



20  
23

Bank of Ireland Group plc  
Corporate Governance Statement



**Bank of  
Ireland**

# Governance

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# Corporate Governance Statement

## Chairman's introduction



**Patrick  
Kennedy**  
Chairman

Dear Shareholders,

I am pleased to present our Corporate Governance Report for 2023. The Report explains how corporate governance standards are applied across the Group, how they are overseen by the Board, how the Board operates, and how the Board evaluated its effectiveness during 2023. It includes reports from the four mandatory Board Committees which further illustrate how the principles of good governance are embedded.

The Board is cognisant of its role in creating sustainable, long-term value for our shareholders and in contributing to wider society. The Group's role in wider society and our purpose of enabling our customers, colleagues, society and shareholders to thrive was at the top of all of our minds as we faced the many challenges brought about by high inflation and the impact of the conflicts in Ukraine and the Middle East. The Group's ability to continue to operate effectively in the current environment is supported strongly by the Group's robust corporate governance framework which the Board continually seeks to enhance through regular reviews and challenge.

The Board is committed to achieving high standards of governance designed to protect the long-term interests of shareholders and all other stakeholders, while promoting the highest standards of integrity, transparency and accountability.

The Board is accountable to shareholders for the overall direction, control and oversight of the Group. The established governance framework provides for systems of checks and controls required to drive accountability and effective decision making across the Group, with appropriate policies and practices in place to ensure that the Board and its Committees operate effectively.

### Corporate governance requirements

A key objective of the Group's governance framework is to ensure compliance with applicable corporate governance requirements. During 2023, the Group complied fully with the following corporate governance requirements:

- Central Bank of Ireland Corporate Governance Requirements for Credit Institutions 2015 ('Irish Code'), except in relation to compliance by Bank of Ireland Mortgage Bank Unlimited Company (BoIMB) with parts of S. 22, and Ss. 7.1 and 7.2 of Appendix 1, of the Irish Code, further details of which are provided under Subsidiary Governance on page 101;
- Statutory Instruments 158/2014 European Union (Capital Requirements) Regulations 2014 and 159/2014 European Union (Capital Requirements) (No.2) Regulations 2014, both as amended;
- EBA Guidelines on internal governance under Directive 2013/36/EU, as amended; and
- Joint European Securities and Markets Authority (ESMA) and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU, as amended.

The Group is also subject to the 2018 UK Corporate Governance Code published by the Financial Reporting Council in the UK ('UK Code') and the Irish Corporate Governance Annex to the Listing Rules of Euronext Dublin (formerly the Irish Stock Exchange). During 2023, the Group applied the main principles and complied with all provisions of the UK Code other than in instances related to Section 3, Provision 19, the rationale and explanation for which is set out on page 85 and Section 5: Remuneration, in particular principle R and provisions 36, 37 and 41. The rationale and explanation for non-compliance with these provisions are set out below:

- the decision of the State to disapply a number of remuneration restrictions was announced on 29 November 2022 and became effective on 16 December 2022. However, due to remaining remuneration restrictions from certain agreements in place with the Irish State, the Group Remuneration Committee and the Board were restricted in their ability to fully comply with principle R and associated provisions;

## Chairman's introduction *(continued)*

- under such agreements, the implementation of variable remuneration structures remains limited, capped at €20,000. The Board's discretion remains limited and, as such, the Board could not be in full compliance with the recommendation to exercise independent judgement, as such discretion regarding variable remuneration is capped;
- following the removal of a number of restrictions, the Group has adhered to these principles and provisions to the extent permitted, in the design, implementation and operation of any variable remuneration structures which have been created in 2023; and
- the pension contribution rates for Executive Directors, where provided, were and are aligned with those available to the workforce. Action is planned to enhance engagement with the workforce on remuneration matters during 2024, to include how executive remuneration aligns with wider company pay policy.

### People and culture

2023 has been another highly productive year for the Group as we embedded the Davy Group and refreshed the Group's strategy, purpose and values under the leadership of a new CEO.

Our people remain at the very core of what we do, and I continue to be impressed by the commitment shown by all of our colleagues to support one another and our customers. The Board has worked with the Executive team to ensure a continued focus on the Group's culture during 2023. The Board is satisfied that the Group's culture, its purpose, values and strategic priorities are aligned.

The Board appreciates that the level of productivity and transformation being experienced is a result of significant effort from all colleagues and the leadership of the Executive team. The Board has been focused, with the Executive, on ways to assess and ameliorate organisational bandwidth, reduce complexity and enhance efficiency through a number of initiatives.

For this reason, the Group's Open View colleague survey, conducted in Q4 2023, continues to provide rich insights into colleague sentiment. The survey included a broad range of employee engagement and culture topics with benchmarking data provided by a specialist engagement consultancy. I am pleased to report that, in 2023, colleague participation reached its highest level to date (82%), with colleagues clearly welcoming the opportunity to share their views and opinions.

Survey results show strong increases in our Engagement Index which is now 73% (+5 points YoY) and our Culture Embedding Index of 80% (+4 points YoY). These headlines show that we are making strong progress on colleague engagement and culture. The increase in Engagement has been driven by uplift across three constituents during 2023, with job enjoyment (+7 points), advocacy/recommending the Group as a place to work (+7 points), and pride in working here (+3 points). The increase in the Culture Embedding Index means that the Group is now 5 points higher than the external benchmark. All four constituents regarding our purpose and values Index increased in 2023 with Awareness +2 points, Understanding +4 points, Belief +6 points, and Demonstration +3 points. There was also a significant uplift in the statement which measures whether the Group's culture is changing for the better (+5 points).

The survey results are largely positive with colleagues feeling more supported and connected, and, importantly, the sentiment on several key topics, including psychological safety, inclusion, hybrid working, and the levels of strain being experienced across the Group, has improved.

The Board appreciates that such positive results are directly attributable to the combined efforts of all colleagues and the leadership of the Executive team.

As the Board's Workforce Engagement Director (WED), Eileen Fitzpatrick continued to provide a positive additional point of connection between the Board and the workforce during 2023. Later in the Report, we share some activities undertaken by Eileen in 2023. Eileen's activities, coupled with the Board's direct engagement with senior colleagues during regular 'visibility sessions' (held in the absence of the CEO, CFO and wider Executive team), complements the pre-existing mechanisms through which the Board gains valuable insights into how colleagues experience the work environment and, importantly, the leadership and culture of the Group.

Having served in the role since its creation in 2019, Eileen will hand the WED role to Evelyn Bourke at the end of February 2024. Evelyn will leverage and build upon the great work undertaken by Eileen as the Group's first WED. On behalf of the Board, I would like to thank Eileen for her dedication to the role, the insights she provided the Board as to colleague sentiment 'on the ground' and her open engagement with colleagues.

Another important aspect of our culture is embedding diversity and inclusion throughout the organisation. Gender and ethnic diversity have been an area of focus for the Group at both workforce and Board-level. The Board has set a target of a minimum of 40% female representation on the Board, with a medium-term aspiration to have broadly equal gender representation and the inclusion of at least one Director from an ethnic minority. It is also the Board's intention over the medium-term to have at least one of the senior Board positions of Chair, CEO, CFO and Senior Independent Director (SID) held by a female.

The representation of females on our Board is currently 33% and none of those senior Board roles are held by females. Our target to have at least one Director from an ethnic minority has been met. While we have not yet achieved our targets fully, our recruitment of Directors remains focused on increasing the diversity of our Board and we will take into account the need for greater diversity when considering candidates for future appointment to these roles.

For more information on the Board's Diversity Policy, go to: [bankofireland.com/about-bank-of-ireland/corporate-governance](https://bankofireland.com/about-bank-of-ireland/corporate-governance)

The Group remains committed to the Race at Work Charter and meeting, and in certain cases exceeding, the standards set out in that Charter, which comprises five principal calls to action for leaders and organisations to ensure their workplaces are tackling barriers that ethnic minorities face in recruitment and progression.

## Chairman's introduction *(continued)*

Recently, the Group has been accredited as an Investing in Ethnicity Employer in recognition of our progress in developing an inclusive and ethnically diverse workforce that is reflective of the population. Supporting equality in the workplace is the responsibility of all leaders and the Board has pledged its commitment to zero tolerance for any form of racial harassment, bullying or inappropriate behaviours from any source, be it management, colleagues, customers or contractors.

### Board composition changes

The Group Nomination and Governance Committee (N&G) is responsible, on behalf of the Board, for reviewing the composition of the Board and its Committees and assessing whether the balance of skills, experience, knowledge and independence is appropriate to enable them to operate effectively.

The composition of the Board remains under continuous review and the N&G maintains a constant focus on succession planning, to ensure the continuation of a strong and diverse Board and the orderly succession of Board members, which is appropriate to the Group's purpose and the industry within which it operates. The N&G oversaw a number of changes to the Board and its Committees during 2023.

Margaret Sweeney joined the Board on 1 October 2023. On appointment, Margaret joined the Board's Remuneration and Audit Committees.

Margaret has extensive board and executive experience across a number of sectors including financial services, with a clear focus on strategy and corporate development, delivering transformational change, audit and accounting.

Akshaya Bhargava joined the Board on 12 January 2024. Following his appointment, Akshaya joined the Board's Risk and Transformation Oversight Committees. Akshaya has extensive experience across FinTech, wealth management, broader international financial services, and transformation and change.

The appointments of Margaret and Akshaya further strengthen the Board's collective skills, experience, and diversity profile.

Fiona Muldoon retired from the Board on 30 September 2023, after eight years on the Board. On behalf of the Board, I wish to thank Fiona for her dedication and the meaningful contribution she made to the success of the Group.

Details of further Board Committee changes are outlined in the N&G Report on page 99.

The Board succession plan continued to be reviewed during 2023 and a number of decisions regarding the tenure of Directors and actions required to ensure the orderly succession of Directors over the coming years have been identified.

A bank board position is undeniably an increasingly demanding role, including the level of scrutiny, expectation and risk associated with such positions in the current environment.

Nevertheless, there are exciting opportunities for high calibre individuals on bank boards.

### Board and individual effectiveness evaluation

The Board, its committees and individual Directors are committed to regular, independent evaluation of their effectiveness at least once every three years. Having concluded an independent evaluation in 2022, the annual review of the effectiveness of the Committee was internally facilitated in 2023.

The N&G led the process, approving the questionnaires, designed by the Group Company Secretary, which were completed by the Board, Committee Members and regular attendees at Committee meetings.

The N&G enhanced the process in 2023 by adding a new Board Perception Review, which sought views on the Board and its operations from a wider cohort of senior Group colleagues. To gather qualitative feedback on the Board, for the Board Perception Review, the Group Company Secretary, together with the Deputy Group Secretary, held a number of round table discussions with senior colleagues. The final effectiveness review report to the Board incorporated the feedback from the Board Perception Review.

At its January 2024 meeting, the Board considered the findings of the reviews. Overall, the work of the Board continues to be rated highly and it is viewed as operating effectively. In general, there were consistent findings across the Board and committee reviews. These included:

- a positive view of the effectiveness of the Chairs of the Board and committees and the participation of their members;
- a greater desire to be even more forward looking; and
- a need for continued focus on the quality of meeting materials to ensure that content remains focused, clear and precise.

Similar discussions were led by each of the committee chairs in their respective meetings. The Board and each committee agreed on a number of areas of focus and enhancement for 2024, actions in response to which will be monitored and addressed on an ongoing basis. Progress against these actions will be included in the 2024 Annual Report.

As part of the formal annual review process, I carry out individual Director reviews. All Directors are experienced and knowledgeable, and I am confident that they each bring valuable skills to the Board and provide an objective perspective.

The Board considers that the effective contribution of each of the individual Directors and the Board as a whole is, and continues to be, important to the long-term sustainable success of the Group.

The Board met on 10 occasions during 2023, the majority of which were in person as the organisation embraces post-pandemic ways of working, including hybrid working. Directors' attendance at and contribution during meetings of the Board and its Committees has continued to demonstrate the Directors' commitment to the Group.

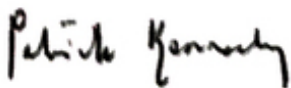
## Chairman's introduction *(continued)*

A summary of the 2023 Board effectiveness review can be found on page 88. The outcome of the review of my effectiveness as Board Chairman and details on plans for succession to the Board Chairman role, each led by the SID in consultation with the other Directors, can be found on page 88.

### **Looking ahead**

The Board will continue to work effectively with the Executive team in 2023 to ensure continued challenge to and delivery of

the Group's strategy to create sustainable long-term value for our shareholders. The Group's governance framework will be subject to continuous review to ensure it remains robust and facilitates effective decision making and appropriate Board oversight. Alongside the Group's transformation agenda, building strong relationships, simplifying our business, and growing a Sustainable company, will be our focus in 2024.

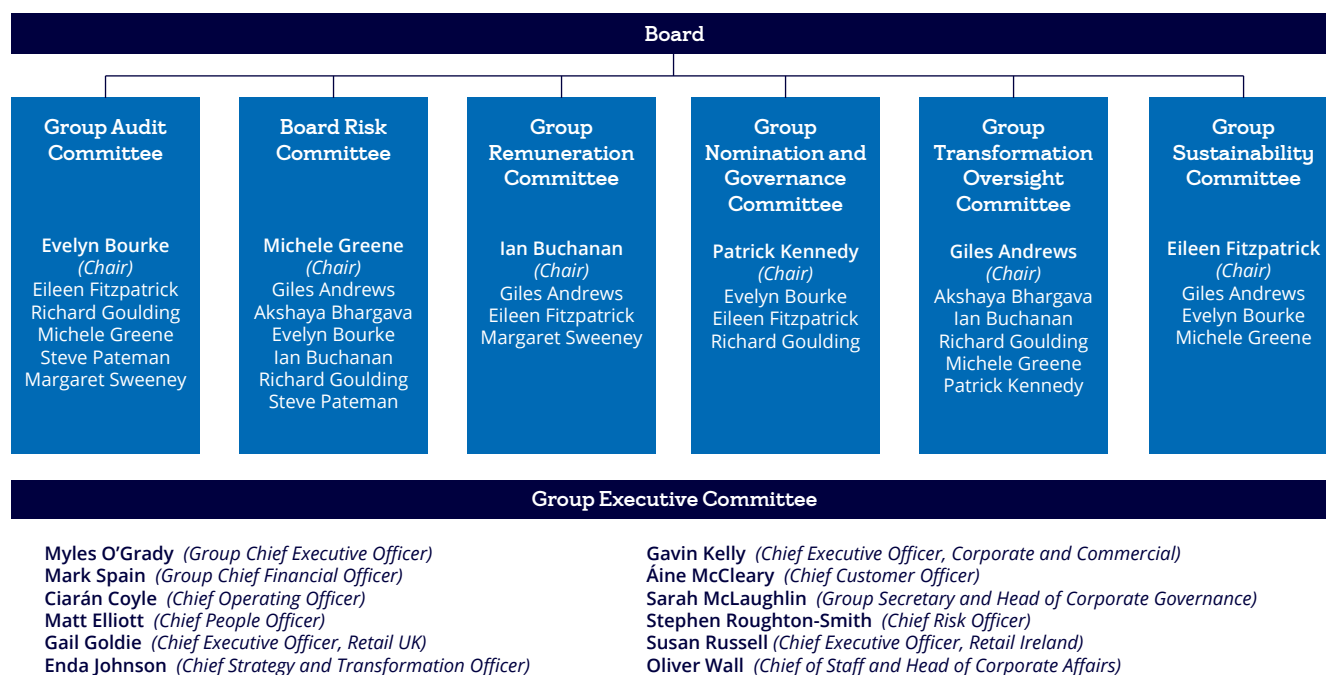


**Patrick Kennedy**

Chairman

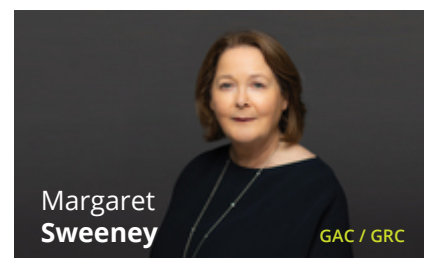
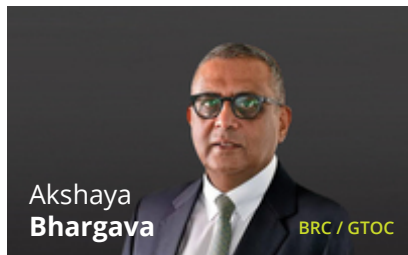
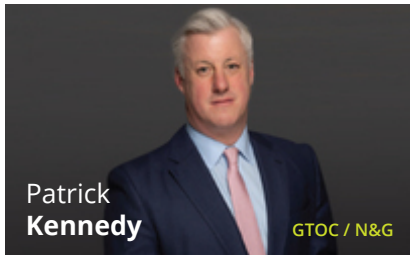
23 February 2024

## Your Board



The above list reflects GEC membership on 23 February 2024, including new appointments during 2023 and early 2024.

## Your Board *(continued)*



### Abbreviations:

**GAC** Group Audit Committee | **BRC** Board Risk Committee | **GTOC** Group Transformation Oversight Committee | **N&G** Nomination & Governance Committee  
**GRC** Group Remuneration Committee | **GSC** Group Sustainability Committee



## Your Board *(continued)*



**Patrick Kennedy**

*Chairman and Non-Executive Director*

Appointed Independent Non-Executive Director in July 2010 and Chairman in August 2018.

### **Committee and other Group Roles**

Chair of the Nomination & Governance Committee.

Member of Group Transformation Oversight Committee.

### **Experience**

Patrick is a Chartered Accountant with a successful track record spanning 30 years across a range of domestic and international businesses. Prior to joining Bank of Ireland, Patrick served as Chief Executive Officer of Paddy Power plc and also held executive and non-executive roles in that company. Before this, Patrick held the position of CFO at Greencore Group plc and also worked in various senior strategic and corporate development roles. He has previously held roles with KPMG Corporate Finance in Ireland and the Netherlands, with McKinsey & Company in London, Dublin and Amsterdam, and as a Non-Executive Director of Elan Corporation plc and ASOS plc. He is currently Chair and Non-Executive Director of CarTrawler. Patrick holds the role of Honorary Treasurer of the Irish Rugby Football Union and is a Patron of Chapter Zero Ireland.



**Richard Goulding**

*Deputy Chair and Senior Independent Director*

Appointed Independent Non-Executive Director in July 2017. Appointed Deputy Chair and Senior Independent Director in January 2021.

### **Committee and other Group Roles**

Member of the Audit Committee, the Nomination & Governance Committee, the Risk Committee and the Group Transformation Oversight Committee.

Chair of the Remuneration Committee of J&E Davy.

