Maoiniú Teaghais–Tógála Éireann
Home Building Finance Ireland

Annual Report and Financial Statements **2024**

Supporting housebuilders throughout Ireland

Welcome to the HBFI Annual Report 2024

About HBFI

Home Building Finance Ireland ("HBFI") was established in January 2019 to provide funding at market rates for commercially viable residential developments in the State. Its establishment was part of a wider response to Ireland's housing supply shortage that, over recent years, has seen supply falling short of the estimated demand.

HBFI has a broad range of products and provides funding directly to housebuilders to support developments of five or more units. The funding provided supports the delivery of houses and apartments for owner occupiers, social and affordable homes and those seeking rental accommodation. By engaging extensively with the market and monitoring the availability of finance for residential development, HBFI can identify gaps as they emerge and respond accordingly. HBFI aims to ensure that funding is not an impediment in the drive to increase Ireland's housing supply.

Our Mission

HBFI's mission is to help increase the supply of new homes in the State through the provision of finance to commercially viable residential property development.

Explore online
Visit our website to
find out more **www.hbfi.ie**

Front cover: Ard Rua in Waterford is a development of 37 new 3 and 4-bedroomed semi-detached homes for the private market.

Below: Kilbridge Lodge in Castleknock, Dublin is a development of 28 1, 2 and 3 bedroomed apartments for the private market.

Contents

Above: Green Park in Limerick is a development of 68 new 2 and 3 bedroomed homes for the private market.

Key Business Highlights

Approvals

55
Number of facilities in 2024
From inception: **184**

23
Counties

€14.5m
Average loan size
Range: **€1m to €113m**

4,691
Number of homes in 2024
From inception: **13,186**

€1.01bn
Total funding approved in 2024
From inception: **€2.67bn**

44%
Social, Affordable and Part V housing

6.45%
Average lending rate

72
Average units per loan

56%
Private Housing

Homes Completed

4,618
Number of units completed and sold

3,408
Number of units contracted for sale/sale agreed

Active Sites

€1.93bn
Total funding approved which relates to active or completed sites

117
Total number of active or completed sites

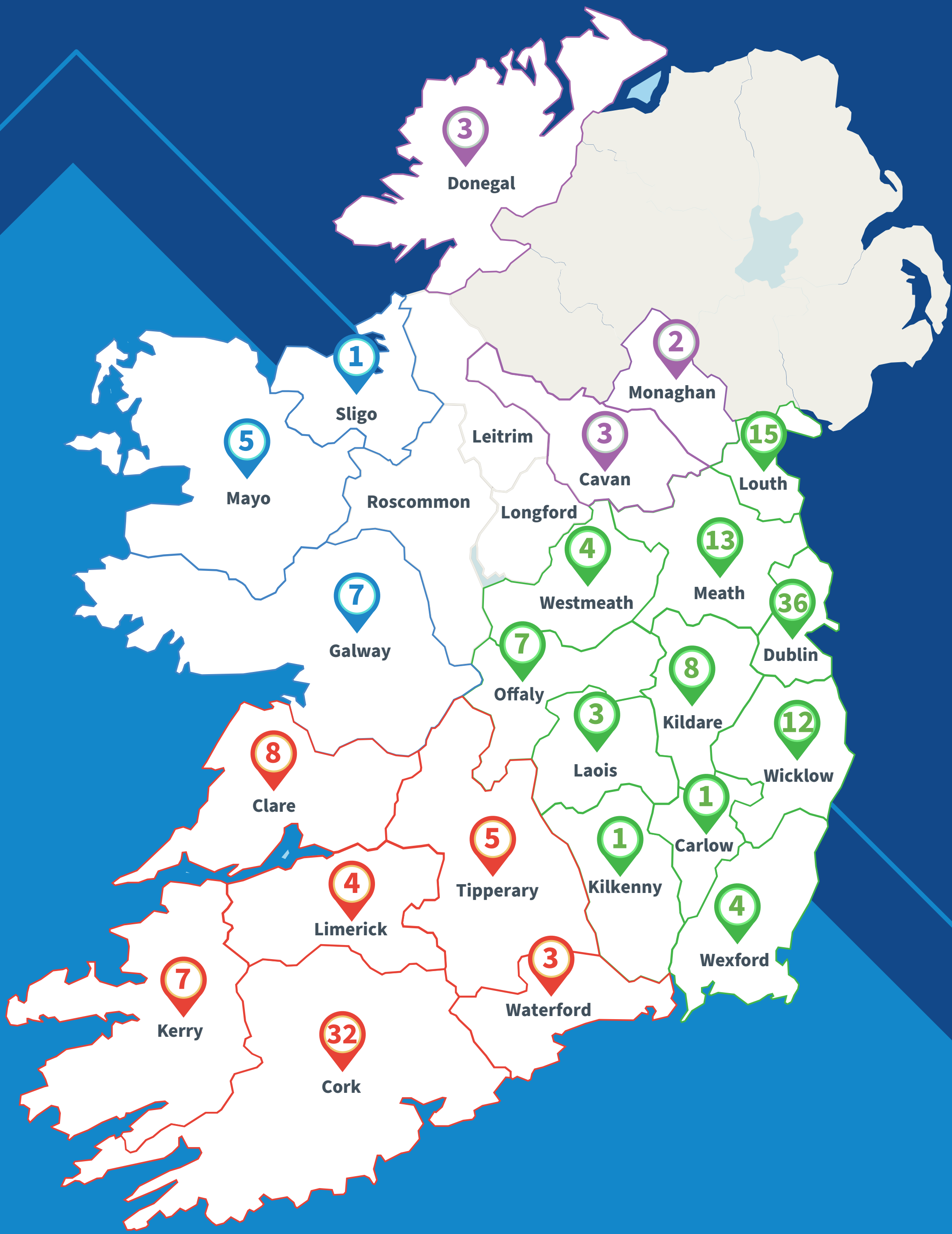
10,375
Number of new homes delivered or under construction

* From Inception figures reported are from 28 January 2019 to 31 December 2024. Not all schemes approved will draw down funding from HBFI for various reasons including the project not progressing or alternative funding secured.

HBFI Facilities Approved to Date

By County

From inception to 31 December 2024, HBFI approved 184 loan facilities. These facilities are located across 23 counties with an average of 72 new homes per facility. Further details are available below.



2024 saw over €1bn of funding approved to support the delivery of much needed new homes.

Rathmill Manor, a HBFI-funded development of 68 new homes for the private market in Rathcoole, Dublin 24 which is currently under construction.

Joint Chairperson and CEO Statement

Marie Collins

Dara Deering

Throughout 2024, HBFI continued to play a significant role in supporting the delivery of residential developments across Ireland, and to date has approved funding to support over 13,000 much needed new homes.

Our strategic focus is clear - to support the delivery of more homes across Ireland. During 2024, HBFI provided over €1bn in funding for viable projects. Since HBFI was established, we have provided funding of €2.7bn supporting the delivery of 13,186 new homes across 23 counties in Ireland.

In 2024, we also saw strong progress in construction activity on our active sites. So far 4,618 HBFI funded new homes have been completed and sold and a further 3,408 homes are at sale agreed or contract stage. We expect the level of completed units on our active sites to continue to increase in the year ahead.

Demand for housing remains extremely strong for owner occupiers, social, affordable and private rental tenures. While there continues to be a drive to increase supply, the ongoing challenges with apartment delivery resulted in housing supply targets not being met in 2024. The role of HBFI is particularly important in what remains a challenging market for builders and developers.

A key area of continued focus for HBFI is to ensure that the residential development sector is aware that HBFI has funding available to support all viable home building projects. During 2024, we continued to collaborate with our customers and stakeholders, gathering feedback and adjusting our product offering to reflect the changing needs of the industry.

Our current product range means we can provide funding for viable developments of all home types right around the country. This includes small housing projects of five or more new homes, to medium sized projects for either private or social housing to larger developments of mixed tenure. To date, 47% of the homes we have funded are for owner occupiers, 44% are for social and affordable housing and 9% are for the private rental sector.

As we look to the year ahead, we will continue to play an important role in addressing Ireland's home building funding challenges. The Minister for Finance has commenced the third Section 24 review of HBFI which includes a submission by the Board on HBFI's performance and a comprehensive consultation process with a broad range of stakeholders across the sector. Following publication of the review in Quarter 2 2025, we look forward to working with stakeholders on any recommendations for HBFI.

As Chair of the Board, I would like to express my appreciation to the Chief Executive Officer, Dara Deering, for her drive and commitment in successfully leading HBFI. I want to also thank the management and staff for their ongoing professionalism, commitment, and agility in what has once again been a very significant year for HBFI. I want to acknowledge the strong commitment of all my fellow directors during 2024 and I wish to thank Grainne Hennessy, who recently retired from the Board, for her significant contribution over the past six years.

Marie Collins

Marie Collins
Chairperson

Dara Deering

Dara Deering
Chief Executive Officer

Over 1,780 HBFI-funded new homes were completed and sold in 2024.

Churchfields in Gorey, Co. Wexford is a development of 64 mixed tenure homes that are currently under construction.

Business Review

Our Market

Throughout 2024, HBFI continued to engage with new and existing customers and key stakeholders across the public and private sector, providing us with valuable feedback helping us to shape future plans. Ongoing interaction and meetings with stakeholders allow us to identify new and emerging funding gaps within the residential development market.

HBFI now offers five distinct products that can provide funding for viable residential development projects from five units upwards. Through this broad product offering and our business development activities, HBFI continues to focus on segments of the market and areas that may not be well served by other funding providers. This includes ensuring that HBFI has a consistent risk appetite to fund developments through economic cycles and times of uncertainty.

We continued to see strong demand for all products in 2024, from small housing projects to larger developments of mixed tenure. To date, 47% of the homes we have funded are for owner occupiers, 44% are for social and affordable housing and 9% are for the private rental sector.

While not all schemes applying for finance are commercially viable, the level of applications received by HBFI continues to highlight the ongoing demand for funding which is expected to increase further in the years ahead to support the revised targets for housing delivery.

Our Performance

HBFI continued its growth in 2024, approving over €1bn of funding.

As of 31 December 2024, HBFI had approved funding of €2.7bn across 184 sites, which has the potential to support the delivery of up to 13,186 new homes. Due to the time required to allow for legal due diligence and the completion of facility agreements following approval and prior to first drawdown, 117 of these facilities had reached drawdown (or had been completed) by 31 December 2024. Total funding allocated to these 117 projects was €1.9bn and these projects will support the delivery of 10,375 new homes.

By the end of December 2024, 4,618 HBFI-funded homes had been completed and sold since the launch of HBFI in 2019.

Some of the key metrics are detailed below.

- €2.7bn in funding approved across 184 schemes in 23 counties
- 72% of funding approved is now under construction or has completed
- 4,693 homes are completed of which 4,618 are sold. A further 3,408 homes are contracted for sale or sale agreed
- 64% of approvals relate to houses and 36% to apartments
- 77% of approved homes are either 2 or 3-bedroom with the average expected price for a 3-bedroom home of €355k
- 67% of HBFI funded schemes will deliver 50 or less homes.

HBFI has a national mandate and works extensively with key stakeholders in each county to raise awareness of the debt finance available to support house building. To date, HBFI has approved funding in 23 counties.

HBFI formally reviews its strategy and business plan on an annual basis considering any changes in the supply of and demand for housing, housing policy and the availability of finance for residential developments. The HBFI Strategy and Business Plan was most recently updated and submitted to the Minister for Finance in April 2025.

Our Customers

The primary areas of focus for HBFI are to increase awareness of the range of funding products that we offer to the market and to continue to have a positive impact in the Irish residential development funding market. HBFI engages with existing and potential customers in the residential development sector on a continuous basis and seeks to inform and update the wider industry about our range of products and their suitability for different types of residential schemes.

HBFI's Business Development and Lending teams work together to increase overall awareness of HBFI and its product range across the residential development market. They do this by engaging housebuilders who may have current or future financing needs. In 2024, the team held over 1,000 meetings with potential customers, AHBs, Local Authorities and key stakeholders in the sector to discuss HBFI's offering and learn more about customer and stakeholder requirements.

There is also ongoing engagement with key advisors within the sector including accountants, engineers, planners, architects, and legal firms across the country to ensure there is broad understanding of HBFI's function.

