	2
Real estate	-	8	8	-	7	7
Derivatives (LDI)	-	52	52	-	52	52
Cash and other assets	-	7	7	-	5	5
	30	70	100	30	70	100

5. Pensions (continued)

Changes in value of pension asset	Group and Bank Fair value of plan assets €m	Present value of defined benefit obligations €m	Asset ceiling / minimum funding [1] €m	Net pension surplus €m
At 1 January 2023	1,340	(1,041)	(247)	52
Income statement	(2)	(23)	(10)	(35)
Statement of comprehensive income	33	(141)	106	(2)
Contributions by employer	31	-	-	31
Contributions by plan participants	1	(1)	-	-
Benefits paid	(44)	44	-	-
At 1 January 2024	1,359	(1,162)	(151)	46
Income statement				
Net interest cost	46	(40)	(4)	2
Current service cost	-	(1)	-	(1)
Expenses	-	(6)	-	(6)
Past service cost	-	(3)	-	(3)
Settlements	(49)	40	-	(9)
	(3)	(10)	(4)	(17)
Statement of comprehensive income				
Return on plan assets above recognised interest income	(3)	-	-	(3)
Experience gains and losses	-	6	-	6
Effect of changes in actuarial financial assumptions	-	9	-	9
Effect of changes in actuarial demographic assumptions	-	1	-	1
Asset ceiling/minimum funding adjustments	-	-	(4)	(4)
	(3)	16	(4)	9
Contributions by employer [2]	8	-	-	8
Contributions by plan participants	-	-	-	-
Benefits paid	(60)	60	-	-
At 31 December 2024	1,301	(1,096)	(159)	46

(1) In recognising the net surplus or deficit of a pension scheme, the funded status of the scheme is adjusted to reflect any schemes with a surplus that the Group may not be able to access. This is relevant for the main scheme, where the recognition of the surplus has been restricted due to the anticipated impact of the phased withdrawal.
(2) The Group expects to contribute €5 million to its defined benefit pension schemes in 2025.

Amounts recognised on the balance sheet	All schemes 2024 €m	2023 €m
Fund assets at fair value	1,301	1,359
Present value of fund liabilities	(1,096)	(1,162)
Funded status	205	197
Asset ceiling/minimum funding	(159)	(151)
Retirement benefit asset (other assets)	46	46

Amounts recognised in the income statement	Group and Bank 2024 €m	2023 €m
Operating expenses	17	35

Funding and contributions by the Group

In Ireland, the trustees of defined benefit pension schemes are required to perform funding valuations every three years. The trustees and the Bank, with the support of the Scheme Actuary, agree the assumptions used to value the liabilities to determine future contribution requirements. The funding assumptions incorporate a margin for prudence over and above the expected cost of providing the benefits promised to members, taking into account the sponsor's covenant and the investment strategy of the scheme.

The latest funding valuation of the main scheme was as at 31 December 2021, and was agreed in September 2022. This determined the funding level to be 99.4%, pension liabilities to be €1,541 million and the deficit to be €10 million. A contribution of €10 million was made in October 2022 to settle the deficit.

The key assumptions used to determine the funding liabilities were the discount rate, which is determined based on fixed interest euro swap yields plus 0.7% per annum, and mortality assumptions, which result in life expectancies of 23.9/26.6 years for males/females who were age 65 and 25.5/28.2 years from age 65 for males/females who were aged 45 at the valuation date.

The latest funding valuations for the FA and Lombard schemes were as at 31 December 2021 and 1 April 2022 respectively. Both valuations were agreed during 2022 and both showed that the schemes were in surplus on the agreed funding bases. As such no further deficit contributions are due.

5. Pensions (continued)

During 2022, the Group reached agreement with the trustees of the schemes regarding the long term scheme sponsorship arrangements. These agreements ensure continuation of the sponsor's commitment to supporting the delivery of members' accrued benefits after the completion of the phased withdrawal. The employer contributions disclosed on the previous page include amounts payable under this agreement.

Critical accounting policy: Pensions

The assets of defined benefit schemes are measured at their fair value at the balance sheet date. 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. These cash flows are discounted at an interest rate based on the yields of high-quality corporate bonds of appropriate duration, with high-quality almost universally understood to mean AA-rated.

The choice of discount rate is a source of estimation uncertainty, due to a lack of appropriate euro-denominated AA-rated bonds of equivalent duration to the pension schemes' liabilities.

The approach used is to fit a yield curve to an appropriate dataset of AA bonds, and derive the discount rate from that curve.

Accounting assumptions

Placing a value on the Group's defined benefit pension schemes' liabilities requires the Group's management to make a number of assumptions, with the support of independent actuaries. The ultimate cost of the defined benefit obligations will depend upon actual future events and the assumptions made are unlikely to be exactly borne out in practice, meaning the final cost may be higher or lower than expected.

A valuation of the Group's pension schemes was prepared as at 31 December 2024 by independent actuaries, using the following assumptions:

	Principal IAS 19 actuarial assumptions[1]	
	2024 %	2023 %
Discount rate	3.60	3.60
Inflation assumption (CPI)	2.10	2.25
Rate of increase in salaries	1.65	1.70
Rate of increase in deferred pensions	2.10	2.20
Rate of increase in pensions in payment	0.00-2.70	0.00-2.60
Proportion of pension converted to a cash lump sum at retirement	5.00-12.00	5.00-12.00
Longevity:	years	years
Current pensioners, aged 70 years		
Males	18.4	18.5
Females	21.0	21.0
Future pensioners, currently aged 63 years		
Males	24.9	25.0
Females	27.8	27.8

(1) The above financial assumptions are long term assumptions set with reference to the period over which the obligations are expected to be settled

Discount rate

The IAS 19 valuation uses a single discount rate by reference to the yield on a basket of 'high quality' euro-denominated corporate bonds.

Significant judgement is required when setting the criteria for bonds to be included in the basket of bonds that is used to determine the discount rate used in the IAS 19 valuations. The criteria include issue size, quality of pricing and the exclusion of outliers. Judgement is also required in determining the shape of the yield curve at long durations: a constant credit spread relative to gilts is assumed.

The table below sets out the sensitivities of the pension cost for the financial year and the present value of defined benefit obligations at the balance sheet dates if the key assumptions used were changed independently. In practice, the variables are somewhat correlated and do not move completely in isolation.

	Group and Bank			
	(Decrease)/increase in pension cost for the financial year		(Decrease)/increase in obligation at 31 December	
	2024 €m	2023 €m	2024 €m	2023 €m
0.5% increase in the discount rate	(5)	(7)	(86)	(94)
0.25% increase in inflation	1	1	21	24
Longevity increase of one year	(1)	-	30	30
0.25% additional rate of increase in pensions in payment	-	-	12	13
0.25% additional rate of increase in deferred pensions	1	1	16	19
0.25% additional rate of increase in salaries	-	-	-	-

5. Pensions (continued)

The defined benefit obligations are attributable to the different classes of scheme members in the following proportions based on their status at the latest triennial valuation:

Membership category	2024 %	2023 %
Active	21.3	23.8
Deferred	27.0	26.2
Pensioners and dependants	51.7	50.0
	100.0	100.0

The weighted average duration of the Group's defined benefit obligations at 31 December 2024 is 17 years (2023 - 18 years).

The experience history of the schemes is shown below:

	Group and Bank				
Experience history of defined benefit schemes	2024 €m	2023 €m	2022 €m	2021 €m	2020 €m
Fair value of plan assets	1,301	1,359	1,340	2,037	2,051
Present value of defined benefit obligations	(1,096)	(1,162)	(1,041)	(1,760)	(1,743)
Net surplus	205	197	299	277	308
Experience gains/(losses) on plan liabilities	6	(3)	(10)	(5)	12
Experience gains/(losses) on plan assets	(3)	33	(594)	(29)	201
Actual return on plan assets	43	88	(553)	(3)	231
Actual return on plan assets	3.2%	6.6%	(27.1%)	(0.1%)	12.4%

6. Emoluments of directors

	2024 €	2023 €
Emoluments for the provision of directors' services	2,238,330	2,340,804
Contributions in respect of pension schemes	107,323	107,567
Emoluments relating to long-term incentive schemes	892,063	503,899
Compensation for loss of office or other termination benefits	344,702	-
Total emoluments received	3,582,418	2,952,270

Retirement benefits were accruing to one director under defined contribution schemes as at 31 December 2024 (2023 - one). No retirement benefits were accruing to directors under defined benefit schemes as at 31 December 2024 or 31 December 2023.