### **Experience**

Richard is a Chartered Accountant with an extensive international track record of risk management and executive experience. Prior to joining Bank of Ireland, Richard held the role of Group Chief Risk Officer and Director at Standard Chartered Bank, where he was a member of the Group Executive Committee, having previously held the role of Chief Operating Officer, Wholesale Banking Division. Richard is a former Director of Citigroup Global Markets Limited where he served as Chair of its Audit, Remuneration and Nomination committees. He previously held senior executive positions with Old Mutual Financial Services in the U.S., UBS Warburg / SBC Warburg in London and Switzerland, Astra Holding plc, Bankers Trust Company, and the Midland Bank Group. He holds Non-Executive Director positions in Zopa Group Limited and Zopa Bank Limited. Richard is a member of Council and Chair of the Finance and General Purposes Committee in the Royal College of Music. He also is a member of the Business Strategy Committee in the Global Risk Institute.



**Myles O'Grady**

*Group Chief Executive Officer and Executive Director*

Appointed Group Chief Executive Officer and Executive Director in November 2022.

### **Experience**

Myles is a highly experienced leader with excellent delivery capabilities. He has extensive local market knowledge and deep experience of working with a range of stakeholders including customers, colleagues, investors and regulatory authorities. His experience encompasses strategy development, business restructuring and recovery, M&A, organisational transformation and investor relations. In a career spanning more than 30 years, Myles has worked nationally and internationally in senior roles in retail, business and investment banking, including Citibank, AIB and Dresdner Kleinwort Benson.

Myles was appointed BoI Group Chief Financial Officer in 2019 and was also appointed Group Non-Executive Director of Bank of Ireland (UK) plc and New Ireland Life Assurance Company plc. As Group Chief Financial Officer, Myles played an integral role in the development and execution of the Group's strategy, including the successful acquisitions of Davy and the KBC Ireland portfolios. Myles is a Fellow of the Chartered Association of Certified Accountants, an INSEAD certified board director and a member of the Institute of Directors Ireland.

## Your Board *(continued)*



**Giles  
Andrews**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in November 2020.

### **Committee and other Group Roles**

Chair of the Group Transformation Oversight Committee.

Member of the Remuneration Committee, the Risk Committee, and the Group Sustainability Committee.

### **Experience**

Giles possesses in-depth experience in financial technology, investment, and lending, in addition to strong management experience. He received a Master's Degree in Experimental Psychology from Christ Church at Oxford University and an MBA from INSEAD. Prior to joining Bank of Ireland, Giles co-founded Zopa, the first ever online peer-to-peer lending marketplace. In 2020, Zopa also launched a Digital Bank. Giles held a number of senior positions with Zopa including Chief Executive Officer and Chairman. He currently remains a member of Zopa Group Board and Zopa Bank Board. He was previously Non-Executive Director of Market Finance Limited, a FinTech platform that provides working capital finance to small businesses in the UK. Giles serves as a Non-Executive Director and Chairman on the board of Carwow Limited, a platform for buying new cars from franchised dealers. Most recently, he was appointed as an Independent Non-Executive Director of C. Hoare & Co, the UK's oldest privately owned bank. Giles was awarded an OBE in 2015 for his services to financial services. In 2016, Giles was named FinTech leader of the year at the FinTech Innovation Awards. At present, he is an Advisor to the fund at Northzone Ventures, a venture capital fund.



**Akshaya  
Bhargava**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in January 2024.

### **Committee and other Group Roles**

Member of the Risk Committee and Group Transformation Oversight Committee.

### **Experience**

Akshaya is a Banking and Wealth Management professional, with extensive experience across fintech, wealth management, broader international financial services, technology innovation and change. Akshaya spent 22 years at Citibank in a variety of senior roles in different countries and more recently, was Global CEO for Barclays Wealth and Investments. He was previously the founding CEO of Infosys BPO (formerly known as Progeon Ltd.) and has founded a number of companies, including Bridgeweave, a fintech firm that uses AI models to provide institutional quality investment ideas to self-directed equity investors, where he currently serves as Executive Chair. Akshaya has previously served as a director on the boards of Wealthify Group Limited, Mindtree Limited, Barclays Asset Management Limited, Vahanna LLC, and Avendus Wealth Management. Akshaya holds an MBA in Finance and Marketing from the Indian Institute of Management Calcutta and BA (Hons) in Economics from Pune University in India.



**Evelyn  
Bourke**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in May 2018.

### **Committee and other Group Roles**

Chair of the Audit Committee.

Member of the Nomination & Governance Committee, Risk Committee and the Group Sustainability Committee.

### **Experience**

Evelyn has a strong track record in global executive management, including extensive experience in financial services, risk and capital management, and mergers and acquisitions. She is a Fellow of the Institute and Faculty of Actuaries and received an MBA from the London Business School. Previously, Evelyn served as Group Chief Executive Officer of Bupa, the international health insurance and health care group. She joined Bupa as Chief Financial Officer from Friends Life Group, where she had been the Chief Executive Officer of the Heritage Division. She served as Non-Executive Director and Risk Committee Chair with IFG plc, Dublin. Evelyn's early career was spent in the UK at Standard Life plc, Chase de Vere Financial Solutions, St. James's Place plc, Nascent Group, Tillinghast Towers Perrin and in Ireland with Bank of Ireland and New Ireland Assurance. Currently, Evelyn is a Non-Executive Director and Senior Independent Director with AJ Bell plc and a member of its Audit, Nomination, Risk and Compliance committees. She is a Non-Executive Director, Audit Chair, and a member of the Nomination Committee with Marks and Spencer Group plc. Evelyn is a Non-Executive Director and Remuneration Committee Chair of Admiral Group plc. She is a member of The Investment Committee of The Athenaeum Club and served as a director on the board of The Ireland Fund of Great Britain.

## Your Board *(continued)*



**Ian Buchanan**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in May 2018.

### **Committee and other Group Roles**

Chair of the Group Remuneration Committee.

Member of the Group Transformation Oversight Committee and Risk Committee.

Non-Executive Director and Member of the Risk Committee of Bank of Ireland (UK) plc.

### **Experience**

Ian possesses diverse experience in the areas of technology, digital, business transformation and customer operations gained through his work in a number of international retail, commercial and investment banks. Ian holds a Bachelor of Science degree in Physics from the University of Durham. Prior to his role in Bank of Ireland, Ian held the roles of Group Chief Information Officer for Barclays plc and Chief Operating Officer for Barclaycard. Previously, he was Chief Information Officer for Société Générale Corporate and Investment Banking. He was a member of the Public Board and Group Manufacturing Director of Alliance & Leicester plc. He is a former member of the Executive Committee of Nomura International and was Chief Operations and Technology Officer of Nomura International. Ian's early career was spent at Credit Suisse, Guinness, and BP. Ian is a Senior Advisor to Cerberus Capital Management.



**Eileen Fitzpatrick**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in May 2019.

### **Committee and other Group Roles**

Chair of the Group Sustainability Committee.

Member of the Audit Committee, Nomination & Governance Committee, and Remuneration Committee.

Workforce Engagement Director

Non-Executive Director and Chair of the Risk & Compliance Committee of J&E Davy.

### **Experience**

Eileen, a Capital Markets professional, has extensive experience at Senior Executive, Board and Governmental level in financial markets. She is a graduate of University College Dublin where she received a PhD in Science. Prior to joining Bank of Ireland, Eileen held multiple Senior Director positions, including as Chief Executive Officer of AIB Investment Managers and Director of the National Treasury Management Agency (NTMA), where she oversaw the Alternative Assets Investment Programme, for the National Pensions Reserve Fund. Subsequently, she was appointed Director of NewERA at the NTMA which provides financial advice to Government on the Commercial State sector. In her early career, Eileen held a number of senior roles in stockbroking including Goodbody Stockbrokers. She is a Non-Executive Director with a number of KKR companies in Ireland and serves as Chair of the Remuneration Committee for KKR Credit Advisors (Ireland). She is a Non-Executive on the board of Sherry FitzGerald Group Ireland Holdings where she is Chair of the People and Culture Committee. Eileen previously served as the Chair of the Outside Appointments Board, Department of Public Expenditure and Reform.



**Michele Greene**

*Independent Non-Executive Director*

Appointed Non-Executive Director in December 2019.

### **Committee and other Group Roles**

Chair of the Risk Committee.

Member of Audit Committee, Group Transformation Oversight Committee, and the Group Sustainability Committee.

Non-Executive Director and Chair of the Nomination Committee of J&E Davy.

### **Experience**

Michele is a Chartered Accountant and an experienced business executive and finance professional, operating at executive management and board level. She received a BSc (Mgmt) and MA from Trinity College Dublin. Prior to joining Bank of Ireland, Michele held several senior roles with Virgin Money's Digital Bank, including Managing Director, prior to which she was Director of Strategic Development, responsible for the bank's future development. Michele joined Virgin Money, initially, as Director of Banking, with responsibility for building the bank's new credit card business. She also served as Chief Financial Officer of MBNA Europe, where she held executive positions on the board of MBNA Europe Limited and Premium Credit Finance Limited. Michele's early career was spent at Goldman Sachs, Credit Lyonnais and KPMG. Michele is currently an Executive Director of Mololo Limited and a Non-Executive Director of East End Fair Finance Limited and Vanquis Banking Group plc.

## Your Board *(continued)*



**Steve Pateman**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in September 2018.

### Committee and other Group Roles

Member of the Audit Committee and Risk Committee.

Non-Executive Director of Bank of Ireland Mortgage Bank u.c.

### Experience

Steve is an experienced banker, advisor and Board Director, with a strong track record of building and rebuilding businesses. Prior to joining Bank of Ireland, Steve was the Chief Executive Officer of Shawbrook Bank and, subsequently, of Hodge Group. Steve chaired the Advisory Board of Arora Group and served as Chief Executive Officer. Previously, he worked with Santander UK, where he held the roles of Executive Director and Head of UK Banking with responsibility for Santander's corporate, commercial, business and retail banking operations, as well as wealth management. Steve held several senior positions at Royal Bank of Scotland and NatWest and was a Director of The Mortgage Lender Limited. Steve was elected President of the Chartered Banker Institute, having previously served as a Vice President and Senior Vice President. He was awarded an Honorary Doctorate from the University of Kent for services to banking. Steve previously served as Chief Executive Officer and Executive Director of StreamBank plc. He is currently a Non-Executive Director for Affordable Housing & Healthcare Investment Management Limited.



**Mark Spain**

*Group Chief Financial Officer and Executive Director*

Appointed Group Chief Financial Officer and Executive Director in March 2022.

### Committee and other Group Roles

Group Non-Executive Director of Bank of Ireland (UK) plc.

### Experience

Mark has over 25 years of experience as a finance professional, having qualified as a Chartered Accountant in 1994. He received a Bachelor of Commerce (Accounting) Degree and a Diploma in Professional Accounting from University College Dublin. Mark is a strategically adept leader, with a track record of leading multi-functional teams to successfully deliver significant and positive commercial outcomes. He joined the Group in 1998 as a Director in IBI Corporate Finance, an M&A advisory boutique. He became Director of Group Investor Relations in 2013, followed by Director of Group Finance in 2016. In 2019, he was appointed Chief Strategy Officer and member of the Group Executive Committee. Prior to joining the Group, Mark worked in Diageo plc's M&A team and KPMG.



**Margaret Sweeney**

*Independent Non-Executive Director*

Appointed Independent Non-Executive Director in October 2023.

### Committee and other Group Roles

Member of the Audit Committee and Remuneration Committee.

### Experience

Margaret is a Fellow of Chartered Accountants Ireland and a Chartered Director with Institute of Directors. She is an experienced CEO and has held many Board Director roles across listed and non listed companies operating in different industry sectors in Ireland and internationally, including financial services. She is currently CEO and an Executive board director of Irish Residential Properties REIT plc since 2017, having joined the board as a Non-Executive director in 2016. She is Chair of Dublin City University Business School Industry Advisory Board. Margaret previously served on the Board of Dalata Hotel Group plc for nine years to 2023, was Senior Independent Director and Chair of the Remuneration Committee. She was Chair of the Board of Irish Institutional Property as well as the boards of HSBC Institutional Trust Services (Ireland) DAC, Bramshott Capital Funds, Invention Investment Ireland Funds, and Galway University Foundation, among other board positions. She also served as the President of the Dublin Chamber of Commerce. Margaret has a degree in Commerce from University College Galway (now NUIG) and was awarded the National University of Ireland Galway 2009 Alumni Award for Business, Public Policy and Law.

## Your Board *(continued)*

### Chairman's tenure

Patrick Kennedy was appointed Chairman in August 2018. He was independent under the UK Code at the time of his appointment. As an existing Non-Executive Director (NED), he registered service of nine years on the Board in July 2019.

As set out in the Annual Reports for 2019-2022, the Board's consideration of Patrick's continued strength of leadership was outlined against the backdrop of the UK Code recommendations, along with details of shareholder consultation on his continued tenure and the positive outcome of shareholder votes on his recommended re-election at each Annual General Meeting (AGM).

In the 2022 Annual Report, we reported on the Board's careful consideration of the implications of the UK Code and its view that Patrick's tenure should be extended to 2024 to allow his services to be retained in the best interests of the Company and its shareholders, and subject always to annual performance assessments and the annual re-election by shareholders at the Company's AGM.

The Board established a sub-committee, chaired by the SID, to lead the process through which an appropriate successor to Patrick would be identified. Given the nature and importance of the role to the Group, and to ensure an extensive and robust process, two external third-party firms have been engaged in that work during 2023 and the process continues into 2024. A further update on the process will be made at the appropriate juncture.

The two firms that have been engaged in the process are Egon Zehnder and Spencer Stuart, each of whom are global search and leadership consulting firms who are used by the Group on occasion for Board or executive searches. Neither firm has any connection with the Company other than in a recruitment capacity.

The Board considers that Patrick continues to be a committed and highly effective Chairman, who provides strong leadership to the Board. He continues to promote diversity and constructive challenge amongst Board members and has reinforced relationships with the Group's stakeholders. Patrick combines a detailed understanding of the Group with exceptional commercial acumen gained from a highly successful career in national and international business. He continues to demonstrate clear independence of mind and objective judgement. His commercial skills and the knowledge he has acquired of banking are unique in an Irish-based director. Patrick's performance remains at a consistently high level and his continued effectiveness has once again been affirmed through the annual effectiveness review process, the outcome of which was considered by the Board in January 2024.

As such, the Board considers it appropriate for Patrick to remain in role for a further period and will be recommending his re-election at the 2024 AGM to allow his services to be retained in the best interests of the Company and its shareholders, pending the appointment of a successor via the active process and a reasonable handover period. A market notation via Regulatory News Services (RNS) will issue at the appropriate juncture in the process.

### Board Committees

The Board is assisted in the discharge of its duties by a number of Board Committees, whose purpose it is to consider, in greater depth than would be practicable at Board meetings, matters for which the Board retains responsibility. Each Committee operates under terms of reference approved by the Board. Appropriate cross-membership of key Board Committees, including between the GAC and BRC, and GRC and BRC, is ensured. The N&G formally reviews the composition and purpose of the Board Committees annually on behalf of the Board.

The minutes of all meetings of Board Committees are circulated to all Directors for information and are formally noted by the Board. Papers for all Board Committee meetings are also made available to all Directors, irrespective of membership. The Chair of each Board Committee reports to the full Board on the key considerations of each Committee meeting. Such circulation of minutes and papers and the Chair reports are restricted should there be a conflict of interest or issues of personal confidentiality.

The terms of reference of the GAC, the BRC, the N&G, the GRC, the GTOC and the GSC are available on the Group's website: [www.bankofireland.com/about-bank-of-ireland/corporate-governance/court-committees](http://www.bankofireland.com/about-bank-of-ireland/corporate-governance/court-committees).

The GTOC has a mandate to support the Board in overseeing, supporting, and challenging the actions being taken by management in relation to the execution of the Group's strategic transformation, focused on technology related change.

As the Group pivots towards a more customer-focused, digital banking model, with greater levels of customer digital engagement and automation of servicing and processes, the Committee oversees the step change required in the Group's business and technology practices alongside changes required to optimise digital skills, organisational models and ways of working in order to deliver the right customer experience, systems, and processes to deliver the desired outcomes.

The GSC has a mandate to support the Board in overseeing the Group's performance as a responsible and sustainable business and in delivering the Group's Sustainability strategy, in order to achieve the Group's purpose.

Both GTOC and GSC have appropriate common membership in place with each of BRC and GAC. In carrying out their duties, Board Committees are entitled to take independent professional advice, at the Group's expense, where deemed necessary or desirable by the Committee Members.

Reports from the GAC, the BRC, the N&G and the GRC are presented on pages 98 to 118.

### Board composition and succession

The Board comprises twelve Directors: two Executive Directors, the Chairman, who was independent on appointment, and nine independent NEDs. The biographical details of each of the Directors, along with each of their individual dates of appointment, are set out on pages 81 to 84.

## Your Board *(continued)*

The Board considers that a board size of ten to twelve Directors allows for a good balance between having the full range of skills necessary on the Board and to populate its Committees and retaining a sense of accountability by each Director for Board decisions.

The Board acknowledges that this number may go below ten or beyond twelve for a short term as may be required to accommodate succession planning activities and to ensure the timely induction and development of new Directors.

The N&G ensures a formal, rigorous and transparent procedure when considering candidates for appointment to the Board and maintains continuous oversight of the Board's composition to ensure it remains appropriate and has regard for its purpose, culture, major business lines, geographies, risk profile and governance requirements.

Both on an individual and a collective basis, the Directors are considered to have the range of skills, understanding, experience and expertise necessary to ensure the effective leadership of the Group and that high corporate governance standards are maintained. The N&G leads the process for appointments to the Board and ensures plans are in place for orderly succession to both the Board and Executive positions. In 2023, the Board reviewed its skills, knowledge and experience and found it to be collectively suitable. The Board reviews its collective suitability at least annually, and with each change in membership.

The process has regard for the impact of expected retirements of Directors and the Group's strategic direction.

As part of the process, the N&G approves a detailed role profile, based on its analysis of the skills and experiences needed and selects an external search firm to facilitate the process. The N&G ensures that a comprehensive due diligence process is undertaken, which includes the candidate's self-certification of probity and financial soundness, external references and external checks. The due diligence process facilitates the N&G in satisfying itself as to the candidate's independence, fitness and probity, and capacity to devote sufficient time to the role before making a formal recommendation to the Board. Regulatory assessment and formal approval is required and received for all Board appointments.

A Board-approved Policy for the Assessment of Directors, which outlines the Board appointment process, is in place, and is in accordance with applicable joint guidelines issued by ESMA and the EBA. With the introduction of the Central Bank (Individual Accountability Framework) Act 2023, the Board received a briefing on the Framework, including the Common and Additional Conduct Standards that came into effect on 29 December 2023 and approved a number of new and refreshed policies to ensure adherence to the Framework and the Common and Additional Conduct Standards by the Board and the wider Group.