Throughout 2024, the Business Development Team hosted six regional events to meet with potential and existing customers around the country. HBFI invited AHBs and the First Home Scheme to present at these events to provide more value to the builders, developers and advisors in attendance. HBFI also held a conference to mark five years in operation, with over 180 attendees representing all segments of the residential development sector and included an address from the Minister for Finance. The team participated in over 30 events hosted by industry bodies nationwide, including speaking or panel participation at over 20 events.

Our Products

In 2024, HBFI simplified its product offering and now offers a range of five products which can provide funding to any viable scheme of any scale from five units upward. The products offered by HBFI are detailed further overleaf.

Throughout 2024, we continued to see an increase in the level of funding provided for new social and affordable homes with the proportion of new social or affordable units once more increasing significantly when compared to previous years. This reflects the ongoing activity in the social and affordable sector by AHBs, Local Authorities and the Land Development Agency ("LDA").

HBFI's products have evolved since inception from a single product to five products:

2019

Launch of HBFI with
> 10 Units Product
(max loan €35m)

2020

Expansion of product set to include:

- **<10 Units Product**
- **Apartment Product**
- **Social Housing Product**
- **Momentum Fund (temporary)**

2021

Addition of **Green Funding Product**

2023

Addition of
Accelerate Product

2024

Simplification of products and messaging

Small Developments

Funding for projects of five units or more with a maximum loan requirement of €5m.

- Loan amount up to €5m (includes land purchase (up to 60%) and development funding)
- Gearing of up to 80% of the total cost of the development
- Margin of between 4.75% and 7.5% (over 3-month Euribor)
- 1% entry and 1% exit fee

Housing and Apartment Developments

Funding projects with a loan requirement of €5m upward.

- Gearing of up to 80% (includes site purchase and development funding)
- Margin of between 4.75% and 7.5% (over 3-month Euribor), with an entry fee and exit fee of up to 1%
- Maximum funding provided under this product type is typically €100m

Social/ Affordable Housing

Funding for social and affordable housing projects that are predominantly contracted for sale preconstruction to a Local Authority, an AHB or the LDA.

- Gearing of up to 85% (includes site purchase and development funding)
- Margin of between 4.5% and 6.5% (over 3-month Euribor), with an entry fee of 1% and no exit fee
- Ideally, the site should have planning permission or be in the process of achieving planning permission
- Needs to be contracted to a Local Authority, an AHB or the LDA prior to the first drawdown

Green Funding

Designed to encourage the development of sustainable housing across all HBFI products.

- To qualify for this product the project needs to be certified to the Home Performance Index ("HPI") or equivalent standard
- Projects that qualify can avail of a discount of up to 0.5% on the margin they could normally expect to be charged
- Available across all HBFI products (some products are subject to certain minimum margins)
- Early engagement is essential to ensure that compliance with criteria for HPI certification can be planned from the outset

Accelerate

Designed to assist larger developers, with a track record of delivering schemes of 100 homes or more.

- For developers with a track record of delivering schemes of 100 units or more
- Can be provided on a standalone basis or on a syndicated (shared) basis with other lenders
- No limit will be placed on the scale of the scheme
- Gearing typically up to 70% (includes site purchase and development funding)
- Margins and fees assessed on a case-by-case basis

Our Stakeholders

HBFI engaged with stakeholders throughout 2024 in both the public and the residential development sectors. Builders and residential property developers seeking finance continue to be our key stakeholders. However, the residential development sector includes many stakeholders involved in the delivery of new homes, and our wider stakeholder groups include but are not limited to:

- Accountancy Firms
- Affordable Housing Bodies
- Architects
- Engineers
- Estate Agents/Auctioneers
- Legal Firms
- Local Authorities
- Other public entities
- Planners
- Quantity Surveyors
- Valuers

We continued to engage with our network of Introducers in 2024 – this network includes business advisors to the construction industry across the country. The team also continued to build strong relationships with other important stakeholders, inviting AHBs and the First Home Scheme to participate at our regional events throughout the year and inviting stakeholders to attend the 5-year conference.

HBFI also continued to engage with key professional bodies across the industry, participating in events and meetings with various bodies including:

- Construction Industry Federation
- Institute of Professional Auctioneers and Valuers
- Irish Home Builders Association
- Society of Chartered Surveyors of Ireland
- The Irish Green Building Council

As well as participating in over 30 national and regional conferences, roadshows and events over the last year, HBFI also held a national conference to mark five years in operation as well as six standalone regional events to promote its products, meet with stakeholders and potential customers, and listen to local market feedback.

This ongoing stakeholder engagement aimed:

- To continue to raise awareness of HBFI as a direct funding provider to the residential construction sector in all areas of the country;
- To re-engage and follow up with those who have previously expressed interest in HBFI funding; and
- To gather feedback on what HBFI can do to address any emerging funding gaps and learn how HBFI's strategy or products may be improved.

Feedback was sought from a range of stakeholders on HBFI's performance throughout the year. This feedback was sought both formally, via a biennial survey, conducted in October 2024 and informally, via individual stakeholder meetings. Feedback was sought on issues such as the impact of HBFI on the market, perception of HBFI's products, HBFI's approval process and its level of engagement with the market.

Overall, 82% of respondents agreed that HBFI had a very good or good impact on availability of finance and 91% felt HBFI had engaged well or very well with them over the past 12 months.

The feedback from stakeholders was considered as part of HBFI's strategic planning process and continues to be a key factor in ongoing plans to streamline HBFI's processes and ensure HBFI impacts the sector where it is most needed.

As HBFI is an agency of the state, we have an ongoing working relationship with relevant government departments, the Housing Agency, AHBs, Local Authorities and the LDA. We value the importance of collaboration, and a comprehensive stakeholder engagement plan is in place for 2025 as HBFI continues to spread awareness of our product offering across the country and support the delivery of supply targets in the Government's *Housing for All* strategy.

Our Policy Considerations

Under Section 24 of the HBFI Act, the Minister for Finance must regularly review HBFI to ensure that we are delivering on our mandate and making an impact in the market.

The Minister for Finance has commenced the third such Section 24 review which is due to be finalised in mid-2025. HBFI will respond promptly to any recommendations from this review to ensure that HBFI continues to deliver on its mandate to support an increase in the supply of new homes throughout Ireland.

HBFI is conscious of Government policy relating to housing, in particular the *Housing for All* strategy published in September 2021 and the *Programme for Government 2025*. HBFI meets with the Department of Finance on a regular basis and also, given the synergies in mandate, with the Department of Housing. In addition, HBFI maintains a specific email address for members of the Oireachtas to submit any queries that may arise.

Throughout 2024, HBFI continued to focus on aligning its activities with Government policy while also addressing its policy considerations through our various stakeholder engagement activities.

Our ESG Priority

HBFI is committed to embedding Environmental, Social and Governance ("ESG") principles in its business practices in acknowledgement of the importance of ESG to the Irish economy and society.

Environmental

Lending activities

The construction sector has seen meaningful improvements in regulation in recent years. This will ultimately result in a considerable decrease in energy consumption over the lifecycle of new homes. For example, the *Nearly Zero Energy Building*[1] (NZEB) regulations introduced a very high energy performance standard for new buildings requiring that all new homes are NZEB compliant.

HBFI endeavours to ensure that all funded projects are compliant with the latest building standards, with compliance being confirmed by Monitoring Surveyors appointed to each project, helping to ensure that the highest standards in building regulation are met on all HBFI funded developments and that the impact on the environment is minimised.

HBFI launched a Green Funding product in January 2021 to encourage sustainable development and incentivise builders/developers to complete new homes to a standard which is higher than that set by regulation. As an incentive, HBFI offers a discount of up to 0.5% on the margin charged. To qualify for this margin reduction, the scheme must be certified to *Home Performance Index* ("HPI") or an equivalent standard. The HPI standard is monitored and certified by the Irish Green Building Council.

1 'Nearly Zero Energy Buildings' means a building that has a very high energy performance. The nearly zero or very low amount of energy required should be covered to a very significant extent by energy from renewable sources, including energy from renewable sources produced on-site or nearby.

Public sector climate action mandate

HBFI works closely with the National Treasury Management Agency ("NTMA") to meet public sector body obligations under the Public Sector Climate Action Mandate outlined in the Government's Climate Action Plan.

A Climate Action Roadmap is a document produced by public sector bodies which communicates how each public body aims to meet the requirements of the Climate Action Mandate and reach its 2030 carbon and energy efficiency targets.

The 2024 Climate Action Roadmap for the NTMA, including HBFI and other co-located affiliates, is available on the NTMA website. It contains details on the following:

Key targets and reporting:

- 51% reduction of carbon emissions by 2030 in line with the public sector target;
- 51% reduction of thermal energy emissions by 2030 in line with the public sector target;
- Achieving a 50% improvement in energy efficiency by 2030 in line with the public sector target;
- To be a net zero organisation by 2030; and
- The NTMA (inclusive of the NTMA's affiliate organisations HBFI, NAMA and SBCI) reports under the Energy Efficiency Monitoring and Reporting System, overseen by the Sustainable Energy Authority of Ireland.

Other Initiatives:

- The NTMA Sustainability Group which monitors the NTMA Climate Action Strategy and facilitates cross-unit collaboration on climate related activities including the delivery of the Public Sector Climate Action Roadmap.
- The Green Team which supports the aim of being a recognised leader in sustainable workplace practices in Ireland and assists in embedding environmentally sustainable behaviours among all employees.
- Sustainability education and training supports have been made available to employees in the form of climate action leadership training workshops and e-learning.
- Measures taken by the NTMA to realise and successfully implement digitisation of material paper-based processes.
- A building systems performance and optimisation system is in place which enables the NTMA to identify and implement energy saving opportunities.
- The appointment of a Climate and Sustainability Champion with responsibility for implementing and reporting on the mandate.
- Green criteria for selection and award criteria are being introduced for new procurements in line with the Climate Action Plan, with the published Green Public Procurement guidance used where applicable.
- Treasury Dock was designed as a bicycle friendly building and the NTMA participates in the Cycle to Work Scheme which encourages employees to cycle to and from work. Electrical sockets for e-bikes and e-scooters are available, in addition to a bike maintenance station.

Energy efficiency report

HBFI is located with the NTMA in offices at Treasury Dock, North Wall Quay. HBFI occupies 3.08% of Treasury Dock as at 31 December 2024.

Treasury Dock is certified as LEED Platinum, BER A3, B2 Display Energy Certificate (DEC) energy rating standards and is NZEB compliant. Treasury Dock has many sustainable features including rainwater harvesting for grey water use, LED lighting and daylight and presence detection sensors to manage lighting requirements and a building management system to control the internal environment in an energy efficient manner.

The NTMA's Energy Efficiency Report details energy usage by the Treasury Dock building and is published with the NTMA's Annual Report on the NTMA website and details are also provided in the Climate Action Roadmap.

Social

Lending activities

HBFI has a social/affordable housing product, which was introduced in 2020, to promote the delivery of social and affordable housing.

HBFI's stakeholder engagement programme includes engagement with a range of bodies supporting the delivery of social housing across Ireland, including the Housing Agency, AHBs, the LDA and Local Authorities.

44% of HBFI's approvals to date relate to Social and Affordable and Part V housing.

HBFI team

HBFI has a strong focus on employee wellbeing. HBFI staff, as employees of the NTMA, benefit from a wide range of progressive environmental and wellbeing initiatives aimed at fostering an inclusive and diverse workforce.

HBFI staff participate in a number of employee resource groups in the NTMA which includes Green Team, Gender Matters, Disability Awareness, Multicultural Awareness and LGBT+ focused initiatives.

HBFI operates a flexible hybrid working model.

During 2024, HBFI staff participated in a Volunteering Day event at St Michael's House in Dublin which provides a comprehensive range of services and supports to men, women, and children with intellectual disabilities and their families in a number of locations in the greater Dublin Area.

Irish Human Rights and Equality Commission Act 2014

As a public body, HBFI has regard to the need to eliminate discrimination, promote equality of opportunity and protect human rights of staff and service users, as set out in Section 42 of the Irish Human Rights and Equality Commission Act 2014.

HBFI undertook an assessment of human rights and equality issues relevant to its functions and purposes which is available on HBFI's website – **www.hbfi.ie**.

Gender matters

HBFI's gender profile at 31 December 2024 is:

	Female	Male
Board	57%	43%
Executive Management Team	60%	40%
Employee	29%	71%

The NTMA 2024 Gender Pay Gap Report published on 9 December 2024 includes figures for staff assigned to HBFI and is available on the NTMA website.