No share options were exercised during the financial year that resulted in gains to directors (2023 - nil).

Performance related bonuses are awarded to executive directors on the basis of measuring annual performance against certain specified targets, which include both corporate performance objectives and key strategic objectives.

During the financial year the Bank paid €93,399 to NatWest Bank Plc for making available the services of a person as a director of the Bank or any of its subsidiaries or otherwise in connection with the management of the Group's affairs (2023 - €nil). No other amounts were payable by or receivable from any entity for making available the services of a person as a director of the Bank or any of its subsidiaries (2023 - €nil).

7. Tax

	Group	
	2024	2023
Continuing operations	€m	€m
Corporation tax at 12.5% (2023 - 12.5%)		
Over provision for prior financial years	2	-
	2	-
Deferred tax		
Credit for the financial year	1	1
Decrease in deferred tax asset in respect of previously recognised losses	-	(1)
Tax credit for the financial year	3	-

The actual tax charge differs from the expected tax credit computed by applying the standard rate of Irish Corporation Tax of 12.5% (2023 - 12.5%) as follows:

	Group	
	2024	2023 [1]
Continuing operations	€m	€m
Expected tax credit	23	69
Non-taxable income	-	1
Other tax adjustments	1	1
Deferred tax not recognised on current year losses	(5)	(70)
Losses utilised during the current financial year	(18)	-
Adjustments to tax charge in respect of prior financial years	2	-
Decrease in deferred tax asset in respect of previously recognised losses	-	(1)
Actual tax credit for the financial year	3	-

(1) Comparative results have been re-presented from those previously published to reclassify certain operations as discontinued operations as described in Note 9

Deferred tax

Net deferred tax asset comprised:

	Group and Bank			
	Pension	Accelerated capital allowances	Tax losses	Total
	€m	€m	€m	€m
At 1 January 2023	(6)	(1)	7	-
Credit/(charge) to income statement				
- from continuing operations	-	1	(1)	-
At 1 January 2024	(6)	-	6	-
Credit to income statement				
- from continuing operations	1	-	-	1
Charge to other comprehensive income	(1)	-	-	(1)
At 31 December 2024	(6)	-	6	-

We have applied the exception from the accounting requirements for deferred taxes in IAS 12 Income taxes in respect of Pillar Two income taxes issued by the IASB in May 2023. Accordingly, we have not recognised or disclosed information about deferred tax assets and liabilities related to Pillar Two income taxes.

Unrecognised deferred tax

Deferred tax assets of €1,464 million (2023 - €1,458 million) have not been recognised in respect of tax losses carried forward of €11,711 million (2023 - €11,663 million). Under Irish tax rules, tax losses can be carried forward indefinitely.

8. Profit/loss dealt with in the financial statements of the Bank

In accordance with the exemption contained within Section 304 of the Companies Act 2014 the primary financial statements of the Bank do not include an income statement or statement of comprehensive income. The Bank's loss after tax for the financial year ended 31 December 2024 was €66 million (2023 – €642 million).

9. Discontinued operations and assets and liabilities of disposal groups

In H1 2024, the Bank completed the sale of a portfolio of residual retail and commercial performing and non-performing exposures to AB CarVal Investors L.P., through Elmscott Property Finance DAC, following agreement reached in 2023.

In September 2024 the final transfer of tracker and tracker-linked mortgages to Allied Irish Banks p.l.c. ('AIB') completed, following the agreement reached in 2022.

These assets were classified on the Group and Bank balance sheets as 'Assets of disposal groups' until their date of disposal. Comparatives were not re-presented, in accordance with IFRS 5.

In May 2024, the Bank announced that it had reached an agreement with Dilosk DAC for the sale of a c€400 million mortgage portfolio. The portfolio comprised c4,000 mortgages, principally former offset mortgages. The Bank completed the sale of this mortgage portfolio in September 2024.

The decision to sell these assets to Dilosk DAC met the requirements of IFRS 5. Accordingly, the financial results of the associated business activities in respect of these assets are classified in the consolidated income statement as discontinued operations. Comparatives have been re-presented.

(a) Profit/(loss) from discontinued operations, net of tax

	Group	
	2024	2023[1]
	€m	€m
Interest receivable	-	25
Non-interest income	45	25
Total income	45	50
Operating expenses	73	(145)
Profit/(loss) before impairment releases	118	(95)
Impairment releases	-	7
Operating profit/(loss) before tax	118	(88)
Tax charge	-	-
Profit/(loss) from discontinued operations, net of tax	118	(88)

(1) Comparative results have been re-presented from those previously published to reclassify certain operations as discontinued operations as described above.

(b) Assets and liabilities of disposal groups

	Group and Bank	
	2024	2023
	€m	€m
Assets of disposal groups		
Loans to customers - amortised cost	-	37
Other financial assets - loans to customers at fair value through profit or loss	-	968
Other assets	2	33
	2	1,038
Liabilities of disposal groups		
Other liabilities	-	3
	-	3

(c) Cash flows attributable to discontinued operations

	Group and Bank	
	2024	2023
	€m	€m
Net cash flows from operating activities	(282)	273
Net cash flows from investing activities	1,197	6,280
Net increase in cash and cash equivalents	915	6,553

10. Financial instruments – classification

The following tables analyse the financial assets and financial liabilities in accordance with the categories of financial instruments on an IFRS 9 basis. Assets and liabilities outside the scope of IFRS 9 are shown within other assets and other liabilities.

	Group			
2024	MFVTPL €m	Amortised cost €m	Other assets €m	Total €m
Assets				
Cash and balances at central banks	-	21	-	21
Loans to banks - amortised cost	-	13	-	13
Amounts due from holding companies and fellow subsidiaries	-	410	-	410
Other financial assets	17	-	-	17
Other assets	-	-	53	53
Assets of disposal groups	-	-	2	2
	17	444	55	516

	Held-for-trading €m	Amortised cost €m	Other liabilities €m	Total €m
Liabilities				
Amounts due to holding companies and fellow subsidiaries	-	-	4	4
Derivatives	2	-	-	2
Other liabilities [(1)]	-	17	135	152
	2	17	139	158

	Group			
2023	MFVTPL €m	Amortised cost €m	Other assets €m	Total €m
Assets				
Cash and balances at central banks	-	104	-	104
Loans to banks - amortised cost	-	7	-	7
Loans to customers - amortised cost	-	2	-	2
Amounts due from holding companies and fellow subsidiaries	-	660	6	666
Other financial assets	301	-	-	301
Other assets	-	-	66	66
Assets of disposal groups	-	-	1,038	1,038
	301	773	1,110	2,184

	Held-for-trading €m	Amortised cost €m	Other liabilities €m	Total €m
Liabilities				
Customer deposits	-	228	-	228
Amounts due to holding companies and fellow subsidiaries	-	634	39	673
Derivatives	22	-	-	22
Other liabilities [(1)]		26	331	357
Liabilities of disposal groups	-	-	3	3
	22	888	373	1,283

10. Financial instruments – classification (continued)

	Bank			
2024	MFVTPL €m	Amortised cost €m	Other assets €m	Total €m
Assets				
Cash and balances at central banks	-	21	-	21
Loans to banks - amortised cost	-	13	-	13
Amounts due from holding companies and fellow subsidiaries	-	410	-	410
Other financial assets	17	-	-	17
Other assets	-	-	53	53
Assets of disposal groups	-	-	2	2
	17	444	55	516

	Held-for-trading €m	Amortised cost €m	Other liabilities €m	Total €m
Liabilities				
Amounts due to holding companies and fellow subsidiaries	-	-	8	8
Derivatives	2	-	-	2
Other liabilities (1)	-	17	131	148
	2	17	139	158

	Bank			
2023	MFVTPL €m	Amortised cost €m	Other assets €m	Total €m
Assets				
Cash and balances at central banks	-	104	-	104
Loans to banks - amortised cost	-	7	-	7
Loans to customers - amortised cost	-	2	-	2
Amounts due from holding companies and fellow subsidiaries	-	660	6	666
Other financial assets	301	-	-	301
Other assets	-	-	66	66
Assets of disposal groups	-	-	1,038	1,038
	301	773	1,110	2,184

	Held-for-trading €m	Amortised cost €m	Other liabilities €m	Total €m
Liabilities				
Customer deposits	-	228	-	228
Amounts due to holding companies and fellow subsidiaries	-	634	39	673
Derivatives	22	-	-	22
Other liabilities (1)	-	26	331	357
Liabilities of disposal groups	-	-	3	3
	22	888	373	1,283

(1) Includes lease liabilities held at amortised cost of €17 million (2023 - €26 million).
(2) There are no financial instruments that are subject to IAS 32 (on balance sheet) netting arrangements or subject to enforceable master netting instruments or similar agreements that are not set off in accordance with IAS 32.