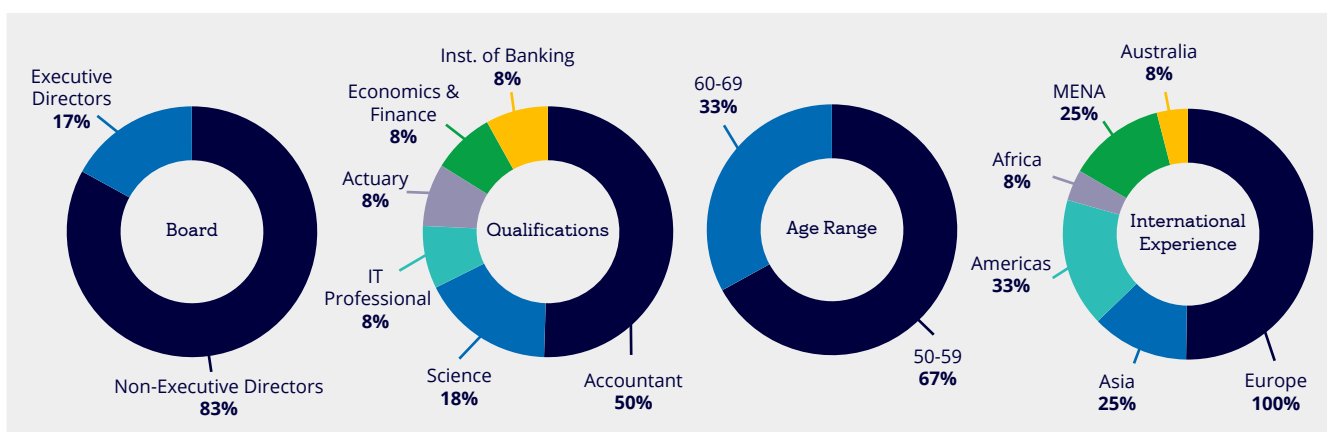
Throughout 2023, the Board provided oversight of the implementation of the Framework in the Group to ensure good governance of the process. The Board and its Committees perform their duties in alignment with the Framework and the Common and Additional Conduct Standards.

## Your Board *(continued)*

### Diversity

The Board is fully committed to diversity in all forms and believes that diversity is an essential ingredient of sound decision-making. The Board's approach to diversity in all its forms is set out in the Board Diversity Policy which has retained the specific gender target of maintaining a minimum of 40% female representation on the Board. The Policy was enhanced to reflect the commitment to ensure the inclusion of at least one Director that is from an ethnic minority, which has been met, and the appointment of a female to one of the four senior Board roles of CEO, CFO, Chairman and SID.

While not yet achieving all diversity targets, the Board's searches for new Independent Non-Executive Directors (INEDs) has included a focus on growing the Board's profile in relation to all aspects of diversity. We intend to make further progress on our diversity targets through our current INED and Chair searches. The Board is committed to the application of recruitment and selection criteria that are explicitly informed by the relevant targets for ethnic minority and female representation.



	No. of Board members	% of the Board	No. of senior positions on the Board	No. in Executive management	% of Executive management
Men	8	67%	4	8	67%
Women	4	33%	-	4	33%
White British or other white (incl. minority white groups)	11	92%	4	12	100%
Asian/Asian Irish	1	8%	-	-	-

## Your Board *(continued)*

### Education and Development Session delivered in 2023

The following were in focus during development and education sessions facilitated during the year. These sessions were facilitated, as appropriate, by internal and / or external subject matter experts and advisors:

- Remuneration trends,
- Wealth and Insurance,
- Irish Mortgage Market,
- Economic Outlook,
- Culture, Inclusion and Diversity,
- Model Risk,
- Anti-Money Laundering and Counter Terrorism Financing,
- Chat GPT / Artificial Intelligence,
- Environmental, Social and Governance,
- Market and Regulatory Developments,
- RAROC,
- The capital adequacy assessment process,
- External / Competitive Landscape,
- Cyber Security,
- Corporate Governance requirements,
- Individual Accountability Framework, including the Common and Additional Conduct Standards,

In addition to training provided by the Group, individual Directors undertook external development opportunities that covered a wide breadth of topics relating to finance, investment management and wealth, digital, cyber, diversity, environmental and social governance, governance and remuneration.

### The Board's Professional Development and Continuous Education Programme

On appointment, new Directors are provided with tailored and comprehensive induction programmes to fit with their individual experiences and needs, including the process for avoiding or managing conflicts. Thereafter, we seek to ensure that all Board members receive appropriate training, both individually and collectively, throughout their time on the Board. The approach taken to the Board's Professional Development and Continuous Education Programme is as follows:

- formal Induction Programme: A suite of induction documentation is furnished to all incoming Directors to facilitate their understanding of how the Group operates and the key issues that it faces. A series of meetings with senior management is arranged on matters such as Group and Divisional strategy, the Group's Risk Appetite and Group Risk Framework, the regulatory environment, people strategies, technology and operations, capital and liquidity management and the Group's financial position. The induction programme is supplemented with an additional bespoke programme, developed in conjunction with the incoming Director to address any specific requirements;
- continuous Education Programme: The continuous development requirements of the Board and individual Directors are informed by the outcome of annual effectiveness reviews, the annual review of the collective skillset of the Board, emerging external developments and

areas the Board has identified for further focus. The Continuous Education Programme is delivered through varying means and facilitated by internal and external experts where appropriate. The approach to Directors' induction and continuous development is set out in a Board-approved Director Induction, Training and Development Policy which is reviewed annually by the N&G; and

- site visits across the Group including meetings with colleagues and customers.

### Assessing the effectiveness of the Board

The Board seeks to continually enhance its operations and, each year, conducts a formal effectiveness evaluation of the Board, Board Committees and individual Directors. In addition to reviewing the Board's operations, composition and overall effectiveness, the evaluation reviews past performance with the aim of identifying possible opportunities for improvement, determines whether the Board and its Committees are, as a whole, effective in discharging their responsibilities and, in the case of individual Directors, determines whether each Director continues to contribute effectively and to demonstrate commitment to their role. The Board is required to have an external evaluation conducted once every three years. During 2023, an internal effectiveness review was conducted with positive conclusions regarding the effectiveness of the Board. An external evaluation was carried out the previous year and will continue to be conducted every three years. The internal review included effectiveness questionnaires in relation to the Board and its Committees, which were completed by members and standing attendees, and was complemented during 2023 with a wider Board Perception Review process involving senior Group colleagues. The outcome of the 2022 review was reported in the 2022 Annual Report and a report on progress against opportunities identified for improvement in 2022 is set out below. Further details on the 2023 review can be found on page 77.

### Chairman

The performance of the Chairman was also assessed through the internal evaluation process. Led by the SID, the Board met to discuss the Chairman's performance, in his absence. The SID subsequently provided an update on the positive outcome of the review to the Chairman. Patrick Kennedy is considered to continue to be a highly effective Chairman and to provide very strong leadership to the Board. The Board confirmed its continued support for Patrick Kennedy and his continuation in office, pending the appointment of a successor, including his proposal for re-election at the 2024 AGM. Further details on the Chairman's tenure can be found on page 85.

### Individual Directors

In addition to the internal evaluation process, the Chairman met with Directors on a one to one basis to discuss their individual performance, taking account of their feedback submitted in advance of the meetings on a number of topics including, their individual contributions and performance at the Board.



## Your Board *(continued)*

The Chairman assessed each Director as being fully effective, with all Directors demonstrating strong commitment to their role, noting that during 2023 their contributions continued to be important to the company's long-term sustainable success.

### 2023 Conclusion

A consolidated report on the findings of the full evaluation process was presented to the Board in January 2024. The outcome of the evaluation was positive. Overall, the effectiveness of the Board and its Committees continued to be enhanced year on year. The key themes identified through the Board evaluation as having contributed to the Board's effectiveness in 2023 include the strong leadership of the Chairman, the Board's diligence and commitment, open dialogue, the strength and breadth of the Board's collective skillset and expertise. The Board evaluation also identified the following areas for focus and continued enhancement:

- the incorporation on the Board agenda of even more forward-looking matters, including market and competitive evolution and related threats;
- the quality of meeting materials to ensure that content remains focused, clear and precise; and
- opportunities for NEDs to engage with a wider cohort of senior colleagues outside formal meetings.

### Progress against the 2022 Board Effectiveness Evaluation

The Board continued to monitor and make progress across the following areas identified for enhancement arising from the 2022 effectiveness review:

- finding the right balance of challenge and support;
- simplifying the operating mechanism;
- bringing further external and customer focus to bear; and
- further focus on a longer time horizon.

The Board is cognisant of ensuring continued focus on these areas into 2024, with enhanced focus on those aforementioned areas identified following the 2023 review.

### Board Focus in 2023

The Board held 10 meetings during the year ended 31 December 2023. Further details on the number of Board and Committee meetings and attendance by individual Directors are set out on page 119.

While not intended to be exhaustive, below is a high-level overview of a number of matters considered by the Board and Board Committees during 2023:

#### Regular updates

- Chairman's activities.
- CEO's activities and key areas of focus.
- Business and financial performance.
- Organisational Scorecard Performance.
- Risk Management.
- Regulatory and legal matters.
- Board Committee activities.

#### Financial

- Results and Accounts.
- Distribution Policy.
- Impairments.
- Funding and Liquidity Policy.
- Capital and Liquidity Policy.
- Financial and investment plans.
- Cost and Efficiency.

#### Risk management

- Regulatory interactions.
- Group Risk Appetite Statement.
- Risk Policies and Frameworks.
- Group Risk Framework, and associated policies and standards.
- Group's Remuneration Policy.
- Group Recovery Plan.
- Geopolitical events and the wider macro economy.
- Non-financial risk.
- AML and combating of financing of terrorism.
- The Group Control environment and conduct risk.
- The high inflation rate environment.
- Risk Mitigation Plan action progress updates and approval requests.
- Process improvement / operational risk.
- Technology, including lessons learned from the August 2023 ATM IT incident.

#### Environment / External Insights

- External / competitive landscape.
- Investor relations.
- Macroeconomic environment.
- Stakeholder engagements.
- Environmental, social and governance, including Group's Sustainability Strategy, Financial Wellbeing, and progress relative to UNPRB Commitments.

#### Strategy

- 2023 - 2025 Group Strategy.
- External and internal assumptions underpinning the 2023 - 2025 Group Strategy.
- Technology and Digitisation.
- Emerging threats.
- Transformation.

#### Governance

- Key Board Governance policies and terms of reference.
- Subsidiary Governance framework.
- CEO and CFO performance and succession.
- Board renewals, appointments and succession.
- Board, Committee and Individual Directors Effectiveness.
- Appointments / Endorsements of Material Risk Takers (MRTs) and Key Function Holders (KFHs).
- Subsidiary oversight.
- Tracking of agreed actions.
- AGM and resolutions.

#### Culture and values

- The Group's Culture Programme.
- Colleague engagement.
- Talent and capability.
- Customer efforts scores and net promoter score.
- Financial wellbeing.

## Your Board *(continued)*

### Roles and Responsibilities

#### Role of the Board

The Group is led by an effective and committed Board of Directors, who are collectively responsible for the long-term success of the Group.

The Board's role is to provide leadership of the Group within the boundaries of risk appetite and a framework of prudent and effective controls which enable risk to be identified, assessed, measured and controlled.

The Board sets the Group's strategic aims and risk appetite to support the strategy, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives.

The Board ensures that the Group's purpose, values, strategy and culture are all aligned and reviews management performance in that regard.

The Board is responsible for endorsing the appointment of individuals who may have a material impact on the risk profile of the Group and monitoring on an ongoing basis their appropriateness for the role. The removal from office of the head of a 'control function', as defined in the Irish Code, is also subject to Board approval.

The respective roles of the Chairman and the Group CEO, which are separate, are set out in writing and have been agreed by the Board.

The Board has a schedule of matters specifically reserved for its decision which is reviewed and updated regularly.

The Board approves the Group's Risk Management Framework on an annual basis and receives regular updates on the Group's risk environment and exposure to the Group's material risk types. Further information on risk management and the Board's role in the risk governance of the Group is set out in the Risk Management Report on pages 134 to 182.

The work of the Board follows an agreed schedule of topics which evolves based on business needs and is formally reviewed annually by the Board.

#### Role of the Chairman

The Chairman oversees the operation and effectiveness of the Board, including ensuring that agendas cover the key strategic items confronting the Group and encouraging all Directors to participate fully in the discussions and activities of the Board. He also ensures that there is effective communication with shareholders and promotes compliance with corporate governance standards. The Chairman commits a substantial amount of time to the Group and his role has priority over any other business commitment.

#### Role of the Deputy Chair and Senior Independent Director

The Deputy Chair has adopted the role of SID and deputises for the Chairman as required. The SID provides a sounding board for the Chairman and serves as an intermediary for the other Directors and shareholders if they have concerns that contact through the normal channels of Chairman, Group CEO or other Executive Directors has failed to resolve or for which such contact is inappropriate.

As appropriate and when required, the SID meets a range of major shareholders in order to develop a balanced understanding of their views. The SID leads the evaluation of the Chairman in conjunction with the other Directors and would normally take responsibility for an orderly succession process for the Chairman working closely with the other Directors.

#### Role of the Independent Non-Executive Director

During the year the Chairman and the NEDs met without the Executive Directors present, to discuss a range of business matters.

The NEDs (including the Chairman and the Deputy Chairman) bring independent challenge and judgement to the deliberations of the Board through their character, objectivity and integrity.

#### Executive Directors

Executive Directors have executive functions in the Group in addition to their Board duties. The role of Executive Directors, led by the Group CEO, is to propose strategies to the Board and, following challenging Board scrutiny, to execute the agreed strategies to the highest possible standards.

#### Role of the Group CEO

The Group CEO is responsible for execution of the approved strategy, holds delegated authority from the Board for the day-to-day management of the business and has ultimate executive responsibility for the Group's operations, compliance and performance. Procedures are in place to review the Group CEO's contract at least every five years.

#### Matters Reserved for the Board

While arrangements have been made by the Directors for the delegation of the management, organisation and administration of the Group's affairs, certain matters are reserved specifically for decision by the Board. The schedule of matters reserved for the Board is reviewed at least annually to ensure that it remains relevant and to reflect any enhancements required under evolving corporate governance requirements and industry best practice.

The Directors have access to the advice and services of the Group Secretary, who advises the Board on matters relating to governance, ensuring good information flows and comprehensive practical support for Directors. She maintains the Group's Corporate Governance Framework and communicates with shareholders as appropriate, ensuring due regard is paid to their interests.

The Group Secretary provides dedicated support for Directors on any matter relevant to the business on which they require advice separate from or additional to that available in the normal Board process. Both the appointment and removal of the Group Secretary is a matter for the Board as a whole.

The Directors also have access to the advice of the Group General Counsel and to independent professional advice, at the Group's expense, if and when required.

Committees of the Board have similar access and are provided with sufficient resources to undertake their duties.

The Group has in place Directors' and Officers' liability insurance in respect of legal actions against its Directors.

## Your Board *(continued)*

### Stakeholder Engagement

#### Board understanding of views of major shareholders

To facilitate the Board's understanding of the views of major shareholders, Directors receive an investor relations update from management at all scheduled Board meetings. The content of this update is varied, based on recent investor activities, but typically includes market updates, details of recent equity and debt investor interactions, share price and valuation analysis, analyst updates, and share register analysis. All Directors are facilitated to ensure that they are informed of the views of investors and analysts. The Chairman meets at least annually with a number of major shareholders to discuss governance matters, delivery of strategic priorities and progress in delivering transformation.

The Chairman and / or the SID are available to all shareholders if they have concerns that cannot be resolved through the normal channels.

#### Institutional equity investors and analysts

Communication with shareholders is given high priority. One of the responsibilities of the Chairman is to ensure effective communication with shareholders and to ensure that Directors develop an understanding of the views of major investors. Group Investor Relations has primary responsibility for managing and developing the Group's external relationships with existing and potential institutional equity investors and analysts. The Group has an active and well-developed Investor Relations programme, which involves regular meetings by Executive Directors, selected Senior Executives and Group Investor Relations and other authorised officers with the Group's principal institutional shareholders, other investors, financial analysts and brokers. During 2023, c.500 such meetings and presentations were held. All meetings are conducted in such a way as to ensure that price sensitive information is not divulged. A dedicated Investor Relations section of the Group website provides access to relevant information, including presentations, publications and public announcements.

#### Retail shareholders

The Group Secretariat and Corporate Governance team, supported by the Group's Registrar, Computershare Investor Services (Ireland) Limited ('Computershare'), maintains the Group's share register, engages with retail shareholders and delivers the Group's AGM and Extraordinary General Meetings (EGMs) as required. With the assistance of Computershare, the Group addresses shareholder queries and, through its online facilities, enables shareholders to view their portfolio and amend their information securely.

#### Annual and Extraordinary General Meeting

The AGM provides an opportunity for shareholders to hear directly from the Board on the Group's performance and strategic direction. The general aim of the Board is to make constructive use of the AGM and shareholders are encouraged to participate in the proceedings.

Questions are invited from shareholders in advance of the AGM, and a substantial part of the agenda of the AGM is dedicated to responding to shareholder questions. A 'Help Desk' facility is provided by the Group's registrar to assist shareholders to resolve any specific queries that they may have in relation to their shareholding. The 2023 AGM was held on 23 May 2023 in the O'Reilly Hall, UCD, Belfield, Dublin 4.

At the 2023 AGM, separate resolutions were proposed on each substantially separate issue and voting was conducted by way of poll. The results of every general meeting, including details of votes cast for, against and withheld on each resolution, are posted on the Group's website and released to Euronext Dublin (formerly the Irish Stock Exchange) and the London Stock Exchange. As soon as the results of the 2023 AGM were calculated and verified, they were released to applicable exchanges, as set out above, and were made available on the Group's website. At the 2023 AGM all resolutions passed, with all resolutions receiving between 86.98% and 100% approval.

In line with the Group's policy to issue notice of the AGM 20 working days before the meeting, notice of the 2023 AGM was circulated to shareholders on 19 April 2023. It is usual for all Directors at the time of the AGM and any EGM to attend. All members of the Board attended the 2023 AGM.

The 2024 AGM is scheduled to be held on 23 May 2024. Shareholders who will be unable to attend on this date are encouraged to submit queries and vote in advance to ensure continued participation.

#### Customers

The Group's aim is to serve customers brilliantly by being the number one bank for service and having the best brand in our target markets, including supporting our partnerships in the UK. The Board consistently reviews the strategy, receives updates on implementation and reviews progress as part of the governance process.

The emphasis the Board and the Group places on the customer is further demonstrated by the creation during 2023 of a new GEC role of Chief Customer Officer. The role holder is an advocate for the customer across the entire Group and is responsible for developing a Group-wide customer strategy to help improve customer attraction, retention, and satisfaction. Enhancements to training and development, user and customer experience, and investment in technology will all be considered as part of the strategy.