Employment of people with disabilities

The NTMA, as employer of all HBFI staff, is committed to supporting employees with disabilities and those requiring workplace accommodations, by addressing their needs, proactively improving accessibility, and reducing and removing barriers in their day-to-day working lives, where reasonably possible. The NTMA has embedded a number of supports for staff in this regard.

- Disability Liaison Officer: A dedicated Disability Liaison Officer who can be approached confidentially with questions and issues around disability.
- Accommodations and Supports: Offering tailored reasonable accommodations and support to meet individual needs.
- Disability Advocacy Team: Organise initiatives and events that celebrate and champion a workplace where everyone thrives.
- Recruitment Partnerships: Collaborating with organisations to attract diverse talent.
- Awareness Programmes: Hosting workshops and events to promote disability awareness.

Governance

HBFI is committed to maintaining the highest standards of corporate governance. HBFI complies with the Code of Practice for the Governance of State Bodies, subject to certain exceptions agreed with the Department of Finance.

HBFI has a strong governance structure around decision making with certain approvals Reserved for Decision by the Board and robust Terms of Reference for the Committees established to support the Board.

In respect of the Board of Directors, these are chosen through an open and transparent Public Appointments Service process (PAS System).

Further detail is available in the Governance Section of this report.

Case Studies

Housing and Apartment Developments

Company
JSF Construction

Site Name
Bregawn

Location
Cashel, Co. Tipperary

Number of Units
39

Project Status
Under Construction

Green Product

Company
DRES

Site Name
Altidore Gardens

Location
Newtownmountkennedy, Co. Wicklow

Number of Units
280

Project Status
Under Construction

Social/Affordable

Company
Fitzpatrick & Heavy Homes

Contracted to
Mix of Affordable and Local authority

Site Name
Ard na Locha

Location
Moate, Co. Westmeath

Number of Units
35

Project Status
Complete

Small Development

Company
PC Quality Homes

Site Name
Mullavale

Location
Castletownroche, Co. Cork

Number of Units
8

Project Status
Under Construction

Governance and Corporate Information

Directors

Marie Collins

Chairperson

(Reappointed 1 June 2024 for a five-year term)
(Member of the Remuneration Committee,
Member of the Credit Committee)

Marie Collins is an experienced non-executive director in both the private and public sectors, serving on boards for over 20 years. She currently chairs Bank of Ireland's Dawson Master Trust DAC, Dunnes Stores Pension Trustee ULC and Trinity College Dublin Foundation. Marie is a Chartered Director and is a Board Evaluation Assessor and is a lead Tutor on the IOD Chartered Director Program. She holds an MBA from TCD and Postgraduate in Corporate Governance from UCD.

Des Carville

Board member

(Reappointed 7 December 2023 for a five-year term)
(Member of the Audit and Risk Committee, Member of the Credit Committee)

Des Carville is head of the Shareholding and Financial Advisory Division (SFAD) of the Department of Finance, which manages the State's shareholdings and investments in the banking sector, the National Asset Management Agency (NAMA) and IBRC (in Special Liquidation). It has policy responsibility for the Credit Union sector. The Division also provides financial advisory services to the Department. He previously worked with Davy Corporate Finance for 15 years. He is a Fellow of Chartered Accountants Ireland (FCA), having trained with KPMG, is a Certified Bank Director with the Institute of Banking and completed the Advanced Management Program at Harvard Business School. He is a director of the European Investment Bank since 2018.

Dara Deering

Board member

(Reappointed 3 September 2024 for a five-year term)
(Chief Executive Officer and ex officio member)

Dara Deering is CEO of HBFI having joined the organisation on 2 September 2019. Dara has extensive experience in Financial Services having previously served as Executive Director and Head of Retail Banking at KBC Bank Ireland plc since February 2012. During that time Dara led the launch and implementation of a new Retail Bank, broadening the range of products and services available, and offering a new banking alternative for Irish consumers. Prior to her time in KBC Dara held a number of leadership positions in the retail financial services industry. She holds an MBA from Smurfit Business School and a Bachelor of Science Management from Trinity College Dublin.

Grainne Hennessy

Board member

(Reappointed 1 June 2024 for a five-year term)
(Chair of the Remuneration Committee,
Member of the Audit and Risk Committee)

Grainne Hennessy was a senior partner at Arthur Cox with over 30 years' experience in advising lenders and borrowers on the funding of real estate investments, including some of the largest construction finance projects in the country. She was Head of the Finance Department and a member of the management committee of Arthur Cox for six years.

Andrew O'Flanagan

Board member

(Reappointed 7 December 2023 for a five-year term)
(Member of the Remuneration Committee,
Member of the Credit Committee)

Andrew O'Flanagan is Director of the National Development Finance Agency and NewERA at the National Treasury Management Agency (NTMA). Prior to joining the NTMA in 2011, he was Group Head of Legal at ESB and Chief Legal Officer of Ervia and worked in New York and London for seven years as a corporate lawyer with the Wall Street law firm Davis Polk & Wardwell, which included a secondment to the international investment bank Morgan Stanley. Andrew is a graduate of NUI Galway and Yale Law School (where he was a John F. Kennedy Scholar).

Claire Solon

Board member

(Reappointed 1 June 2023 for a five-year term)
(Member of the Credit Committee)

Claire Solon is Managing Director at Greystar Ireland managing multi-family investment and development in Ireland. Previous roles include Head of Property at Aviva, managing in excess of €600m of property funds in Ireland and the UK and Head of Estates Management at ESB, responsible for the management of the ESB property portfolio in Ireland. She is a Fellow of the SCSI and RICS and has lectured extensively in valuations and feasibility analyses. She served as President of the Society of Chartered Surveyors in 2016 and also served on the Board of the Irish Green Building Council.

Ken Slattery

Board member

(Reappointed 1 June 2023 for a five-year term)
(Chair of the Audit and Risk Committee)

Ken Slattery has extensive board room experience in the financial services sector. He is currently on the boards of DLL Leasing DAC, where he is the chair and the National Shared Services Office. He previously was on the board of Permanent TSB where he chaired the Remuneration Committee and sat on the Nomination, Culture and Ethics Committee. Previously he held a number of senior leadership positions with Bank of Ireland including Corporate Banking Director (15 years) and Credit & Operations Director with Social Finance Foundation (nine years).

He is a Fellow of the Institute of Bankers and a Certified Bank Director.

Board membership as at 31 December 2024

Governance Statement and Board Members' Report

Governance

HBFI was incorporated as a designated activity company pursuant to the Home Building Finance Ireland Act 2018 (the "HBFI Act 2018") on 7 December 2018. A group entity, Home Building Finance Ireland (Lending) DAC ("HBFIL"), was subsequently incorporated on 4 January 2019. The Board is accountable to the Minister for Finance. The Board is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and making strategic decisions on all key business issues. The regular day-to-day management, control and direction of HBFI, within defined authority levels, are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team must follow the broad strategic direction set by the Board and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management of HBFI.

Board Responsibilities

The functions of HBFI are prescribed in Section 7 of the HBFI Act 2018. There is a formal schedule of matters reserved for decision by the Board. This includes:

- Annual Reports and Financial Statements;
- Risk Management Policy;
- Risk Appetite Statement, including eligibility criteria;
- Strategic Plan;
- Annual Budgets and Corporate Plans;
- Financing facilities;
- Appointment and terms and conditions of the Chief Executive Officer (after consultation with the Minister); and
- Overall remuneration policy and staffing plan.

HBFI is required by the HBFI Act 2018 to prepare financial statements in respect of its operations for each financial year. The financial statements are prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Ireland, and in accordance with the Companies Act 2014.

In preparing these financial statements, the HBFI Board is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to do so; and
- Disclose and explain any material departure from applicable accounting standards.

The Board is responsible for ensuring that HBFI keeps, or causes to be kept, adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company 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.

The Board is responsible for approving the HBFI income and expenditure budget and corporate strategy.

Forecasts against budget and goals are reviewed by the Board during the year and variations are reviewed at year end.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of HBFI give a true and fair view of the financial performance during the period under review and the financial position of HBFI at 31 December 2024.

Board Structure

HBFI's Constitution provides that there shall be a minimum of three and a maximum of seven directors, one of whom will be the Chief Executive Officer as an ex-officio member of the Board. The first three directors were appointed by the Minister on the formation and registration of HBFI with the additional four directors appointed on 1 June 2019 following a Public Appointments Service process. The CEO was appointed to the Board in September 2019 replacing one of the original Board members.

The Chairperson is appointed by the Minister.

A director's term of office shall not exceed five years. Directors may be reappointed for a subsequent term subject to a maximum of ten years in total. Details of the current directors and their appointment periods are set out on pages 18 to 19.

The Board has established three committees to assist it in discharging its responsibilities, each with formal terms of reference:

- Audit and Risk Committee
- Credit Committee
- Remuneration Committee

For further information on the Board's committees, see Committee Reports on pages 24 to 26.

In addition, the Board has delegated certain credit decisions to an Executive Management Team Credit Committee through the Delegated Authority Policy, which is subject to regular review by the Board.

The Board plan includes a requirement for the Board to conduct an annual evaluation of its own performance and that of its Committees. For 2024, 2023, 2021 and 2020, this performance evaluation was conducted by way of self-assessment. In relation to the 2022 year, the Board's performance evaluation was conducted externally in accordance with the requirement set out in paragraph 4.6 of the Code of Practice for the Governance of State Bodies (2016).

The Board is supported in its functions by the Board Secretary who also coordinates the activities for the various Board committees.

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Board and Committee meetings for 2024 is set out below including the fees and expenses received by each member in their capacity as a Board or Committee member:

	Board		Audit and Risk Committee	Credit Committee	Remuneration Committee	Fees 2024 €	Expenses 2024 €
	Scheduled	Unscheduled					
Number of Meetings	**7**	**1**	**6**	**7**	**2**		
Board Members							
Dara Deering	7	1	–	7	–	–	–
Marie Collins	7	1	–	7	2	€31,500	–
Des Carville	6	1	6	6	–	–	–
Grainne Hennessy	5	1	4	–	2	€15,750	–
Andrew O'Flanagan	7	1	–	5	2	–	–
Ken Slattery	7	1	6	–	–	€15,750	–
Claire Solon	4	1	–	5	–	€15,750	–
Staff Members							
Sean Alger	–	–	–	7	–	–	–

The HBFI board members are also members of the HBFIL board, with 13 HBFIL board meetings held during 2024.

The Chief Executive Officer (ex officio member), Andrew O'Flanagan (NTMA) and Des Carville (Department of Finance) do not receive any remuneration in respect of their membership of the Board. Members of staff do not receive any additional remuneration in respect of membership of committees.

Gender Balance in the Board membership

As at 31 December 2024, the Board had four female (57%) and three male (43%) members, with no positions vacant. The Board therefore meets the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

The following measures are in place to maintain and support gender balance on this Board:

- The term of office of appointed members does not exceed five years; and
- Board vacancies are filled through the Public Appointments Service process which considers the requirements set out in Section 4.4 of the Code of Practice for the Governance of State Bodies regarding diversity.

Key Personnel Changes

There were no changes to the members of the Board during 2024.

In February 2025, Grainne Hennessey resigned as a director and a process has commenced to fill this vacancy.

Remuneration

The HBFI Act 2018 provides that the NTMA shall assign staff to HBFI as HBFI determines to be necessary for the performance of its functions. Thus, all HBFI staff are employees of the NTMA.

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

Discretionary performance-related payments are intended to reward exceptional performance having regard to the employee's own performance, the performance of the employee's area of responsibility, and the overall performance of HBFI. Performance related payments are made in accordance with parameters approved by the Board on the recommendation of the Remuneration Committee.

The overall amount of performance-related payments made in respect of any year is also subject to the approval of the Board.

HBFI made performance-related payments to 13 staff in 2025 in respect of 2024. These payments totalled €137,000 in aggregate.

Employee Short-Term Benefits Breakdown

Employee short-term benefits in excess of €50,000 in 2024 are categorised into the following bands:

Range	No. of Employees
€50,001 to €75,000	2
€75,001 to €100,000	7
€100,001 to €125,000	12
€125,001 to €150,000	4
€150,001 to €175,000	3
€175,001 to €200,000	1
€200,001 to €225,000	1
€225,001 to €250,000	0
€250,001 to €275,000	0
€275,001 to €300,000	1
Total	31

Note: For the purposes of this disclosure, short-term employee benefits rendered during 2024 include salary, other taxable benefits paid to employees (including performance-related payments), and other payments made on behalf of employees, but exclude employer's PRSI and employer pension contributions.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that HBFI has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Consultancy costs

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

	2024 €'000	2023 €'000
Legal advice	80	98
Financial advice	62	73
Marketing/Design/Public Relations	15	12
Human Resources	3	0
Other	33	39
Total consultancy costs	**193**	**222**
Consultancy costs capitalised	0	0
Consultancy costs charged to the Statement of Comprehensive Income	193	222
Total consultancy costs	**193**	**222**

Legal costs and settlements

For the purposes of the Code disclosure requirement, there was no relevant expenditure incurred in 2024.