10. Financial instruments – valuation

Critical accounting policy: Fair value - financial instruments

In accordance with accounting policies (j) and (m) financial instruments classified at MFVTPL and held for trading and financial assets classified as FVOCI are recognised in the financial statements at fair value. All derivatives are measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement considers the characteristics of the asset or liability and the assumptions that a market participant would use when pricing the asset or liability.

Where the market for a financial instrument is not active, fair value is established using a valuation technique. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market-based data. The complexity and uncertainty in the financial instrument's fair value is categorised using the fair value hierarchy.

Fair value hierarchy

Financial instruments carried at fair value have been classified under the fair value hierarchy. The classification ranges from level 1 to level 3, with more expert judgement and price uncertainty for those classified at level 3.

The determination of an instrument's level cannot be made at a global product level as a single product type can be in more than one level. For example, a single name corporate credit default swap could be in level 2 or level 3 depending on the level of market activity for the referenced entity.

Level 1 – instruments valued using unadjusted quoted prices in active and liquid markets, for identical financial instruments. Examples include government bonds, listed equity shares and certain exchange-traded derivatives.

Level 2 - instruments valued using valuation techniques that have observable inputs. Examples include most government agency securities, investment-grade corporate bonds, certain mortgage products, including collateralised loan obligations, most bank loans, repos and reverse repos, less liquid listed equities, state and municipal obligations, most notes issued, and certain money market securities and loan commitments and most over-the-counter (OTC) derivatives.

Level 3 - instruments valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data. Examples include cash instruments which trade infrequently, certain syndicated and commercial mortgage loans, certain emerging markets and derivatives with unobservable methodology inputs.

The following tables show the financial instruments carried at fair value by fair value hierarchy.

	Group and Bank							
	2024				2023			
	Level 1 €m	Level 2 €m	Level 3 €m	Total €m	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Assets								
Other financial assets (Note 11)								
- Loans to customers	-	-	17	17	-	-	301	301
Assets of disposal groups (Note 9)								
- Other financial assets	-	-	-	-	-	-	968	968
	-	-	17	17	-	-	1,269	1,269
Liabilities								
Derivatives	-	2	-	2	-	22	-	22
	-	2	-	2	-	22	-	22

Loans to customers held at fair value through profit or loss are valued using a discounted cash flow model. The discount rate, a key unobservable input in this valuation technique, has been benchmarked against the Euro Short-term Rate (€STR).

	Group and Bank			
	2024		2023	
Level 3 portfolio movement table	Other financial assets €m	Assets of disposal groups €m	Other financial assets €m	Assets of disposal groups €m
At 1 January	301	968	585	6,085
Reclassification from amortised cost	-	27	-	-
Reclassification to assets of disposal groups	(307)	307	(219)	219
Reclassification from assets of disposal groups	21	(21)	-	-
Credit/(charge) to income statement				
- continuing operations	6	-	27	17
- discontinued operations	-	52	-	98
Disposals	-	(1,171)	-	(4,735)
Net settlements	(4)	(162)	(92)	(716)
At 31 December	17	-	301	968

10. Financial instruments – valuation (continued)

The Group places reliance on the oversight of the Ring Fence Bank Valuation Committee on the Independent Price Verification (IPV) process.

Valuation techniques

The fair value of instruments are derived differently depending on whether the instrument is a non-modelled or a modelled product.

Non-modelled products are valued directly from a price input, typically on a position-by-position basis. Examples of non-modelled products include residential mortgages and equities.

Non-modelled products can fall into any fair value hierarchy level depending on the observable market activity, liquidity, and assessment of valuation uncertainty of the instruments. The assessment of fair value and the classification of the instrument to a fair value level is subject to the valuation controls discussed in the Valuation control section.

Modelled products are valued using a pricing model. For modelled products the fair value is derived using the model and the appropriate model inputs or parameters, rather than from a cash price equivalent. Model inputs are taken either directly or indirectly from available data, where some inputs are also modelled.

Fair value classification of modelled instruments is either level 2 or level 3, depending on the product/model combination, the observability and quality of input parameters and other factors. All these must be assessed to classify a position. The modelled product is assigned to the lowest fair value hierarchy level of any significant input used in that valuation. Most derivative instruments are classified as level 2. This is because they are vanilla products valued using standard market models and with observable inputs.

Valuation control

The Group's control environment for the determination of the fair value of financial instruments includes formalised procedures for the review and validation of fair values. The review of market price and inputs review is performed by an IPV team.

IPV is a key element of the control environment. Valuations are first performed by the business which entered into the transaction. These valuations are then reviewed by the IPV team, independent of those trading the financial instruments, in light of available pricing evidence.

Independent pricing data is collated from a range of sources. Each source is reviewed for quality and the independent data applied in the IPV processes using a formalised input quality hierarchy. Consensus services are one source of independent data and encompass interest rate, currency, credit, and bond markets, providing comprehensive coverage of vanilla products and a wide selection of exotic products.

Where measurement differences are identified through the IPV process these are grouped by the quality hierarchy of the independent data. If the size of the difference exceeds defined thresholds, an adjustment is made to bring the valuation to within the independently calculated fair value range.

Fair value of financial instruments measured at amortised cost

The following tables show the carrying values and the fair values of financial instruments on the balance sheet carried at amortised cost. The fair value of cash and balances at central banks has been determined using procedures consistent with the requirements of level 2 valuation methodologies. All other balances have been fair valued using procedures that fall within level 3 of the fair value methodologies.

	Group and Bank			
	2024 Carrying value €m	2024 Fair value €m	2023 Carrying value €m	2023 Fair value €m
Financial assets				
Cash & balances at central banks	21	21	104	104
Loans to banks - amortised cost	13	13	7	7
Loans to customers - amortised cost	-	-	2	2
Amounts due from holding companies and fellow subsidiaries				
- Loans to banks	410	410	660	660
Financial liabilities				
Customer deposits	-	-	228	228
Amounts due to holding companies and fellow subsidiaries				
- Bank deposits	-	-	54	54
- Debt securities in issue	-	-	580	580

For certain short-term financial instruments, carrying value is deemed a reasonable approximation to fair value.

The principal method used to estimate fair value in the Group is to discount expected cash flows at the current offer rate for the same or similar products. For certain portfolios where there are very few or no recent transactions bespoke approaches are utilised.

10. Financial instruments – maturity analysis

Maturity analysis

Remaining maturity

The following table shows the residual maturity of financial instruments, based on contractual date of maturity.

	Group and Bank					
	2024			2023		
	Less than 12 months	More than 12 months	Total	Less than 12 months	More than 12 months	Total
	€m	€m	€m	€m	€m	€m
Assets						
Cash and balances at central banks	21	-	21	104	-	104
Loans to banks - amortised cost	13	-	13	7	-	7
Loans to customers - amortised cost	-	-	-	1	1	2
Amounts due from holding companies and fellow subsidiaries	410	-	410	660	-	660
Other financial assets	-	17	17	44	257	301
Liabilities						
Customer deposits	-	-	-	228	-	228
Lease liabilities	6	11	17	6	20	26
Amounts due to holding companies and fellow subsidiaries	-	-	-	51	583	634
Derivatives	2	-	2	-	22	22

11. Other financial assets

	Group and Bank	
	2024	2023
	€m	€m
Loans to customers - Mandatory fair value through profit or loss	17	301

12. Other assets

	Group and Bank	
	2024	2023
	€m	€m
Prepayments	1	1
Retirement benefit assets (Note 5)	46	46
Property, plant and equipment (Note 13)	1	11
Other assets	5	8
	53	66