The Group's approach to customer engagement and progress against customer metrics through which the experience of customers when dealing with the Bank is assessed, is a key focus for the GEC. 'Customer outcomes' is required to be a key area of focus for all formal governance across the Group. The Board receives regular updates on progress against customer metrics and reports from the Group CEO, the respective business CEOs, and, more recently, the Chief Customer Officer. In addition, its understanding of customers' perspectives is informed by deep dives on customer themes and customer complaints, site visits by Directors to customer call centres and branches, meetings directly with customers and other customer focused tools to enable the Board to hear customer voices at first hand.

The Board is acutely aware of the impact of the significant technology outage experienced in August 2023, which saw many of the online services unavailable to customers. While the Board commends colleagues and the Executive for its resolution and the efforts taken to support customers during and after the outage, focus has been applied to assessing learnings from the outage and taking the actions required to reduce the risk of such outages recurring in the future.

## Your Board *(continued)*

### Stakeholder Engagement *(continued)*

#### Colleagues

The Board receives regular updates on the progress of the Group Culture Programme and reviews the outputs from the Group's Open View staff surveys and receives updates on progress in implementing actions in response to staff feedback. The Board pays particular attention to the Group Code of Conduct and Speak Up Policy, the effectiveness of which are reviewed by Board Committees annually. The Board strives to create an environment in which staff are encouraged to speak up where they have any concerns. During 2023, Evelyn Bourke, on behalf of the Board, actively sponsored the Speak Up Policy.

During 2023, the Board met with senior colleagues from across the Group in 'Visibility Sessions', which form part of the annual Board programme of work which is considered and approved each year. Matters discussed with colleagues during the visibility sessions held in 2023 included the Group's hybrid working arrangements, organisational bandwidth, the senior executive accountability regime, and cost of living measures, and the external operating and competitive environment.

The Board returned to site visits during 2023; site visits provide the Board with a first-hand view of the work of colleagues and the supports they provide to our customers. The 2024 Board programme of work continues to incorporate and prioritise engagement with colleagues.

The Board-designated WED role enhances engagement and feedback mechanisms between the Board and the workforce and strengthens the 'employee voice' at the Board. The WED role operates under formal terms of reference and reports regularly to the Board on direct feedback from colleagues across the Group. This direct colleague connection supplements various existing regular feedback and reporting mechanisms on culture and behaviour to the Board and is intended to further assist the Board in understanding colleague experiences and inform its decision making.

During 2023, as the WED, Eileen Fitzpatrick undertook a number of activities which provided valuable insights for the Board and facilitated further consideration of the workforce in Board decisions. These activities included, but were not limited to:

- regular 'Open Door' sessions with groups of colleagues drawn from various businesses and divisional teams, and branch visits during which a number of items were discussed including resourcing, remuneration, hybrid working and colleague wellbeing;
- listening sessions with various representative groups;
- engagements with Industrial Relations and the UK Partner's Council, including on remuneration;
- deep dives into the Irish Banking Culture Board reports; and
- deep dives on the Open View survey results and Speak Up and Wellbeing surveys.

With the planned change in the WED role during Q1 2024, the terms of reference, operations and future areas of focus of the role will be reviewed, in conjunction with Eileen, to leverage Eileen's experiences and to ensure continued evolution of the role and that the right insight continues to be gained from colleagues to support and better inform the Board when taking decisions.

#### Regulators and Government

The Chairman and members of the Board regularly meet with representatives from the regulators and government bodies, including the Joint Supervisory Team (JST), the CBI, Bank of England (BoE), Prudential Regulatory Authority (PRA), ECB and the Department of Finance. Core themes discussed at these meetings include regulation and supervision, risk governance and oversight, challenges facing the banking industry, business performance, and culture. The Chairman and Group CEO update the Board on their meetings with regulators and government representatives at each Board meeting. Management provide regular briefings to the Board on regulatory engagement and correspondence which ensures that the Board remains aware of regulatory expectations and areas of focus.

#### Society

The communities where the Group has a physical presence, where colleagues live and work, as well as other local and global groups and partners are the places where the Group's work touches the wider society.

The Group delivers positive societal impact in a number of different ways. Through investment in Financial Literacy programmes, our United Nations Principles of Responsible Banking commitments and our support for sport through wide-ranging rugby sponsorship, the Group works continuously to enable society to thrive. The Group channels philanthropic societal investment through the Begin Together initiative to deliver direct impact to the communities where we live and work.

Begin Together supports future-facing projects that engender positive change for society with a specific focus on vulnerable groups. Working with partners Community Foundation Ireland the Group funded 20 community projects in 2023. Initiatives received up to €45,000 each for projects that ranged from financial literacy and wellbeing, mental health, inclusion and diversity, to helping people with disabilities, migrants and refugees, the Travelling community and more.

In collaboration with Business to Arts, the Bank of Ireland Begin Together Arts Fund continued the Group's legacy of supporting the arts community by investing in a number of important community projects bringing the arts to vulnerable groups.

In addition, over 600 donations were made on behalf of colleagues across the Group to charitable causes and not for profit organisations that matter to them, bringing Bank of Ireland's investment in wider society closer to home for our colleagues.

## Your Board *(continued)*

### Board's oversight of risk management and internal control systems

#### Accountability and audit

The Report of the Directors, including a Going Concern Statement and a Viability Statement, is set out on pages 120 to 124. This Corporate Governance Statement forms part of the Report of the Directors.

#### Board Responsibility

The Board is responsible for overseeing the Group's risk management and internal control systems, which are designed to facilitate effective and efficient operations and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations, and to review the effectiveness of same.

In establishing and reviewing the risk management and internal control systems, the Directors carried out a robust assessment of the principal risks facing the Group including those that would threaten its business model, future performance, solvency or liquidity, the likelihood of a risk event occurring and the costs of control. The principal risks are detailed at pages 135 to 142. The process for identification, evaluation and management of the principal risks faced by the Group is integrated into the Group's overall framework for risk governance and has been in place for the year under review and up to the date of approval of the Annual Report.

The Group is forward-looking in its risk identification processes to ensure emerging risks are identified. The risk identification, evaluation and management process also identifies whether the controls in place result in an acceptable level of risk.

At Group level, a consolidated risk report and risk appetite dashboard is reviewed and regularly debated by the BRC and the Board to ensure satisfaction with the overall risk profile, risk accountabilities and mitigating actions. The report and dashboard provide a monthly view of the Group's overall risk profile, key risks and management actions, together with performance against risk appetite and an assessment of emerging risks which could affect the Group's performance over the life of the operating plan. Information regarding the main features of the internal control and risk management systems is provided within the risk management report on pages 134 to 182.

The Board concluded that the Group's risk management arrangements are adequate to provide assurance that the risk management systems put in place are suitable with regard to the Group's profile and strategy.

#### Control systems

The Group's overall control systems include:

- a clearly defined organisation structure with defined authority limits and reporting mechanisms;
- three lines of defence approach to the management of risk across the Group: line management in individual businesses and relevant Group functions, central risk management functions, and Group Internal Audit (GIA);
- Board and Management Committees with responsibility for core policy areas;
- a set of policies and processes relating to key risks;
- reconciliation of data consolidated into the Group's financial statements to the underlying financial systems. A review of the consolidated data is undertaken by management to ensure that the financial position and results of the Group are appropriately reflected, through

compliance with approved accounting policies and the appropriate accounting for non-routine transactions;

- Codes of Conduct setting out the standards expected of all Directors, officers and employees in driving an appropriate, transparent risk culture;
- a Risk Control Self-Assessment framework, where risks are logged, managed and mitigated across the first line, with clear reporting, escalation and second-line oversight. Action plans are developed and implemented to address any control deficiencies;
- a comprehensive set of accounting policies; and
- a compliance framework incorporating the design and testing of specific controls over key financial processes.

The Group operates a comprehensive internal control framework over financial reporting with documented procedures and guidelines to support the preparation of the consolidated financial statements.

The main features are as follows:

- a comprehensive set of accounting policies relating to the preparation of the annual and interim financial statements in line with IFRS as adopted by the EU;
- an independent internal audit function with responsibility for providing independent, reasonable assurance to key internal (Board, Group and Subsidiary Audit and Risk Committees and Senior Management) and external (Regulators and external auditor) stakeholders on the effectiveness of the Group's risk management and internal control framework;
- a compliance framework incorporating the design and testing of specific controls over key financial processes to confirm that the Group's key controls are appropriate to mitigate the financial reporting risks;
- a robust control process is followed as part of interim and annual financial statements preparation, involving the appropriate level of management review and attestation of the significant account line items, and where judgements and estimates are made, they are independently reviewed to ensure that they are reasonable and appropriate. This ensures that the consolidated financial information required for the interim and annual financial statements is presented fairly and disclosed appropriately;
- the Annual Report and Interim Report are also subject to detailed review and approval through a structured governance process involving Senior and Executive finance personnel;
- summary and detailed papers are prepared for review and approval by the GAC covering all significant judgemental and technical accounting issues, together with any significant presentation and disclosure matters; and
- user access to the financial reporting system is restricted to those individuals that require it for their assigned roles and responsibilities.

#### Reviews by the Board

The effectiveness of the risk management and internal control systems are regularly reviewed by the Board, along with the GAC and the BRC, which also receive reports of reviews undertaken by Group Risk and GIA. The GAC receives reports from the Group's external auditor (which include details of significant internal control matters that they have identified) and has separate discussions with the external and internal auditors at least once a year without Executives present, to ensure that there are no unresolved issues of concern.

## Your Board *(continued)*

### Continuous improvement

The Group's risk management and internal control systems are regularly reviewed by the Board and are consistent with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the Financial Reporting Council and compliant with the requirements of the CRD V. They have been in place for the year under review and up to the date of approval of the annual report. The Group continues to work towards compliance with the Basel Committee on Banking Supervision 239 (BCBS 239) risk data aggregation on risk reporting requirements and continues to actively manage enhancements.

The Group's controls frameworks are continuously improved and enhanced, addressing known issues and keeping pace with the dynamic environment. Progress continues to be made in operational (including IT and Information Security), regulatory and conduct risks. The 2023 internal control assessment provides reasonable assurance that the Group's controls are effective, or that, where control weaknesses are identified, they are subject to management oversight and action plans. The GAC, in conjunction with the BRC, following an assessment of whether the significant challenges facing the Group are understood and are being addressed, concluded that the assessment process was effective and made a positive recommendation to the Board in that regard.

### Board Governance

#### Conflicts of interest

The Board has an approved Conflicts of Interest Policy which sets out how actual, potential or perceived conflicts of interest are to be identified, reported and managed to ensure that Directors act at all times in the best interests of the Group. This policy is reviewed on an annual basis.

The Group Code of Conduct, which applies to all employees and Directors of the Group, clarifies the duty on all employees to avoid conflicts of interests. The Code of Conduct is reviewed on an annual basis and communicated throughout the Group.

Both the Conflicts of Interest Policy and Group Code of Conduct were reviewed in 2023 to align fully with the Individual Accountability Regime, including the Common and Additional Conduct Standards.

#### Time commitment

The Group ensures that individual Board Directors have sufficient time to dedicate to their duties, having regard to applicable regulatory limits on the number of directorships which may be held by any individual Director. The Company and the Bank have each been classified as 'significant institutions' under CRD. During the year ended 31 December 2023, all Directors were within the Directorship limits set out for significant institutions under CRD.

During 2023, the time commitments for Committee chairing roles were reviewed and specific time commitments were allocated to each role to ensure that Directors holding those roles have sufficient time to fulfil the duties of the role.

All newly-appointed Directors are provided with a comprehensive letter of appointment detailing their responsibilities as Directors, the terms of their appointment and the expected time commitment for the role.

A copy of the standard terms and conditions of appointment of NEDs can be inspected during normal business hours by contacting the Group Secretary. Directors are required to devote adequate time to the business of the Group, which includes attendance at regular meetings and briefings, preparation time for meetings and visits to business units. In addition, NEDs are normally required to sit on at least one Board Committee. Certain NEDs, such as the Deputy Chairman, SID and Committee Chairs, are required to allocate additional time in fulfilling those roles.

Before being appointed, Directors disclose details of their other significant commitments along with a broad indication of the time absorbed by such commitments. Before accepting any additional external commitments, including other Directorships that might impact on the time available to devote to their role, the agreement of the Chairman and the Group Secretary, or, depending on the nature of the proposed commitment, the full Board, must be sought. In certain cases, advanced CBI approval must also be sought.

Proposed new external commitments are assessed against conflicts of interest, over-boarding and time commitment considerations. Any new external commitments proposed by the Chairman require SID and Group Secretary approval in the first instance and, depending on the nature of the proposed commitment, the Board and CBI approval in advance.

A number of Directors took additional external roles during 2023 following receipt of the requisite approvals. Details of Directors external roles can be found on pages 81 to 84.

The Group has an obligation to report the reasons for permitting significant appointments. The following appointments which took place in 2023 are considered significant in terms of additional external appointments and were duly considered by the Board.

- **Michele Greene:** appointment as NED of Vanquis Banking Group plc (formerly Provident Financial Plc) (March 2023); and
- **Fiona Muldoon:** appointment as Non-Executive Director and Chair of Sretaw Unlimited Company (Sretaw 1) (May 2023); appointment as NED and Chair of Sretaw 3 Unlimited Company.

In considering whether to approve these external roles, the N&G and the Board gave due and careful consideration to actual, potential or perceived conflicts of interest, the risk of 'over boarding', whether the additional roles would impact the Director's ability to commit the requisite time to his or her Group duties and CRD Directorship limitations. In each case, the Board was satisfied that there was no issue of concern that should impede the relevant Director from proceeding and that the roles could be managed in accordance with the Board approved policy.

All Directors are reminded of their obligations under the Board's Conflicts of Interest Policy when approved for any external roles and such roles remain under regular review. In accordance with the Group's listing obligations, an RNS was issued to the market to advise of Michele and Fiona's appointments.

## Your Board *(continued)*

### Balance and Independence

The Board determined that all NEDs in office on 31 December 2023 were independent in character and judgement and free from any business or other relationships with the Group which could affect their judgement.

### Term of Appointment and Re-election of Directors

NEDs are normally appointed for an initial three-year term, with an expectation of a further term of three years, assuming satisfactory performance and subject to the needs of the business, shareholder re-election and continuing fitness and probity. Any continuation in term beyond two three-year terms is considered on an annual basis and will have regard for a number of factors including performance, independence, the Board's succession planning needs over the medium to long term, and the best interests of the shareholders.

A NED's term of office will generally not extend beyond nine years in total unless the Board, on the recommendation of the N&G, concludes that such extension is necessary due to exceptional circumstances. In such a situation, the Board will document its rationale for any continuance and so advise the CBI in writing as required under the Irish Code.

In respect of Executive Directors, no service contract exists between the Company and any Director which provides for a notice period from the Group of greater than one year. None of the NEDs have a contract of service with the Group.

It is Group practice that, following evaluation, all Board Directors are subject to annual re-election by shareholders. All Directors retired at the AGM held on 23 May 2023. The following Directors, being eligible, offered themselves for election and were elected at the AGM in 2023:

- Giles Andrews
- Evelyn Bourke
- Ian Buchanan
- Eileen Fitzpatrick
- Richard Goulding
- Michele Greene
- Patrick Kennedy
- Fiona Muldoon
- Myles O'Grady
- Steve Pateman
- Mark Spain

The names of Directors submitted for election or re-election are accompanied by sufficient biographical details and any other relevant information in the AGM documentation to enable shareholders to take an informed decision on their election. The 2024 AGM is scheduled to be held on 23 May 2024 and, in line with previous AGMs, all Directors will retire from office at the date of the AGM and may choose to offer themselves for re-election.

### Organisational structure

The Group believes it has robust governance arrangements, which include a clear organisational structure with well defined, transparent and consistent lines of responsibility, effective processes to identify, manage, monitor and report the risks to which it is or might be exposed, and appropriate internal control mechanisms, including sound administrative and accounting procedures, IT systems and controls. The system of governance is subject to regular internal review. These governance arrangements provide systems of checks and controls to ensure accountability and drive better

decision-making, and also include policies and practices which ensure that the Board and its Committees operate effectively.

The Group's overall control systems include a clearly defined organisation structure with defined authority limits and reporting mechanisms to higher levels of management and to the Board, which support the maintenance of a strong control environment. Corporate and capital structure is a matter requiring Board approval. In accordance with section 225(2) of the Companies Act 2014, the Directors acknowledge that appropriate structures that are, in the Directors' opinion, designed to secure material compliance with the relevant obligations (as defined in section 225(1)) have been put in place. The Board reviews annually the corporate legal structure of the Group and any changes to the structure of the Group effected since the Board's previous review.

### Group Executive Committee

The most senior executive committee in the Group, the GEC, acts in an advisory capacity to the CEO and assists the CEO in the management and leadership of the Group on a day-to-day basis, making decisions on matters affecting the operations and performance of the Group's business and the delivery of the Board-approved strategy. It is supported by a number of senior executive committees, encompassing:

- Executive Risk Committee, which supports the GEC and Board in, inter alia, overseeing the material risks of the Group, taking a holistic approach to overseeing the effective management of risk (financial and non-financial) and monitoring the overall risk profile of the Group, as well as compliance with risk appetite and other approved policy limits;
- Group Asset and Liability Committee, which oversees the strategic direction of the Group's assets and liabilities and the profit and loss implications of balance sheet management actions and considers the appropriate allocation of capital, funding and liquidity and market risk resources;
- Group Transformation Committee, which monitors progress on the Group's strategic transformation agenda, encompassing culture, systems and business model initiatives, ensuring they are fully aligned with the Group's Strategy, Purpose and Values and that all strategic transformation initiatives have clearly defined business and customer outcomes, along with appropriate mechanisms to track and report progress;
- Group Data Management Board, which oversees the development of standards, metrics and tolerances for data quality with the application of an adequate data control environment to support effective management within the Group's risk appetite; and
- Announcements Committee, which, oversees compliance with the Group's Market Abuse Regulation obligations.

Summary biographical details on each of the GEC members are set out on the following page.

The Committee's purpose is to assist the Group CEO in leading the Group's day-to-day operations and developing and leading the execution of the Group's Strategy in line with the Group's Purpose. The two Executive Directors, Myles O'Grady, CEO, and Mark Spain, CFO, are members of the GEC.

In addition to the Group CEO and Group CFO, whose biographical details can be found on pages 81 to 84, the GEC is currently composed of the following Members:

## Your Board *(continued)*

### Ciarán Coyle

*Chief Operating Officer*

Ciarán was appointed Group Chief Operating Officer in January 2024 to lead the Group's technology, digital, data, payments and change delivery. He joined Bank of Ireland from Ulster Bank / NatWest Group where he held the position of Managing Director, Retail Banking and previously served as Chief Operating Officer.

Ciarán is a certified Bank Director (Institute of Bankers) and holds a Diploma in Company Direction (Institute of Directors). He is a University of Limerick graduate (BSc in Technology and Communications) and has also completed the University of Cambridge Sustainability Leadership Programme.