Travel and subsistence expenditure

Travel and subsistence expenditure is categorised as follows:

	2024 €'000	2023 €'000
Domestic		
- Board	0	0
- Employees	64	60
International		
- Board	0	0
- Employees	0	0
Total	**64**	**60**

Employee travel and subsistence costs consist of costs related to site visits and customer meetings.

Hospitality expenditure

The Statement of Comprehensive Income includes €8.2k in respect of staff hospitality expenditure in 2024 (2023: €6.8k). This includes the NTMA's corporate health and wellbeing programme.

Statement of Compliance

HBFI has complied in all material respects with the Code of Practice for the Governance of State Bodies, as published by the Department of Public Expenditure and Reform ("the Code") with a limited number of adaptions/variations which have been agreed with the Department of Finance as summarised below:

Matters reserved for decision by the board

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

Customer service

The Code sets out a requirement to have a four-step cycle in respect of a customer charter. In relation to the fourth step which deals with the reporting of results, as the Code does not specify whether this reporting should be external or internal, HBFI reports the results internally to the Board.

Non-compliance with statutory obligations

In view of the wide range of relevant statutory obligations to which HBFI is subject, it is agreed to address this requirement with regard to the most significant obligations to which HBFI is subject and to apply a materiality filter to the notification of any incidence of non-compliance to the Minister.

Audit and Risk Committee

The Code recommends that the Audit and Risk Committee has members drawn from outside the Board. Although the Committee consists wholly of non-executive Board members, the Board is satisfied that the members have the requisite skills and experience to perform the role required.

Infrastructure guidelines

The Infrastructure Guidelines (which replaced the Public Spending Code in December 2023) are likely to be limited in their application to HBFI as its principal activity is the provision of finance to commercially viable residential developments. Should HBFI engage in capital projects, a further review of the applicability of the Guidelines will be undertaken.

Remuneration and superannuation

The HBFI Act 2018 provides that the NTMA shall assign such staff to HBFI as HBFI determines to be necessary for the performance of its functions. Thus, all HBFI staff are employees of the NTMA.

Remuneration matters in respect of NTMA employees assigned to HBFI are approved by the NTMA Chief Executive Officer, representing the NTMA as employer, in accordance with criteria and oversight arrangements agreed from time to time with HBFI. With regard to these criteria and oversight arrangements, the HBFI Board has established a Remuneration Committee and has put in place a formal remuneration policy. In complying with the Code's provisions in respect of remuneration, HBFI has adopted the provisions applying to commercial State bodies, adapted in light of its particular governance and reporting structures and remuneration model.

Travel circulars

The NTMA's travel policy which applies to all HBFI staff is based on the Framework for a Travel Policy for State Bodies contained in the Code. Revenue approved civil service mileage rates (reflecting Circular 07/2017) are applied. In accordance with the NTMA travel policy, HBFI does not pay subsistence rates in respect of travel but operates a vouched expense process for the reimbursement of travel expenses and Department of Public Expenditure and Reform circulars and office notices regarding subsistence are, therefore, not applied.

Committee Reports

Audit and Risk Committee Report

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

- the quality and integrity of the financial statements; the review and monitoring of the effectiveness of the systems of internal control; the internal audit process and compliance matters; and the review of the outputs from the external auditor, the Comptroller and Auditor General (C&AG); and
- HBFI's risk management framework including risk appetite; the monitoring of adherence to risk governance and ensuring risks are properly identified, assessed, managed and reported.

The Committee comprises of three non-executive members appointed by the Board. The members of the Committee during 2024 were:

- Ken Slattery, Chairperson
- Des Carville
- Grainne Hennessy

The Committee met on six occasions in 2024.

Financial reporting

The Committee reviewed the draft financial statements and recommended them to the Board. The review focused on the accounting methods, the Companies Act 2014 and the clarity and completeness of disclosures in line with applicable accounting standards, and relevant provisions of the Code of Practice for the Governance of State Bodies. The Committee also reviewed the Governance Statement and Board Members' Report, and statements on risk management for inclusion in the HBFI Annual Report.

Internal controls

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

Internal audit

HBFI's internal audit process is managed by the NTMA Internal Audit function. The Committee received regular reports from internal audit. It reviewed the key findings from the outcome of individual audit reviews completed under the 2024 risk-based internal audit plan and monitored the implementation of audit recommendations. The Committee approved the 2025 internal audit plan and reviewed the effectiveness of the internal auditor. The Committee meets privately with the NTMA Head of Internal Audit without management present at least annually.

External audit

HBFI's external auditor is the Comptroller and Auditor General. The Committee reviewed the external audit plan, the key areas of focus and the audit terms of engagement. The Committee meets with the external auditor without management present at least annually.

Risk

The Committee reviewed and recommended to Board for approval the HBFI Risk Management Policy and Framework and Risk Appetite Statement. It reviewed and recommended, or approved, a number of specific risk policies as provided for under the Risk Management Policy and Framework. The Committee received regular reports on HBFI's risk and control environment. It also approved the 2024 Risk Management Plan and monitored progress against the plan throughout the year. The Committee meets privately with the Head of Risk without management present at least annually.

Compliance

The Committee received regular reports from NTMA Compliance and reviewed the annual compliance report and the services provided by NTMA Compliance. The Committee approved updates to the Protected Disclosures Policy and the Data Protection Policy and Statement.

The Committee also reviewed and recommended to the Board the Business Risk Assessment and the Anti-Money Laundering Policy. The Committee meets with the NTMA Head of Compliance without management present at least annually.

Other

The Committee approved a Capital Maintenance and Dividend Policy and recommended it to the Board. The Committee's priorities in respect of 2025 were approved as part of its Work Programme.

The terms of reference for the Audit and Risk Committee were reviewed for recommendation to the Board during 2024.

Credit Committee Report

The Committee operates under delegated authority from the Board of HBFI which has ultimate responsibility for the credit risk of HBFI. Commensurate with the risk appetite approved by the Board, and subject to agreed credit policies, the Credit Committee is responsible for the approval of credit applications in line with the credit approval authority as set out in the Delegated Authority Policy approved by the Board.

The Committee comprises of four non-executive members of the Board, the Chief Executive Officer and the Head of Credit and Risk. The members of the Committee during 2024 were:

- Marie Collins Chairperson (Board Chairperson)
- Des Carville
- Andrew O'Flanagan
- Claire Solon
- Dara Deering
- Sean Alger (HBFI Head of Credit and Risk)

The Credit Committee met on seven occasions during the year. Its main activity involved the review of detailed credit proposals from management.

The terms of reference for the Credit Committee were reviewed for recommendation to the HBFIL Board during 2024.

Remuneration Committee Report

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

The Committee comprises of three non-executive members appointed by the Board. Its members during 2024 were:

- Grainne Hennessy, Chairperson
- Andrew O'Flanagan
- Marie Collins

The Remuneration Committee met on two occasions during 2024.

The terms of reference for the Remuneration Committee were reviewed for recommendation to the Board during 2024.

Risk Management

HBFI aims to manage risk in an informed and proactive manner, in accordance with its Risk Management Policy and Framework and its Risk Appetite Statement, such that the level of accepted risk is consistent with its underlying business activity, and that HBFI understands and is able to manage or absorb the impact of any risks that may materialise. HBFI complies with the risk management provisions of the Code of Practice for the Governance of State Bodies (2016).

Throughout 2024, the Audit and Risk Committee and the Board reviewed the Risk Register on a regular basis, and the Board received regular updates in respect of risk management and high and emerging risks.

Roles and Responsibilities

Board

The Board is responsible for setting the risk appetite and overseeing and guiding risk management activity across HBFI. The Board has mandated that risk management be integrated and embedded into the tone and culture of HBFI and this has been adopted across HBFI with all members of the HBFI team responsible for identification and management of risk. Management is responsible for regularly reviewing the risk register and individually confirming that the stated controls are in place.

Audit and Risk Committee

The Audit and Risk Committee is responsible for overseeing the implementation of the HBFI Risk Management Policy and Framework and ensuring that HBFI's risk management governance model provides appropriate levels of independence and challenge.

The Audit and Risk Committee reports to the Board.

Three Lines of Defence

HBFI's Risk Management Policy and Framework is predicated on the three lines of defence model.

First Line of Defence

Within this model, the HBFI team (excluding the risk function) incur and own the risks.

Second Line of Defence

The HBFI Risk function (and the NTMA Compliance function with regard to Compliance Risk) is independent of the first line management and operations. They oversee compliance with risk management policies and provide review and objective challenge to the first line of defence. They also provide risk reports and information to the risk governance committees.

Third Line of Defence

The Internal Audit function acts as part of a third line of defence by providing independent, reasonable, risk-based assurance to key stakeholders on the robustness of the HBFI risk management system, its governance and the design and operating effectiveness of the internal control environment.

Audit

In accordance with statutory requirements, HBFI is audited by the Comptroller and Auditor General. HBFI's internal audit process is managed by the NTMA Internal Audit function and includes an external firm, currently KPMG, appointed to carry out internal audit work reporting to the NTMA Head of Internal Audit.

Principal Risks

HBFI is exposed to a wide variety of risks which have the potential to affect its financial and operational performance. The Risk Management Policy and Framework establishes the processes to identify, assess, report and mitigate risk. HBFI has identified the following principal risks which may adversely affect the achievement of its objectives. In addition, HBFI maintains a comprehensive Risk Register which identifies key risks and mitigating controls, including the principal risks listed below.

Reputational risk may also occur as a consequence of these risks.

Risk Management (continued)

Risk	Description of the Risk	Risk Mitigation Measure
Credit Risk	Credit Risk is defined as the risk of financial loss resulting from counterparties being unable to meet their contractual obligations to HBFI in respect of loans or other financial transactions. This risk comprises default risk, recovery risk, exposure risk, concentration risk and settlement risk.	Risk mitigants include HBFI's credit review and sanctioning process, adherence to relevant lending and credit policies and procedures, ongoing monitoring and review of facilities.
Business and Strategic Risk	The risk that HBFI will not perform as anticipated against its mandate which could be affected by strategy formation/execution and/or macroeconomic and geopolitical factors.	This risk is mitigated by ongoing product and strategic reviews to ensure that strategy is aligned to market needs. HBFI can adjust its strategy and business offering to fill gaps in the market, subject to review and approval through governance processes.
Operational Risk	HBFI is exposed to operational risk arising from its internal processes, people and systems or from external events, including weather events or pandemics. Key operational risks include system failures (due to cyber-attack or otherwise), reporting errors, data protection breaches and inadequate or failed internal processes.	This risk is mitigated by a suite of controls which is managed and monitored through appropriate governance. In addition, HBFI leverage the systems, processes and controls of the NTMA and external service providers.
Liquidity, Market and Equity Risk	Liquidity, market and equity funding risk is the possibility that, over a specific time horizon, HBFI will be unable to fund its assets or have insufficient funds to meet its obligations as they fall due, the risk of loss from changes in the value of assets and liabilities and the risk of holding insufficient capital to offset any unexpected losses.	The availability of funds to meet specific obligations as they fall due is managed through careful forward planning and day-to-day cashflow management and reporting and adherence to liquidity targets set out in relevant policies. Variable rate loans to borrowers are primarily funded via variable rate borrowings to minimise interest rate risk.
Regulatory Risk	The risk that HBFI fails to implement and comply with new or existing regulatory and/or legislative requirements and deadlines. HBFI must comply with a number of regulatory requirements including data protection law, anti-money laundering legislation and State Aid rules.	Adherence to relevant policies and procedures together with operational support and services provided by the NTMA under a Service Level Agreement, including provision of a Data Protection Officer and a Money Laundering Reporting Officer. A Market Economy Operator Principle report is procured annually to ensure compliance with State Aid rules.
Environmental, Social and Governance Risk	The risk that HBFI does not take necessary actions to integrate and implement ESG into its business operations and work practices.	The HBFI product suite includes a Social/Affordable Housing and a Green Funding product. HBFI-funded developments must comply with standards set out in applicable planning permissions and building regulations. HBFI has a robust risk management framework in place with oversight and reporting to the HBFI Board. The NTMA also provides various corporate initiatives to HBFI including the Green Team and the Sustainability Group.