13. Property, plant and equipment

	Group and Bank				
	Freehold land and buildings	Leases of 50 years or less unexpired	Computer and other equipment	Right of use property	Total
2024	€m	€m	€m	€m	€m
Cost or valuation:					
At 1 January	1	20	31	116	168
Disposals and write-offs	-	-	-	(7)	(7)
At 31 December	1	20	31	109	161
Accumulated depreciation, impairment and amortisation:					
At 1 January	1	17	29	110	157
Disposals and write-offs	-	-	-	(7)	(7)
Depreciation charge for the financial year					
- from continuing operations	-	1	-	2	3
Impairment charge for the financial year					
- from continuing operations	-	2	2	3	7
At 31 December	1	20	31	108	160
Net book value at 31 December	-	-	-	1	1

2023					
Cost or valuation:					
At 1 January	47	28	31	163	269
Disposals and write-offs	-	-	-	(47)	(47)
Transfer to disposal group	(46)	(8)	-	-	(54)
At 31 December	1	20	31	116	168
Accumulated depreciation, impairment and amortisation:					
At 1 January	18	20	28	154	220
Disposals and write-offs	-	-	-	(47)	(47)
Depreciation charge for the financial year					
- from continuing operations	1	1	1	2	5
Impairment charge for the financial year					
- from continuing operations	(2)	-	-	1	(1)
Transfer to disposal group	(16)	(4)	-	-	(20)
At 31 December	1	17	29	110	157
Net book value at 31 December	-	3	2	6	11

14. Other liabilities

	Group		Bank	
	2024	2023	2024	2023
	€m	€m	€m	€m
Lease liabilities	17	26	17	26
Provisions for liabilities and charges	111	243	111	243
Accruals	14	47	14	47
Other liabilities	10	41	6	41
	152	357	148	357

The following amounts are included within provisions for liabilities and charges:

	Group and Bank					
	Customer remediation	Litigation	Property	Restructuring	Other	Total
	€m	€m	€m	€m	€m	€m
At 1 January 2023	59	10	12	109	5	195
Charge/(credit) to income statement						
- from continuing operations	1	-	(1)	40	(1)	39
- from discontinued operations	133	-	-	-	-	133
Reclassification	-	1	-	-	-	1
Provisions utilised [1]	(33)	(1)	(2)	(89)	-	(125)
At 1 January 2024	160	10	9	60	4	243
Charge/(credit) to income statement						
- from continuing operations	3	9	2	3	4	21
- from discontinued operations	(73)	-	-	-	-	(73)
Provisions utilised [1]	(22)	(2)	(1)	(48)	(7)	(80)
At 31 December 2024	68	17	10	15	1	111

(1) Provisions utilised in the financial year with respect to customer remediation included €5 million (2023 - €7 million) relating to staff costs.

There are uncertainties as to the eventual cost of redress in relation to certain of the provisions contained in the table above. Assumptions relating to these are inherently uncertain and the ultimate financial impact may be different from the amount provided.

Critical accounting policy: Provisions for liabilities

Judgement is involved in determining whether an obligation exists, and in estimating the probability, timing and amount of any outflows. Where the Group can look to another party such as an insurer to pay some or all of the expenditure required to settle a provision, any reimbursement is recognised when, and only when, it is virtually certain that it will be received.

Estimates - provisions are liabilities of uncertain timing or amount, and are recognised when there is a present obligation as a result of a past event, the outflow of economic benefit is probable and the outflow can be estimated reliably. Any difference between the final outcome and the amounts provided will affect the reported results in the period when the matter is resolved.

Customer remediation

The Group has identified legacy issues leading to the establishment of remediation requirements and progress is ongoing to conclude activities. At 31 December 2024 the Group has a provision of €68 million (2023 - €160 million) based on management's best estimate of expected remediation and project costs. Assumptions relating to these are inherently uncertain and the ultimate financial impact may be different from the amount provided.

Customer remediation across these issues has progressed in 2024. The Group expects the majority of this provision to be utilised within the next 12 months.

Property

The property provisions principally comprise provisions relating to property exits. The timing for such payments is uncertain.

Restructuring

The restructuring provisions principally comprise redundancy costs. The Group expects the majority of these provisions to be utilised within the next 12 months.

15. Share capital

	Group and Bank			
	Allotted, called up and fully paid		Authorised	
	2024 €m	2023 €m	2024 €m	2023 €m
Equity shares:				
Ordinary B shares of €1.27	-	-	2,223	2,223
Ordinary B shares of €1	-	-	2,400	2,400
Ordinary A shares of £1	-	-	30	29
Total share capital	-	-	4,653	4,652

	Allotted, called up and fully paid		Authorised	
Number of shares	2024 Millions	2023 Millions	2024 Millions	2023 Millions
Equity shares:				
Ordinary B shares of €1.27	-	-	1,750	1,750
Ordinary B shares of €1	-	-	2,400	2,400
Ordinary A shares of £1	-	-	25	25
Total share capital	-	-	4,175	4,175

All share classes rank pari passu in all respects.

The Company has one €1 ordinary B share in issuance and paid interim dividends of €485 million (2023 – €1,100 million) per share during the financial year.

16. Risk management

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Phased withdrawal

The Group has now materially completed its withdrawal from the market and as a result UBIDAC has become a significantly smaller and simpler organisation.

The Group has reviewed its risk management activities and frameworks to reflect the effects of the phased withdrawal, and the main changes are set out in the following sections of this note.

Risk Management Framework

Introduction

The Group has an established Risk Management Framework centred around the embedding of a strong risk culture. The framework ensures the governance, capabilities and methods are in place to facilitate risk management and decision-making across the organisation.

The Group plans to continue to apply its existing approach to risk management with underlying risk processes proportionate to the risk profile as it exits the market. The Group will continue to comply with all relevant laws and regulations. The framework ensures that the Group's key risks, detailed in this section, are appropriately controlled, managed and reported. In addition, there is a process to identify and manage top threats, which are those which could have a significant negative impact on the Group's ability to meet its objective of executing a safe and orderly phased withdrawal. A complementary process operates to identify emerging threats.

Both top and emerging threats are reported to and discussed with the Board on a regular basis alongside reporting on the key risks.

Risk appetite, supported by a robust set of principles, policies and practices, defines the levels of tolerance for a variety of risks and provides a structured approach to risk-taking within agreed boundaries.

All Group colleagues share ownership of risk, working together to make sure business activities and policies are consistent with risk appetite.

Culture

Risk culture is at the centre of both the Risk Management Framework and risk management practice. The target culture across the Group is one in which risk management is part of the way colleagues work and think. A positive risk culture aims to drive sharper focus on behaviours and practices which drive good risk outcomes. The target risk culture behaviours are aligned to our core values. They are embedded in our critical people capabilities and therefore form an effective basis for risk culture, since these are used for performance management and development.

Training

Enabling colleagues to have the capabilities and confidence to manage risk is core to the Group's learning strategy. The Group offers a wide range of training, both technical and behavioural, across the risk disciplines. This training can be mandatory, role-specific or for personal development. Mandatory learning for all colleagues is focused on keeping colleagues, customers and the Group safe. This is easily accessed online and is assigned to each person according to their role and business area. The system allows monitoring at all levels to ensure completion.

Our Code

The Group's conduct guidance, Our Code, provides direction on expected behaviour and sets out the standards of conduct that support the values. The code explains the effect of decisions that are taken and describes the principles that must be followed.

16. Risk management – Risk management framework (continued)

Three lines of defence

The Group uses the industry-standard three lines of defence model to articulate accountabilities and responsibilities for managing risk. This supports the embedding of effective risk management throughout the organisation.

First line of defence

The first line of defence incorporates most roles in the Group, including those in the customer-facing business units, Technology and Services.

- The first line of defence is empowered to take risks within the constraints of the Risk Management Framework and policies as well as the Risk Appetite Statements and measures set by the Board.
- The first line of defence is responsible for managing its direct risks. With the support of specialist functions, such as Legal, Human Resources and Technology, it is also responsible for managing its consequential risks by identifying, assessing, mitigating, monitoring, and reporting risks.

Second line of defence

The second line of defence primarily comprises the Risk and Compliance functions and is independent of the first line.

- The second line of defence is empowered to design and maintain the Risk Management Framework and its components. It advises on, monitors, challenges, approves and escalates where required and reports on the risk-taking activities undertaken by the first line of defence, ensuring these are within the constraints of the framework, policies, risk appetite statements and measures set by the Board.
- Due to specific subject matter expertise, there are some activities undertaken elsewhere (Corporate Governance, Finance, Legal and Human Resources) that are responsible for defining and overseeing Group-wide controls and policies.