### Matt Elliott

*Chief People Officer*

Matt Elliott was appointed to the role of Chief People Officer for the Group in February 2019. He is responsible for transforming the culture of the Bank and developing a company where colleagues thrive. Prior to that he was Group People Director with Virgin Money. Under Matt's leadership, Virgin Money successfully acquired and integrated Northern Rock. Matt was part of the executive team who successfully listed the company on the London Stock Exchange, and created a company widely acknowledged to be a cultural leader in the UK.

A passionate advocate for inclusion and diversity, Matt appeared as a leading ally in the Financial Times lists for gender, ethnicity and LGBT+, the first leader to appear in all three lists.

### Gail Goldie

*Chief Executive Officer, Bank of Ireland (UK)*

Gail was appointed Bank of Ireland (UK) CEO in January 2024 to lead the delivery of the next phase of Bank of Ireland's UK strategy. She joined bank of Ireland from Tesco Bank where she served as Chief Banking Officer, prior to which she held senior management positions in Barclays (UK) including Managing Director, Unsecured Lending and Managing Director, Premier Banking. Gail also previously held leadership roles in Santander (UK) and American Express. Gail is a graduate of the University of Warwick (BSc Management Science).

### Enda Johnson

*Chief Strategy and Transformation Officer*

Enda Johnson was appointed to the new role of Transformation Director for the Group in February 2022. He is responsible for driving the simplification agenda and ensuring strategy is delivered consistently across the Group. Enda is also a Group NED of BoI (UK) plc. Prior to joining Bank of Ireland, Enda was Interim CFO with Virgin Money, having previously held the role of Group Corporate Development Director for CYBG plc. Enda led the acquisition of Virgin Money by CYBG plc and broader strategic planning in the Group.

Prior to Virgin Money / CYBG, Enda held a number of senior strategy, corporate development and investment banking roles at AIB, the NTMA and Merrill Lynch. Enda is a graduate of Brown University with degrees in Engineering and Economics and is a Main Board Trustee for Action for Children.

### Gavin Kelly

*Chief Executive Officer, Corporate and Commercial*

Gavin was appointed Corporate and Commercial CEO in March 2023. He has held a number of senior management positions in BoI since joining in 2007, including interim Group CEO from September to November 2022, and CEO Retail Ireland prior to that. He oversees the provision of banking products and services to all corporate and commercial customers, including wholesale financial services, property, project and asset-backed finance, and specialised acquisition finance. The division focuses on core markets across Ireland, the UK, France, Germany, Spain and the US.

He is a Certified Bank Director and a Fellow of the Institute of Banking, and is currently director of New Ireland Assurance Company. Gavin was President of the Banking and payments Federation, Ireland from January 2019 to December 2020.

### Áine McCleary

*Chief Customer Officer*

Áine McCleary was appointed to the role of Chief Customer Officer in May 2023 as an advocate for the customer across the entire Group. She joined Bank of Ireland in 2000 and has held a wide variety of senior roles in Global Markets and Retail Banking since then. Between 2018 and 2021, she was Director of Distribution Channels, leading a team of 3,000 colleagues serving personal and business customers across the branch, contact centre and digital channels. Most recently, Áine played a leadership role in the Group's acquisition strategy.

Áine served as President of the Institute of Banking from 2018 to 2019. A business graduate of University College Dublin, she holds a Master's Degree in Business Studies from the Smurfit School of Business. She is a Certified Bank Director, a Fellow of the Institute of Banking and a NED of BoIMB.

### Sarah McLaughlin

*Group Secretary and Head of Corporate Governance*

Sarah joined Bank of Ireland as Group Secretary and Head of Corporate Governance in September 2019. Sarah is responsible for assisting the Chairman in establishing the policies and processes the Board needs in order to function properly, in ensuring that these are complied with, and advising the Board on all governance matters. Sarah previously held the role of Group Secretary and Head of Corporate Governance at AIB Group plc, having held a variety of roles across corporate governance, finance and private banking.

### Stephen Roughton-Smith

*Chief Risk Officer*

Stephen Roughton-Smith joined Bank of Ireland in December 2021 as Group CRO from Belmont Green, a FinTech-orientated mortgage lender where he was CRO. Previously he was part of the senior team which set up the risk management function at ADIA, Abu Dhabi's main sovereign wealth fund, Deputy Group CRO at Lloyds Bank, UK CRO at ABN AMRO, and Co-Head of EMEA Structured Finance at Moody's. Stephen started his banking career in front office roles at Bankers Trust, Merrill Lynch and Barclays Capital in trading and structured products. He has a BSc in Physics from Imperial College London, an MPhil in Physics from Cambridge University, and qualified as a Chartered Accountant with Price Waterhouse.



## Your Board *(continued)*

### Susan Russell

*Chief Executive Officer, Retail Ireland*

Susan has more than 20 years' experience in Financial Services both in Ireland and the UK. As CEO of Retail Ireland, Susan is responsible for over 2.2 million active customers across all segments including mass market, premier, youth and vulnerable customers. Retail Ireland's distribution channels encompass the branch network and contact centres along with a wide range of digital banking options. A full suite of retail banking products and services are offered through these channels including mortgages, loans, everyday banking, and wealth and insurance. Susan holds a Bachelor of Commerce degree and Masters in Business Studies from University College Dublin.

Susan is a Group NED of New Ireland Assurance Company and a Director of the Banking and Payments Federation of Ireland.

### Oliver Wall

*Group Chief of Staff and Head of Corporate Affairs*

Oliver joined Bank of Ireland as Group Chief of Staff in 2017, taking on additional responsibility as Head of Corporate Affairs in 2019. He joined the Bank from HSBC, where he was Head of External Affairs UK and Europe. Oliver previously held a range of roles in both the public and private sectors, including working in the Department of the Taoiseach. Oliver represents the Bank as a Director on the Irish Banking Culture Board.

### Subsidiary governance

The interaction between the Group Board and the boards of our strategically significant subsidiaries is closely monitored. The Chairman meets regularly with the Chairs of these subsidiaries to ensure good communication and alignment and attends a number of subsidiary board meetings during the year. The Group Board receives reports conducted on the effectiveness of these significant subsidiaries.

In accordance with the Group's Subsidiary Governance Policy, a number of the Group's Independent NEDs serve on subsidiary boards. This enhances information flows and, where appropriate, the escalation of matters requiring Group Board attention.

- Ian Buchanan is a NED on the Board of Bol (UK) plc and a member of its Risk Committee.
- Eileen Fitzpatrick, Richard Goulding, and Michele Greene are Independent NEDs on the Davy Board. Eileen is the Chair of Davy's Board Risk and Compliance Committee and a member of its Audit Committee. Richard is the Chair of the Remuneration Committee and a member of the Board Audit and Nominations Committees. Michele is the chair of the Nominations Committee and a member of the Board Risk and Compliance and Remuneration Committees.
- Steve Pateman is an Independent NED on the Board of BoIMB.
- Fiona Muldoon acted as an Independent NED on the Board of New Ireland Assurance Company and Chair of its Audit Committee until her retirement on 30 September 2023.

Subsidiary Committee Chairs and the equivalent Group Committee Chairs also engage on their respective areas of responsibility, as appropriate. The Chairs of the established Board Audit and Risk Committees of the material subsidiaries attend and present at the Group Audit and Board Risk Committees annually to provide an account of the subsidiary Board Committees' activities in these key areas and to engage in private session with the Group Board NEDs in the absence of management.

The Group Subsidiary Governance Policy is reviewed annually by the Group Secretary and triennially by the N&G and Board, with material amendments proposed by the Group Secretary following her annual review to be proposed to the N&G and Board for approval. The Policy sets out the key aspects of the Group's governance and oversight mechanisms, clear escalation routes where issues may arise to ensure they are addressed, and governance standards required of subsidiary entities. It also includes the required procedure should any party in the Group wish to set up a new Group subsidiary or entity in which the Group will have a controlling interest.

The Group's corporate simplification programme was established to remove a number of subsidiaries from the Group, thereby simplifying the corporate structure with a view to generating efficiencies, and cost savings and reducing risk. Since its inception six years ago, this programme has enabled the Group to dissolve forty-five entities.

The Group's subsidiary, BoIMB, is required to comply with the Irish Code. Due to retirements of two INEDs from the BoIMB Board (one of whom was the Chair of the BoIMB Audit Committee), following the expiration of their respective terms in office in 2022, BoIMB did not comply with the requirements in Sections 22.1 - 22.3, and Sections 7.1 and 7.2 of Appendix 1, of the Irish Code. A search process to find suitable candidates to be appointed as INEDs (including an Audit Committee Chair) to the BoIMB Board commenced in 2022 and continued through 2023, culminating in the appointments of Kevin Kingston as an INED and Audit Chair and Steve Pateman as an INED. While the BoIMB Board is now compliant with the Irish Code board composition requirements, further action is underway to address the composition of its Audit Committee, with a third INED candidate progressing through the requisite approvals processes.

During 2023, the GAC ensured enhanced focus on BoIMB audit matters in the absence of a BoIMB level committee, pending restoration of compliance with the Audit Committee requirements of the Irish Code. These matters of non-compliance were reported promptly to the CBI, including the steps being taken to rectify the position.

On behalf of the Board, the N&G considered the outcome of a review undertaken as to the root cause of the issues of non-compliance and agreed a number of actions for management to mitigate the risk of future non-compliance.

## Report of the Group Nomination & Governance Committee



**Patrick  
Kennedy**  
Chair

Dear Shareholders,

On behalf of the Group Nomination & Governance Committee (the 'Committee' or the 'N&G') I am pleased to introduce the Committee report on its activities for the year ended 31 December 2023.

### Committee responsibilities

The Committee's key responsibilities include:

- leading the process for nominations and renewals for Board and Board Committees as appropriate, and making recommendations in this regard to the Board for its approval;
- ensuring plans are in place for orderly succession to both the Board and GEC, and overseeing the development of a diverse pipeline for succession;
- considering and making recommendations to the Board in respect of the appointment of KFHS;
- keeping Board governance arrangements under review and making appropriate recommendations to the Board to ensure corporate governance practices are consistent with best practice standards; and
- overseeing subsidiary governance arrangements to ensure that appropriate and proportionate governance arrangements are in place for Group subsidiaries, including in relation to the composition of the Boards of the Group's material subsidiaries.

### Committee membership and meeting attendance

Details on Committee Members, Committee meetings and attendance at meetings during 2023 are outlined below.

In addition to the six scheduled meetings, the Committee also held two ad hoc meetings to consider proposals for GEC appointments.

Committee Meetings	Eligible to attend	Attended
Patrick Kennedy	8	8
Eileen Fitzpatrick	8	8
Richard Goulding	8	7 <sup>1</sup>
Fiona Muldoon <sup>2</sup>	7	7
Evelyn Bourke <sup>3</sup>	6	6

<sup>1</sup> Richard Goulding was unable to attend an ad hoc meeting due to a prior commitment.

<sup>2</sup> Fiona Muldoon retired from the Board and the Committee on 30 September 2023.

<sup>3</sup> Evelyn Bourke joined the Committee on 7 March 2023.

### Committee activities in 2023

While not intending to be an exhaustive list of the Committee's considerations and activities in 2023, a number of areas that were subject to Committee focus during the year are outlined below.

# Report of the Group Nomination & Governance Committee *(continued)*

## Matters considered and action taken by the Committee in 2023

### Board Composition, renewal, succession and effectiveness

#### Committee considerations

The Committee continued its focus on ensuring that the Board and its members, both collectively and individually, possess the skills, knowledge and experience necessary to oversee, challenge and support management in the achievement of the Group's strategic and business objectives. NEDs serve two three-year terms, with any appointments beyond this to be determined on an annual basis with reference to the needs of the Board and the performance and contribution of the individual.

On behalf of the Board, the Committee oversaw a number of changes to Board composition, including the retirement of Fiona Muldoon and the appointments to the Board and certain of the Board Committees of Margaret Sweeney and Akshaya Bhargava. Further details on the board changes during 2023 can be found on page 77.

The Committee also spent time considering other individual profiles for potential future appointment having due regard for the Board Succession Plan and the required evolution of the Board over the medium term, the Group's strategy and the environment within which it operates.

The Committee will continue to monitor the market for potential candidates for appointment to the Board in both the short and medium term, to ensure that the Board has a pipeline of credible successors and continues to be equipped to discharge its responsibilities effectively.

External search firms are leveraged for Board appointments. During 2023, Board Works Ltd and MWM Consulting were engaged to facilitate board-level searches.

The Committee also oversaw a number of changes to the Board Committees, including the rotation of key board roles:

- during 2023, Eileen Fitzpatrick was appointed as the Chair of the Group Sustainability Committee, succeeding Fiona Muldoon on her retirement from the Board, and Giles Andrews was appointed as the Chair of the Group Transformation Oversight Committee, succeeding Ian Buchanan;
- with effect from 1 January 2024, Ian Buchanan was appointed as the Remuneration Committee Chair, succeeding Steve Pateman, and Michele Greene was appointed as the Board Risk Committee Chair, succeeding Richard Goulding; and
- with effect from 28 February 2024 Richard Goulding will become Group Audit Committee Chair, succeeding Evelyn Bourke and Evelyn Bourke will take up the role of WED.

The Committee leads the process by which the Directors are assessed initially on appointment and thereafter to ensure continued suitability for their roles on the Board. The Committee makes a recommendation to the Board as to the continued suitability of each Director, and the Board as a collective, on the basis of the outcome of certain due diligence checks and skills assessments. This process is considered alongside the annual independence assessment and outcome of the annual effectiveness process and forms the basis on which each Director is proposed to shareholders for election or re-election each year.

The Board recognises the importance of diversity, and the strengths diversity brings to Board effectiveness. Diversity is taken into account in its broadest sense when considering succession plans and appointments at both Board and senior management level, as well as more broadly across the Group. The focus on diversity at Board level continued during 2023, including as a result of the UK Listing Authority Rules.

In line with the Board's Diversity Policy, the Board remains committed to appropriate diversity at Board and senior levels to ensure we reflect the markets and societies we serve. The Board Diversity Policy is available at [www.bankofireland.com/about-bank-of-ireland/corporate-governance](http://www.bankofireland.com/about-bank-of-ireland/corporate-governance).

On behalf of the Board, the Board is committed to having a diverse Board, to achieving the targets set and to ensuring an open and fair recruitment and selection process. The Committee has regard for the targets set by the Board to (1) have a minimum of 40% female representation on the Board, with a medium-term aspiration to have broadly equal gender representation; and (2) achieve minority ethnic representation. At the end of 2023, the Board was comprised of four females and seven males, equating to 36% female representation. The appointment of Akshaya Bhargava on 12 January 2024 enhances the Board's minor ethnic minority representation. Further information on the Board's profile can be found on page 87.

The Committee is also mindful of the expectation that a woman holds at least one of the senior Board positions of Chairman, CEO, SID or CFO. The Chairman succession process is underway, and the Committee considers succession for the other key Board roles on an ongoing basis. At the end of 2023, all those holding these senior Board positions at the Group were male. The Committee will take into account the need for greater diversity when considering candidates for appointment to these roles. The Board is committed to achieving this target over the medium term. Further details on activities to improve diversity across senior management and the wider workforce, together with representation statistics, can be found on page 76.

In December 2022, the Board established a special purpose committee to oversee the Chairman succession process, under the leadership of the SID. A separate report on the Chairman's tenure and succession can be found on page 85.

#### Committee conclusion

The composition of the Board remains compliant with applicable regulations and is appropriate in the context of the nature, scale and complexity of the Group and the locations and the sectors in which it operates. Appropriate plans are in place for orderly succession to the Board.

Each Director continues to be suitable to perform their roles on the Board and to bring the requisite knowledge, skills and experience, and integrity, ensuring the collective suitability of the Board.

The Committee is satisfied with the appropriateness of the continued retention of Board Works Ltd MWM Consulting for Board searches in 2023 and 2024. MWM Consulting is based in London with a team who have extensive internal reach and provides board search services to the UK market. MWM Consulting has no connection with the Company other than in a recruitment capacity. Board Works Ltd provides similar services to the Irish market generally and through this work has engaged with firms associated with individual Directors on occasion. Board Works Ltd has no connection with the Company other than in a recruitment capacity.

A further update on the outcome of active search and succession processes will be provided to the market at the appropriate juncture.

## Report of the Group Nomination & Governance Committee *(continued)*

### Matters considered and action taken by the Committee in 2023 *(continued)*

#### Effectiveness Evaluation

##### Committee considerations

The Committee oversaw the design of and approach to the 2023 Board evaluation process, which considers the Board's composition, diversity and how effectively members work together to achieve objectives. The process incorporates a review of each the Board, the board committees and individual directors.

Having completed a positive external process in 2022, the 2023 process was internal, and the Committee supplemented it with a wider Board Perception Survey, gaining insights from a wider population of senior leaders to ensure the continued enhancement of the Board and its operations.

The Directors are cognisant of the importance of acting with integrity, leading by example and promoting the desired culture; the addition to the process of the Board Perception Survey is intended to bring further insights into the tone being set by and the impact of the Board and will ensure its continued enhancements. A separate report on the outcome of the board evaluation can be found on page 88.

##### Committee conclusion

The Committee is satisfied with the approach to and outcome of the annual effectiveness process for 2023 and intends to continue the supplemental Perception Survey which added value to the Board and was received well by colleague participants.

#### Executive level appointments, succession and diversity profile

##### Committee considerations

On behalf of the Board, the Committee considered a number of GEC and KFH appointments during 2023, satisfying itself as to the outcome of suitability and fitness and probity assessments, and with due regard to succession planning.

The Committee also continued to monitor the gender and ethnic diversity profile of the Group and to challenge the Executive on data, progress and enhancement activities in that regard. Significant progress was made in 2023 with the Group receiving accreditation as an Investing in Ethnicity Employer, in recognition of our progress in developing an inclusive and ethnically diverse workforce.

##### Committee conclusion

The Committee supported the appointment of:

- the Head of Operational Risk, who took up this role alongside an existing role in January 2023;
- the CEO of Corporate and Commercial Banking, who took up his role in March 2023;
- the CEO of Retail Ireland, who took up her role in July 2023;
- the Chief Customer Officer, who took up her role in May 2023;
- the Interim CEO of Retail UK and Bol (UK) plc, who took up his role in October 2023, pending appointment of a permanent role-holder;
- the CEO of Retail UK and Bol (UK) plc, who took up her role in January 2024; and
- the Chief Operating Officer, who took up his role in January 2024.

A GEC succession plan is in place to ensure the orderly succession of GEC positions in the event of any departures. The Committee continues to work with the Group CEO and Group Chief People Officer to ensure the Group is positioned to respond to departures by maintaining access to and awareness of the external market and through the focused development of internal talent.

The Committee considered the process to determine the appropriateness of individuals being appointed to or holding Key Function Holder roles across the Group and made recommendations to the Board in that regard.

In terms of the wider Group diversity profile, the Group is targeting enhancements in gender and ethnic diversity representation across the workforce and the Committee continues to challenge the Executive in that regard.