Management Team

Dara Deering
Chief Executive Officer

Sean Alger
Head of Credit and Risk

Denise Donovan
Head of Operations, Portfolio and Finance

Fergus Mangan
Head of Commercial

Paula Flinter
Head of Legal

Customer Testimonials

Ciaràn Fitzpatrick | Fitzpatrick and Heavey Homes

"We started working with HBFI in 2023. We've always had someone at the end of the phone… very positive and interested to see how the projects were progressing.

The team, they're very knowledgeable and they're able to assist us along every step of the way from the early stage of analysis of a site straight through to drawdown and during the construction."

Frankie Nolan | JSF Construction

"We're currently constructing a site in Cashel, in County Tipperary and that's our first project with HBFI.

We had a direct line of contact, good correspondence with them the whole way through the process.

I would recommend HBFI to other people because they deliver exactly what they tell you they're going to deliver."

Patrick Durkan | D/RES Properties

"This facility has helped us to provide over 200 houses to date, and we'll deliver another 300 houses over the next two years.

We have found working with the team in HBFI really refreshing. It was more of a working relationship funding-wise, a lot of collaboration, a lot of support, which really helped us to get a facility that suited the scheme we had.

We found the overall experience exceptionally positive."

Shane Barrett | ArchTree Developments

"With the help of HBFI funding, we're building 360 residential units in Navan.

The attitude from the top was, what can we do to help? How can we get this over the line?

I'd recommend HBFI to other people because they're very professional, very commercial in their outlook and very keen to do business."

Consolidated Financial Statements of Home Building Finance Ireland DAC and its Subsidiary

For the Financial Year Ended 31 December 2024

Company Registration Number: 639272

Company and Other Information

Directors

Marie Collins (Chairperson)

Desmond Carville

Dara Deering

Grainne Hennessy

Andrew O'Flanagan

Timothy Ken Slattery

Claire Solon

Company Secretary

Cecilia Fourie

Registered Office

Treasury Dock
North Wall Quay
Dublin 1
D01 A9T8

Bankers

Allied Irish Banks Plc
Molesworth Street
Dublin 2
D02 W260

Central Bank of Ireland
New Wapping Street
North Wall Quay
Dublin 1
D01 F7X3

Auditor

Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1
D01 PF72

Directors' Report

The Directors of Home Building Finance Ireland DAC present their report and audited Group and Company financial statements for the year ended 31 December 2024 ("the financial year").

Home Building Finance Ireland DAC ("HBFI" or the "Company"), the holding company, was incorporated on 7 December 2018 (company reg. 639272) pursuant to the Home Building Finance Ireland Act 2018 ("HBFI Act 2018") which was enacted on 3 December 2018.

On incorporation, HBFI allotted and issued, to the Minister for Finance, shares with a total nominal value of €20m. HBFI established and is a 100% shareholder of Home Building Finance Ireland (Lending) DAC ("HBFIL" or the "Subsidiary") which was incorporated on 4 January 2019 (company reg. 640801).

Principal Activities

The principal activity of the Group is to provide debt funding for residential development in the State. The Group, through its subsidiary HBFIL, provides financing to builders and developers seeking to build viable residential development projects in Ireland on commercial, market equivalent terms and conditions.

Business Review

The 2024 Annual Report ("the Report") forms part of the Directors' Report. The Joint Chairperson and CEO Statement in the Report outlines the development and performance of HBFI during the financial year and significant events that occurred during that period. Further information on HBFI's strategy, business model and operations is provided in the Business Review section of the Annual Report.

During the financial year, HBFI focused on achieving its key objectives by continuing to assess loan applications and advance loan amounts to existing and new developments. During the financial year, the following represent the key outcomes:

- €1.01bn of loans approved for borrowers[2];
- €435m of funds advanced to borrowers under approved loans[3];
- €474m of loans repaid by borrowers; and
- €3.9m Profit after Tax for the year.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group are detailed below. In addition, reputational risk may occur as a consequence of these risks.

Credit risk

Credit Risk is defined as the risk of financial loss resulting from counterparties being unable to meet their contractual obligations to HBFI in respect of loans or other financial transactions. This risk comprises default risk, recovery risk, exposure risk, concentration risk and settlement risk.

Business and strategic risk

There is a risk that HBFI will not perform as expected against its mandate which could be affected by strategy formulation and execution and/or macroeconomic and geopolitical factors.

Operational risk

HBFI is exposed to operational risk arising from its internal processes, people and systems or from external events, including weather events or pandemics. Key operational risks include system failures (due to cyber-attack or otherwise), reporting errors, data protection breaches and inadequate or failed internal processes.

2 Not all loans approved will proceed to draw down funding from HBFI for various reasons including the project not progressing or alternative funding secured

3 Including commitment fees capitalised

Liquidity, market and equity risk

Liquidity, market and equity funding risk is the possibility that, over a specific time horizon, HBFI will be unable to fund its assets or have insufficient funds to meet its obligations as they fall due, the risk of loss from changes in the value of assets and liabilities and the risk of holding insufficient capital to offset any unexpected losses.

Regulatory risk

The risk that HBFI fails to implement and comply with new or existing regulatory and/or legislative requirements and deadlines. HBFI must comply with a number of regulatory requirements including data protection law, anti-money laundering legislation and State Aid rules.

Environmental, social and governance risk

The risk that HBFI does not take necessary actions to integrate and implement ESG into its business operations and work practices.

Financial Risk Management

The Group is exposed to financial risks including market risk, liquidity risk, capital risk and concentration risk in addition to credit risk in the normal course of its business. Further details on how the Group manages these financial risks are given in Note 12 to the financial statements.

Directors

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

Marie Collins (Chairperson)

Desmond Carville

Dara Deering

Grainne Hennessey

Andrew O'Flanagan

Timothy Ken Slattery

Claire Solon

Company secretary

Cecilia Fourie

Directors' Interests

The Directors had no beneficial interest in the Group during the financial year or at the year end. The issued share capital of the Group is owned solely by the Minister for Finance.

Adequate Accounting Records

The Directors ensure compliance with the Group's obligations with regards to keeping accounting records required under sections 281 to 285 of the Companies Act 2014, through the use of qualified accounting personnel and appropriate systems and procedures, as set out in the Statement on Internal Control on page 37. The accounting records are kept at the Company's registered office at Treasury Dock, North Wall Quay, Dublin 1, D01 A9T8.

Financial Results

The results for the financial year and assets, liabilities and financial position of the Group are set out in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position on pages 43 and 44 respectively. The Company results and financial position are set out on pages 47 and 48.

Capital and Dividends

The Board approved a Capital and Dividend Policy which sets out the Group's approach to capital allocation including the prioritisation of capital maintenance to support operational resilience. Review of the Group's capital allocation is undertaken annually and any decision regarding dividend distribution is subject to the capital maintenance requirements set out in the policy. The Group is not restricted by any externally imposed capital requirements but, pursuant to its capital allocation policy, the Board has approved the allocation of €2.15m of 2024 profits as non-distributable, bringing the total non-distributable Group Retained Earnings to €3.7m.

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

Events after the Reporting Period

Refer to Note 25 of the financial statements.

Auditor

The Comptroller and Auditor General ("C&AG") is the Group's statutory auditor by virtue of section 15 (2) of the HBFI Act 2018 which permits the C&AG to be HBFI's statutory auditor notwithstanding HBFI is a for profit entity.

So far as each of the Directors in office at the date of approval of the financial statements is aware:

- There is no relevant audit information of which the Group's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

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

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

Dara Deering
Chief Executive Officer

Home Building Finance Ireland DAC

Marie Collins
Chairperson

Home Building Finance Ireland DAC

9 April 2025

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the Group and Company financial statements ("the financial statements") in accordance with the Companies Act 2014.

Irish company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, issued by the Financial Reporting Council ("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 Company as at the financial year end date and of the profit or loss of the Group 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 financial statements and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the 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 a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

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

Dara Deering
Chief Executive Officer

Home Building Finance Ireland DAC

Marie Collins
Chairperson

Home Building Finance Ireland DAC

9 April 2025

Statement on Internal Control

The consolidated and Company financial statements for HBFI are prepared within an internal control framework established by HBFI. The HBFI Board and the committees established by the Board are responsible for the monitoring and oversight of HBFI and its subsidiary, HBFIL.

Scope of Responsibility

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

Purpose of the System of Internal Control

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

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in HBFI for the year ended 31 December 2024 and up to the date of approval of the financial statements.

Capacity to Handle Risk

HBFI has a formal risk management and governance framework in place, designed to support the proactive management of risk. HBFI's Risk Management Policy and Framework and Risk Appetite Framework together set out its risk appetite and risk management processes.

HBFI has an Audit and Risk Committee ("ARC") comprising of three non-executive members of the Board with financial and audit experience, one of whom acts as the Chairperson. The ARC met on six occasions during 2024.

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

The NTMA provides certain finance, human resources, information technology, internal audit, compliance and procurement services to HBFI, as provided for under section 9 of the HBFI Act 2018, and as agreed in the Service Level Agreement between the NTMA and HBFI. HBFI therefore depends to a significant degree on the controls operated by the NTMA. The NTMA has developed a thorough system of internal control and any services provided to HBFI under the Service Level Agreement are provided in accordance with the NTMA's system of internal control. HBFI has received a written confirmation from the NTMA that it has reviewed its system of internal control in relation to services provided to HBFI.

HBFI has also relied on controls operated by its third-party Loan Services provider. These loan services are provided in accordance with a Service Level Agreement and HBFI has established procedures with the Loan Services provider for the reporting of incidents, including control failures. HBFI has received a written confirmation from its Loan Services provider, Fexco Asset Finance Limited, that it has reviewed its system of internal control in relation to services provided to HBFI.

Risk and Control Framework

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

A Risk Register is in place, which identifies the key risks facing HBFI and these have been evaluated and graded according to their significance. On the basis of risks identified, controls are implemented to manage and mitigate these risks. The Risk Register is reviewed by the ARC on a quarterly basis and by the Board of Directors annually at a minimum. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level. The management team is required to attest on a quarterly basis that the controls noted in the Risk Register are in place and effective, to the best of their knowledge.

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

- Documented procedures for key business processes;
- Systems ensuring the security of the information and communication technology systems;
- Regular review and assessment of financial assets;
- A comprehensive budgeting system including an annual budget which is reviewed and approved by the Board of Directors; and
- Regular reviews of periodic financial reports which detail financial performance against forecasts.

Ongoing Monitoring and Review

HBFI has established processes for the ongoing monitoring and review of the effectiveness of controls which are carried out through its three lines of defence model. All of HBFI is responsible for the day-to-day management of risk and for ensuring that adequate controls are in place and operating effectively. The three lines of defence is made up of:

- First Line comprising of the HBFI Team (excluding risk) incur and own the risks;
- Second Line comprising of HBFI Credit & Risk and NTMA Compliance (with regards to compliance risk). The HBFI Credit & Risk function acts as a Second Line of Defence with responsibility for providing independent challenge and oversight of risk monitoring; and
- Third Line comprising of Internal Audit which under the terms of the SLA with the NTMA provides independent, reasonable, risk-based assurance to key stakeholders on the robustness of the HBFI risk management system, governance and the design and operating effectiveness of the internal control environment based.

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

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

Procurement

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

In certain circumstances, it is deemed appropriate to obtain duly authorised exceptions from the Policy and Procedure (i.e. not run a competitive tender process) in respect of services, supplies or works valued above €5,000 (ex VAT) and below the EU thresholds. Such exceptions are approved by the Executive Management team and do not amount to non-compliant procurement. During 2024, there were no such reportable procurement exceptions.

Review of Effectiveness

We confirm that HBFI has procedures to monitor the effectiveness of its risk management and control procedures. HBFI's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the ARC which oversees their work, and the senior management within HBFI responsible for the development and maintenance of the internal control framework.

We confirm that the Board conducted a review of the system of internal control for the year ended 31 December 2024.

Internal Control Issues

No weaknesses in the system of internal control were identified in relation to the year ended 31 December 2024 that require disclosure in the financial statements.