Third line of defence

The third line of defence is the Internal Audit function and is independent of the first and second lines.

- The third line of defence is responsible for providing independent and objective assurance to the Board and executive management on the adequacy and effectiveness of key internal controls, governance, and the risk management in place to monitor, manage and mitigate the key risks to the Group in achieving its objectives.
- The third line of defence executes its duties freely and objectively in accordance with the Institute of Internal Auditors Code of Practice and Global Internal Audit Standards.

Risk appetite

Risk appetite defines the level and types of risk that are acceptable, within risk capacity, to achieve strategic objectives and execute the phased withdrawal in a safe and orderly manner. It links the goals and priorities to risk management in a way that guides and empowers colleagues to serve customers well, while executing the phased withdrawal from the market.

The Risk Management Framework, which is approved annually by the Board, supports effective risk management by promoting sound risk-taking through a structured approach, within agreed boundaries. It also ensures all emerging threats and risk-taking activities are identified, assessed, escalated and addressed in a timely manner.

Risk appetite is maintained across the Group through risk appetite statements. These provide clarity on the scale and type of activities that can be undertaken in a manner that is easily conveyed to colleagues.

Risk appetite statements, measures and limits are continually reviewed, ensuring alignment between the strategy and risk appetite. The Board sets risk appetite for the most material risks to help ensure the Group is managing its risk profile within agreed boundaries as the Group works through the phased withdrawal. The Group's risk profile is frequently reviewed and monitored, and management focus is concentrated on all material risks and emerging risk issues. Risk profile relative to risk appetite is reported regularly to the Board and senior management.

Risk appetite measures and their associated limits are an integral part of the risk appetite approach and a key part of embedding risk appetite in day-to-day risk management decisions. A clear tolerance for material risk types is set in alignment with business activities.

The Group policies directly support the qualitative aspects of risk appetite. They ensure that appropriate controls are set and monitored.

Identification and measurement

Identification and measurement within the risk management process comprise:

- Regular assessment of the overall risk profile, incorporating market developments and trends, as well as external and internal factors.
- Monitoring of the risks associated with the execution of the phased withdrawal.
- Review of potential risks in business activities and processes.

The financial and non-financial risks that the Group faces are detailed in the Risk Directory. This provides a common risk language to ensure consistent terminology is used across the Group. The Risk Directory is subject to annual review and approval by the Board. This ensures that it continues to provide a comprehensive and meaningful list of the inherent risks within the Group.

Mitigation

Mitigation is an important aspect of ensuring that risk profile remains within risk appetite. Risk mitigation strategies are discussed and agreed within the Group.

When evaluating possible strategies, costs and benefits, residual risks (risks that are retained) and secondary risks (those that are due to risk mitigation actions) are considered. Monitoring and review processes are in place to evaluate results. Early identification of changes in legislation and regulation are critical to the successful mitigation of regulatory compliance and conduct risk. The impacts of all changes are managed to ensure the timely achievement of compliance. Those changes assessed as having a high or medium-high impact are managed more closely. Action is taken to mitigate potential risks as and when required. Further in-depth analysis, including the stress testing of exposures relative to the risk, is also carried out.

Assurance

Targeted risk processes and key controls, including controls within the scope of Section 404 of the Sarbanes-Oxley Act, 2002, are subject to assurance, as defined in the Board Approved Assurance Principles.

This activity is carried out by testing teams within the first, second and third lines of defence to confirm to both internal and external stakeholders – including the Board, senior management, the customer-facing business and the Group's regulators – that such processes and controls are being correctly implemented and operate adequately and effectively.

16. Risk management – Risk management framework (continued)

Assurance activity focuses on processes and controls relating to all material risks including credit risk, financial crime risk, operational risk, regulatory compliance risk and conduct risk. However, a range of controls and processes relating to other risk types is also included as deemed appropriate within the context of a robust control environment.

A third line of defence Internal Audit plan is reviewed and approved by the Audit Committee on an annual basis, with Internal Audit's opinion of material risk coverage presented quarterly.

Credit risk

Definition

Credit risk is the risk that customers and/or counterparties fail to meet their contractual obligation to settle outstanding amounts.

Sources of risk

The principal source of credit risk for the Group is a small portfolio of residential mortgages.

Risk appetite

Credit risk appetite aligns to the strategic risk appetite set by the Board and is set and monitored through Risk Appetite Frameworks.

Mitigation

Residential property is used as collateral to mitigate credit risk in residential mortgage lending.

The valuation methodologies for collateral in the form of residential mortgage property is detailed below.

Residential mortgages – the Group takes collateral in the form of residential property to mitigate the credit risk arising from mortgages. The Group values residential property individually during the loan underwriting process, either by obtaining an appraisal by a suitably qualified appraiser or using a statistically valid model. In both cases, a sample of the valuation outputs are periodically reviewed by an independent qualified appraiser. The Group updates residential property values quarterly using the relevant residential property index namely:

Region	Index used
Ireland	Central Statistics Office Residential Property Price Index
UK (including Northern Ireland)	Office for National Statistics House Price Index

Assessment and monitoring

Practices for credit stewardship are well established – including credit assessment, approval and monitoring as well as the identification and management of problem debts.

Capital, liquidity and funding risk

Definitions

Regulatory capital consists of reserves and instruments issued that are available, have a degree of permanency and are capable of absorbing losses. A number of strict conditions set by regulators must be satisfied to be eligible as capital.

Capital risk is the risk that the Bank is unable to conduct business in base or stress conditions on a risk or leverage basis due to insufficient qualifying capital as well as the risk that the Bank fails to assess, monitor, plan and manage capital adequacy requirements.

Liquidity consists of assets that can be readily converted to cash within a short timeframe at a reliable value. Liquidity risk is the risk of being unable to meet actual or potential financial obligations as and when they fall due.

Funding consists of on-balance sheet liabilities that are used to provide cash to finance assets. Funding risk is the risk of not maintaining a diversified and stable funding base. Liquidity and funding risks arise in a number of ways, including through the maturity transformation role that banks perform.

Key developments in 2024

- In September 2024, after the completion of the sale of tracker and tracker-linked mortgages, the Bank repaid the entire €600 million of drawings on a €1 billion inter group lending facility with NatWest Bank Plc. The €1 billion facility was cancelled and the Bank agreed a replacement €50 million facility with NatWest Bank Plc that remained undrawn at the balance sheet date.
- The Bank declared and paid a €485 million dividend from surplus capital in December 2024.

Capital risk management

Capital management is the process by which the Group ensures that it has sufficient capital and other loss absorbing instruments to operate effectively, including meeting minimum regulatory requirements, operating within Board approved risk appetite and supporting phased withdrawal strategic goals.

Capital planning is one of the tools that the Group uses to monitor and manage capital risk on a going and gone concern basis, including the risk of excessive leverage. Capital planning is integrated into the Group's annual budgeting process and is assessed and updated at least monthly.

The eligibility of instruments and financial resources as regulatory capital is laid down by applicable regulation. Capital is categorised by applicable regulation under two tiers (Tier 1 and Tier 2) according to the ability to absorb losses on either a going or gone concern basis, the degree of permanency and the ranking of absorbing losses. There are three broad categories of capital across these two tiers but UBIDAC has only one category of regulatory capital at this stage of the phased withdrawal – Common Equity Tier 1 capital.

Common Equity Tier 1 (CET1) capital - CET1 capital must be perpetual and capable of unrestricted and immediate use to cover risks or losses as soon as these occur. This includes ordinary shares issued and retained earnings.

Liquidity risk management

The Group manages its liquidity considering regulatory, legal and other constraints and to ensure liquid resources are available when and where required.

After the completion of the asset sales the Group is in a strong liquidity position. At 31 December 2024 the Group had €444 million of cash at bank or overnight cash placement balances against €158 million of liabilities. The strong liquidity position is supplemented by a €50 million contingent liquidity facility with NatWest Bank Plc that is undrawn.

Funding risk management

By 31 December 2024 the Group had completed its exit from customer deposit markets. As such the Bank no longer relies on deposit activity to fund its remaining loans and other assets. The primary source of funding at 31 December 2024 is capital.

16. Risk management – Capital, liquidity and funding risk (continued)

Minimum requirements

Capital adequacy ratios

The Group is subject to minimum capital requirements relative to risk weighted assets (RWAs). The table below summarises the minimum ratios of capital to RWAs that the Group is expected to meet.