The GEC currently has 31% female representation, which is an improvement from the 25% female representation in 2022. The direct reports of the GEC have 51% female representation, which is an increase from 44% in 2022. Whilst not reaching the target of 50:50 gender appointments in managerial roles, female representation in managerial bands has increased slightly to 39%, against 38% in 2022, with the total senior female population having grown by 5% since November 2022, from 732 to 767. The Board recognises that progress is being made and that more is required, and the Committee will continue to oversee the Group's activities to ensure progress is made in diversity and inclusion at Bank of Ireland.

## Report of the Group Nomination & Governance Committee *(continued)*

### Matters considered and action taken by the Committee in 2023 *(continued)*

#### Group and Board level Governance

##### Committee considerations

The Committee continued to assess the Group and Board governance arrangements to ensure that they operated in line with corporate governance best practice, and, during 2023, considered and approved, where relevant:

- a new Individual Accountability Framework Policy to ensure compliance with and preparedness for the newly introduced executive accountability regime;
- the Group Code of Conduct;
- the Annual Corporate Governance Statement of compliance with the Irish Code for filing with the CBI;
- updates on Corporate Governance Developments;
- the Capital Requirements Directive Compliance Statement;
- Corporate Governance disclosures;
- the Group's Fitness and Probity and Suitability Assessment Policy;
- the Board terms of reference and Matters Reserved for the Board;

- the Committee Terms of Reference and annual calendar;
- the Board Conflicts of Interest Policy;
- the Director Assessment Policy;
- the Board Training, Development and Induction Policy;
- the Group Subsidiary Governance Policy;
- the Group's corporate structure; and
- the Board Diversity Policy and progress against targets set out therein.

The Committee approved changes to internal policies to ensure continued compliance with all applicable Corporate Governance requirements and best practice governance standards, including enhancements required to ensure compliance with the Individual Accountability Framework.

More detail on the Group's compliance with corporate governance requirements and practices can be found on pages 120 to 124.

#### Subsidiary Governance

##### Committee Considerations

Subsidiary governance remained a key feature of the Committee's agenda during 2023 and the Committee:

- oversaw all appointments to the board of directors of each of the boards of the Group's Tier 1 material subsidiaries;
- received updates on the succession plans for each of the Group's Tier 1 material subsidiaries;
- considered the outcome of effectiveness evaluations conducted in relation to the boards of the Group's Tier 1 material subsidiaries;
- received updates on the activities of established nomination committees of the Group's Tier 1 material subsidiaries via minutes of their committee meetings;
- received updates on the status of compliance with the Irish Code for each of the Irish Tier 1 material subsidiaries, including updates as to the various matters leading to the non-compliance with the Irish Code requirements on board composition by BoIMB, following which a number of actions were requested by the Committee to mitigate future recurrence;

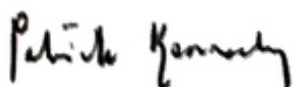
- reviewed the Group's Tier 1 material subsidiary boards' terms of reference and matters reserved for the Board and Shareholder; and
- approved updates to the Group Subsidiary Governance Policy, to provide greater clarity to all stakeholders as to the approach to and requirements of applicable regulations and best practice guidelines on both the Group and the subsidiaries.

##### Committee conclusion

The Committee is satisfied that the actions taken in response to BoIMB Board composition challenges will mitigate future recurrence of non-compliance with the Irish Code and that the Group's subsidiary boards comprise suitable directors and have sound governance structures. The Committee's subsidiary governance oversight activities complement the Board and Committee Chair's regular engagements with the Tier 1 material subsidiary boards' respective chairs, details of which are reported to the Board.

For more information on the Committee's responsibilities go to: [bankofireland.com/about-bank-of-ireland/corporate-governance](https://bankofireland.com/about-bank-of-ireland/corporate-governance).

The Committee reports to the Board on how it discharges its responsibilities and makes recommendations to the Board on key matters. A Committee effectiveness review was conducted during 2023 as part of the wider annual Board effectiveness evaluation process and found that the Committee continued to operate effectively. For more information on the annual effectiveness review, see page 88.



Patrick Kennedy

Chair of the Nomination  
& Governance Committee

23 February 2024

## Report of the Group Remuneration Committee



**Ian Buchanan**  
Chair

Dear Shareholders,

On behalf of the Group Remuneration Committee (the 'Committee'), I am delighted to introduce the report on the Committee's activities for the year ended 31 December 2023.

Having served on the Committee since 2018, and as Chair of the Committee since 2020, Steve Pateman completed five years on the Committee and stepped down as the Committee Chair on 31 December 2023. During his tenure, the Group passed a number of significant milestones, including the partial lifting of the remuneration restrictions, the re-introduction of variable remuneration (capped at €20,000), the introduction of gender pay gap reporting, and the oversight of a new material regulated subsidiary upon the acquisition of J&E Davy (Davy). The Committee thanks Steve for his dedication and thoughtful leadership. Having served on the committee since 1 January 2022, I am pleased to be able to succeed Steve in the role of Committee Chair, effective 1 January 2024.

### Committee responsibilities

At a high level, the Committee is established by the Board to ensure that the Group's remuneration policies and practices are designed to support the Group's strategy and promote long-term sustainable success.

The Committee is responsible for the oversight of Group-wide remuneration policy and has responsibility for:

- overseeing the design and implementation of the Group's overall Remuneration Policy for employees and directors, which is designed to support the long-term business strategy, values and culture of the Group, as well as to promote effective risk management and comply with applicable legal and regulatory requirements;
- overseeing the operation of Group-wide remuneration policies and practices for all employees, with specific reference to Executive Directors, GEC Members, Heads of Control Functions, the Group Company Secretary and MRTs; and
- performing any other functions appropriate to a Remuneration Committee or assigned to it by the Board.

The partial release of the remuneration restrictions in November 2022 afforded the Board, and this Committee, greater autonomy and the ability to ensure, to a limited degree, that the Group's remuneration policies and practices are aligned to the Group's purpose and values, clearly linked to the successful delivery of the Company's long-term strategy and aligned to relevant legal and regulatory requirements.

In that context, I was pleased that our Directors' remuneration policy received strong support at the 2023 AGM, with more than 98% of the votes cast in favour of the policy.

The Group continues to engage with the Department of Finance regarding the continuing constraint on the Board's autonomy with regard to the Group's remuneration policies and, if the remaining restrictions were lifted, the Group would consider such changes and seek shareholder approval to update the existing remuneration policy, as appropriate, including the possible introduction of a market competitive variable pay scheme for Executive Directors.

### Committee membership and meeting attendance

Details on Committee Members, Committee meetings and attendance at meetings during 2023 are outlined below:

Committee Meetings	Eligible to attend	Attended
Steve Pateman	11	11
Giles Andrews	11	11
Ian Buchanan	11	11
Eileen Fitzpatrick	11	11
Fiona Muldoon	8	8
Margaret Sweeney	3	3

## Report of the Group Remuneration Committee *(continued)*

During 2023, there were a number of Committee membership changes. Fiona Muldoon retired from the Board and the Committee on 30 September 2023. She had been a member of this Committee since 2020 and we thank Fiona for her well-considered contributions to its work over the years. On 1 October 2023, the Committee welcomed Margaret Sweeney as a new member and we look forward to working with her.

In terms of planned changes in 2024, Eileen Fitzpatrick, who has been a member of this Committee since 2019, will step down from the Committee, and as WED, on 28 February 2024, when Evelyn Bourke will join the Committee and take up the duties of the WED. The Committee thanks Eileen for her contribution, considered focus on the wellbeing of colleagues throughout the Group, and dedication during a time which involved changes to the remuneration policy for our colleagues across the Group.

The Committee acts independently of the Executive and is comprised of independent NEDs. On 31 December 2023, the Committee was comprised of five independent NEDs from diverse backgrounds, who provide a balanced and independent view on remuneration matters. The Committee's composition is compliant with the requirements and provisions of the applicable Irish, UK and EBA Governance Codes and Guidelines.

In order to ensure that remuneration policies and procedures are consistent with effective risk management, shared membership is in place between this Committee and the BRC via Giles Andrews, Steve Pateman and the Committee Chair, who were members of both Committees in 2023. In addition, Eileen Fitzpatrick, who serves as WED, is a member of this Committee.

The Chairman, the Group CEO, Chief People Officer, Group CRO and the Head of Reward also attend meetings, as appropriate, and at the invitation of the Committee Chair. Representatives from PricewaterhouseCoopers LLP ('PwC UK') also attend for certain topics to provide technical support and advice to the Committee in their role as remuneration adviser, including remuneration benchmarking and market pay practices.

PwC UK was appointed as remuneration adviser by the Committee in 2020, following a review of potential advisers and the services provided. In 2023, the Committee completed the annual review of its performance, which included an assessment of the quality of information provided to the Committee to discharge its responsibilities. The remuneration advisors serve as a key source of such information. The Committee confirmed that the information and support received enabled its work and agreed to retain the service of PwC UK into 2024. PwC UK is a signatory to the voluntary code of conduct in relation to remuneration consulting in the UK.

PwC UK, and its network firms, provides professional services in the ordinary course of business, including assurance, advisory, and tax advice to the Group.

The Committee is satisfied that the advice received is independent and objective and receives an annual statement setting out protocols that have been followed by PwC UK to maintain independence. There are no connections between PwC and individual Directors to be disclosed.

### Key decisions by the Committee during 2023

In November 2022, the Irish Government announced a change to the remuneration restrictions, resulting in the removal of the cap on fixed remuneration and the re-introduction of variable remuneration, capped at €20,000, which applies to all colleagues in the Group (excluding Davy, which operates under a separate remuneration model in line with the terms of the acquisition).

During 2023, the Committee focused its work on providing oversight of:

- the design of the Group Profit Share (GPS) scheme, which provides all employees an opportunity to share in the success of the business based on Group and individual performance, capped at €20,000 for all employees across the Group, including Executive Directors (Davy colleagues do not participate in the GPS);
- the overall annual salary review budget for 2023 which was set at 3.5% with additional cost of living support;
- enhancements to colleagues benefits, including a personal benefit pot for junior colleagues, the ability to buy and sell annual leave, and a new health insurance benefit for all colleagues that will be provided in 2024 to Ireland (RoI) and Northern Ireland (NI) colleagues (colleagues in other jurisdictions already have access to health insurance benefits);
- the completion of key regulatory requirements, including approval of policies and remuneration disclosures, MRT identification, remuneration and suitability, and other regulatory matters; and
- the fees for the Chairman (currently €394,000 per annum) as part of the Board's process for identifying an appropriate successor to Patrick Kennedy. As part of this review, the Committee noted that the current fee, which was reduced in 2009, has remained unchanged since then. As a result, the Chairman fee level is currently towards the lower quartile of fees paid for equivalent roles in the market. The Committee also noted that over the past 15 years there has been an increase in the demands and expectations of the role, including regulatory and corporate governance expectations. Noting the time commitment, experience and skills required for the role, the Committee concluded that the fee for the Chairman may need to be increased to help ensure the Group can attract a candidate with the appropriate experience and expertise.

Whilst the partial lifting of some of the remuneration restrictions is welcomed, the cap on variable pay continues to significantly constrain the Group's ability to structure and position remuneration for all colleagues that creates a strong link between individual colleague's behaviour, performance, and their compensation outcomes.

### Company performance and the Group Profit Share Scheme

The Committee reviewed and agreed the GPS pool based on an assessment of the Group's profit performance relative to expectations set at the start of the financial year and taking into account performance against a range of financial and non-financial measures. In making this assessment, the Committee took into consideration the following:

## Report of the Group Remuneration Committee *(continued)*

- improvement in the Group's financial performance, in particular noting profit before tax increased to €1.9 billion (2022 restated for IFRS 17: €1.0 billion);
- the strong capital position with fully loaded CET1 ratio of 14.3%;
- good progress on improving customer satisfaction;
- improvements in the employee engagement metric, increasing to 73% (68% in 2022);
- strong progress against our climate initiatives of increasing green / sustainable financing; and
- the Group's performance against financial and non-financial measures, including the performance of the Group's risk management.

Based on the above assessment, the Committee approved a profit share pool for 2023. In setting this pool, the Committee applied a risk related reduction, relating to risk profile and risk events during 2023. Approximately 10,000 eligible employees, including Executive Directors, are participating in the profit share pool with individual awards dependent on individual performance ratings.

### Executive Director Remuneration in 2023

In line with the variable pay restrictions applicable to the Group, the maximum award for the Group CEO and Group CFO for 2023 was capped at €20,000. Taking into account the Group performance versus a mix of financial and non-financial criteria, including profit and risk assessment, the risk reduction applied to the 2023 profit share pool (as noted above) and their individual performance, the Committee has determined that they both should receive a GPS award of €16,500. A summary of their personal performance is provided in the Directors' Remuneration Report on page 127.

During the year, the Group engaged and met with a number of our significant shareholders. As part of this engagement, we also discussed their views on the implementation of our new remuneration policy. We found this engagement useful. Noting the Group's unique circumstances, a number of our larger

shareholders expressed the view that Executive Director pay is positioned below benchmarks and that this gap should be reviewed, with consideration also given to strengthening alignment of interests between the Executive Directors and shareholders.

The Committee will undertake to review the current approach to Executive Director remuneration during 2024. As part of this review, the Committee will also engage with our shareholders and proxy advisory bodies to discuss and understand their perspective on Executive Director remuneration. If considered appropriate, the Committee may look to bring a revised Directors' remuneration policy for shareholders' approvals at the 2025 AGM.

### Workforce Engagement

The Group continues to prioritise workforce engagement to good effect. The colleague engagement metric is up 22 points since it was first measured in 2017, to 73%. This is due to a number of initiatives including those undertaken by the WED, who is a member of the Committee and during 2023 undertook the following:

- 'Open Door' sessions with groups of colleagues drawn from various businesses and divisional teams during which a number of items were discussed including resourcing, remuneration, hybrid working and colleague wellbeing.
- Deep dive listening sessions with the Industrial Relations team and UK Partners Council, including on remuneration.
- Branch visits with staff across Dublin and Mayo.

Colleagues discussed a variety of issues with the WED, which were shared with the Board during 2023, including the positive impact of hybrid working; the increase to UK entry level salaries; the introduction of a suite of family friendly policies and wellbeing initiatives; the 2023 salary review; and the cost of living measures that had been introduced to support the financial wellbeing of colleagues.



## Report of the Group Remuneration Committee *(continued)*

### Matters considered and action taken by the Committee in 2023

#### Remuneration Policy, including impact on the Group's risk profile

##### Committee considerations

- Approval of Group Remuneration Policy, including the approach to MRT identification, and of governance and monitoring of that policy.
- Review of the Group risk profile and implications of remuneration policies for risk and risk management, including the GPS scheme.
- Review of the remuneration approach for the workforce in the context of the cost of living challenges experienced by our workforce.
- Review of the subsidiary remuneration practices.
- Consideration of the Davy Group remuneration model and approval of related aspects of remuneration in the new subsidiary. Davy colleagues do not participate in the GPS scheme but have their own variable pay schemes.

##### Committee conclusion

- Current Remuneration Policy, including the approach to MRT identification, is properly governed and implemented and does not lead to inappropriate risk taking.

- The Committee reviewed and agreed the GPS pool based on an assessment of the Group's profit performance relative to expectations set at the start of the financial year and taking into account performance against a range of financial & non-financial measures. The GPS scheme is subject to the €20,000 cap on variable remuneration.
- The Committee reviewed workforce remuneration trends and provided oversight of the cost of living challenges experienced by the workforce and management's considered response.
- The Committee's desired remuneration policy continues to be the implementation of a competitive, market-aligned, performance-related remuneration model, fully compliant with regulatory requirements, which will allow the Group to clearly link Group culture and values, risk culture, customer outcomes and Group performance to remuneration and enable the achievement of the Group's strategic objectives. However, during 2023, due to the remaining remuneration restrictions, this has yet to be fully achieved.
- In 2023, the Committee continued to provide oversight of remuneration governance of its subsidiaries, with particular focus on variable remuneration in Davy and its remuneration policy and practices.

#### Remuneration Disclosure

##### Committee considerations

- Approval of the Pillar 3 disclosures and the Remuneration Report.
- Approval of the publication of the Gender Pay Gap Report.
- Consideration of remuneration disclosures for variable remuneration and fixed share allowances (FSAs) for Persons Discharging Managerial Responsibility.

##### Committee conclusion

- Current disclosures are appropriate.
- The Committee approved the publication of the Gender Pay Gap Report.
- Disclosures continue to reflect good remuneration practice, strong governance and shareholder expectations.

#### Governance and review of remuneration practice

##### Committee considerations

- Approval of the Group Remuneration Policy.
- Approval of the approach to the identification of MRTs, which forms part of the Group Remuneration Policy.
- Approval of Group MRT list and the review of MRT suitability.
- Review of workforce remuneration, top earners, and compliance with the remaining remuneration restrictions.
- Review of regulatory developments.
- Review of internal audits relevant to remuneration policy or practice.

##### Committee conclusion

- There is good governance around remuneration, particularly of Executive Directors, senior management, senior officers in independent control functions and those who could materially impact the Group's risk profile (MRTs).
- The Committee has responsibility for MRTs, including oversight of their remuneration and ongoing suitability in role.
- There is good governance around reviewing regulatory developments. The outcome of internal audits relevant to the remuneration policy and practice are reviewed annually.

- Compliance with UK Code Principle R, that Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, wider circumstances and associated provisions and guidance, is based on operating within the relevant terms of the agreement in place with the Irish State. Specifically, under the terms of this agreement and a partial release, a very limited variable remuneration scheme has been designed, but it remains capped at €20,000 under the remaining restrictions of this agreement. The Group fully adheres to these principles and associated provisions and guidance in the design, implementation and operation of variable remuneration structures, as far as is possible under the remaining restrictions.
- The Committee keeps aspects of remuneration and reward for the Chairman, Executive Directors, senior management (i.e. members of the GEC) and the wider employee population under review. In determining remuneration arrangements for Executive Directors, regard is given to the conditions of the wider workforce. Wider workforce engagement on pay arrangements at the Group takes place with the Group's Staff Representative Bodies.

## Report of the Group Remuneration Committee *(continued)*

### Matters considered and action taken by the Committee in 2023 *(continued)*

#### Performance and Remuneration of senior management

##### Committee considerations

- Oversee the operation of Group-wide remuneration policies and practices for all employees, with specific reference to Executive Directors, GEC members, Heads of Control Functions, the Group Company Secretary, and MRTs.
- Approve the Group Chief Executive Officer's annual performance assessment, performance objectives, and remuneration terms.
- As part of the annual performance review process, assess whether the GEC's collective knowledge and expertise remains appropriate given the Group's risk profile.
- Review of the approach to remuneration of Senior Officers in independent control functions.
- Benchmarking and approval of changes to remuneration of senior management (existing and incoming).
- Review of Executive Director Remuneration Policy and practice, with a view to clarity, simplicity, risk predictability, proportionality and alignment to culture.
- Engagement with the Department of Finance on Executive and senior management remuneration in the context of the remaining remuneration restrictions.