Dara Deering
Chief Executive Officer

Home Building Finance Ireland DAC

Marie Collins
Chairperson
Home Building Finance Ireland DAC

9 April 2025

Report of the Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Home Building Finance Ireland

Opinion on the financial statements

I have audited the group and company financial statements of Home Building Finance Ireland designated activity company for the year ended 31 December 2024 as required under the provisions of the Home Building Finance Ireland Act 2018. The financial statements comprise

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

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the group and of the company at 31 December 2024 and of the group's profit for the year
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

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

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

Conclusions related to going concern

The directors have prepared the financial statements on a going concern basis. As described in the appendix to this report, I conclude on

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

I have nothing to report in that regard.

Opinion on other matters prescribed by the Companies Act 2014

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

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with applicable legal requirements.

I have obtained all the information and explanations that, to the best of my knowledge and belief, are necessary for the purposes of my audit.

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

Based on the knowledge and understanding of the group and its environment obtained in the course of the audit, I have not identified any material misstatement in the directors' report.

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

Reporting on other information

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

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

17 April 2025

Responsibilities of the directors

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

- the preparation of annual financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 15 of the Home Building Finance Ireland Act 2018 to audit the financial statements of the group and company and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on Home Building Finance Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Home Building Finance Ireland to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Other information

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

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

Reporting on other matters

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

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

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2024

	Note	2024 €000	2023 €000
Interest income	5	25,225	27,635
Interest expense	6	(16,114)	(11,943)
Net interest income		9,111	15,692
Other income	7	4,299	6,070
Operating expenses	8	(8,897)	(8,479)
Operating profit before tax		4,513	13,283
Tax expense	10	(577)	(581)
Profit for the year after tax		3,936	12,702
Other comprehensive income		–	–
Total comprehensive income for the year		**3,936**	**12,702**

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

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

Dara Deering
Chief Executive Officer

Home Building Finance Ireland DAC

Marie Collins
Chairperson

Home Building Finance Ireland DAC

9 April 2025

Consolidated Statement of Financial Position

as at 31 December 2024

	Note	31 December 2024 €000	31 December 2023 €000
Non-current assets			
Loans and receivables	11	187,187	136,052
Other receivables	14	452	683
		187,639	136,735
Current assets			
Loans and receivables	11	104,124	173,172
Other receivables	14	1,654	295
Cash and cash equivalents		46,204	43,915
		151,982	217,382
Creditors: amounts falling due within 1 year			
Other liabilities	15	(5,104)	(3,323)
Net current assets		**146,878**	**214,059**
Total assets less current liabilities		334,517	350,794
Creditors: amounts falling due after 1 year			
Funding	16	(305,269)	(325,148)
Other liabilities	15	(2,207)	(2,541)
Net assets		**27,041**	**23,105**
Capital and reserves			
Called up share capital presented as equity	19	20,000	20,000
Retained earnings		7,041	3,105
Total equity		**27,041**	**23,105**

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

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

Dara Deering
Chief Executive Officer

Home Building Finance Ireland DAC

Marie Collins
Chairperson

Home Building Finance Ireland DAC

9 April 2025

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024

	Share capital €000	**Retained earnings €000**	**Total equity €000**
Balance at 1 January 2023	20,000	(9,597)	10,403
Total comprehensive income for the year	–	12,702	12,702
Balance at 31 December 2023	**20,000**	**3,105**	**23,105**
Total comprehensive income for the year	–	3,936	3,936
Balance at 31 December 2024	**20,000**	**7,041**	**27,041**

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

Dara Deering
Chief Executive Officer

Home Building Finance Ireland DAC

Marie Collins
Chairperson

Home Building Finance Ireland DAC

9 April 2025

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

	Notes	2024 €000	2023 €000
Cash flows from operating activities			
Profit for year		3,936	12,702
Advances to borrowers		(434,805)	(314,173)
Repayments from borrowers		473,803	362,154
Interest receivable		(21,085)	(27,268)
(Increase)/decrease in other receivables		(1,128)	272
Interest payable		15,534	11,155
Increase/(decrease) in other liabilities		1,447	(845)
Net cash from operating activities		**37,702**	**43,997**
Cash flows from financing activities			
Funding loans received	16	257,410	186,105
Funding loans repaid	16	(292,823)	(201,825)
Net cash from financing activities		**(35,413)**	**(15,720)**
Net increase in cash and cash equivalents		2,289	28,277
Cash and cash equivalents at 1 January		43,915	15,638
Cash and cash equivalents at 31 December		**46,204**	**43,915**

Company Statement of Comprehensive Income

For the financial year ended 31 December 2024

	Note	2024 €000	2023 €000
Interest income		–	–
Interest expense		–	–
Net interest income		–	–
Other income		31	22
Operating expenses	8	(79)	(79)
Operating loss before tax		(48)	(57)
Tax expense	10	–	–
Loss for the year after tax		(48)	(57)
Other comprehensive income		–	–
Total comprehensive income for the year		(48)	(57)

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

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

Dara Deering
Chief Executive Officer

Home Building Finance Ireland DAC

Marie Collins
Chairperson

Home Building Finance Ireland DAC

9 April 2025

Company Statement of Financial Position

as at 31 December 2024

	Note	31 December 2024 €000	31 December 2023 €000
Non-current assets			
Investment in subsidiary	22	19,000	19,000
		19,000	19,000
Current assets			
Cash and cash equivalents		895	864
		895	864
Creditors; amounts falling due within 1 year			
Other liabilities	15	(440)	(361)
Net current assets		**455**	**503**
Total assets less current liabilities		19,455	19,503
Net assets		**19,455**	**19,503**
Capital and reserves			
Called up share capital presented as equity	19	20,000	20,000
Retained losses		(545)	(497)
Total equity		**19,455**	**19,503**

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

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

Dara Deering

Dara Deering
Chief Executive Officer

Home Building Finance Ireland DAC

Marie Collins

Marie Collins
Chairperson

Home Building Finance Ireland DAC

9 April 2025

Company Statement of Changes in Equity

For the financial year ended 31 December 2024

	Share capital €000	Retained losses €000	Total equity €000
Balance at 1 January 2023	20,000	(440)	19,560
Total comprehensive income for the year	–	(57)	(57)
Balance at 31 December 2023	**20,000**	**(497)**	**19,503**
Total comprehensive income for the year	–	(48)	(48)
Balance at 31 December 2024	**20,000**	**(545)**	**19,455**

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

Dara Deering

Dara Deering
Chief Executive Officer

Home Building Finance Ireland DAC

Marie Collins

Marie Collins
Chairperson

Home Building Finance Ireland DAC

9 April 2025

Company Statement of Cash Flows

For the financial year ended 31 December 2024

	2024 €000	2023 €000
Cash flows from operating activities		
Loss for year	(48)	(57)
Increase in other liabilities	79	79
Net cash from operating activities	**31**	**22**
Cash flows from investing activities		
Investment in subsidiary	–	–
Net cash from investing activities	**–**	**–**
Net increase in cash and cash equivalents	31	22
Cash and cash equivalents at 1 January	864	842
Cash and cash equivalents at 31 December	**895**	**864**

Notes to the Financial Statements

1. Reporting Entity

The HBFI Group comprises of HBFI, as holding company, and its subsidiary HBFIL. HBFI is a Designated Activity Company limited by shares incorporated under the Companies Act 2014 (Registered Number 639272). HBFIL is a Designated Activity Company limited by shares incorporated under the Companies Act 2014 (Registration Number 640801). The principal activity of the Group is to provide debt funding for residential development in the State.

The registered office of both companies is at Treasury Dock, North Wall Quay, Dublin 1, D01 A9T8.

The financial statements consolidate the financial statements of HBFI and HBFIL for the financial year ended 31 December 2024. The financial statements of the holding company, HBFI, are shown separately within this report.

2. Statement of Compliance

These financial statements for the financial year ended 31 December 2024 have been prepared in accordance with the Companies Act 2014 and *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*, issued by the Financial Reporting Council in the UK ("FRS 102") having elected, as permitted by FRS 102, to account for the Group's and Company's financial instruments by applying the recognition and measurement rules of IAS 39 *Financial Instruments: Recognition and Measurement*.

3. Significant Accounting Estimates and Judgements

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

Management believes that the underlying assumptions used are appropriate and that the financial statements, therefore, present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described as below:

3.1 Key sources of estimates and judgements

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

3.1.1. Loan impairment assessment

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

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

If any objective evidence of impairment exists, the Group performs a detailed impairment calculation on each loan individually to determine the amount of impairment loss that should be recognised. An asset is impaired, and an impairment loss is recognised, if the loss is incurred at the reporting date as a result of one or more events that occurred after initial recognition of the asset.

3.1.2. Income recognition on loans and receivables

The accounting policy for the recognition of interest income on loans and receivables is set out in Note 4.5.

4. Significant Accounting Policies

4.1 Basis of preparation

The financial statements are prepared on a going concern basis and the Board of Directors of the Company ("the Board") is satisfied that the Group and Company will continue as a going concern for the foreseeable future.

In its consideration of whether accounting on a going concern basis is appropriate, the Board has had regard to the functions of the Group and Company as set out in the HBFI Act 2018 and believes it is reasonable to assume that, given the purpose of the legislation, the State will take appropriate steps to ensure that the Group and Company are put in a position to discharge their mandate.

The Group's and Company's activities are subject to risk factors including credit, business and strategic, operational, liquidity, market and equity, regulatory and environmental, social and governance risk. The Board has reviewed these risk factors and all relevant information to assess the Group's and Company's ability to continue as a going concern. The Board and Audit and Risk Committee review key aspects of the Group's and Company's activities on an on-going basis and review, whenever appropriate, the critical assumptions underpinning its long-term strategies.

As permitted by the Companies Act 2014, the Directors have adapted the arrangements and headings and subheadings otherwise required by Profit and Loss Account Format 1 and Balance Sheet Statement Format 1 as the special nature of the Group's and Company's business requires such adaptation. The financial statements are presented in euro (€), which is the Company's functional, and the Group's and Company's presentational currency. The figures shown in the financial statements are stated in € thousands.

4.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 December each year. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

4.3 Investment in subsidiaries

In the Company financial statements, the investment in the subsidiary, HBFIL, is accounted for at cost less impairment.

4.4 Basis of measurement

The financial statements have been prepared under the historical cost convention.

4.5 Interest income and expense

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

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

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

Interest income receivable on loans to borrowers and interest expense payable on loans from funders are presented within operating activities in the Consolidated Statement of Cash Flows.

4.6 Other income

Fee income relates mainly to arrangement fees and commitment fees charged to the borrower. Fee expenditure relates to due diligence and legal fees incurred on facilities. Fee income and fee expenditure are deferred initially and then released to the Statement of Comprehensive Income over the term of the relevant facility in line with FRS 102 *Section 23 Revenue*.

4.7 Costs reimbursable to the NTMA

In accordance with section 9 (2) of the HBFI Act 2018, the NTMA provides business and support services and systems in addition to assigning staff to the Group. Costs reimbursable to the NTMA are recognised on an accruals basis. These expenses are recovered from the Group by the NTMA at cost. Further information on costs reimbursable to the NTMA is included in Note 8.1.

4.8 Financial assets

The Group classifies its financial assets in accordance with IAS 39 classifications. The Group determines the classification of its financial instruments at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. On initial recognition, the loans are measured at fair value plus incremental direct transaction costs that are directly attributable to the issue of the loan. They are then subsequently measured at amortised cost using the EIR method as described in Note 4.5.

Cash and cash equivalents

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

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

4.9 Financial liabilities

Financial liabilities are being measured in accordance with IAS 39. Funding are those readily accessible loans drawn down by the Group from the ISIF in order to support its lending activities. The Group recognises these loans in its Consolidated Statement of Financial Position on the date the loan is drawn down. These loans are measured initially at fair value plus incremental direct transaction costs that are directly attributable to the issue of the financial liability. They are subsequently measured at amortised cost using the EIR method as described in Note 4.5.

4.10 De-recognition of financial assets and liabilities

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

4.11 Impairment of financial assets

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

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

The loans to each borrower deemed to be individually significant are objectively assessed for evidence of impairment at the end of the financial period. A collective assessment approach, grouped on the basis of similar credit risk characteristics is adopted for all other loans without individual specific impairments.

Objective evidence that a financial asset is impaired includes:

- significant financial difficulty of the borrower;
- granting a concession to the borrower for economic or legal reasons relating to the borrower's financial difficulty which would not otherwise have been considered;
- breaches of contract, such as default or delinquency in interest or principal payments; or
- signs that the borrower will enter bankruptcy or other financial reorganisation.