Type	CET1	Total Tier 1	Total capital
Minimum capital requirements	4.5%	6.0%	8.0%
Pillar 2 requirement	2.0%	2.7%	3.6%
Capital conservation buffer	2.5%	2.5%	2.5%
Countercyclical capital buffer (1)	1.5%	1.5%	1.5%
Total	10.5%	12.7%	15.6%

(1) The countercyclical capital buffer requirement is determined by the CBI and is applicable to all Irish banks. The rate increased from 1.0% to 1.5% in June 2024 and the rate was held at 1.5% in the December 2024 CCyB rate announcement.

Pension risk

Definition

Pension risk is the risk that the Group will have an inability to meet contractual obligations and other liabilities to the established employee or related company pension schemes.

Sources of risk

The Group has exposure to pension risk through its defined benefit schemes. The Ulster Bank Pension Scheme (the main scheme) is the largest source of pension risk. Collectively the schemes have €1,301 million of assets and €1,096 million of liabilities as at 31 December 2024 (2023 – €1,359 million of assets and €1,162 million of liabilities).

Pension scheme liabilities vary with changes in long-term interest rates and inflation as well as with pensionable salaries, the longevity of scheme members and legislation.

Pension scheme assets vary with changes in interest rates, inflation expectations, credit spreads, exchange rates, and equity and property prices. The Group is exposed to the risk that the schemes' assets, together with future returns and additional future contributions, are estimated to be insufficient to meet liabilities as they fall due. In such circumstances, the Group could be obliged (or might choose) to make additional contributions to the schemes or be required to hold additional capital to mitigate this risk.

In 2022, the Group reached agreement with the trustees of the schemes regarding the long-term scheme sponsorship arrangements. These agreements ensure continuation of the sponsor's commitment to supporting the delivery of members' accrued benefits after the completion of the phased withdrawal. A Joint Working Group comprising the trustees, the Bank and representatives from NatWest Group meet on a quarterly basis to monitor the progress of the schemes against the long-term plan set out in the agreements.

Mitigation

Following risk mitigation measures taken by the trustees in recent years the defined benefit schemes are now well protected against interest rate and inflation risks and are being run on a low-risk basis with relatively low equity risk exposure. The schemes use both physical and derivative instruments to achieve a desired asset class exposure, including hedging movements in interest rates and inflation.

The potential impact of climate change is one of the factors considered in managing the assets of the main scheme. The trustee monitors the risk to its investments from changes in the global economy and invests, where return justifies the risk, in sectors that reduce the world's reliance on fossil fuels, or that may otherwise promote environmental benefits.

Key developments in 2024

- There have been no material changes to the Group's exposure to pension risk during the financial year and the valuation positions of the defined benefit schemes that the Group sponsors have remained strong.
- The Group performed a further Enhanced Transfer Value (ETV) exercise during 2024, offering deferred members (ex-employees of the defined benefit schemes that have not reached retirement age) the opportunity to take their benefits out of the scheme and into a Personal Retirement Bond or another pension scheme of which they are a member. UBIDAC provided an enhancement to the standard transfer value that is available to members and provided free independent financial advice so that members could make an informed decision on the offer.

Operational risk

Definition

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or external events. It arises from day-to-day operations and is relevant to every aspect of the business and to every employee.

Sources of risk

Operational risk may arise from a failure to manage operations, systems, transactions and assets appropriately. This can take the form of human error, an inability to deliver change adequately or on time, the non-availability of technology services, or the loss of customer data. Theft, as well as the threat of cyber-attacks, are sources of operational risk, as is the impact of natural and man-made disasters. Operational risk can also arise from a failure to account for changes in law or regulations or to take appropriate measures to protect assets.

Governance

A strong operational risk management function is vital to support the Group's strategy of safely withdrawing from the market while supporting customers and colleagues. Improved management of operational risk against defined appetite is vital for stability and reputational integrity.

The first line of defence is responsible for managing operational risks directly while the second line is responsible for proactive oversight and continuous monitoring of operational risk management across the Group. The second line is responsible for reporting and escalating key concerns to Executive Risk Committee and Board Risk Committee.

16. Risk management – Operational risk (continued)

The Operational Risk Framework provides a holistic view of how operational risk is managed in the Group, to support the effective mitigation of exposure to operational risk, and of how this is overseen by the Board.

The scope of the Operational Risk Framework extends across all relevant non-financial risks, business lines, internal units, internal control functions, relevant subsidiaries and to any other NatWest Group or third-party entity that provides outsourced services to the Group.

Risk appetite

Operational risk appetite measurement, monitoring and reporting supports effective management of material operational risk. It expresses the level and types of operational risk the Group is willing to accept in pursuing its strategic objectives and business plans.

Mitigation

The Control Environment Certification (CEC) process is a self-assessment by the CEO. It provides a consistent and comparable view on the adequacy and effectiveness of the internal control environment.

CEC covers non-financial material risks and the underlying key controls, including financial, operational and compliance controls, as well as supporting Risk Management Frameworks and effective change management. The CEC outcomes, including forward-looking assessments and progress on control environment improvements, are reported to Executive Risk Committee and Board Risk Committee.

Risks are mitigated by applying key preventative and detective controls, an integral step in the risk assessment methodology which determines residual risk exposure. Control owners are accountable for the design, execution, performance and maintenance of key controls. Key controls are regularly assessed for adequacy and tested for effectiveness. The results are monitored and, where a material change in performance is identified, the associated risk is re-evaluated.

The Group manages and monitors operational resilience through its risk appetite and Risk and Control Self-Assessment methodology. This is underpinned by setting and monitoring risk indicators and performance metrics for key business services.

Event and loss data management

The operational risk event and loss data management process ensures the Group captures and records operational risk financial and non-financial events that meet defined criteria. Loss data is used for regulatory and industry reporting and is included in capital modelling when calculating economic capital for operational risk. The most serious events are escalated in a simple, standardised process to all senior management, by way of an Event Escalation Process.

Reputational risk

Definition

Reputational risk is the risk of damage to stakeholder trust as a result of negative consequences arising from internal actions or external events.

Sources of risk

Reputational risks originate from internal actions and external events. The three primary drivers of reputational risk have been identified as: failure in internal execution; a conflict between the Group's values and the public agenda; and contagion (when the Group's reputation is damaged by failures in the wider financial sector).

Governance

A reputational risk policy supports reputational risk management across the Group.

Risk appetite

The Group manages and articulates its appetite for reputational risk through a qualitative reputational risk appetite statement. The Group seeks to identify, measure, and manage risk exposures arising from internal actions and external events. This is designed to ensure that stakeholder trust is retained. However, reputational risk is inherent in the Group's operating environment and public trust is a specific factor in setting reputational risk appetite.

Monitoring and measurement

Relevant internal and external factors are monitored through regular reporting to the Executive Risk Committee and escalated, where appropriate, to Board Risk Committee, the NatWest Group Reputational Risk Committee, NatWest Group Board Risk Committee or the NatWest Group Sustainable Banking Committee.

Mitigation

Standards of conduct are in place across the Group requiring strict adherence to policies, procedures, and ways of working to ensure business is transacted in a way that meets, or exceeds, stakeholder expectations.

External events that could cause reputational damage are identified and mitigated through NatWest Group's top and emerging threats process as well as through the NatWest Group and business segment-level risk registers.

Regulatory compliance & conduct risk

Definitions

Regulatory compliance risk is the risk of failure to observe the letter and spirit of all relevant laws, codes, rules, regulations and standards of good market practice.

Conduct risk is the risk of inappropriate behaviour towards customers, or in the markets in which we operate, which leads to unfair or inappropriate customer outcomes.

Sources of risk

Regulatory compliance and conduct risks exist across all stages of the Group's relationships with its customers and its banking activities, including complaint handling, colleague training, post-sales processes and handling of confidential insider information. Both risks were heightened during 2024 as a result of UBIDAC's phased withdrawal from the market.

Key developments in 2024

- Preparation and execution of an Annual Compliance Plan for 2024.
- Risk appetite statements and measures were reviewed in line with the phased withdrawal of the Group from the market.
- Second Line of Defence, Compliance and Conduct acted as advisory for all applicable upstream risk items to ensure compliance with regulation.