##### Committee conclusion

- There is an appropriate process in place to assess the performance of senior management, which was enhanced in 2023 with the introduction of Thrive, the Group's performance appraisal process. This includes the review of the Group CEO's annual performance assessment, performance objectives and remuneration terms.

- Changes to senior management remuneration are properly assessed and approved, in line with the Remuneration Policy and regulatory requirements, including the performance and remuneration of Executive Directors.
- Through the performance review process, there is an appropriate process in place to annually assess that the GEC's collective knowledge and expertise remains appropriate given the Group's risk profile.
- The Committee provides oversight of the remuneration of Senior Officers in independent control functions at the time of appointment and at least annually thereafter.
- Workforce remuneration and appropriate benchmarking trends are reviewed in advance of reviewing and setting Executive Director and senior management remuneration.
- An appropriate process is in place to review the Remuneration Policy and practice in relation to Executive Directors and all colleagues. Oversight of the Remuneration Policy includes particular focus on clarity, simplicity, risk predictability, proportionality and alignment to culture for Executive Directors.
- The Committee approved the design of the GPS for all colleagues in the Group.
- The Committee supported the Group's ongoing dialogue with the Department of Finance in relation to the remaining remuneration restrictions.

#### Group Chairman and subsidiary NED fees

##### Committee considerations

- Review of the fees paid to the Chairman and NEDs of subsidiary boards.

##### Committee conclusion

- The Chairman's fee remained unchanged during 2023.
- The Committee reviewed and agreed that an increase in the all-inclusive fees for the Chairman role is required to attract a candidate with the appropriate experience and skills, and to reflect the time commitment required.

- The review of subsidiary NED fees considered the time since the fees were last changed, market benchmarking, and workforce remuneration trends during the same time period. Subsidiary NED fees are kept under review, with a view to attracting and retaining NEDs with the necessary knowledge, skills and experience required for each major regulated subsidiary.
- The remuneration of Group NEDs is not a matter for the Committee and is instead reviewed by the Chairman of the Board in consultation with the Group CEO, the Chief People Officer and the Group Company Secretary. Group NED fees are determined by the non-conflicted members of the Board within the limits set by shareholders in accordance with the Constitution. Remuneration for all Group NEDs does not include share options or other performance-related elements. No director is involved in deciding their own remuneration outcome.

## Report of the Group Remuneration Committee *(continued)*

For more information on the Committee's responsibilities, go to: [bankofireland.com/about-bank-of-ireland/corporate-governance](https://bankofireland.com/about-bank-of-ireland/corporate-governance).

The Committee reports to the Board on how it discharges its responsibilities and makes recommendations to the Board on key matters. An internal effectiveness evaluation of the Board and its Committees was conducted during 2023, and that evaluation was reviewed by the Board and its Committees in January 2024. The Committee continuously highlights the challenge faced, as a result of the remuneration restrictions, in discharging the Committee's duties and ensuring that the Group's remuneration policies and practices are designed to

support strategy and promote long-term sustainable success and to ensure that executive remuneration is aligned to company purpose and values, and clearly linked to the successful delivery of the Company's long-term strategy.

Whilst the partial release of the remuneration restrictions during 2023 is welcome progress toward a normalised pay environment, the remaining cap on variable remuneration will continue to impact the attraction and retention of key talent and the structure of pay for senior roles, which will remain predominantly fixed, by necessity.



**Ian Buchanan**

*Chair of the Group Remuneration Committee*

23 February 2024

## Report of the Group Audit Committee



**Evelyn  
Bourke**  
Chair

Dear Shareholders,

On behalf of the Group Audit Committee (the 'Committee' or 'GAC'), I am pleased to introduce the report on the Committee's activities for the year ended 31 December 2023.

### Committee responsibilities

The Committee is responsible for monitoring the quality and integrity of the financial statements, and, in partnership with the BRC, monitoring the effectiveness of the Group's internal control, including accounting, financial reporting and risk management systems. The Committee also monitors the independence and performance of the internal and external auditors. Based on the oversight activities of the GAC and the oversight activities of the BRC, the Committee is satisfied that a strong financial risk management and control environment is in place and that internal controls over financial reporting were appropriately designed and operating effectively during the year. The Committee maintains specific focus on protecting the interests of the shareholders in relation to internal controls as they relate to financial reporting.

The Committee also evaluates the independence and performance of GIA and the external auditor, KPMG, and considers and recommends the interim and annual financial statements to the Board for approval.

During 2023, the Committee oversaw the updates to the Group's Speak Up Policy and related processes which are in place to support colleagues to confidently and confidentially raise concerns identified in the workplace.

### Committee membership and meeting attendance

Details on Committee Members, Committee meetings and attendance at meetings during 2023 are outlined below.

Committee Meetings	Eligible to attend <sup>1</sup>	Attended
Evelyn Bourke	13	13
Eileen Fitzpatrick	13	13
Richard Goulding	13	13
Fiona Muldoon	10	10
Steve Pateman	13	13
Michele Greene <sup>2</sup>	10	9
Margaret Sweeney <sup>3</sup>	3	2

<sup>1</sup> These included four meetings held in conjunction with the BRC to consider the impairment charges being applied to the 2022 financial statements and the 30 June 2023 interim financial statements and to receive specific internal control updates relevant to both committees.

<sup>2</sup> Michele Greene was unable to attend an ad hoc meeting shortly after joining due to prior commitments.

<sup>3</sup> Margaret Sweeney was unable to attend an ad hoc meeting shortly after joining due to prior commitments.

The composition of the Committee changed during 2023, with the appointment to the Committee of Michele Greene, on 7 March 2023, and Margaret Sweeney, on 1 October 2023. Fiona Muldoon stepped down from the Committee on her retirement from the Board of BolG plc and the Court of Directors on 30 September 2023. I would like to welcome Michele and Margaret to the Committee and thank Fiona for her support and contribution to the effective work of the Committee during her tenure.

Common membership between the Committee and the BRC was maintained during 2023 through the membership of both committees of Richard Goulding, Steve Pateman, Michele Greene and I; this facilitates appropriate co-ordination and effective governance across key areas of internal control.

The Committee acts independently of the Executive. All members of the Committee are INEDs with relevant financial experience and their biographies can be found on pages 81 to 84. The members of the Committee have extensive knowledge of financial markets, treasury, risk management and International Financial Reporting Standards (IFRS) and the Committee's composition is considered to meet all of the applicable requirements, including the need for recent and relevant financial experience and competence in accounting or auditing.

## Report of the Group Audit Committee *(continued)*

Members maintain their knowledge base on relevant Committee matters through continuous development opportunities, Board deep dives and training.

The Group CFO, Group Financial Controller, the Group Chief Internal Auditor (GCIA), the Group CEO, the Group Chief Compliance Officer and the Group CRO each attend meetings of the Committee, when appropriate and at the Committee's request.

The Committee also holds private sessions with members of senior management. During 2023, the Committee met in private session (without other members of executive management being present) with each of the Internal and External Audit teams and with the Group CFO.

### Committee Activities in 2023

While not intending to be an exhaustive list of the Committee's considerations and activities in 2023, a number of areas that were subject to Committee focus during the year are outlined below.

#### Group Internal Audit

In monitoring the activities and effectiveness of GIA, the Committee approved the Internal Audit Charter, the annual audit plan (and subsequent changes thereto), the skills and capabilities assessment and budget, including resources, and reviewed progress against the plan throughout the year.

The Committee received regular reports from GIA on internal audit activities across the Group which outlined details of the audit approach, management engagement and areas identified during audits requiring further strengthening across the Group's risk management and internal control framework. These reports also covered matters of relevance to the Committee's assessment of the effectiveness of the internal controls over the financial reporting processes. Reports are rated based on the strength of the control environment in operation, management's awareness of the risks facing their business areas and the controls in place to mitigate those risks. In conjunction with the GIA reports, the Committee considers management's responses to and the timeliness of the remediation of, identified issues on key audits. The Committee also considered the Quality Assurance Review Report from GIA.

An independent External Quality Assessment of GIA concluded in January 2024. The review found GIA to be mature, independent, agile and respected across the Group. Areas for improvement were also noted and, together with actions agreed as part of the 2023 Supervisory Review and Evaluation Process, will be subject to Committee oversight and challenge through to closure.

I continued to act as Sponsor of the Speak Up Policy, which is owned by GIA and was reviewed and approved by the Committee during 2023. The Group's Speak Up Policy, processes and procedures remain under regular review to ensure their continued appropriateness and alignment with the Protected Disclosures Act and to monitor actions being taken to increase awareness of Speak Up across the Group. The Speak Up and Investigations unit was subject to external audit by Grant Thornton during 2023. The Committee considered the final report, which was rated Satisfactory, in December 2023.

In consideration of the Committee's oversight activities of GIA and the aforementioned actions underway and plans regarding the continued enhancement of GIA, the Committee is satisfied that the quality, experience and expertise of GIA is appropriate for the business.

#### External audit

KPMG was appointed as the Group's external auditor on 19 April 2018, following an external tender process and has since been re-appointed as external auditor on an annual basis. The Committee oversees the Group's relationship with KPMG, and KPMG's lead audit partner for the Group attends Committee meetings.

During the year, the Committee considered KPMG's terms of engagement (including remuneration), independence and objectivity, audit quality / performance and plans for the interim review and year-end audit. The Committee also assessed KPMG's findings, conclusions and recommendations arising from the interim review and year-end audit.

The Committee considers that the Group has appropriate safeguards in place to protect the independence and objectivity of KPMG. The Committee operates a policy to regulate the use of KPMG for non-audit services, to ensure compliance with the revised Ethical Standard for Auditors (Ireland) 2020 from the Irish Auditing Accounting Supervisory Authority (IAASA), the Financial Reporting Council's revised Ethical Standard 2019 and applicable legislation.

In order to ensure the objectivity and independence of the external auditor, the policy formalises certain restrictions on the provision of non-audit services and requires that all non-audit services provided by KPMG must be approved in advance by the Committee, or, in exceptional circumstances by the Committee Chair, prior to engagement with KPMG. Additional provision is made for the approval by certain members of senior management of non-material services. Annually, details of expected non-audit services for the coming year are presented to the Committee for pre-approval. Any proposed additional services exceeding these levels require additional specific pre-approval.

The fees paid to KPMG for the year ended 31 December 2023 amounted to €7.4 million (2022: €7.2 million), of which €1.2 million (2022: €1.4 million) was payable in respect of assurance services. Assurance services represented 19% of the statutory audit fee (2022: 24%). Further information on fees paid and details in respect of audit and assurance services provided during the year are set out in note 12 to the consolidated financial statements 'auditor's remuneration'. The interim review fee of €0.2 million is reflected on the assurance services line as in similar years and is included in the statutory fee.

In considering the independence and effectiveness of the external audit process, the Committee reviewed the robustness and quality of performance across key categories of process, delivery, reporting, people and service. The Committee concluded that it was satisfied with the independence, quality and performance of KPMG in respect of the year ended 31 December 2023 and recommended that the Board propose KPMG for re-appointment approval at the 2024 AGM.

## Report of the Group Audit Committee *(continued)*

### Financial reporting

A key activity for the Committee is the consideration of significant matters relating to the annual and interim financial report, with key accounting judgements and disclosures subject to in-depth discussion with management and KPMG. The Committee provides robust challenge to key judgements in advance of making a recommendation to the Board that all financial reports are considered to be a fair, balanced and understandable assessment of the Group's financial position.

The GAC and BRC continued their specific focus on the approach to and implementation of management judgement (including overlays) for the Expected Credit Loss (ECL) model to account for the expected impairment arising from the relatively high inflationary environment, elevated interest rates, geopolitical events and other risks, prior to the publication of the interim and year-end financial statements.

Much of this consideration took place in conjunction with the BRC, following which the Committees made recommendations to the Board regarding the approach and quantum of the proposed net impairment loss applied to the Group's financial statements.

The Committee also considers, provides challenge to and ultimately recommends, the annual and semi-annual Pillar III Disclosures to the Board for approval. It also considers and approves the Country-by-Country report required under the CRD.

Further information on some of these significant items is set out in note 2 Critical Accounting Estimates and Judgements. Overall, the Committee was satisfied that the 2023 annual report, including the financial statements, is fair, balanced and understandable.

### Matters considered and action taken by the Committee in 2023

#### IFRS 9 and impairment of financial instruments

##### Committee considerations

The Committee reviewed management papers and discussed and challenged management judgements used in determining the following, based on IFRS 9 requirements:

- correct classification and measurement of financial instruments;
- model parameter updates incorporating Forward Looking Information (FLI);
- Group management adjustments to reflect management judgement in impairment model parameters and other Post-Model Management Adjustments; and
- net impairment loss for the year; and quantum of Non-Performing Exposures (NPEs).

The Group's approach to the measurement of impairment is set out at high level in the Board-approved Group Credit Risk Policy and in more detail in the Group Impairment Policy. The Group Impairment Policy is approved by the Group Credit Risk Committee and includes the Group's criteria for allocating financial instruments to stages, the method used to measure impairment for each material portfolio, core impairment model methodologies and the criteria for classifying financial assets as NPEs.

The impairment models are approved for use by the Risk Measurement Committee and are maintained and executed by a specialist central unit within Group Risk. The Committee reviewed the impact of key model changes and of management overlays made during the year.

The Committee is satisfied that the classification and measurement of financial assets, stage allocations, model parameter updates (including FLI), impairment loss allowances and the net impairment loss for the year, has been appropriately determined in accordance with the Group's methodologies and IFRS 9. The Committee is also satisfied that the associated disclosures were appropriate based on the relevant accounting standards including IAS 1 and IFRS 7.

The Committee, in conjunction with the BRC, considered and made recommendations to the Board regarding the approach to and measurement of the proposed net impairment loss applied to the Group's 2023 financial statements.

## Report of the Group Audit Committee *(continued)*

### Matters considered and action taken by the Committee in 2023 *(continued)*

#### Retirement benefit obligations

##### Committee considerations

The Committee considered management's key assumptions and judgements used in determining the actuarial values of the liabilities of each of the Group's sponsored defined benefit pension schemes under IAS 19 'Employee Benefits'. Management considered advice from independent actuaries, Willis Tower Watson, for the determination of significant actuarial assumptions. The key assumptions proposed by management and considered by the Committee were the discount rates and inflation rates applied in valuing liabilities in both Ireland and the UK.

##### Committee conclusion

The Committee is satisfied that the inflation rates, discount rates and other significant assumptions are appropriate and that the accounting for the Group's sponsored defined benefit pension schemes and related disclosures are in accordance with IAS 19.

#### Deferred taxation

##### Committee considerations

The Committee considered the extent of DTAs to be recognised in respect of unutilised tax losses and in particular the projections for future taxable profits against which those losses may be utilised. In order for the Group to recognise these assets, it must be probable that sufficient future taxable profits will be available against which the losses can be utilised.

The Group has prepared financial projections which are used to support the Group's ICAAP. The financial projections are prepared for the purpose of the Group's assessment of its capital adequacy. They are subjected to considerable internal governance at a divisional and Group level and are reviewed and approved by Executive management and the Board. Management's assessment of the projections determined that it was probable that there would be sufficient taxable profits in the future to recover the DTA recognised arising from unused tax losses.

In relation to DTA arising from Irish tax losses carried forward by The Governor and Company of the Bank of Ireland (the 'Bank') management considered the following:

- IAS 12 provides that a DTA can only be recognised when it is probable that taxable profits will be available against which the losses and deductible temporary differences can be utilised;
- The disclosure impact of the minimum rate of Corporation tax of 15% enacted into Irish legislation in December 2023 and the related amendments to IAS 12.

The most recent financial projections indicate a recovery period of 5 years for the Bank and thus the carrying value of DTA relating to trading losses carried forward is not required to be reduced for the year ended 31 December 2023.

##### Committee conclusion

The Committee discussed with management its assessment of the recoverability of the DTA and the related disclosures. The Committee agreed that the Irish DTA should be recognised in full and that the related disclosures are as required under IAS 12 'Income Taxes'.

#### IFRS 17 and Life assurance accounting

##### Committee considerations

The Committee considered management's key assumptions and judgements used in determining the value of the insurance contract liabilities. The key assumptions underlying the insurance contract liabilities were the interest rate and unit growth rates, lapse rates, mortality, morbidity and expenses. Interest rates and unit-growth rates are based on a range of duration-specific rates determined by a risk-free yield curve including an allowance for illiquidity premium. Interest rates are based on market information and are determined using the top-down approach for the annuity portfolios and the bottom-up approach for other contracts, as permitted under IFRS 17.

##### Committee conclusion

The Committee approved the IFRS 17 Transition assumptions and judgements required for calculation of the opening IFRS 17 liabilities at 1 January 2023, and concluded that that related disclosure was as required by IAS 8.

The Committee is satisfied that the significant assumptions are appropriately applied and that the accounting for the Group's insurance contract liabilities is appropriate.

#### Intangible assets - capitalisation and impairment

##### Committee considerations

The Committee considered the appropriateness of management's internal controls and governance surrounding the capitalisation of costs related to intangible assets. The Committee also considered management's assessment of the existence of impairment indicators in respect of the asset and the impact on the carrying value of the associated intangible assets.

##### Committee conclusion

The Committee considers the level of the impairment charge to be recognised in 2023, as reasonable and in line with the requirements of IFRS.

## Report of the Group Audit Committee *(continued)*

### Matters considered and action taken by the Committee in 2023 *(continued)*

#### Viability statement

##### Committee considerations

In accordance with the requirements of the UK Corporate Governance Code, the Committee considered whether it had a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of assessment and made a recommendation to the Board in that regard. This required a robust assessment of the principal risks facing the Group, including those that would threaten its business model and future performance, solvency and liquidity.

##### Committee conclusion

The Committee undertook a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity and concludes that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. The Group adopted a three-year period, having regard to existing relevant process and frameworks which are performed over time periods ranging from six months to three years.

#### Going concern

##### Committee considerations

The Committee considered management's assessment of the appropriateness of preparing the financial statements of the Group for the year ended 31 December 2023 on a going concern basis. In making this assessment, matters considered included the performance of the Group's business, profitability projections, funding and capital plans, under both base and plausible stress scenarios, including consideration of a range of other factors such as the economic outlook for the Irish economy and the current global macroeconomic and geopolitical environment. The considerations assessed by the Committee are set out on page 203 in the Going Concern disclosure within the Accounting Policies in note 1 to the consolidated financial statements.

##### Committee conclusion

On the basis of the review performed and the discussions with management, the Committee is satisfied that there are no material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern over the period of assessment. This assessment together with the Going Concern disclosure (as set out on page 203) was subsequently approved by the Board.

#### IT risk

##### Committee considerations

The Committee considered and discussed management's assessment of IT risks and the ongoing risk management programme to identify, rate, mitigate and report on IT risks, including GIA and KPMG's findings of the internal control environment and actions arising therefrom.