The Group recognises interest income following impairment using the rate of interest used to discount the future cash flows in measuring that impairment. If, in a subsequent financial period, the amount of the impairment loss decreases due to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The amount of the reversal is recognised in the Consolidated Statement of Comprehensive Income.

Where there is no further prospect of recovering the carrying value of a loan, or a portion of a loan, the Group writes the amount that is not recoverable off against the related impairment loss (i.e. in this circumstance, there is no additional charge to the Consolidated Statement of Comprehensive Income). Subsequent recoveries of amounts previously written off decrease the amount of the charge for loan impairment in the Consolidated Statement of Comprehensive Income.

4.12 Provisions

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

When the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

4.13 Contingent liabilities

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

4.14 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date.

4.15 Leasing

Rentals under operating leases are charged on a straight line basis over the term of the lease to the Consolidated Statement of Comprehensive Income in line with FRS 102 *Section 20 Leases*.

5. Interest Income

	2024 €000	2023 €000
Interest on loans and receivables	**25,225**	**27,635**

Interest on loans and receivables relates to interest income from loans provided to borrowers. The EIR method is applied as per note 4.5.

6. Interest Expense

	2024 €000	2023 €000
Interest on funding	**16,114**	**11,943**

Interest on funding relates to the interest charge on the ISIF funding facility. The EIR method is applied as per note 4.5.

7. Other Income

	2024 €000	2023 €000
Fee income	5,106	7,663
Fee expenditure	(1,407)	(1,640)
Central Bank Interest Income	600	47
	4,299	**6,070**

Fee income relates mainly to arrangement fees and commitment fees charged to the borrower and recognised over the term of the relevant facility. Commitment fees are fees charged to the borrower on certain facilities based on the committed but undrawn balance of the approved facility. Fee expenditure relates to due diligence and legal fees incurred on facilities. The amounts are recognised in line with note 4.6.

Central Bank Interest Income relates to interest earned on amounts held in accounts with the Central Bank of Ireland.

8. Operating Expenses

	Note	Group 2024 €000	Group 2023 €000
Costs reimbursable to the NTMA	8.1	7,702	7,281
Loan administration services		560	507
Board fees	9	79	79
Other expenses		556	612
		8,897	**8,479**

Other expenses consist mainly of professional fees, including legal and financial advisory.

	Note	Company 2024 €000	Company 2023 €000
Board fees	9	79	79
		79	**79**

8.1 Costs reimbursable to the NTMA (see note 23)

	2024 €000	2023 €000
NTMA staff costs	4,767	4,539
Occupancy costs	359	248
Business services	59	66
Professional fees	165	145
Technology	265	210
Other operating costs	2,087	2,073
	7,702	**7,281**

Other operating costs consists mainly of the corporate function recharges for services provided by the NTMA to HBFI including compliance, procurement, finance and information technology, and an allocation for depreciation costs in relation to NTMA capital assets used by HBFI.

8.1.1. NTMA staff costs

The Group has no employees. All personnel are employed by the NTMA and the remuneration cost of staff who are engaged full time in the Group business is recharged to the Group by the NTMA. The number of NTMA employees directly engaged in the Group at the reporting date was 34 (2023: 35).

	2024 €000	2023 €000
Aggregate Employee Benefits		
Staff short term benefits	3,782	3,613
Pay related social insurance	396	388
	4,178	**4,001**
Staff Short-term Benefits		
Basic Pay	3,554	3,407
Performance related pay	137	123
Allowances	91	83
	3,782	**3,613**

Total pensions contributions are €745,000 (2023: €700,000), consisting of employer contributions of €589,000 (2023: €538,000) and employee contributions of €156,000 (2023: €162,000). Employee pension contributions are included within the basic pay amounts shown above.

NTMA staff costs include the CEO’s salary which is as detailed in note 8.1.3.

8.1.2. Key management personnel

	2024 €000	2023 €000
Salary	934	995
Allowances	34	41
Performance related pay	43	30
Health insurance	2	2
	1,013	**1,068**

Key management personnel in HBFI consists of the members of the Board, the Chief Executive Officer and the senior management team reporting directly to the Chief Executive Officer. The total value of employee benefits for key management personnel is set out above (excluding employer's contribution to social insurance costs).

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

8.1.3. Chief Executive Officer salary and benefits

	2024 €000	2023 €000
Salary	260	250
Taxable benefits	19	19
Contributions to retirement schemes	47	45
	326	**314**

No performance related payment was paid or is payable to the CEO during the period. The amounts paid to the CEO are included in the costs reimbursable to the NTMA.

9. Board Fees and Expenses

An annual fee is paid to the chairperson of €31,500 and to certain Directors at a rate of €15,750 as specified by the Minister for Finance. The fee paid to each Director is as below.

Board member	2024 €	2023 €
Marie Collins	31,500	31,500
Claire Solon	15,750	15,750
Grainne Hennessy	15,750	15,750
Timothy Ken Slattery	15,750	15,750
	78,750	**78,750**

The Chief Executive Officer (ex officio member), Andrew O'Flanagan (NTMA) and Des Carville (Department of Finance) did not receive any remuneration in respect of their membership of the Board.

Directors can be reimbursed approved expenses on a vouched basis to travel to attend meetings in HBFI's offices in Dublin. No expenses were incurred during the financial year (2023: Nil).

10. Taxation

	Group 2024 €000	Group 2023 €000
Profit before tax	4,513	13,283
Corporation tax	577	581

	Company 2024 €000	Company 2023 €000
Loss before tax	(48)	(57)
Corporation tax	–	–

The tax on profits is charged at the standard rate of corporation tax in Ireland (12.5%).

	Group 2024 €000	Group 2023 €000
Profit on ordinary activities before tax	4,513	13,283
Tax on profit on ordinary activities @ 12.5%	565	1,660
Adjusting items		
Non-deductible expenses – depreciation	12	13
Utilisation of tax losses	–	(1,092)
Tax Charge	577	581

	Company 2024 €000	Company 2023 €000
Loss on ordinary activities before tax	(48)	(57)
Tax on ordinary activities @ 12.5%	(6)	(7)
Adjusting items		
Group relief surrender	6	7
Tax Charge	–	–

In 2024, HBFI elected to surrender its tax losses to HBFIL pursuant to the Group Relief provisions of the Taxes Consolidation Act 1997 S420. No consideration was received for this surrender from HBFIL.

HBFIL became liable for corporation tax in 2023. HBFIL made a preliminary payment of €625k during the year in relation to the 2024 tax charge.

	2024 €	2023 €
Corporation Tax for the period	577	581
2024 Corporation Tax preliminary payment	(625)	–
Net Corporation Tax position	**(48)**	**581**

11. Loans and Receivables

	2024 €000	2023 €000
Non-current		
Loans to borrowers	187,187	136,052
Current		
Loans to borrowers	104,124	173,172
	291,311	**309,224**

The Group had loans in issue to 48 borrowers (2023: 36) at the end of the year. The remaining term of the loans due range from less than one year to five years.

11.1 Reconciliation of movement in Loans and Receivables during the year

	2024 €000	2023 €000
Opening balance	309,224	329,937
Advances	434,805	314,173
Repayments	(473,803)	(362,154)
Interest receivable	21,085	27,268
Closing balance	**291,311**	**309,224**

The Group assesses at the end of each financial period, whether there is objective evidence that the loans are impaired (See Note 4.11). Following the impairment assessment of the loans as at 31 December 2024, the Group concluded that no evidence of impairment existed at the reporting date.

12. Risk Management

The Group aims to be risk aware and to actively manage its risks. The critical activities carried out by the organisation and the reliance on its good reputation mean that there is a strong emphasis on an appropriate range of controls.

The Group aims to manage risks in an informed and proactive manner, in accordance with its risk appetite, such that the level of risk is consistent with the underlying business activity and the Group understands and is able to manage or absorb the impact of the risk in the event that it materialises.

The principal risk categories identified and managed by the Group in its day-to-day business and which potentially have the greatest impact on the financial statements of the Group are credit risk, liquidity risk and market risk.

Risk management framework

The Board is responsible for setting the risk appetite and overseeing and guiding risk management activity across the Group. The Board has mandated that risk management be integrated and embedded into the tone and culture of the Group.

The Audit and Risk Committee is responsible for overseeing the implementation of the Group's Risk Management Framework. The Audit and Risk Committee will seek to ensure that the Group's risk management governance model provides appropriate levels of independence and challenge. The Audit and Risk Committee reports to the Board independently.

The Group's Risk Management Framework is in accordance with the principles of the Code of Practice for the Governance of State Bodies.

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

- business continuity services;
- compliance services;
- counterparty credit risk services for cash management purposes; and
- internal audit services.

First line of defence:

The HBFI team (excluding the credit and risk function) is responsible for the day-to-day management of risk and for ensuring that adequate controls are in place and operating effectively. Management report on risk management to the Audit and Risk Committee. The following are the key steps used in the risk management process:

- Identify all risks that may affect/prevent the Group from achieving the objectives established by the Group's Board and management (taking into consideration any historical events/near misses which may have threatened the achievement of such objectives);
- For each risk, determine its initial impact and its probability of occurrence;
- For each risk, determine whether the risk can be accepted or will need to be transferred, reduced or avoided;
- For each risk, regardless of its impact or probability of occurrence, consider actions to reduce risk;
- Review residual impact/probability of occurrence and criticality status of the risk in light of the implemented actions/controls/mitigants; and
- Review and monitor mitigating actions on an on-going basis.

Second line of defence:

The Group Risk function (and the NTMA Compliance function with regard to Compliance Risk) provide independent challenge and oversight to ensure implementation of the Group's Risk Management Policy and Framework.

Third line of defence:

Internal Audit is the third line of defence and provides independent, reasonable, risk-based assurance on the robustness of the Group's risk management system, governance and the design and operating effectiveness of the internal control environment.

12.1 Credit risk

Credit risk is the risk of incurring financial loss as a result of default of a counterparty to a particular transaction. In order to achieve its key objectives and fulfil its mandate, the Group must assume a certain level of credit risk. As a fundamental principle, the Group will seek to do so in a prudent manner that assumes the minimum level of credit risk required to achieve its objectives, which is in line with the Group's Risk Appetite Statement. The Group's main credit risk arises from the potential failure of a borrower to fulfil its contractual obligations to the Group.

Credit risk is the most important risk for the Group's business. The Group, therefore, carefully manages its exposure to credit risk. Credit risk is measured, assessed and controlled for all transactions entered into by the Group.

The Group endeavours to minimise its credit risk exposure by undertaking an extensive due diligence process in advance of any lending decisions. The Group's credit risk management process includes the following:

Underwriting approval and Portfolio Monitoring

- thorough assessment of each prospective borrower and development, its management, operational capability, development experience, financial performance and repayment capacity. This assessment includes factors such as construction cost inflation, supply chain disruptions and sales values;
- on-site visits and face-to-face meetings with management;
- assessment of the financial performance of the prospective borrower by reference to available information, including financial accounts, management accounts and financial projections;
- analysis of the borrower's repayment capacity, including clear and reasonable demonstration of the borrower's ability to meet its obligations and discharge the Group's debt in full;
- independent risk review and sign off by the Group's Head of Credit and Risk (or appointed delegate) of each potential transaction;
- obtaining adequate security for each transaction;
- credit decisions reserved to the HBFIL Board, HBFIL Credit Committee or Executive Management Team Credit Committee depending on size of facility or risk characteristics of transaction;
- the application of an internal credit rating system and on-going review of credit facilities, including monitoring surveyor reviews of each development to monitor construction progress and cost against budget; and
- regular review of compliance with the respective covenants and undertakings and any terms and conditions imposed by the Group.

The maximum exposure to credit risk is presented by class of financial instrument below. The credit quality of HBFI's loans and receivables are non-rated. Cash and cash equivalents are held with the Central Bank of Ireland (Standard & Poor's rating: A) (2023: AA) and Allied Irish Bank Plc (Standard & Poor's rating: A) (2023: A).

	2024 €000	2023 €000
Cash and cash equivalents	46,204	43,915
Loans and receivables	291,311	309,224
	337,515	**353,139**
Undrawn commitments to borrowers at 31 December	**645,000**	**328,000**
Total credit risk	**982,515**	**681,139**

12.2 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet all of its financial obligations as and when they fall due. It is the risk of loss arising from a situation where there will not be enough cash to fund day-to-day operations.