16. Risk management – Operational risk (continued)

As part of the withdrawal programme:

  - Second line of defence Compliance and Conduct quorum members are engaged in all decision-making and strategic planning governance committees.
  - Second line of defence Compliance and Conduct opinions delivered for all strategic decisions focused on achieving compliance with regulation and good customer outcomes.
  - Provided key input into all customer communication activities related to the withdrawal programme
- Input into Customer Impact Assessments on withdrawal programme strategies.

Governance/Reporting

The Group defines appropriate standards of compliance and conduct and ensures adherence to those standards through its Risk and Compliance management frameworks. Relevant compliance and conduct matters are escalated through Executive Risk Committee and Board Risk Committee.

Risk appetite

Risk appetite for compliance and conduct risks is set at Board level. Risk appetite statements articulate the levels of risk that businesses and functions work within when pursuing their strategic objectives and business plans. Appropriate changes were implemented taking into account the phased withdrawal plan.

A range of controls ensures the businesses deliver good conduct and customer outcomes, delivered in accordance with legal and regulatory requirements. A suite of policies, addressing compliance and conduct risks, sets appropriate standards across the Bank. Examples of these include the Complaints Management & Errors Management Policy, Product Lifecycle Policy, Regulatory Interactions & Developments Policy as well as policies relating to customers in vulnerable situations and managing conflicts of interest. Continuous monitoring and targeted reviews are carried out as appropriate.

Monitoring and measurement

Regulatory compliance and conduct risks are measured and managed through continuous assessment and reporting to the senior executive committees and at Board level in accordance with the UBIDAC Internal Control, Risk Management and Compliance Risk Frameworks. The Bank's frameworks facilitate the consistent identification, monitoring, measurement and reporting of compliance with laws and regulations and the delivery of consistently good customer outcomes. The first line of defence is responsible for effective risk identification, reporting and monitoring, with oversight, challenge and review by the second line. Compliance and conduct risk management is also integrated into the phased withdrawal programme.

Mitigation

Activity to mitigate the most material compliance and conduct risks is carried out across the Group in accordance with its frameworks. Examples of mitigation include consideration of customer needs during the phased withdrawal programme, complaints and errors management including analysis, mapping and monitoring against CBI 'Dear CEO' letters, as well as broader third line assurance activity. Internal policies help support a strong customer focus across the Bank.

Financial Crime Risk

Definition

Financial Crime Risk (FCR) is the risk that the Group's products, services, employees and / or third parties intentionally or unintentionally facilitate or conduct financial crime.

Sources of risk

FCR is inherent across the Bank's customer relationships and the services, including payments, provided to those customers. The risk of internal fraud exists in relation to the Bank's operational activity with bribery and corruption risks being present in the Bank's relationships with third parties. These risks have reduced during 2024 with the phased withdrawal exiting most customers and discontinuing most services, including customer payments.

Key developments in 2024

- Oversight of financial crime control measures pertaining to the phased withdrawal and within the agreed asset sales.

The Executive Risk Committee is the principal FCR management forum. Material financial crime risks and issues across the Group are reported to the Executive Risk Committee and the Board Risk Committee.

Risk appetite

Risk appetite for FCR is set at Board level. Risk appetite statements articulate the levels of risk that businesses and functions work within when pursuing their strategic objectives and business plans.

A range of controls ensure the businesses deliver financial crime outcomes in accordance with legal and regulatory requirements. A suite of policies addressing FCR set appropriate standards across the Bank, including the Anti-Money Laundering & Countering the Financing of Terrorism Policy, the Anti-Bribery & Corruption Policy and the Sanctions Policy.

Continuous monitoring and targeted reviews are carried out as appropriate.

Monitoring and measurement

Financial crime risks are identified, measured, monitored and reported through continuous risk management and oversight and regular reporting to the Executive Risk Committee, the Board Risk Committee and the Board. Quantitative and qualitative data is reviewed and assessed to check that financial crime risk is within risk appetite.

Mitigation

Through the Compliance Risk Framework, relevant financial crime policies, systems, processes and controls are used to mitigate FCR. This includes the use of dedicated screening and monitoring controls to identify people, organisations, transactions and behaviours that may require further investigation or other actions. Centralised expertise is available to detect and disrupt threats to the Group and its customers. Intelligence is shared with law enforcement, regulators and government bodies to strengthen national and international defences against those who would misuse the financial system for criminal motives.

17. Memorandum items

The Bank has given guarantees on the liabilities of the following subsidiary undertakings in accordance with the provisions of Section 357 of the Companies Act 2014 and these entities will avail of the exemptions under Section 357 regarding the provisions of Sections 347 and 348:

Ulster Bank Holdings (ROI) Limited
First Active Limited
Ulster Bank Pension Trustees (R.I.) Limited
Ulydien Trust Company Limited
Ulster Bank Dublin Trust Company Unlimited Company

Litigation, investigations and reviews

The Group is involved in litigation arising in the ordinary course of business. No material adverse effect on the net assets of the Group is expected to arise from the ultimate resolution of these claims.

Material litigation, investigations and reviews involving the Group are described below. These matters could, individually or in aggregate, have a material adverse effect on the Group's consolidated net assets, operating results or cash flows in any particular period.

Review and investigation of treatment of tracker mortgage customers

In December 2015, correspondence was received from the CBI setting out an industry examination framework in respect of the sale of tracker mortgages from approximately 2001 until the end of 2015. The redress and compensation process has now largely concluded, although a small number of cases remain outstanding relating to uncontactable customers.

Customers of the Bank have lodged tracker mortgage complaints with the Financial Services and Pensions Ombudsman (FSPO). The Bank challenged three FSPO adjudications in the High Court. In June 2023, the High Court found in favour of the FSPO in all matters. The Bank appealed that decision to the Court of Appeal. In September 2024, the Court of Appeal allowed the Bank's appeal and set aside certain findings of the FSPO. The Court of Appeal directed one aspect of the FSPO decisions to be remitted to the FSPO for its consideration following an oral hearing, and the Bank is following up with the FSPO in that regard.

Other customer remediation

The Group identified other legacy issues leading to the establishment of remediation requirements and progress is ongoing to conclude activities.

Regulatory enquiries and investigations

In the normal course of business the Bank and its subsidiaries co-operate with regulatory authorities in their enquiries or investigations into alleged or possible breaches of regulations.

18. Non-cash and other items

This note shows non-cash items adjusted for in the cash flow statement and movement in operating assets and liabilities.

	Group		Bank	
	2024 €m	2023 €m	2024 €m	2023 €m
Depreciation, impairment and amortisation	10	4	10	4
Loss/(gain) on sale of debt securities in issue and subordinated liabilities	3	(1)	3	(1)
Interest on subordinated liabilities and debt securities in issue	1	8	1	8
Defined benefit pension schemes	17	35	17	35
Impairment releases	-	(4)	-	(4)
Change in fair value of amounts due to holding companies and fellow subsidiaries	1	20	1	20
Loss on sale of other financial assets	-	3	-	3
Loss on sale of net assets and liabilities of disposal groups	5	112	5	112
Charges and releases on provisions	(52)	172	(52)	172
Other non-cash items	(4)	2	(4)	3
Non-cash and other items	(19)	351	(19)	352
Change in operating assets and liabilities				
Change in loans to customers	2	370	2	370
Change in amounts due from holding companies and fellow subsidiaries	6	13	7	67
Change in assets of disposal groups	(166)	307	(166)	307
Change in other financial assets	284	284	284	284
Change in other assets	(3)	43	(3)	43
Change in derivative assets and liabilities	(20)	(48)	(20)	(48)
Change in bank and customer deposits	(228)	(6,718)	(228)	(6,718)
Change in amounts due to holding companies and fellow subsidiaries	(89)	(3,074)	(85)	(3,078)
Change in liabilities of disposal groups	(3)	(14)	(3)	(14)
Change in other liabilities	(152)	(269)	(157)	(266)
Change in operating assets and liabilities	(369)	(9,106)	(369)	(9,053)

19. Analysis of changes in financing during the financial year

	Group and Bank					
	Share capital and share premium		Subordinated liabilities		Debt securities in issue (1)	
	2024	2023	2024	2023	2024	2023
	€m	€m	€m	€m	€m	€m
At 1 January	-	4,236	-	86	580	559
Redemption of subordinated liabilities	-	-	-	(83)	-	-
Redemption of debt securities in issue	-	-	-	-	(581)	-
Interest paid on subordinated liabilities and debt securities in issue	-	-	-	(5)	(4)	(4)
Net cash outflows from financing activities	-	-	-	(88)	(585)	(4)
Reduction of capital	-	(4,236)	-	-	-	-
Interest payable on subordinated liabilities and debt securities in issue			-	4	1	4
Currency translation and other adjustments	-	-	-	(2)	4	21
At 31 December	-	-	-	-	-	580

(1) Debt securities in issue are included in amounts due to holding companies and fellow subsidiaries (Note 23).