##### Committee conclusion

On the basis of the review performed, discussions with management and the continued operation of the comprehensive internal control framework over financial reporting, the Committee is satisfied that these risks do not impact financial reporting processes.

#### Davy Goodwill Impairment Assessment

##### Committee considerations

The Committee considered management's assessment of impairment indicators in relation to the goodwill recognised following the Group's acquisition of J&E Davy (Davy) in June 2022. The Committee reviewed and challenged management's key assumptions and judgements in relation to the calculation of the recoverable amount. These assumptions included cash flow projections, the discount rate and the growth rate.

Cash flow projections are based on internal management information for a period of up to 5 years, after which a long-term growth rate appropriate to the business is applied. The initial 5 years' cash flows are consistent with approved plans for the business prepared under the Group's ICAAP process.

##### Committee conclusion

The Committee is satisfied that the key assumptions are appropriate and no impairment of Goodwill is required at 31 December 2023.



## Report of the Group Audit Committee *(continued)*

### Matters considered and action taken by the Committee in 2023 *(continued)*

#### Northridge Commissions

##### Committee considerations

The UK motor finance industry continues to experience an increase in the volume of complaints and court claims in relation to historical commission arrangements. The Financial Conduct Authority (FCA) announced in January 2024 that they are using their powers under Section 166 (s166) of the Financial Services and Markets Act 2000 to review historical motor finance commission arrangements and sales across several firms. The FCA has indicated that if they find there has been widespread misconduct and customer harm, they will identify how best to remediate consumers through an appropriate settlement arrangement in an orderly, consistent and efficient way and, if necessary, resolve any contested legal issues of general importance. Management considers that a possible obligation in this regard exists in the Group's UK Northridge motor finance business, pending the outcome of the s166 review.

##### Committee conclusion

On the basis of the review performed and discussions with management, particularly considering the requirements of IAS 37, the Committee is satisfied with management's recommendation that it is not considered that a legal or constructive obligation has been incurred in relation to these matters that would require a provision to be recognised at this stage. Furthermore, given the inherent uncertainties relating to the scope and timing of any possible outflow, it is not currently practicable to estimate the extent of any financial impact. The Committee is also satisfied that a contingent liability exists, as an outflow of resources is possible, and that the disclosure of this matter included in note 39 contingent liabilities and commitments is appropriate.

The Committee also:

- sought updates from senior management on key audit findings;
- dedicated time to the consideration of semi-annual Regulatory Reporting updates;
- considered updates from the Audit Committee Chairs and Head of Audit for each of the BoI (UK) plc, Davy and NIAC subsidiary Audit Committees, as well as minutes of each Committee meeting. GAC also ensured enhanced focus on BoIMB pending the approval of new BoIMB directors and the associated reinstatement of the BoIMB Audit Committee; and
- reviewed talent development in and succession planning for the Finance function

A full list of responsibilities is detailed in the Committee's terms of reference, which can be found in Board / Court Committees on the Group Website: [bankofireland.com/about-bank-of-ireland/corporate-governance](https://www.bankofireland.com/about-bank-of-ireland/corporate-governance).

The Committee reports to the Board on how it discharges its responsibilities and makes recommendations to the Board on key matters. A Committee effectiveness evaluation review is completed on an annual basis and the 2023 review found that the GAC continued to operate effectively.

I stand down as the Committee Chair and as a member of the Audit Committee on 27 February 2024 and Richard Goulding will take on the role as Committee Chair. I would like to wish Richard well in his new role and to thank the Committee Members for their support and contribution to the effective functioning of the Committee since I commenced in the Chair role in January 2021.



**Evelyn Bourke**

*Chair of the Group Audit Committee*

23 February 2024

## Report of the Board Risk Committee



**Michele  
Greene**  
Chair

Dear Shareholders,

On behalf of the Board Risk Committee (the 'Committee' or the 'BRC'), I am pleased to introduce the report on the Committee's activities for the year ended 31 December 2023.

I joined the Committee in December 2019 and became the Committee Chair on 1 January 2024, having engaged in a detailed handover process with the previous Committee Chair, Richard Goulding, during 2023. Richard served as Committee Chair for just over 5 years, from August 2018, and committed a significant amount of time to supporting and challenging Management and leading the Committee in order to ensure the continued enhancement of the Committee's operations and the Group's approach to Risk Management. On behalf of the Committee, I would like to thank him for his strong leadership of the Committee and his contribution to the wider Group during his tenure as Committee Chair. Richard remains as a member of the Committee and we will continue to benefit from his relevant expertise.

### Committee purpose and responsibilities

The Committee was established to advise and support the Board on oversight of risk management and to ensure that the Group's risks are properly identified, reported and assessed; that risks are properly controlled; and that strategy is informed by, and aligned with the Group's risk appetite. It makes recommendations to the Board, or approves under delegation, certain risk matters and maintains oversight of the Group's risk profile, including adherence to Group risk principles, policies and standards. The Committee oversees the implementation of the Group's Risk Management Framework, constituent policies, adherence to risk appetite and management of risk within operational limits.

### Committee membership and meeting attendance

Details of the Committee members, Committee meetings and attendance at meetings during 2023 are outlined below:

Committee Meetings	Eligible to attend <sup>1</sup>	Attended
Giles Andrews	21	21
Evelyn Bourke	21	21
Ian Buchanan	21	20 <sup>2</sup>
Richard Goulding	21	21
Michele Greene	21	21
Steve Pateman	21	21

<sup>1</sup> Including 5 joint meetings with the GAC to consider the impairment charges being applied to the 2022 financial statements and the 30 June 2023 interim financial statements and 1 joint meeting with the Group Sustainability Committee to consider ESG matters and 2 joint meetings with the GTOC to consider risk assessment of investment allocation.

<sup>2</sup> Ian Buchanan was unable to attend an ad hoc meeting due to a pre-existing engagement.

The Committee met a total of thirteen times on a standalone basis in 2023, driven by oversight of implementation of the Group Risk Management Framework, together with oversight of regulatory requirements. The Committee also met in four joint sessions with the GAC to discuss impairment, twice with the GTOC to discuss the risk aspects of investment allocation given the Group's investment in digital capabilities, and twice with the Group Sustainability Committee to consider ESG matters.

Akshaya Bhargava joined the committee on appointment to the Board of BoIG plc and the Court of Directors on 12 January 2024. The Committee acts independently of the Executive and comprises seven NEDs. The Committee's composition ensures appropriate coverage of core banking skills and competence in the financial sector, with experience and expertise in risk that is considered appropriate to the scale and complexity of the Group. Committee members have extensive knowledge of financial markets, consumer banking and risk management, together with broad experience in technology, digital and operations. There is also a keen awareness of the importance of taking all reasonable steps to ensure good customer outcomes. Members' biographies can be found on pages 81 to 84.

## Report of the Board Risk Committee *(continued)*

Board consideration of risk-related issues is considered to be enhanced by Members serving on more than one Board sub-committee. The BRC is required under regulation to have one shared member with each of the GAC and the GRC. Given the Group's ongoing focus on transformation activities and related risk considerations, the Group has determined that shared membership of the GTOC is also appropriate. The Responsible and Sustainable Business (RSB) Committee was renamed in 2023 to the GSC and shared membership between the BRC and the GSC is also considered appropriate in the context of risk management in respect of ESG particularly climate-related activities.

Shared membership between the BRC and each of the GAC, GRC, GTOC and GSC is currently maintained as follows:

Committee	Shared Members with the BRC
GAC	Evelyn Bourke <sup>1</sup> , Richard Goulding, Steve Pateman and Michele Greene
GRC	Giles Andrews and Ian Buchanan
GTOC	Giles Andrews, Ian Buchanan, Richard Goulding, Michele Greene and Akshaya Bhargava
GSC	Giles Andrews, Evelyn Bourke and Michele Greene

<sup>1</sup> Evelyn stands down from the Audit Committee on 27 February 2024.

The Committee holds private sessions with senior management. During 2023, the Committee met in private session (without other members of management being present) with each of the Group CRO and Group CEO.

The Group CRO has full access to the Committee and normally attends all meetings. The GCIA and members of the wider Executive also attend meetings as appropriate and at the invitation of the Committee Chair.

During December 2023, the Group CRO, Stephen Roughton-Smith, announced his intention to depart from the Group in 2024, following the design and implementation of a new structure for the second line of defence and initiation of a new Group Risk Management Framework. Stephen will remain in role until a successor is appointed. The Committee would like to thank Stephen for his commitment to the role and the aforementioned risk management change since joining the Group in December 2021.

### Committee activities in 2023

While not intending to be an exhaustive list of the Committee's activities, a number of areas that were the subject of particular focus are outlined below:

#### Risk Management Framework, library and organisation

The Committee sharpened its focus during 2023 on the implementation of a strengthened Risk Management Framework and the embedding of a process-led operational

risk management. As part of this focus, the committee approved refreshed risk policies for Level 1 risks which digitise risk mitigation requirements in a format which enables their management via respective controls to be monitored across the Group's mapped process universe.

Amendments to the Risk Management Framework and Risk Library were also approved by the committee to reflect additions, amendments and revisions made to Level 2 and 3 risks as part of the Level 1 risk review, and the articulation in Risk Appetite Statements of Financial and Non-Financial Risks was enhanced to ensure full alignment.

The Committee provided formal approval for the Operational Risk Reduction Plan, which provides a clear link between Risk Issues and the related investment and organisational capacity required to reduce Operational Risk. The Operational Risk Reduction Plan also forms an intrinsic part of the Group's Strategic Demand Plan.

In the context of enhancing the control environment, Credit Reviews across the Corporate Banking RoI and UK non-property portfolios were reviewed and challenged by the committee. Deep Dives on the risk and control adequacy pertaining to the Property and Construction portfolio as well as to the control environment for certain risk types, including Model Risk, Regulatory Risk and ESG Risk were also reviewed by the committee.

The Committee also reviewed the adequacy of resourcing in the Risk Function with a focus on ensuring that an effective and efficient second line of defence is in place.

#### Risk Assessments

In 2023, the Committee recommended to the Group Remuneration Committee a Risk Adjustment Process for Variable pay which applies to the Group Profit Share Scheme. The Committee also held detailed discussions with the Board Risk Committee Chairs and CROs of the respective material subsidiary entities, covering the risk profiles and areas of focus of the subsidiary board risk committees during the year. This included separate private sessions with the subsidiary board risk committee chairs in the absence of management.

In October 2023 the Committee recommended two securitisation transactions to the Board in the form of an NPE disposal and a Credit Risk Transfer. These transactions facilitate the Group achieving its NPE target, reduce credit risk and increase the Group's transitional CET1 and Total Capital ratios.

The Group has also set out its approach to the CSRD and assessed final results from the aligned Double Materiality Assessment as approved jointly by the Group Sustainability and Board Risk Committees. This signifies a pivotal step forward in the Group's journey towards aligning financial success with environmental and societal wellbeing.

## Report of the Board Risk Committee *(continued)*

### Operational Resilience

In 2023, the Group continued its implementation of strategic requirements to improve operational resilience. The process required to map out each of the Group's important business services, to establish baseline information required to identify potential vulnerabilities, was recommended by the Committee to the Board in Q4 2023. Resilience mapping enables the Group to identify resources that enable an important business service, and it is therefore an important tool in the assessment of these resources for potential vulnerabilities.

The mapping methodology leveraged the process maps required as part of the Risk Management Framework implementation, recorded Risk Issues, Business Impact Assessments and Business Continuity Plans. This work is a logical extension of the Risk Management Framework elements put in place and approved by the Committee in recent years.

The Committee also considered events in 2023 that led to the collapse of Silicon Valley Bank and Credit Suisse to identify any learnings for the Group arising from these events. Lessons

learnt for the Group include the growing impact and pace of social media and actions required in the context of communications strategy, frameworks and planning. The Committee noted the positive introduction of the Group Social Media Framework as part of the Crisis Management Framework which was recommended to and subsequently approved by the Board in the latter part of 2023.

The monitoring and response management to adverse social media driven activity will be an increasing area of focus for the Committee in 2024.

### Risk Appetite Events

Other significant matters considered by the committee include the event on Tuesday 15 August 2023 in which the Group experienced a significant central mainframe incident which impacted multiple services, and which constituted a breach of the Group's Risk Appetite. Root cause analysis, lessons learned, and critical customer impact were also reviewed by the committee in conjunction with the GTOC.

### Matters considered and action taken by the Committee in 2023

#### Credit risk

##### Committee considerations

- Inflation and interest rate risks continue to impact the macro-economic outlook and consumer affordability which contributes to NPE percentage of total loans.
- Falling collateral values and reduced liquidity in commercial property impact recovery and resolution on NPEs.

##### Committee conclusion

- Early Warning Indicators are reviewed regularly to monitor trends in key portfolios and challenge management on actions underway.

#### Capital adequacy

##### Committee considerations

- Regular reviews are undertaken to ensure that Regulatory and Fully Loaded capital ratios have appropriate buffers above the Group's own minimum targets and regulatory requirements. The BRC considered the impacts of future capital requirements and capital availability and reviewed in detail the ICAAP, including stress scenarios, with updates considered post changes in macroeconomic assumptions midyear.

##### Committee conclusion

- The Group holds sufficient capital to meet its regulatory and business requirements over its planning horizon.

## Report of the Board Risk Committee *(continued)*

### Matters considered and action taken by the Committee in 2023 *(continued)*

#### Funding and liquidity risk

##### Committee considerations

- Regular reviews are undertaken to ensure that the Group is compliant with all risk appetite measures and regulatory liquidity requirements. The Committee reviewed the results of regular stress testing and of the ILAAP.
- During the period of heightened market uncertainty, the Group convened the Group's Crisis and Liquidity Management Committee commencing on 15 March which monitored market and Group idiosyncratic market and funding dynamics on an intraday basis. The Group's Recovery Plan Status was also increased to Business As Usual (BAU) elevated from BAU as a precautionary step. The Group's recovery status reverted to BAU on 21 April as markets stabilised.

##### Committee conclusion

- The Group continues to be fully compliant and has no issues with market access or pricing.
- The Group remains vigilant to macro events where potential triggers specific to the Group's business model (e.g., decline in Irish housing market) or Group specific (e.g., regulatory fine for past misconduct) could lead to negative market reaction, impact on financials or further regulatory impact. The Group has mitigating actions in place for such events including monitoring of social media activity, volatility in the wider sector, communication plans and recovery and resolution planning.

#### Market risk

##### Committee considerations

- Regular reviews are undertaken to ensure that the Group is compliant with all risk appetite measures across credit spread risk, discretionary risk, Value at Risk (VaR) and scenario-based stress testing.

##### Committee conclusion

- The Group continues to be fully compliant with risk appetite.

#### Operational risk

##### Committee considerations

- Inflation and interest rate risks continue to impact the macro-economic outlook and consumer affordability which contributes to NPE percentage of total loans.
- Falling collateral values and reduced liquidity in commercial property impact recovery and resolution on NPEs.

##### Committee conclusion

- Inflation and interest rate risks continue to impact the macro-economic outlook and consumer affordability which contributes to NPE percentage of total loans.
- Falling collateral values and reduced liquidity in commercial property impact recovery and resolution on NPEs.
- Early Warning Indicators are reviewed regularly to monitor trends in key portfolios and challenge management on actions underway.

#### Regulatory risk

##### Committee considerations

- Managing Regulatory Risk continues to be a key focus for the Group due to the complexity, pace and volume of regulatory change to be managed. The BRC continued to experience a busy regulatory and compliance agenda in 2023, as the Group underwent digital and compliance on-site inspections.

##### Committee conclusion

- The Group has applied lessons learned from previous regulatory failings. The Group continues to meet its regulatory and compliance requirements.

#### Conduct risk

##### Committee considerations

- The effective management of Conduct risk is essential to serving our customers and creating the right culture. In 2023, the BRC considered frequent reports on the resolution of customer conduct issues, in particular in relation to potential customer detriment from the IT outage event of August 15, consumer errors, Financial Crime Events, persistent Central Credit Register errors, commissions within automotive finance and Bol (UK) plc customer complaint resolution.

##### Committee conclusion

- The Group continues to prioritise Conduct risk matters and seeks to minimise any forms of customer harm or detriment, particularly in relation to Market Integrity, Customer Protection, Financial Crime and Data Privacy.

## Report of the Board Risk Committee *(continued)*

### Matters considered and action taken by the Committee in 2023 *(continued)*

#### Business and strategic risk

##### Committee considerations

- The BRC recognises the risks in delivering the approved strategy, particularly in the context of geopolitical conflict and the knock-on impact of this on supply chains and global growth. The Committee also monitors any changes in the market that may impact the business model.

##### Committee conclusion

- The Committee annually considers the risk impact of Strategic updates including review and challenge of underlying macro assumptions underpinning the Group strategic plans.

#### People risk

##### Committee considerations


- Group focus in 2023 continues in respect of addressing people strain and supporting colleague wellbeing. The Committee monitors appointments to meet the Gender Target, attrition and engagement and culture embedding as part of its oversight.

##### Committee conclusion

- In 2023 attrition remained more than 2% below the Irish Business and Employers Confederation Financial Services Benchmark with good engagement and culture embedding scores.

A full list of responsibilities is detailed in the Committee's terms of reference, which can be found in Board / Court Committees on the Group Website: [bankofireland.com/about-bank-of-ireland/corporate-governance](https://bankofireland.com/about-bank-of-ireland/corporate-governance).

The Committee reports to the Board on how it discharges its responsibilities and makes recommendations to the Board on key matters. A Committee effectiveness evaluation survey is completed on an annual basis and the 2023 review found that the committee continued to operate effectively. For more information on the annual effectiveness review, see page 88.



**Michele Greene**

Chair of the Board Risk Committee

23 February 2024

## Attendance table

The table below reports Directors' attendance at scheduled and out of course Board and Committee meetings in 2023.

	Board		Audit Committee		Nomination & Governance Committee		Remuneration Committee		Risk Committee		Group Transformation Oversight Committee		Group Sustainability Committee	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B
	Giles Andrews	10	9					11	11	21	21	6	6	9
Evelyn Bourke	10	9	13	13	6	6			21	21			9	9
Ian Buchanan	10	9					11	11	21	20	6	6		
Eileen Fitzpatrick	10	10	13	13	8	8	11	11					7	6
Richard Goulding	10	9	13	13	8	7			21	21	6	6		
Michele Greene	10	10	10	9					21	21	6	6	9	9
Patrick Kennedy	10	10			8	8					6	6		
Fiona Muldoon <i>(resigned 30 September 2023)</i>	8	7	10	10	7	6	8	8					7	6
Myles O'Grady	10	10												
Steve Pateman	10	10	13	13			11	11	21	21				
Mark Spain	10	10												
Margaret Sweeney <i>(appointed 1 October 2023)</i>	2	2	3	2			3	3						

Column A: Indicates the number of meetings held during the year the Director was a member of the Board and / or the Committee and was eligible to attend.  
Column B: Indicates the number of meetings attended.