The Group's liquidity risk management process includes:

- Management of day-to-day funding including the monitoring of future expected cash flows, e.g. future lending commitments, to ensure that requirements can be met as they fall due (see Note 16 for detail regarding the revolving credit facility with ISIF);
- Asset and liability management by monitoring the maturity profile within the Group's Statement of Financial Position to ensure that sufficient cash resources are available or funding established where mismatches are likely to occur, thereby minimising the impact of liquidity outflows;
- Managing its liquidity risk by aligning, to the greatest extent possible, the maturity profile of its assets and liabilities so eliminating refinancing risk where possible. The Group has sourced long-term funding from its funder, and where possible it structures the tenor and repayment schedule of its loans to reflect that funding maturity profile; and
- Maintaining a cash liquidity buffer to address any short-term liquidity needs that may arise.

The dates of the contractual amounts that commit the Group to make repayments on loans it has borrowed are summarised in Note 17. The amounts presented are undiscounted.

12.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. HBFI's market risk comprises interest rate risk. Market risks arise from open positions in interest rate products which are exposed to general and specific market movements, and changes in the level of volatility of interest rates.

Interest rate risk

The Group's Net Interest Income has limited exposure to interest rate fluctuations as its loan receivables and its funding are both subject to variable rates (Euribor base rate). Interest rate risk is identified, monitored and managed by the Group.

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

	2024 €000	2023 €000
Financial Assets – variable rate		
Cash and cash equivalents	46,204	43,915
Loans and receivables	291,311	309,224
	337,515	353,139
Financial liabilities – fixed rate		
Funding	–	133,232
Financial liabilities – floating rate		
Funding	305,269	191,916

All tranches within the funding facility are carried at a floating rate of interest at 31 December 2024.

Interest rate risk sensitivity

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

The table below shows the sensitivity of the Group to an immediate +/- 100 basis point movement in interest rates, in terms of the impact on net interest income, on a forward-looking twelve-month basis, assuming no change in balance sheet.

Interest Rate Sensitivity Analysis – a 100bp movement

	+100bp €000	-100bp €000
Net Interest Income	140	(140)

The impact of movement in interest rates on net interest income is limited to the difference between loans and receivable and funding at year end, such impact is shown above. Differences in Euribor periods and timing of rate resets are considered immaterial for the purpose of this analysis.

Currency risk

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

12.4 Capital management

The Group is committed to ensuring it continues to hold sufficient capital (consisting of share capital and retained earnings) as there is a risk that failure to maintain adequate capital could result in it being unable to absorb any potential credit losses. The holding company's current paid-up share capital is €20m, which was provided by its sole shareholder, the Minister for Finance. Review of the Group's capital structure is carried out annually and decisions regarding dividend distribution are subject to consideration of capital maintenance in line with the Group's Capital and Dividend Policy. Pursuant to its capital allocation policy, the Board has approved the allocation of an additional €2.15m of its Group Retained Earnings as at 31 December 2024 as non-distributable.

The Group is not subject to externally imposed capital requirements.

12.5 Concentration risk

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

The Group manages this risk by adhering to the limits set out in the Risk Appetite Statement which has been approved by the HBFI Board and which is subject to regular review by the Board. The Risk Appetite Statement defines the maximum amounts of credit facilities to be committed to borrowers. The measures are intended to ensure that the risk profile of the overall portfolio is appropriately diversified, and not unduly exposed to excessive concentration of risk.

The Group's geographic concentration of risk assets is solely in Ireland, and the sole sectoral concentration of risk is to residential development, arising from its statutory mandate to make funding available for residential development in the State, as set out in the HBFI Act 2018.

13. Fair Value of Financial Assets and Liabilities

13.1 Comparison of carrying value to fair value

The table below summarises the carrying amounts and fair values of the financial assets and liabilities not presented on the Group's Statement of Financial Position at their fair value. None of the assets and liabilities in the Statement of Financial Position of the Group are measured at fair value.

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

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

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

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

Notes to the Financial Statements (continued)

Group 2024	Carrying Value €000	Level 1 €000	Level 2 €000	Level 3 €000	Fair value €000
Financial Assets					
Cash and cash equivalents	46,204	46,204	–	–	46,204
Loan and receivables	291,311	–	–	291,311	291,311
Financial liabilities					
Funding	305,269	–	–	305,269	305,269
Other liabilities	1,590	–	–	1,590	1,590

Group 2023	Carrying Value €000	Level 1 €000	Level 2 €000	Level 3 €000	Fair value €000
Financial Assets					
Cash and cash equivalents	43,915	43,915	–	–	43,915
Loan and receivables	309,224	–	–	309,224	309,224
Financial liabilities					
Funding	325,148	–	–	325,148	325,148
Other liabilities	1,491	–	–	1,491	1,491

Company 2024	Carrying Value €000	Level 1 €000	Level 2 €000	Level 3 €000	Fair value €000
Financial Assets					
Cash and cash equivalents	896	896	–	–	896
Financial liabilities					
Other liabilities	440	–	–	440	440

Company 2023	Carrying Value €000	Level 1 €000	Level 2 €000	Level 3 €000	Fair value €000
Financial Assets					
Cash and cash equivalents	864	864	–	–	864
Financial liabilities					
Other liabilities	361	–	–	361	361

13.2 Fair value measurement principles

Cash and cash equivalents

The fair value of these financial instruments is equal to their carrying value due to these instruments being repayable on demand and short-term in nature.

Loans and receivables and Funding

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

14. Other Receivables

	2024 €000	2023 €000
Non-current:		
Deferred expenditure	429	664
Other receivables	23	19
	452	**683**
Current:		
Deferred expenditure	842	266
Corporation tax prepayment	625	–
Other receivables	187	29
	1,654	**295**

Deferred expenditure relates to external expenses incurred and paid in carrying out due diligence reviews and finalising legal agreements on facilities which are recognised over the term of the relevant facility. Other receivables consist of commitment fees receivable from borrowers, and interest earned on certain bank deposits.

15. Other Liabilities

	Group 2024 €000	Group 2023 €000
Current:		
Amounts due to the NTMA (see note 23)	1,195	1,202
Revenue – Corporation Tax	577	581
Deferred income	2,937	1,251
Accrued expenses	328	207
Trade payables	67	82
	5,104	**3,323**
Non-current:		
Deferred income	**2,207**	**2,541**

Deferred income relates to the facility arrangement fees, commitment fees and other due diligence fees recovered from borrowers. Each fee is recognised in the Consolidated Statement of Comprehensive Income over the term of the relevant facility.

	Company 2024 €000	Company 2023 €000
Current		
Other liabilities	440	361

Other liabilities relate to board fees payable to HBFIL (see Note 9).

16. Funding

	2024 €000	2023 €000
Funding loans	305,269	325,148

The Group had loans of €305m outstanding from the ISIF as at 31 December 2024 under a 10-year revolving credit facility with a maturity date of 24 May 2033. The facility is unsecured. There are no scheduled repayments under the facility prior to the maturity date, however, the Group applies all repayments from borrowers against its funding loans, either through recycling repayments to fund new loans or repaying the ISIF funding loans when repayments from borrowers cannot be recycled effectively. At the end of the period the Group had €425m in undrawn funding facilities with the ISIF.

16.1 Reconciliation of movements in Funding during the year

	2024 €000	2023 €000
Opening balance	325,148	329,713
Drawdowns	257,410	186,105
Repayments	(292,823)	(201,825)
Interest payable	15,534	11,155
Closing balance	**305,269**	**325,148**

17. Maturity Analysis of Assets and Liabilities

The below table presents the breakdown of those assets and liabilities which contain a non-current element. The asset analysis is based on when management expects to receive cash for the asset. Liabilities are analysed between current and non-current depending on whether or not the Group has an unconditional right at the balance sheet date to defer settlement for at least 12 months from that date.

	No later than 1 year €000	1-5 years €000	Over 5 years €000	Total €000
2024				
Loans and receivables	104,124	187,187	–	**291,311**
2024				
Funding	–	–	305,269	**305,269**

18. Auditor's Remuneration

	2024 €000	2023 €000
Audit of financial statements	40	36

There are no non-audit services included above.

19. Equity

The ultimate beneficial ownership of the Group is held by the Minister for Finance by means of 20,000,000 nominal shares of €1.00 each in the holding company, HBFI.

In accordance with section 10 (4) of the HBFI Act 2018, HBFI's authorised share capital may be increased to such other amount as may be determined by the Minister for Finance from time to time.

20. Lease Commitments

In January 2019 HBFI entered into an agreement for office accommodation at 1 Treasury Dock, North Wall Quay, Dublin 1. The lease term runs from 1 January 2019 to 24 May 2033. HBFI may break the lease term only on foot of a Ministerial Direction that HBFI cease operations and subject to providing a minimum twelve-month notice period to the lessor to exercise this break. Lease expenditure of €0.26m was incurred in 2024 (2023: €0.19m). The nominal future minimum (non-cancellable) rentals payable to 24 May 2033 are as follows:

	2024 €000	2023 €000
Within one year	263	263
In two to five years	1,054	1,054
Over five years	896	1,160
	2,213	**2,477**

21. Contingent Liabilities

The Group had no contingent liabilities at the reporting date which would require disclosure in the financial statements.

22. Investment in Subsidiary

The subsidiary of the Company as at 31 December 2024, HBFIL, is incorporated and operating in Ireland, with registered office at Treasury Dock, North Wall Quay, Dublin 1, D01 A9T8.

	Proportion Held	Issued Share Capital	Activity
Home Building Finance Ireland (Lending) DAC	100%	1 Ordinary Share of €1	Lending

HBFIL is a 100% subsidiary of HBFI by means of 1 ordinary share (€1 nominal value) issued. The authorised share capital consists of 200,000,000 ordinary shares of €1.00.

HBFI made an initial capital contribution of €15m to HBFIL in 2019. An additional capital contribution of €4m was made in 2022 on the same terms. The capital contribution is non-refundable and gives no rights to HBFI to shares in the capital or assets of HBFIL. No such contribution was made in 2024.

	Company 2024 €000	Company 2023 €000
Investment in subsidiary	19,000	19,000

23. Related Parties Disclosures

23.1 Related parties

Home Building Finance Ireland (Lending) DAC

Home Building Finance Ireland (Lending) DAC is a 100% subsidiary of Home Building Finance Ireland DAC.

Minister for Finance

The issued share capital of HBFI is owned solely by the Minister for Finance. The authorised share capital may be determined by the Minister for Finance from time to time by virtue of section 10 (4) of the HBFI Act 2018.

NTMA

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

Other Government controlled entities

The Ireland Strategic Investment Fund and Allied Irish Banks Plc. are related parties of the Group in accordance with FRS 102 *Section 33* as each are under the control of the Minister for Finance.

Key management personnel

Key management personnel in HBFI consists of the members of the Board, the Chief Executive Officer and the senior management team reporting directly to the Chief Executive Officer.

23.2 Transactions and balances with related parties

The following are the transactions that took place during the financial period with related parties:

NTMA recharge

The NTMA incurs costs for the running of the Group, which it recharges to the Group. The total of these costs for the financial period was €7.7m (2023: €7.3m). Further details in respect of these costs are disclosed in Note 8. There is an amount of €1.2m (2023: €1.2m) payable to the NTMA at the end of the financial period. In addition, the NTMA is the landlord for the lease payments set out in Note 20.

ISIF Loan Facility

The ISIF provided a loan facility of €730m to the Group, under direction from the Minister for Finance. The ISIF loan operates as a revolving loan facility with a facility maturity date of 24 May 2033. Drawdowns, repayments, and interest transactions in relation to the facility are set out in the Statement of Cash Flows and disclosures above.

Allied Irish Banks Plc

At the end of the financial year, the Group held €22m of cash at Allied Irish Banks Plc (2023: €36m). The Group also has a €3m bank overdraft facility which was undrawn at the financial year end.

Key management personnel

Transactions with key management personnel are disclosed in Note 8.

24. Disclosures of Interest

There are disclosure of interest requirements on Directors under the Companies Act 2014, the Company's Articles of Association and the Code of Practice for the Governance of State Bodies. HBFI has put in place procedures to assist Directors in meeting their disclosure of interest obligations during the period under review.

25. Events after the End of the Reporting Period

No events requiring adjusting or disclosure in the financial statements occurred after the end of the reporting period.

26. Comparative Information

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

27. Approval of the Financial Statements

The financial statements were approved by the Directors on 9 April 2025.

HBFI Maoiniú Teaghais-Tógála Éireann
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