20. Analysis of cash and cash equivalents

	Group		Bank	
	2024	2023	2024	2023
	€m	€m	€m	€m
Cash and balances at central banks	21	104	21	104
Loans to banks	13	7	13	7
Amounts due from holding companies and fellow subsidiaries	410	660	410	660
Cash and cash equivalents	444	771	444	771

21. Transactions with directors

There were no transactions, arrangements or agreements entered into by the Bank in respect of loans to persons who were directors of the Bank (or persons connected with them) at any time during the financial year or previous financial year.

There were no loan balances as at 1 January 2024, as at 31 December 2024 or during 2024 in respect of any individual who served as a director of the Bank in the financial year.

Connected parties

Pursuant to the provisions of the Companies Act 2014 the amounts required to be disclosed include: aggregate amounts outstanding as at 31 December 2024 of €nil (2023 - €nil) and aggregate maximum amounts outstanding during the financial year of €nil (2023 - €123,744).

There were no relevant persons for, or with, whom relevant transactions as at 31 December 2024 were made by the Bank (2023 – nil). The maximum number of relevant persons for, or with, whom relevant transactions, arrangements and agreements with the Bank were in place at any time during the financial year was nil (2023 - 1).

There were no guarantees, security or arrangements involving a guarantee or security entered into by authorised institutions in the Group in respect of guarantees to persons who were directors of the Bank (or persons connected with them) at any time during the financial period (2023 - nil).

At 31 December 2024, the total amount outstanding under any arrangement by the Bank with any director or person connected to a director was less than 10% of the Bank's total assets.

There were no amounts outstanding at 31 December 2024 (2023 - nil) in respect of loans made to directors by subsidiary undertakings which were not authorised institutions.

22. Directors' and secretary's interest in shares

At 31 December 2024 the directors and secretary did not have any interest in the shares or debentures of the ultimate holding company representing more than 1% of the nominal value of its issued share capital.

23. Related parties

The following table details active related undertakings incorporated in Ireland which are 100% owned by the Bank and fully consolidated for accounting purposes.

Entity name	Activity [1]
First Active Limited	OTH
Ulster Bank Holdings (ROI) Limited	OTH
Ulster Bank Pension Trustees (R.I.) Limited	TR
Ulydien Trust Company Limited	TR
Ulster Bank Dublin Trust Company Unlimited Company	SC

The following table details related undertakings incorporated in Ireland which are 100% owned by the Bank that are in liquidation but fully consolidated.

Entity name	Activity [1]
UB SIG (ROI) Limited	INV
The RBS Group Ireland Retirement Savings Trustee Limited	TR

(1) Activity - Other/non-financial (OTH), Service Company (SC), Investment (shares or property)holding company (INV), Trustee (TR)

(a) Directors and key management

At 31 December 2024 the Bank had advanced no amounts to persons who served as directors during the financial period (2023 - nil).

There were no transactions between the Bank and its directors, key management, their close families or companies which they control during the financial year (2023 - nil).

There were no balances outstanding as at 31 December 2024 between the Bank and its directors, key management, their close families or companies which they control.

(b) Related party transactions

Included in the consolidated income statement are the following transactions with related parties during the financial year:

	Group and Bank					
	2024			2023		
	Holding companies €m	Fellow subsidiaries €m	Total €m	Holding companies €m	Fellow subsidiaries €m	Total €m
Interest receivable	-	23	23	-	29	29
Interest payable	(1)	(19)	(20)	(4)	(85)	(89)
Fees and commissions receivable	-	-	-	-	1	1
Fees and commissions payable	-	(3)	(3)	-	(11)	(11)
Other operating income	-	2	2	-	3	3
Other administrative expenses	-	(78)	(78)	-	(158)	(158)
	(1)	(75)	(76)	(4)	(221)	(225)

Included in the Group and Bank's balance sheet are the following balances with related parties at the year end:

	Group					
	2024			2023		
	Holding companies €m	Fellow subsidiaries €m	Total €m	Holding companies €m	Fellow subsidiaries €m	Total €m
Assets						
Loans to banks - amortised cost	-	410	410	-	660	660
Other assets	-	-	-	-	6	6
Amounts due from holding companies and fellow subsidiaries	-	410	410	-	666	666
Liabilities						
Bank deposits	-	-	-	-	54	54
Other liabilities	-	4	4	-	39	39
Debt securities in issue	-	-	-	580	-	580
Amounts due to holding companies and fellow subsidiaries	-	4	4	580	93	673
Derivatives	-	2	2	-	22	22

23. Related parties (continued)

	Bank					
	2024			2023		
	Holding companies €m	Fellow subsidiaries €m	Total €m	Holding companies €m	Fellow subsidiaries €m	Total €m
Assets						
Loans to banks - amortised cost	-	410	410	-	660	660
Other assets	-	-	-	-	6	6
Amounts due from holding companies and fellow subsidiaries	-	410	410	-	666	666
Liabilities						
Bank deposits	-	-	-	-	54	54
Other liabilities	-	8	8	-	39	39
Debt securities in issue	-	-	-	580	-	580
Amounts due to holding companies and fellow subsidiaries	-	8	8	580	93	673
Derivatives	-	2	2	-	22	22

(c) Compensation of key management

Short term benefits include benefits expected to be settled wholly within twelve months of balance sheet date. Post-employment benefits include defined benefit contributions for active members and pension funding to support contributions to the defined contribution schemes. Share-based payments include awards vested under rewards schemes.

The aggregate remuneration of directors and other members of key management during the financial year was as follows:

	Group	
	2024 €	2023 €
Short-term benefits	3,360,300	5,083,544
Share-based benefits	1,402,998	1,378,571
Termination benefits	344,702	1,267,936
Other long-term benefits	143,063	97,329
Post-employment benefits	174,118	263,404
	5,425,181	8,090,784

24. Ultimate holding company

The Bank's ultimate holding company is NatWest Group plc which is incorporated in the United Kingdom and registered in Scotland. The Bank's immediate parent company is NatWest Bank Europe GmbH which is incorporated and registered in Germany.

As at 31 December 2024, NatWest Group plc heads the largest group in which the Bank is consolidated. The smallest group in which the Bank is consolidated is NatWest Holdings Limited which is incorporated in the United Kingdom and registered in England. Copies of the consolidated accounts of both companies may be obtained from Legal, Governance & Regulatory Affairs, NatWest Group plc, Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ.

25. Post balance sheet events

There have been no significant events between the financial year end and the date of approval of the financial statements which would require a change to or additional disclosure in the financial statements.

26. Date of approval

The financial statements were approved by the Board of Directors on 12 February 2025.

27. Capital resources - unaudited
Capital management
The capital resources for the Bank are set out below.

	Unaudited [1] 2024 €m	Unaudited [1] 2023 €m
Shareholders' equity	358	901
Regulatory adjustments and deductions		
Defined benefit pension fund adjustment	(40)	(40)
Deferred tax assets	(6)	(6)
Prudential valuation adjustments	-	(18)
Insufficient coverage for non-performing exposures	-	(3)
Other adjustments for regulatory purposes	(3)	(56)
	(49)	(123)
Common Equity Tier 1 capital [2]	309	778
Total Tier 1 capital	309	778
Total Tier 2 capital	-	-
Total regulatory capital	309	778
Key capital ratios	%	%
Common Equity Tier 1	49.0	43.1
Tier 1	49.0	43.1
Total capital	49.0	43.1
Risk weighted assets by risk	€m	€m
Credit risk	227	1,060
Market risk	1	32
Operational risk	403	713
Total risk weighted assets	631	1,805

(1) The capital metrics included in the above table have not been audited for the financial years ended 31 December 2024 and 31 December 2023.
(2) The Common Equity Tier 1 capital includes the total comprehensive loss for the financial year.

In the management of capital resources, the Group is governed by the UBIDAC and NatWest Group policies which are to maintain a strong capital base and maintain a prudent relationship between the capital base and the underlying risks of the business.

In carrying out these policies the Group has regard to and has complied with the capital supervisory requirements of the ECB and CBI throughout the financial year.